ANNUAL REPORT 2021

BEKAERT

better together

The Bekaert Annual Report 2021 marks the start of our transition toward a fully Integrated Report. It expresses our commitment to both financial and non-financial targets and delivery. Bekaert does no longer publish a separate Sustainability Report from this year onwards. We have integrated all non-financial disclosures in line with the guidelines of the Corporate Sustainability Reporting Directive and will further extend the detail and scope of our targets and disclosures in coming years. Our approach puts the value and impact we create, as a company, in a broader perspective.

Beyond reporting, beyond financials, beyond tomorrow.

Table of contents

PART I

STRATEGY AND PERFORMANCE

MESSAGE FROM THE CHAIRMAN AND THE CEO

Oswald Schmid
CEO

Jürgen Tinggren
Chairman

Message from the Chairman and the CEO

Dear Shareholder,
Dear Reader,

Bekaert achieved a new performance milestone in 2021, despite the turbulence of the pandemic.

We achieved strong sales and improved profitability across all our businesses thanks to business-mix improvements, footprint adjustments, and organizational efficiencies.

Importantly, we progressed in our strategic transformation to make Bekaert a stronger, more agile, and higher value-creating organization. The progress enabled us to leverage our global presence and local services to respond to customer demands whilst providing solutions to shortages of labor, materials, energy, and logistics.

From a financial perspective, we reached new levels of performance across our key metrics. Sales increased by 28% to a record level of € 4.8 billion in 2021 and underlying EBIT increased by 89% to € 515 million. The net result for the period was € 451 million with EPS of € 7.14. Effective working capital management and solid cash generation resulted in further deleveraging with net debt on underlying EBITDA decreasing to 0.61 at year-end 2021.

Based on these strong results, we are pleased to announce that the Board of Directors will propose to the Annual General Meeting of Shareholders in May of 2022 a gross dividend of € 1.50 per share, representing an increase of 50% versus the previous year. In addition, the Board has approved a share buyback program for Bekaert to repurchase and cancel outstanding shares up to € 120 million, over a period up to twelve months.

Moving forward, we are determined to continue achieving new milestones. We are considering additional opportunities to further grow and improve our business. Our goal is to accelerate growth in promising markets, both within our core technologies and beyond steel. We are increasing our resources in innovation and digitalization, so we can better serve our customers.

We have established an ambitious sustainability strategy, with targets and action plans to accelerate our sustainability performance. We are convinced that our plans will continue to create significant value for all our stakeholders.

The strong performance we delivered in 2021 and our determination to further enhance value growth in target markets, make us confident about our ability to deliver on our strategic priorities. Given the uncertainties and instability facing the world today, notably as a result of the crisis in Ukraine, the visibility on 2022 market evolutions is limited. We do, however, confirm our ambition to reach the mid-term targets (2022-2026) of organic sales growth of 3%+ CAGR and an underlying EBIT margin level of 9% to 11% through the cycle.

Our teams worked tirelessly around the world to ensure the safety of our employees and the business continuity of our customers, thus contributing to the strong achievements of 2021. Furthermore, the actions and initiatives they are taking today in offering help to people from Ukraine through various humanitarian programs and in mitigating the impact of the crisis on our business, are highly appreciated. We would like to thank our management and teams for their contribution, energy, and above and beyond spirit.

We are grateful to our customers, business partners, and shareholders for their continued trust and support.

GRI 102-14

Oswald Schmid
Chief Executive Officer

Jürgen Tinggren
Chairman of the Board of Directors

BEKAERT AT A GLANCE

About us

Who we are

Bekaert is a world market and technology leader in steel wire transformation and coating technologies. We pursue to be the preferred supplier for our products, services and solutions by continuously delivering superior value to our customers worldwide. Bekaert (Euronext Brussels: BEKB) was established in 1880 and is a global company with more than 27 000 employees worldwide, headquarters in Belgium and approximately € 6 billion in combined revenue in 2021.

GRI 102-1, GRI 102-3, GRI 102-7

What we do

We seek to be the best in understanding the applications for which our customers use our products and services. Knowing how our products function within our customers' production processes and products helps us to develop and deliver the solutions that best meet their requirements, and, through that, we create value for our customers.

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

More information on our product offering is available on [our website bekaert.com](https://www.bekaert.com).

GRI 102-2, GRI 102-6

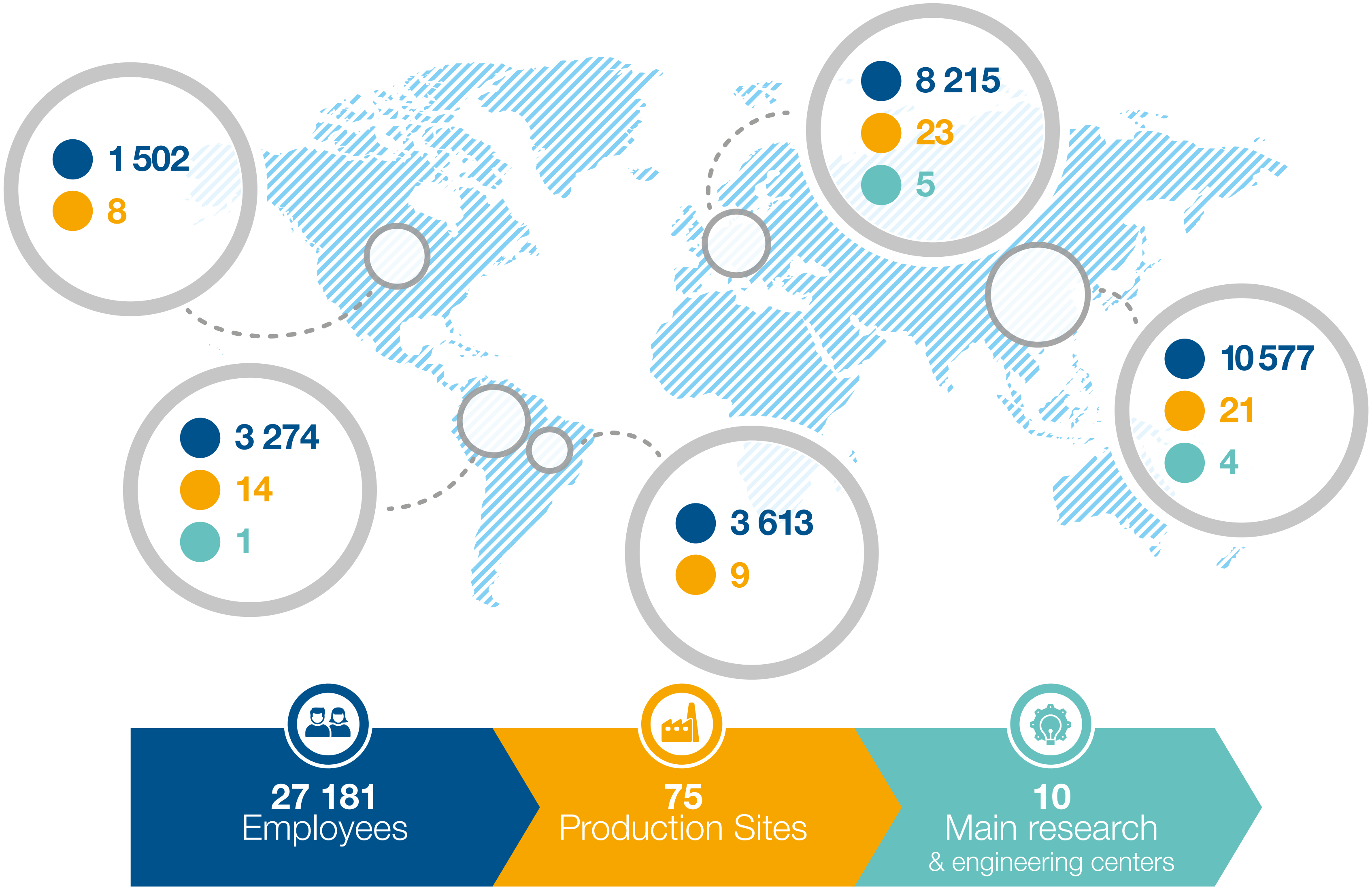
How we work

better together sums up the unique cooperation within Bekaert and between Bekaert and its business partners. We create value for our customers by co-creating and delivering a quality portfolio of product solutions and by offering customized services on all continents.

We believe in lasting relationships with our customers, suppliers, and other stakeholders, and are committed to delivering long-term value to all of them. We are convinced that the trust, integrity and irrepressibility that bring our employees worldwide together as one team create the fundamentals of successful partnerships wherever we do business.

GRI 102-16

The highlights of 2021: strong delivery on all priorities



Subsidiaries: 23 578 employees – 66 manufacturing plants – 10 main research & engineering sites
Joint ventures in Latin America: 3 613 employees – 9 manufacturing sites
Combined: 27 181 employees – 75 production sites – 10 main research & engineering sites

GRI 102-4

Superior Financial Performance in 2021

Consolidated sales
€4.8 billion
+28%

Combined sales
€5.9 billion
+32%

EBIT
€515 million
10.6% margin

EBITDA
€689 million
14.2% margin

ROCE
24%
x2

NET DEBT / EBITDA
0.61
½

EPS
€7.14 per share
x3

DIVIDEND
€1.50 per share
+50%

All result indicators are 2021 underlying numbers, adjusted with € -1.5 million one-off elements. Improvement references are made relative to fiscal year 2020. The dividend proposal is subject to approval by the General Meeting of Shareholders of May 2022.

Sustainable supply chain management

Bekaert works with 16 000 active suppliers and serves 13 500 customers in 130 countries.
We operate 75 manufacturing plants* worldwide.

95% Supplier Code of Conduct underscribed

58.5% Supply base rated by EcoVadis

Bekaert obtained a platinum label from EcoVadis for the company's sustainability performance based on 2020 data

* including 9 joint venture plants
Percentages are relative to supply spend by Bekaert subsidiaries

Committed to Science-Based Targets initiative

Scope 2 GHG energy intensity*: -4%

39% Electricity use from renewable sources

We stimulate a circular economy:

34% of the steel wire rod we purchase is from recycled steel

100% of steel scrap returns to the steel mills for recycling

*Reference made versus base year 2019 – GHG & energy figures include joint ventures

Acceleration of the innovation agenda

1900 patents and patent rights - of which **25 first filings** in 2021

1700 registered trademarks

Gross investments in R&D increased by **+18%** to **€ 67 million** and will be accelerated in coming years.

A safe, diverse, and inclusive working environment for everybody

We employ **27 181** employees of **72** nationalities in **45** countries

95% Retention rate

Continued reduction in the number of safety incidents

Employee numbers are combined numbers, including JVs. Retention rate relates to Bekaert subsidiaries (excluding JVs)

Four Business Units

Rubber Reinforcement

Bekaert's Rubber Reinforcement business unit develops, manufactures and supplies tire cord and bead wire products and solutions for the tire sector. In serving the equipment market, the product portfolio includes hose reinforcement wire and conveyor belt reinforcement products[1].

To serve customers worldwide, the business unit has a global presence with manufacturing plants in EMEA, US, Brazil, India, Indonesia, and China. A greenfield investment in Vietnam is ongoing.

Our ambition

Be the most advanced leader of innovative rubber reinforcement solutions that help our customers transform the industry sustainably

Our business position and strategic focus

- 30% market share in the global tire cord market
- Preferred technology partner to the tire industry
- Solutions provider to new mobility challenges:
    - Part of the solution in the shift towards electric vehicles
    - Safer, lighter, and sustainable materials
- Global footprint – local presence
- Investing for future growth

Main applications

Tire cord and bead wire for tires

BU performance FY2021

€ 2.05 billion in consolidated sales • € 2.24 billion combined sales[2]
11.8% underlying EBIT margin • 16.5% underlying EBITDA margin

Steel Wire Solutions

Bekaert's Steel Wire Solutions business unit develops, manufactures and supplies a very broad range of steel wire products and solutions for customers in agriculture, energy & utilities, mining, construction, consumer goods, and the industrial sector in general.

To serve customers worldwide, the business unit has a global presence with manufacturing plants in EMEA, US, Latin America and Asia, and a sales and distribution network worldwide.

Our ambition

Serve customers with innovative value solutions that help them improve their business performance

Our business position and strategic focus

- Strong positions in target markets
- Deep knowledge of local market dynamics and positive effects from reverse globalization trends
- Smart solutions provider to energy and utilities markets and the agriculture sector
- Significant improvement of the business portfolio
- Exit from commodity markets with low value adding opportunities

Main applications

Steel wire solutions for energy & utility markets, construction & infrastructure, agriculture, mining, and more

BU performance FY2021

€ 1.82 billion in consolidated sales • € 2.66 billion in combined sales[2]
11.3% underlying EBIT margin • 13.5% underlying EBITDA margin

GRI 102-2

[1] The Hose and Conveyor Belt activities have been moved to the business unit Specialty Businesses as from January 2022. The financial statements relative to these activities will be reported accordingly in fiscal year 2022. They represented € 115 million in consolidated revenue in 2021. As a result, the Rubber Reinforcement business unit will be entirely focused on the tire industry and the business unit Specialty Businesses will extend its business scope with a fourth sub-segment.

[2] Combined sales are sales of fully consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination. For both Rubber Reinforcement and Steel Wire Solutions, this mainly includes the joint ventures in Brazil.

Specialty Businesses

The business unit Specialty Businesses comprises three sub-segments[1] that serve different markets. These sub-segments are Building Products, Fiber Technologies, and Combustion Technologies. The characteristics all three have in common are their high-end product portfolio and advanced technologies, and their continuous search for lightweight solutions and environmentally-friendly applications.

Building Products develops and manufactures products that reinforce concrete, masonry, plaster and asphalt. Fiber Technologies offers high-end products for filtration, heat-resistant textiles, electroconductive textiles, hydrogen electrolysis technologies, the safe discharge of static energy, sensor technologies, and the semiconductor business. Combustion Technologies targets heating markets with environmentally-friendly gas and hydrogen burners and residential and commercial heat exchangers.

Our ambition

Be the leading solutions provider in low-carbon concrete reinforcement and in thin fiber and combustion technologies that contribute to a cleaner world

Our business position and strategic focus

- 40% market share in concrete reinforcement fibers
- 40% market share in thin metal fibers
- Solutions provider to sustainable and digital applications:
  - Low-carbon concrete reinforcement
  - Light-weight materials
  - Hydrogen power technologies
  - RFID and sensor technologies
- Strong focus on research & innovation

Main applications

- Dramix® steel fibers for low-carbon concrete reinforcement
- Thin fibers for filtration, hydrogen electrolysis technologies, RFID tags
- Low and zero-emission gas burners and heat exchangers

BU performance FY2021

€ 476 million in consolidated sales
14.7% underlying EBIT margin • 16.7% underlying EBITDA margin

[1] *See footnote Rubber Reinforcement*

Bridon-Bekaert Ropes Group

As a truly global ropes and advanced cords solution provider, Bridon-Bekaert Ropes Group is committed to be the leading innovator and supplier of the best performing ropes and advanced cords (A-Cords) for its customers worldwide. The unique combination of technologies in steel wire ropes, synthetic ropes and A-Cords enables strong differentiation in high-end markets.

BBRG-ropes has a leading position in a very wide range of sectors, including surface and underground mining, offshore and onshore energy, crane & industrial, fishing & marine, and structures. The A-Cords business of BBRG develops and supplies fine steel cords for elevator and timing belts used in construction and equipment markets respectively, and window regulator and heating cords for the automotive sector.

Our ambition

Be the leading innovator and premier solutions provider with the best performing ropes and advanced cords globally

Our business position and strategic focus

- Strong positions in target markets
- Advanced technology leadership and digital services:
  - Ropes 360 services enabling continuous monitoring
  - Twin-modeling of new product applications
  - Elevator hoisting simulation technologies
- Growing presence in offshore floating wind projects
- Significant improvement of the business portfolio
- Exit from commodity markets with low value adding opportunities

Main applications

- Mission-critical steel and synthetic ropes for mooring, hoisting, and structures
- Advanced cords for elevators, window regulators, and timing belts

BU performance FY2021

€ 481 million in consolidated sales
9.3% underlying EBIT margin • 15.8% underlying EBITDA margin

CREATING VALUE FOR OUR STAKEHOLDERS

Value creation model[1]

Sustainability is an integral part of the Bekaert strategy. We are committed to create value for all our stakeholders by delivering on both financial and non-financial objectives. In this report we describe how we convert, through the implementation of our strategy, the resources we invest (‘inputs’) into sustainable value (‘outputs & impact’) for our shareholders, customers, employees, communities, and other stakeholders.

FINANCIAL PERFORMANCE
Economic Capital
- € 2.1 bln shareholders’ equity
- € 677 mln cash on hand
- 12.6% average working capital on sales
- -26% reduction in interest-bearing debt

VALUE CHAIN
Manufactured Capital
- 75 production plants[2]
- >3 mln tons of wire rod purchased[2]
- € 153 mln capex (+€ 31 mln capex in JVs)[2]
- 16 000 active suppliers

PLANET
Natural Capital
- 39% of electricity used is from renewable sources[2]
- Commitment to Business Ambition for 1.5°C campaign, with science-based targets
- 34% of wire rod purchased is from recycled steel[2]
- -3% water withdrawal compared to 2019[2]

KNOWLEDGE
Intellectual Capital
- € 67 million gross R&I spend
- € 7.5 million R&I grants received
- 500 R&I staff and 200 Engineering staff
- € 13 million investments in digital assets

PEOPLE
Human and Societal Capital
- 23 568[3] employees from 72 nationalities
- 2 767 new hires in 2021
- 33 average training hours per employee

BEKAERT
VALUE CREATION STRATEGY

Our strategy – leadership and organization - our stakeholders - risks and materiality

THE VALUE WE CREATE

We commit to high performance
High performance allows us to create economic value and enhance shareholder returns
- uEBIT/sales of 10.6%
- ROCE of 23.7%
- Net debt/uEBITDA of 0.61
- € 1.50 divend per share

We make our customers succeed
Our innovative solutions & service offering and global presence make us the partner of choice to our customers
- 13 500 customers[2] in 130 countries
- Growing share of low carbon solutions
- 1 900 patents – 25 first filed in 2021
- +85% of R&I projects target distinct sustainability benefits

We are truly better together
Our values are ingrained in our culture and connect us all as one Bekaert team.
- TRIR -8% and LTIFR -23%[2-4]
- 100% Code of Conduct commitment
- 95% employee retention rate
- 21 partnerships with research and academic institutes

We care for the world around us
Our responsibility extends beyond our own organization, with clear commitments toward the environment and society
- Scope 2 GHG energy intensity ratio -4% versus 2019[2]
- 100% of steel scrap is recycled[2]
- € 133 million in income taxes paid
- Social support programs worldwide

[1] Based on the framework Guidelines of Value Reporting Foundation (International Reporting Council (IIRC) & Sustainability Accounting Standards Board (SASB)
[2] JVs included
[3] 23 568 in consolidated entities + 3 613 in joint ventures = 27 181 combined
[4] Total Recordable Incident Rate and Lost-Time Incident Frequency Rate 2021 versus 2020

The resources we invest

Strong cash generation over the past years has enabled us to free up cash for value creating investments. In 2021 we invested € 153 million in capital expenditure (PP&E) and € 67 million in Research & Innovation (R&I) activities (before deduction of grants and tax credits).

We sourced materials and services from 16 000 suppliers globally and employ more than 27 000 people in 45 countries in the world, including manufacturing sites in 25 countries and additional sales and distribution facilities in 20 more countries.

We invested in developing sustainable solutions and digital manufacturing systems and raised our sustainability ambitions and targets in line with the transition to a low-carbon society. We continued to invest in health & safety and learning & development, and we extended our digital capabilities to improve data insights and customer services.

The value we create

2021 marked a record year in sales and EPS. Underlying EBIT increased by +89% to € 515 million at a margin of 10.6%. The strong results and record net result attributable to equity holders of Bekaert resulted in the proposal of the Board of Directors to distribute a dividend of € 1.50 per share.

We serve 13 500 customers in 130 countries in the world. Our investments in research and innovation added 25 first patent filings in 2021, which resulted in a portfolio of patents and patent rights of more than 1 900. 21 partnerships with academic and research institutes help accelerate our innovation efforts and more than 85% of our Research & Innovation project list target distinct benefits in sustainability.

Efforts to reduce our carbon footprint are ongoing and 100% of steel-based scrap returns to the steel mills for recycling. € 133 million in income taxes were paid in the countries where we are active. Continued priority actions in health and safety led to a reduction of safety incident rates for the fourth consecutive year. All managers and salaried professionals sign off the Code of Conduct annually. Our focus on diversity & inclusion, training and development, and other employee engagement initiatives drive the irrepressible spirit and strong delivery and engagement of our teams worldwide.

How we convert the resources we use into the value we create is described in the next chapter ‘Our Strategy’.

Our strategy

During the Capital Markets Day of 28 May 2021, Bekaert has communicated the company's strategy for the next five years.

Our strategy is aimed at creating sustainable value for all our stakeholders: shareholders, customers and other business partners, employees, and the broader communities where we are active. Read more about our stakeholders and the value creation impact of our strategy in this Value Creation chapter.

We are determined to implement this strategy with passion and focus and are convinced it will enable us to drive sustainable value creation.

Megatrends create opportunities and drive growth

The megatrends of new mobility, renewable energy, urbanization, smart connectivity, reverse globalization, and sustainability are viewed as opportunities for Bekaert to differentiate and grow.

We are therefore leveraging our position to capture those opportunities:

- We are extending our offering with new, innovative products and services.
- We are digitalizing the business to enhance our competitiveness; and
- We are determined to lead as a sustainable business.

Our approach in implementing the strategy

Three imperatives drive the implementation of our strategy and have led to tangible results in 2021.

We perform

Strong on execution, we made good progress in improving our strategic market position and business portfolio.

Sales increased to the highest level in the history of Bekaert and the sales growth was driven by value adding business opportunities and pricing discipline, which resulted in robust margin performance of all four Business Units.

Leveraging on our global presence with dedicated local services, we secured supply chain excellence to ensure delivery continuity to customers worldwide, despite the global impact of supply chain disruptions.

Continued effective working capital and strict cost control drove a strong cash generation and fast and significant debt deleveraging.

We transform

We accelerated our commercial and manufacturing excellence programs to serve customers better, to improve our go-to-market strategy, and to enhance the quality and efficiency of our processes.

The digitalization of our business processes and the expansion of our digital offering are ongoing and will be accelerated.

We established a long-term sustainability strategy aimed at raising our ambitions and delivering upon the decarbonization targets that we commit to.

We are raising our investments in research and innovation to strengthen our technology leadership in our core markets and to develop new capabilities beyond our current field of play.

We grow

Our volumes rebounded above pre-Covid-19 levels in 2021 despite the relatively low expansion investments in the past years and some footprint adjustments implemented to exit commodity markets.

We have been exploring opportunities for growth, both in existing and adjacent markets, with strict criteria to add significant accretive growth.

2021 did not mark bold merger and acquisition deals but focused on tactical acquisitions and partnerships to build a growing presence in offshore wind, utilities, digital monitoring expertise, and green hydrogen technologies. Further growth will be supported by a higher level of expansion investments as of 2022 onwards and by partnerships and inorganic growth opportunities that will allow us to expand a position in promising target markets.

For more information and details on our performance during 2021, we refer to the performance updates in this chapter and to the detailed statements on financial and non-financial disclosures in Part II of this report.

Our leadership

Board of Directors

The main tasks of the Board of Directors are to determine the Group's strategy and general policy, and to monitor Bekaert's operations. The Board of Directors is the company's prime decision-making body except for matters reserved by law or by the articles of association to the General Meeting of Shareholders. The Board of Directors currently consists of thirteen members. Their professional profiles cover different areas of expertise, such as law, business, industrial operations, finance & investment banking, HR, consultancy, ESG, innovation and compliance.

GRI 102-18, GRI 102-23, GRI 103-2, GRI 103-3

Composition of the Board of Directors

Jürgen Tinggren, Chairman [1]	Christophe Jacobs van Merlen	Caroline Storme
Oswald Schmid, CEO	Hubert Jacobs van Merlen	Emilie van de Walle de Ghelcke
Gregory Dalle	Colin Smith [1]	Henri Jean Velge
Henriette Fenger Ellekrog [1]	Eriikka Söderström [1]	Mei Ye [1]
Charles de Liedekerke		

[1] *Independent Directors*

Reappointments in 2021

The Annual General Meeting of Shareholders of 12 May 2021 approved the reappointment of Henriette Fenger Ellekrog and Eriikka Söderström as independent Directors, for a term of four years up to and including the Annual General Meeting to be held in 2025.

The composition of the Board of Directors will change in May 2022

The term of office of the Directors Charles de Liedekerke, Hubert Jacobs van Merlen, Oswald Schmid, and independent Directors Mei Ye and Colin Smith will expire at the Annual General Meeting of Shareholders of 11 May 2022. Charles de Liedekerke and Hubert Jacobs van Merlen, having served on the Board during nine and six terms respectively, will then retire in line with the retirement age for Directors as applied by Bekaert. Colin Smith has decided to retire and does not seek reappointment. The Board of Directors will propose that the General Meeting appoints Maxime Parmentier as Director for a term of one year, re-appoints Oswald Schmid as Director for a term of one year, and re-appoints Mei Ye as independent Director for a term of one year.

The number of Directors will decrease from thirteen to eleven and gender diversity will further increase: from 38% to 45% female Directors on the Board.

The Board of Directors is grateful to Charles de Liedekerke, Hubert Jacobs van Merlen, and Colin Smith for their substantial contributions as Directors of the Company.

Jürgen Tinggren

CHAIRMAN OF THE BOARD
Independent Director
Swedish, °1958

FIRST APPOINTED
May 2019

EDUCATION
Stockholm School of Economics
New York University Leonard N Stern School of Business

EXPERIENCE
Jürgen Tinggren was appointed independent Director and Chairman of the Board of Directors of Bekaert on 8 May 2019.

Jürgen Tinggren started his career in 1981 as Senior Associate with Booz Allen Hamilton and joined Sika AG in 1985 to take on various managerial and executive functions of increasingly broader scope and responsibility.

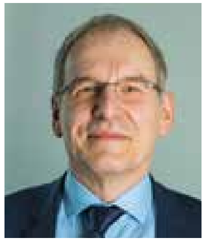
In 1997, he joined the Executive Committee of Schindler Holding AG. In 2007, he was appointed Chief Executive Officer and President of the Group Executive Committee of Schindler. He became a member of the Board of Directors in 2014.

OTHER MANDATES
Member of the Board of Johnson Controls, Inc.

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2023

COMMITTEES
Chairman of the Nomination & Remuneration Committee
Member of the Audit, Risk & Finance Committee

Oswald Schmid



CHIEF EXECUTIVE OFFICER
MEMBER OF THE BOARD
Austrian, °1959

FIRST APPOINTED
May 2020

EDUCATION
University of Applied Sciences of Vienna

EXPERIENCE
Oswald Schmid joined Bekaert as COO on 1 December 2019. On 12 May 2020, he took the helm as interim CEO and on 2 March 2021 he was appointed CEO.

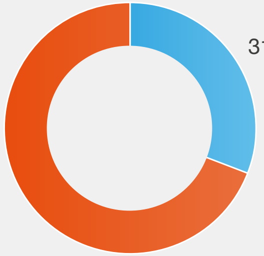
Oswald Schmid began his career with Semperit in 1984, before moving to Continental in 1990 as Head of Purchasing. In 2002, he joined Schindler as Head of Purchasing & Strategic Sourcing and held various CEO as well as area management positions.

From 2013 on he served as a member of the Group Executive Committee of Schindler. In 2017 he moved to the Kalle Group to become CEO and managing director.

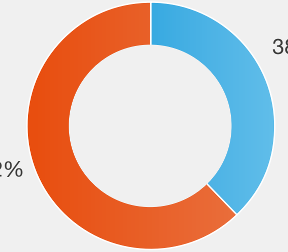
OTHER MANDATES
Member of the Supervisory Board of Wienerberger

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2022

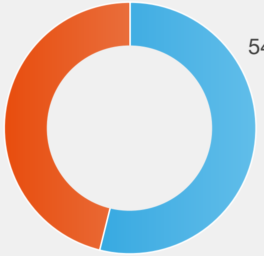
Age Diversity



Gender Diversity



Nationality Diversity



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

Gregory Dalle

MEMBER OF THE BOARD
French, °1976

FIRST APPOINTED
May 2015

EDUCATION
Université Paris-Dauphine
Cass Business School

EXPERIENCE
Gregory Dalle is a Managing Director at Credit Suisse in the Investment Banking & Capital Markets Division, based in London.

Gregory Dalle joined Credit Suisse in 2000 as a member of the EMEA Mergers & Acquisitions Group. He joined the Industrials Group in 2014 and was appointed Head of EMEA Industrials Group in 2017 and Global co-Head of Diversified Industrials in 2021. He has investment banking coverage responsibility for a number of Credit Suisse's major industrial clients, advising them on a broad range of M&A, Equity and Debt transactions.

EXPIRATION OF MANDATE
Annual General Meeting of 2023

Henriette Fenger Ellekrog

MEMBER OF THE BOARD
Independent Director
Danish, °1966

FIRST APPOINTED
May 2020

EDUCATION
Copenhagen Business School, INSEAD,
London Business School and Wharton Business School

EXPERIENCE
Henriette Fenger Ellekrog started her career at Peptech A/S where she became Director of Administration and Personnel. Next, she took up several consultancy and management functions at Mercuri Urval A/S.

Henriette Fenger Ellekrog continued her career at TDC in several executive HR roles before moving to SAS AB as Executive VP HR. More recently, she headed the HR office at Danske Bank A/S. Currently, she is Chief Human Resources Officer at Ørsted.

OTHER MANDATES
Member of several advisory boards and committees since 2003.

EXPIRATION OF MANDATE
Annual General Meeting of 2025

COMMITTEES
Member of the Nomination & Remuneration Committee

Charles de Liedekerke

MEMBER OF THE BOARD
Belgian, °1953

FIRST APPOINTED
May 1988

EDUCATION
Catholic University of Louvain
University of Namur

EXPERIENCE
Charles de Liedekerke started his career with Liedekerke, Wolters, Waelbroeck and Kirkpatrick and moved to the US in 1980 as Finance and Administration Officer of a subsidiary of Carmeuse. He joined Lafarge in 1982, holding various operational and functional responsibilities in Paris, Dallas, and Calgary. In 1992 he was appointed Chief Financial Officer of Bekaert. He returned to Lafarge in 1998 as member of the Group Executive Committee and president of the Aggregates and Concrete division, until his resignation in 2004. He chaired the Boards of various companies afterwards.

EXPIRATION OF MANDATE
Annual General Meeting of 2022

COMMITTEES
Member of the Audit, Risk & Finance Committee

Christophe Jacobs van Merlen

MEMBER OF THE BOARD
Belgian, °1978

FIRST APPOINTED
May 2016

EDUCATION
Free University of Brussels
Ecole Centrale Lille (Ingénieur Généraliste)

EXPERIENCE
Christophe Jacobs van Merlen joined Bain Capital Europe, LLP (London) in 2004. He was previously a Consultant at Bain & Company in Brussels, Amsterdam, and Boston, where he provided strategic and operational advice to private equity, business services, industrial, and financial services clients.

Christophe Jacobs van Merlen is currently Managing Director at Bain Capital Europe and member of the Leadership team and member of different board, audit, operating and M&A committees. He plays a leading role in a variety of investments at Bain Capital.

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2024

COMMITTEES
Member of the Nomination & Remuneration Committee

Hubert Jacobs van Merlen

MEMBER OF THE BOARD
Belgian, °1953

FIRST APPOINTED
May 2003

EDUCATION
Catholic University of Louvain

EXPERIENCE
Hubert Jacobs van Merlen (°1953) is an advisor to the Private Equity sector. From 1997 to 2014, he was President and CEO of IEE SA, Luxembourg, a leading company in the field of automotive safety sensors with manufacturing sites in Luxembourg and technical sales offices in the US, South Korea and Japan.

He started his career in 1978 as auditor of KPMG (Houston, TX) and became in 1981 Division Controller of the Drilling Fluids Division of Chromalloy American Corp. (St. Louis, MO). In 1987 he transferred to Commercial Intertech Corp. (Youngstown, OH) as European Finance Director and was appointed in 1995 Sr. Vice President & CFO.

OTHER MANDATES
Chairman of Stichting Administratiekantoor Bekaert, representing the interests of the reference shareholder of Bekaert.

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2022

COMMITTEES
Chairman of the Audit, Risk & Finance Committee

Colin Smith

MEMBER OF THE BOARD
Independent Director
British, °1955

FIRST APPOINTED
May 2018

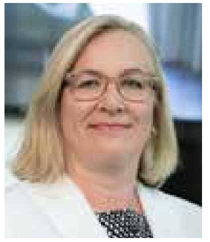
EDUCATION
University of Southampton

EXPERIENCE
During a career spanning more than 40 years with Rolls Royce, Colin Smith has progressed up the career ladder to become a world-class authority in aerospace Engineering and Technology. He started with Rolls Royce in 1974 as undergraduate apprentice and took on many consecutive Engineering and Technology functions of increasingly broader scope and responsibility. He was appointed Director of Research and Technology in 2004 and Director of Engineering and Technology in 2005, before he became Group President of Rolls Royce in 2016, a role which he took up until retirement.

OTHER MANDATES
Several non-executive and advisory roles

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2022

Eriikka Söderström



MEMBER OF THE BOARD
Independent Director
Finnish, °1968

FIRST APPOINTED
May 2020

EDUCATION
University of Vaasa

EXPERIENCE
Eriikka Söderström has a strong finance background having worked in many internationally operating corporations.

She started her career in Nokia where she spent 14 years in different finance roles in Nokia Networks. Her last positions there were as the interim CFO of Nokia Networks and Corporate Controller of Nokia Siemens Networks.

She has also worked as the CFO of Oy Nautor Ab, Vacon Plc and Kone Corporation, and was the CFO of F-Secure, a cyber security company, from 2017 until September 2021.

OTHER MANDATES
Member of the Board of Directors of Valmet since 2017 and Chairman of the Audit Committee since 2018
Member of the Board of Directors and Chairman of the Audit Committee of Kempower since 2021
Member of the Board of Directors of Amadeus IT Group since 2022

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2025

COMMITTEES
Member of the Audit, Risk & Finance Committee

Caroline Storme

MEMBER OF THE BOARD
Belgian,°1977

FIRST APPOINTED
May 2019

EDUCATION
Solvay Management School, Free University of Brussels, and INSEAD France and Singapore

EXPERIENCE
Caroline Storme started her career with Deloitte Consulting in 2000 in Belgium. She worked at Bekaert as financial controller from 2004-2006 before she moved to Amtech, IGW based in Suzhou, China where she was appointed CFO.

She joined UCB in 2012, first in controlling functions before heading Asian global business services, based in Shanghai, China, and since 2017 in various R&D financial functions at UCB Headquarters in Brussels, Belgium.

Caroline Storme currently holds the position of R&D Finance Lead Neurology at UCB in Belgium.

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2023

Emilie van de Walle de Ghelcke

MEMBER OF THE BOARD
Belgian, °1981

FIRST APPOINTED
May 2016

EDUCATION
Catholic University of Louvain, Free University of Brussels and London School of Economics.

EXPERIENCE
Emilie van de Walle de Ghelcke is Head of Legal at Sofina, a family-controlled investment company listed on Euronext Brussels (BEL20-index).

Before joining Sofina, Emilie was a member of the Brussels Bar since 2005. She joined the corporate and finance practice of Freshfields Bruckhaus Deringer in 2009 where she advised Belgian and international clients on domestic and cross-border public and private M&A transactions, corporate governance matters, corporate restructurings, joint ventures and financial law advisory.

Emilie van de Walle de Ghelcke joined Sofina in 2016. As Head of Legal and Compliance Officer, her practice mainly covers M&A transactions, advice on corporate governance and listed company matters, group compliance and legal matters as well as external communication. She is also part of the core team leading the implementation of Sofina's ESG strategy.

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2024

Henri Jean Velge

MEMBER OF THE BOARD
Belgian, °1956

FIRST APPOINTED
May 2016

EDUCATION
Catholic University of Louvain and IMD

EXPERIENCE
Henri Jean Velge started his career in 1981 at Shell (The Netherlands) as well-site petroleum Engineer. He moved to Brunei in 1982 as Operations Manager and resigned from Shell in 1985 to obtain an MBA degree.

In 1987 Henri Jean Velge joined Bekaert as Executive Director of Industrias Chilenas de Alambre (Chile). In 1991 he moved to the United States and became Corporate Vice President Wire Americas in June 1994. In 2001 he was appointed Executive Vice President and became member of the Bekaert Group Executive, responsible for the global wire activities. From 2013 till mid 2014 he was responsible for all the business platforms.

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2024

Mei Ye

MEMBER OF THE BOARD
Independent Director
US citizen, °1966

FIRST APPOINTED
May 2014

EDUCATION
University of North Carolina at Chapel Hill
Fudan University in Shanghai

EXPERIENCE
Mei Ye worked for 10 years with McKinsey & Company (2003-2013) as a senior expert and consultant in financial services, policy recommendations and corporate governance.

Prior to McKinsey, Mei Ye was corporate strategy manager and lead analyst at E*TRADE Financial, a US-based online financial services company (1999-2003). She also worked as a research analyst for Gartner Group (1997-1999), with Social Policy Research Associates (1995-1997), and at the Office of President of the University of North Carolina System in the US (1992-1994).

OTHER MANDATES
Independent Director of the Board of Shenwan Hongyuan Group and external advisor to McKinsey & Company.

Founding council member of Future China Society and SFY Foundation in China, and board member of New York Military Academy and Stanford Global Projects Center

EXPIRATION OF BEKAERT MANDATE
Annual General Meeting of 2022

Bekaert Group Executive

The Bekaert Group Executive (BGE) assumes the operational responsibility for the Company's activities and acts under the supervision of the Board of Directors. The BGE is chaired by Oswald Schmid, Chief Executive Officer.

GRI 102-18

Organizational structure

The composition of the Bekaert Group Executive reflects the organizational structure with four Business Units and four Global Functional Domains. Te Business Units and Global Functions are led by the following Executives.

Business Units

- The Business Unit Rubber Reinforcement is led by Arnaud Lesschaeve, Divisional CEO Rubber Reinforcement.
- The Business Unit Steel Wire Solutions is led by Stijn Vanneste, Divisional CEO Steel Wire Solutions.
- The Business Unit Specialty Businesses is led by Yves Kerstens, Divisional CEO Specialty Businesses and Chief Operations Officer*.
- Bridon-Bekaert Ropes Group (BBRG) is led by Curd Vandekerckhove, Divisional CEO of BBRG.

The Business Units have global P&L accountability for strategy and delivery in their distinct areas and therefore have dedicated production facilities and commercial and technology teams within their respective organization. This helps them develop a customer-centric approach aligned with the specific needs and dynamics of their markets.

Global Functions

- Taoufiq Boussaid, Chief Financial Officer
- Kerstin Artenberg, Chief Human Resources Officer
- Juan Carlos Alonso, Chief Strategy Officer
- Yves Kerstens, Chief Operations Officer (*combined with Division CEO role above)

The Functions take a role as strategic business partners, accountable for providing specific expertise and services across the Group, and for ensuring the business has the right capability to deliver on short- and long-term goals.

Changes during 2021

The Board of Directors of Bekaert appointed Oswald Schmid as Chief Executive Officer, effective as of 2 March 2021. Oswald had been leading the Bekaert Group Executive as interim CEO since 12 May 2020, upon which he was appointed member of the Board of Directors.

On 8 February 2021, Kerstin Artenberg joined Bekaert as Chief Human Resources Officer and became a member of the Bekaert Group Executive, succeeding Rajita D'Souza who left the company at the end of 2020.

On 1 April 2021, Yves Kerstens joined Bekaert as Divisional CEO Specialty Businesses and Chief Operations Officer, and became a member of the BGE. Yves Kerstens succeeded Jun Liao, who left the company in July 2021, in the role of Divisional CEO Specialty Businesses.

Oswald Schmid

CHIEF EXECUTIVE OFFICER
Austrian, °1959

JOINED BEKAERT
2019

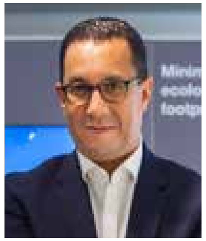
EDUCATION
Engineering
University of Applied Sciences of Vienna

EXPERIENCE
Oswald Schmid joined Bekaert as COO on 1 December 2019. On 12 May 2020, he took the helm as interim CEO and on 2 March 2021 he was appointed CEO.

Oswald began his career with Semperit in 1984, before moving to Continental in 1990 as Head of Purchasing. In 2002, he joined Schindler as Head of Purchasing & Strategic Sourcing and held various CEO as well as area management positions.

From 2013 on, he served as a member of the Group Executive Committee of Schindler. In 2017, Oswald moved to the Kalle Group to become CEO and managing director.

Taoufiq Boussaid



CHIEF FINANCIAL OFFICER
French and Moroccan, °1971

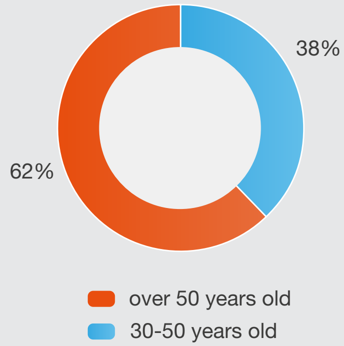
JOINED BEKAERT
2019

EDUCATION
Mathematics & Economics - Finance
French College of Rabat
Institut Supérieur de Gestion of Paris

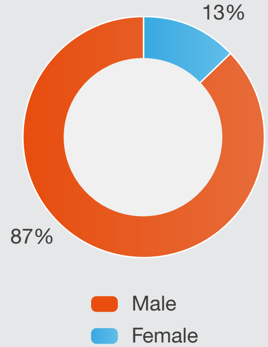
EXPERIENCE
Taoufiq Boussaid started his career in international finance with an initial 10-year period as Audit Manager with Ernst & Young in France and The Coca-Cola Company in the US. From 2004 to 2007, he held several finance roles with United Technologies Corporation, first as Corporate Controller EMEA and subsequently as CFO for their Carrier Heating Systems business in Europe.

In 2007, Taoufiq joined Bombardier Transportation, where he progressively moved up through the finance organization in different geographies to his most recent position of Vice President Finance for EMEA and Asia Pacific. He has also held operational responsibilities, running the French and North African businesses of Bombardier Transportation.

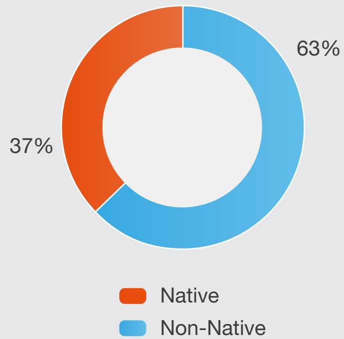
Age Diversity



Gender Diversity



Nationality Diversity



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

Juan Carlos Alonso

CHIEF STRATEGY OFFICER

Mexican, °1974

JOINED BEKAERT

2019

EDUCATION

Engineering - MBA

Universidad Panamericana of Mexico City

Stanford Graduate School of Business

EXPERIENCE

Juan Carlos Alonso began his career in 1998 with the Boston Consulting Group. In 2006, he joined CEMEX to become Global Corporate Strategic Planning Manager, based in Spain. He moved to the Comex Group in 2010 as Vice President of Sales & Operations for the US Western Region, before joining Lhoist Group where he held various business development and strategy leadership positions with increasing responsibility and scope.

In 2017, Juan Carlos moved to the Imerys Group as Head of the Americas and development regions for the Monolithic Refractories division and, in parallel, as Global Head of Strategy, Business Development and Marketing for the High Temperature Solutions business.

Kerstin Artenberg

CHIEF HUMAN RESOURCES OFFICER

German, °1972

JOINED BEKAERT

2021

EDUCATION

East Asian Economics - HR

University of Duisburg-Essen

University of Applied Sciences of Zürich

EXPERIENCE

Kerstin Artenberg began her career in communication and marketing roles, holding several leadership positions at Körber AG and Daimler AG.

In 2007, Kerstin joined Borealis in Austria as External Communications Manager and soon after assumed the role of Director Communications. From 2010 onwards, she gradually expanded her responsibilities towards HR functions and in 2016, she took on the role of Vice President Human Resources & Communications. In 2020, she joined the newly established Executive Committee.

Throughout her career, Kerstin has driven cultural transformations with a focus on developing organizations which provide purpose and deep development opportunities for their employees.

Yves Kerstens

DIVISIONAL CEO SPECIALTY BUSINESSES

CHIEF OPERATIONS OFFICER

Belgian, °1966

JOINED BEKAERT

2021

EDUCATION

Engineering - Industrial Management

Catholic University of Louvain

INSEAD Business School of Paris

EXPERIENCE

Yves Kerstens started his career in supply chain roles in the manufacturing industry before he moved to Ernst & Young (1996) and later Capgemini (2001) as an advisor to the trade & industry sector.

In 2005, he joined Bridgestone Corporation where he took on executive functions of increasingly broader scope and responsibility in EMEA and Asia Pacific, as well as global corporate governance roles as Vice President & Senior Officer of Bridgestone Corporation and Chairman of the global digital solutions and supply chain committee. In 2018, Yves joined Axalta Coating Systems, where he most recently held the role of Vice President Axalta and President EMEA.

Arnaud Lesschaeve

DIVISIONAL CEO RUBBER REINFORCEMENT

French, °1969

JOINED BEKAERT

2019

EDUCATION

Finance & Business Administration - Purchasing

Dauphine University of Paris

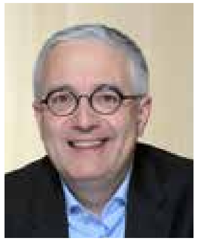
M.A.I. Management School of Bordeaux

EXPERIENCE

Arnaud Lesschaeve began his career with Valeo in 1994, first in quality and later as purchasing manager. He gained additional expertise in the procurement, operations and supply chain domains during his 8 years as a consultant with KPMG and AT Kearney respectively.

In 2003, Arnaud joined Faurecia and took on several executive positions in purchasing before he was appointed Asia Division VP. From 2013 to 2018, he extended his career in the automotive supply sector at GKN Driveline, initially as COO, then as President for Asia Pacific, and finally as CEO of the joint systems division, before returning to Valeo as VP Thermal Systems.

Curd Vandekerckhove



DIVISIONAL CEO BRIDON-BEKAERT ROPES GROUP

Belgian, °1965

JOINED BEKAERT

1989

EDUCATION

Engineering - Applied Economics

Catholic University of Louvain

EXPERIENCE

Curd Vandekerckhove started his career at Bekaert as a Total Quality Management consultant. Following an 18-month Executive Training Program in Japan, he took up several management positions in Bekaert Asia for 13 years. He transferred back to Europe in 2004 to become the General Manager of Carding Solutions and subsequently of the Sawing Wire activity platform.

In 2012, Curd was appointed Executive Vice President (EVP) North Asia and South East Asia and became a member of the Bekaert Group Executive. Subsequently, his roles included EVP North Asia and Global Operations, and Chief Operations Officer. In 2019, he was appointed Divisional CEO of the Bridon-Bekaert Ropes Group.

Stijn Vanneste

DIVISIONAL CEO STEEL WIRE SOLUTIONS

Belgian, °1972

JOINED BEKAERT

1995

EDUCATION

Engineering

Catholic University of Louvain

EXPERIENCE

Stijn Vanneste started his career as Process Development Engineer at Bekaert. Between 2005 and 2010, he took up several international management positions in the rubber reinforcement business of the Group, among which General Manager of Bekaert Shenyang and Head of Operations Steel Cord China.

In 2010 he was promoted to Vice President Rubber Reinforcement Europe and India. In 2014, Stijn became Senior Vice President Manufacturing Excellence with a global responsibility across all business platforms. In April 2016, he was appointed member of the Bekaert Group Executive and Executive Vice President for the region Europe, South Asia and South East Asia. Since March 2019, Stijn has been Divisional CEO Steel Wire Solutions.

Our stakeholders

Bekaert is a publicly listed company (Euronext BEKB) with a multinational business scope and footprint. We therefore interact and cooperate with many stakeholders worldwide.

Bekaert's strategy is focused on creating sustainable value to all stakeholders:

We commit to high performance

High performance allows us to return shareholder value to the investors, who enable us to develop and grow our business. It also enhances our ability to create economic value for the communities where we are active, as well as for the wider society.

We make our customers succeed

Our innovative product and service solutions make us the partner of choice to customers around the world. We create customer value through innovation, consistent quality, digital services and sustainable solutions. Our global footprint helps building customer centricity and shortens the supply chains, wherever our customers are located.

We are truly *better together*

The true strength of Bekaert lies at the heart of every employee's passion to go the extra mile for our customers and display excellence in everything they do in all Bekaert's subsidiaries as well as in joint ventures. Our values are ingrained in our culture and connect us all as One Bekaert team.

We care for the world around us

Our responsibility extends beyond our own organization, with clear commitments toward the environment and society. We develop solutions that contribute to a clean environment and raise our efforts to become a truly sustainable business. We support initiatives that help sustain and improve the social conditions in the communities where we are active.

GRI 102-40

Our shareholders and investors

Bekaert strives to provide timely and accurate information on the company's strategy, performance and outlook to all stakeholders in the investment communities.

The Chairman, members of the Executive Management and Bekaert's Investor Relations team have communicated the new Bekaert Strategy during the Capital Markets Day in May 2021.

We provide information on the progress we make during all meetings with investors. The 2021 meetings included virtual roadshows and conferences, webcasts, and the General Meetings of Shareholders.

Bekaert's disclosures, including this Annual Report, cover both financial and non-financial performance as well as market and strategic updates.

6 brokerage firms cover and publish equity research reports on Bekaert.

721	Total contact reach through one-on-one and webcast meetings in 2021
€ 55	Average Target Price for the Bekaert share on the issue date of this report

Our customers and supply partners

Bekaert has a wide international customer base in established and emerging markets. We serve both global and local customers with a rich portfolio of products and services.

Our investments in research & innovation, and in digital and sustainable solutions provide advanced technologies that enable our customers to meet the most stringent demands and ambitions.

Bekaert's global presence, with deep understanding of the local needs, have made us a trusted partner in all circumstances, with a high degree of resilience against supply chain disruptions.

As the world's largest buyer of steel wire rod, Bekaert can secure access to raw material needs and, through that, ensure delivery reliability to customers. Our supplier campaigns also help us drive sustainability upstream the supply chain.

130	Countries with Bekaert customers
95 %	Purchase spend with suppliers who signed the Supplier Code of Conduct

Our employees and business partners

More than 27 000 Bekaert employees work together, as one team, to deliver quality products and services and step up our performance in safety, digital, sustainability and innovation.

Whether employed in the Bekaert fully- or majority-owned subsidiaries, or in our joint ventures, all people working at Bekaert work *better together* to create a great place to work with high ethics, safety, and performance standards.

We team up with industrial and academic partners to enhance our technological leadership and proactively explore innovations that stretch the boundaries of Bekaert's existing field of play.

As a company and as individuals, we act with integrity and commit to the highest standards of business ethics. We promote equal opportunity, foster diversity & inclusion, and create a caring and safe working environment across our organization.

27 181	Number of employees Bekaert global
72	Different nationalities in our workforce

Our communities and the broader society

We strive to be a good corporate citizen. We fulfil our responsibilities to each community in which we operate and promote and apply responsible and sustainable business practices.

We do not support political institutions and adopt a neutral position with respect to political issues. United by the belief that there should be *no harm to anyone*, we do condemn any act of violence and aggression against people.

We are committed to minimize the environmental impact of our activities. We comply with all laws and regulations applicable.

Bekaert paid € 133 million in income taxes relative to the results of 2021.

We advocate and fund initiatives that help improve the social conditions in the communities where we are active. We support community engagement programs that make a difference to people's lives, both today and in the future.

GRI 102-40, GRI 102-42

45	Number of countries where Bekaert employs people
€ 133 million	Income taxes paid on 2021 result

Enterprise risk management

A global approach

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

This permanent ERM framework, endorsed by Bekaert's Board of Directors, helps managing uncertainty in Bekaert's value creation model. It also contributes to achieving the company's objectives, both financial and non-financial, and complying with laws and regulations as well as with the Bekaert Code of Conduct. The framework consists of the identification, assessment and prioritization of the major risks facing Bekaert. It also encompasses continuous reporting and monitoring of these major risks as well as developing and implementing risk mitigation actions.

The risks are clustered 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 of occurrence and impact or consequence. The risk evolution is evaluated on a quarterly base.

The main changes in 2021

Exposure to cyber security risks ↗

Many operational activities of Bekaert depend on IT-systems that are developed and maintained by internal and external experts. Home office work has expanded the number of end-point devices and connection channels. A cyber-attack affecting critical IT systems could interrupt Bekaert's business continuity and affect profitability. To mitigate these risks, Bekaert organized an Information Security week in October 2021. 1 200 participants learned about cyber-smart working models, tools, and controls and all managers and office employees succeeded in a mandatory test at the end of the week. Bekaert also continuously invests in the protection of its digital systems and channels, as well as in fast recovery solutions should the risk of a cyber attack occur.

Return on investments ↘

Bekaert's strategy focuses on value generating growth. The Group considers both organic and inorganic growth in existing markets and beyond. A potential delay in generating the intended return on investment might postpone the delivery on this strategic priority. To mitigate this risk, a structured capital allocation framework has been put in place that determines the capabilities and criteria to identify, analyze, approve, and integrate the organic and inorganic growth plans.

License to operate ↗

Governmental and societal commitments to mitigate the impact of climate change are increasingly driving the strategic role and responsibility of industrial companies. Laws and regulations can present operational challenges, higher costs and a potentially uneven competitive environment. When laws and regulations cannot be met within a set timeframe, the risk of losing a license to operate might occur. Underperformance on sustainability targets can also cause reputational damage and affect Bekaert's position as a preferred partner to customers and investors. Bekaert has established a new sustainability strategy that will step up our sustainability performance. Our environmental targets, which are aligned with the Science-Based Targets initiative, are ambitious and will be implemented according to a roadmap that has been approved by the Board of Directors.

More details on Control and ERM and the respective Governance bodies are included in part II: Governance Statements.

Note: this 2021 ERM report, risk evaluation and risk matrix do not include the increased risks that are arising post-balance sheet date as a result of the situation in Ukraine. Those increased risks include a potential impact on demand changes, supply chain disruptions, credit risks and other. Bekaert has put a task force in place to monitor the situation on a daily basis in order to assess and mitigate the potential impact on the company.

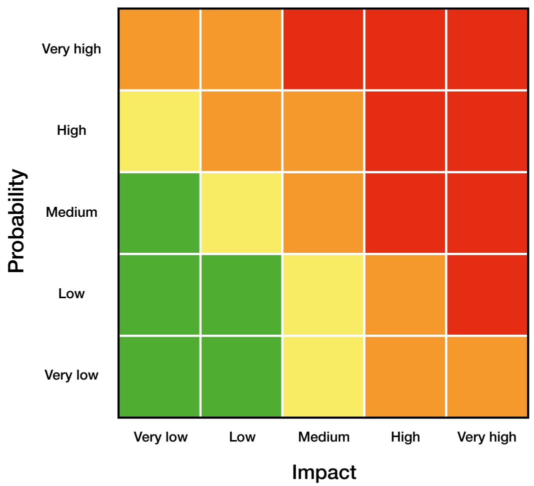
↗ *Increasing* ↘ *Decreasing*

Materiality matrix

Both the ERM framework and the materiality analysis are considered strategic tools to identify and prioritize the actions that are crucial in driving value creation and in addressing the challenges and mitigating the risks.

Where the ERM Model classifies risks according to probability of occurrence and the impact or consequence for our business, the Materiality Matrix positions the levers of value creation for our business in relation to the importance our stakeholders attach to them.

Our approach ensures that the main risks of the Group are linked to materiality topics.



Top 5 risks identified

1. Delay in progress on sustainability performance
2. Significant disruptions by technology shifts
3. Major cyber attack
4. Overall cost inflation
5. Health & safety

Financial
1. Financial performance
2. Compliance

Value chain
3. Sustainable supplies

Planet
4. Energy & GHG emissions
5. Water
6. Waste & recycling

Knowledge
7. Technology advantage
8. Cyber risk & privacy

People & society
9. Health and safety
10. Talent
11. Human rights
12. Ethical standards
13. Community relations

More information on ERM is included in Part II: Governance Statements of this report.
Bekaert uses the GRI reporting framework as an external reference for the materiality analysis. More information is included in Part III: GRI content index and materiality of this report.

GRI 102-47, GRI 103-1

OUR PERFORMANCE IN 2021

FINANCIAL PERFORMANCE
Economic Capital

Financial highlights FY2021[1]

- Consolidated sales of € 4.8 billion (+28%) and combined sales of € 5.9 billion (+32%)
- Underlying EBIT of € 515 million, up +89% from last year, resulting in a margin of 10.6% (versus 7.2%)
- EBIT of € 513 million, doubling last year's result and generating a margin of 10.6% (versus 6.8%)
- Underlying EBITDA of € 689 million (+44%), delivering a margin on sales of 14.2 % (versus 12.7%)
- Underlying ROCE of 23.7%, almost doubling the performance of 2020 (12.2%)
- EPS of € 7.14 per share, tripling the result of the previous year (€ 2.38)
- Average working capital on sales ratio of 12.6%, compared with 16.4% last year
- Net debt of € 417 million, -31% down from € 604 million at the close of 2020, resulting in net debt on underlying EBITDA of 0.61, less than half of last year (1.26)
- Cash on hand was € 677 million at the end of the period after € 460 million net cash outflow related to debt repayments, compared with € 940 million at the close of 2020

GRI 201-1

[1] *All comparisons made are relative to the fiscal year 2020*

Bekaert delivers superior results and enhances shareholder returns

Bekaert has achieved a new performance milestone in 2021. We made significant progress on the company's strategy and achieved record sales, solid margin growth, and the lowest debt leverage to date.

Committed to return value to our shareholders

The financial performance of 2021 and the successful execution of the strategic plan have strengthened Bekaert's cash generation perspectives for the coming years.

The Board of Directors seeks to maintain a balanced approach between funding future growth and enhancing shareholders' returns.

- The Board will propose to the Annual General Meeting of Shareholders in May of 2022 a 50% gross dividend increase to € 1.50 per share.
- In addition, the Board has approved a share buyback program of an amount up to € 120 million, to be initiated in March 2022. Under the program, Bekaert may repurchase outstanding shares for a maximum consideration up to € 120 million, over a period up to twelve months. The purpose of the program is to reduce the issued share capital of the company. All shares repurchased as part of this arrangement will be cancelled.
  More information on the share buyback program is included in Part II, Governance Statements, 'Shares'.

Focus and effectiveness of our actions in 2021

We have accelerated our transformation towards higher value creation. Our key actions in 2021 included:

GRI 103-2

Volume growth and market share increase in target markets, enabled by:

- Capturing the opportunities from reverse globalization effects
- Driving growth through a customer-centric and go-to-market strategy and focus
- Securing supply chain excellence to ensure delivery continuity to our customers worldwide

Structural improvement of the overall Bekaert performance, driven by:

- Product and business mix improvements, in line with our strategy to upgrade the business portfolio
- Acceleration on our transformational innovation, digitalization, and sustainability strategy
- Pricing discipline aligned with cost inflation
- Acceleration of commercial and manufacturing excellence programs
- Continued effective working capital and cost control

Strengthened financial position

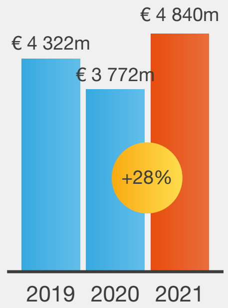
The average working capital on sales ratio further improved from 16.4% last year to 12.6% in 2021.

Cash on hand was € 677 million at the end of the period.

Net debt was € 417 million, € -187 million or -31% down from € 604 million at the close of 2020, resulting in net debt on underlying EBITDA of 0.61, the lowest leverage to date.

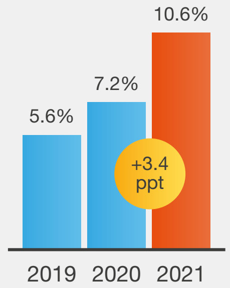
On 31 December 2021, equity represented 43.4% of total assets (35.8% at year-end 2020). The gearing ratio (net debt to equity) was 19.9%, significantly down from 39.4% at year-end 2020 due to strong deleveraging.

Consolidated Sales



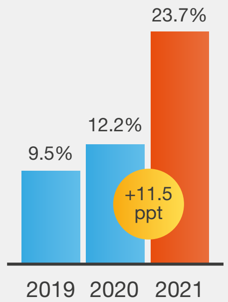
€ 4 840m

u-EBIT%



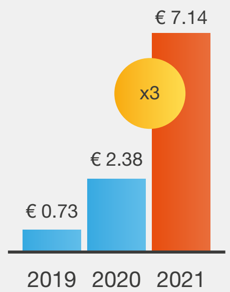
10.6%

u-ROCE



23.7%

EPS



€ 7.14

Dividend proposal: € 1.50 per share (+50%)
Share buyback: up to € 120 million in 2022

INPUTS

- € 2.1 bln shareholders' equity
- € 677 mln cash on hand
- 12.6% average working capital on sales
- -26% reduction in interest-bearing debt

OUTPUTS/IMPACT

- +89% increase in underlying EBIT to € 515 mln
- 0.61 net debt on underlying EBITDA
- € 7.14 EPS – tripling the result of 2020
- +50% dividend increase to € 1.50/share

More details on Bekaert's 2021 financial performance are included in Part II, Financial Statements, and in the FY2021 press release that was published on 25 February 2022.

Sales

Bekaert achieved consolidated sales of € 4 840 million in 2021, well above 2020 (+28%) and 2019 (+12%). The year-on-year growth versus 2020 stemmed from higher volumes (+ 9%) and a positive impact from passed-on wire rod price changes and other mix effects (+19%). Currency movements were negligible on the consolidated sales level. Sales in the fourth quarter of 2021 were the highest quarter sales of the year, despite seasonality effects.

Combined sales totaled € 5 854 million for the year, up +32% from 2020 and +14% from 2019. Organic sales growth of Bekaert's joint ventures in Brazil (+59%) was partly offset by the devaluation (-7.7%) of the Brazilian real, resulting in a top-line increase of +51%.

Financial results

Bekaert achieved an operating result (underlying EBIT) of € 515 million in 2021. This corresponds to an increase by € +243 million or +89% compared to 2020 and resulted in a margin on sales of 10.6% (7.2%). Including one-off items (€ -1.5 million), EBIT was € 513 million, representing an EBIT margin on sales of 10.6% (versus € 257 million or 6.8% in 2020). Underlying EBITDA was € 689 million (14.2% margin) compared with € 479 million (12.7%) and EBITDA reached € 677 million, or a margin on sales of 14.0% (versus 12.5%).

Overhead expenses (underlying) decreased as a percentage on sales by -50 basis points to 8.4%, compared to 8.9% in 2020, but increased by € +73 million in absolute numbers due to higher provisions for short-term and long-term incentive programs, the acceleration of digital, sustainability, and innovation programs, and the overall business activity rebound versus the previous year.

Underlying other operating revenues and expenses increased from € +8 million last year to € +20 million in 2021. Reported other operating revenues and expenses (€ +34 million) were significantly lower than last year (€ +51 million) due to the lower gain on sale of real estate in 2021.

Interest income and expenses amounted to € -41 million, down from € -56 million in 2020 and a result of the lower amount of interest adjustment derivative financial instruments in 2021 compared to 2020 and to a -26% reduction in interest-bearing financial gross debt in 2021. Other financial income and expenses amounted to € +4 million (€ -30 million in 2020). The 2021 increase was from significantly less negative foreign exchange translation results and from € +9.4 million valuation gain on the VPPA (Virtual Power Purchase Agreement) contract in the US.

Income taxes increased from € -57 million to € -133 million. The overall effective tax rate dropped from 33% to 28%, driven by the utilization of previously unrecognized deferred tax assets in entities that turned profitable.

The share in the result of joint ventures and associated companies was € +108 million (versus € +34 million last year), reflecting the strong performance of the joint ventures in Brazil.

The result for the period thus totaled € +451 million, compared with € +148 million in 2020. The result attributable to non-controlling interests was € +44 million (versus € +13 million in 2020) and the result for the period attributable to equity holders of Bekaert was € +407 million versus € +135 million in 2020. Earnings per share amounted to € +7.14, tripling the result of 2020 (€ +2.38).

Consolidated financial statements

Income statement

in millions of €	2020	2021	Delta
Sales	3 772	4 840	+28.3%
EBIT	257	513	+100.0%
EBIT-underlying	272	515	+89.0%
Interests and other financial results	-86	-37	-57.4%
Income taxes	-57	-133	+135.9%
Group share joint ventures	34	108	+213.3%
Result for the period	148	451	+204.7%
attributable to equity holders of Bekaert	135	407	+202.2%
attributable to non-controlling interests	13	44	+226.9%
EBITDA-underlying	479	689	+43.7%
Depreciation PP&E	185	175	-5.3%
Amortization and impairment	31	-11	—

Balance sheet

in millions of €	2020	2021	Delta
Equity	1 535	2 101	+36.8%
Non-current assets	1 823	1 972	+8.2%
Capital expenditure (PP&E)	100	153	+53.3%
Balance sheet total	4 288	4 844	+13.0%
Net debt	604	417	-30.9%
Capital employed	2 063	2 276	+10.3%
Working capital	535	678	+26.8%
Employees as per 31 December	23 939	23 568	-1.5%

Ratios

	2020	2021
EBITDA on sales	12.5%	14.0%
Underlying EBITDA on sales	12.7%	14.2%
EBIT on sales	6.8%	10.6%
Underlying EBIT on sales	7.2%	10.6%
EBIT interest coverage	4.8	13.0
ROCE-underlying	12.2%	23.7%
ROE	9.7%	24.8%
Financial autonomy	35.8%	43.4%
Gearing (net debt on equity)	39.4%	19.9%
Net debt on EBITDA-underlying	1.26	0.61

Joint ventures and associates

in millions of €	2020	2021	Delta
Sales	665	1 015	+52.5%
Operating result	109	282	+159.4%
Net result	84	252	+198.9%
Capital expenditure (PP&E)	20	31	+52.4%
Depreciation	12	13	+4.8%
Employees as per 31 December	3 516	3 613	+2.8%
Group's share net result	34	108	+213.3%
Group's share equity	124	189	+52.2%

Combined key figures

in millions of €	2020	2021	Delta
Sales	4 438	5 854	+31.9%
Capital expenditure (PP&E)	120	184	+53.3%
Employees as per 31 December	27 455	27 181	-1.0%

More details on the financial results are included in Part II: Financial Statements of this report. Other marketplace related data such as direct economic value generated and distributed are available in the Financial Statements §5.1, §5.3, §5.4, §5.6, §6.13.

GRI 201-1

VALUE CHAIN
Manufactured Capital

- We believe in lasting relationships with our customers, suppliers and other stakeholders, and are committed to delivering long-term value to all of them.
- We promote and apply responsible and sustainable business practices in all our business and community relationships, consistent with internationally accepted ethical standards.
- We comply with the regulations applicable to the responsible sourcing and handling of chemicals, lubricants and other materials.
- We cooperate with customers and suppliers to enhance sustainability throughout the value chain.
- We develop, digitalize and monitor manufacturing processes to ensure consistent quality and continuously enhance process and energy efficiency.

INPUTS

- 75 production plants*
- >3 mln tons of wire rod purchased*
- € 153 mln capex
  (+€ 31 mln capex in JVs)*
- 16 000 active suppliers

OUTPUTS/IMPACT

- 95% suppliers signed our supplier CoC**
- 58% of our supply base is rated by EcoVadis**
- 13 500 customers
- 2.4 million ton carbon exhaust savings by ST/UT tire cords*

* JVs included

** percentages relative to Bekaert supplier spend

Our operations

Bekaert operates 75 production plants (subsidiaries and joint ventures) in 25 different countries in EMEA, North America, Latin America and Asia-Pacific. Together they consumed and processed more than 3 million tons of wire rod, the company's main raw material. Bekaert has invested € 153 million in property, plant and equipment in its subsidiaries in 2021. Bekaert also invests in operational excellence programs as part of the group-wide Bekaert Manufacturing System that drives standardization, process and energy efficiency, product quality, digital modeling and monitoring, and waste prevention and reduction.

better together with our suppliers

Our Supply Chain

Steel wire rod is the main raw material used for the manufacturing of steel wire products. Bekaert purchases different grades of wire rod from steel mills from around the world and transforms them into steel wire products by using mechanical and heat treatment processes, as well as by applying unique coating technologies. Bekaert increasingly also develops and produces products based on other metals and synthetic materials. The products manufactured by Bekaert are shipped to industrial customers who further process our materials into half or end products; or to end customers, directly or via distribution channels.

GRI 102-9

Steel wire rod represents more than half of the total spend of purchases and is ordered from vendors from all over the world. The Purchasing function manages the supply process. 2021 was marked by significant supply chain disruptions caused by the impact of the pandemic and container shortages. Bekaert managed to secure the supply of raw materials thanks to the company's global presence and close cooperation with suppliers around the world.

GRI 102-9, GRI 102-10, GRI 204-1

In sourcing raw materials and other supply needs, Bekaert sources locally (i.e., in the same region as where the materials are being processed) unless the sourcing options are inadequate in terms of quality, quantity or cost. In 2021, 92% of our purchases were sourced locally.

Bekaert purchases from different sources, in line with the product quality requirements and the sourcing options available. Bekaert has about 16 000 active suppliers[1] of which 56% are delivering into EMEA, 11% in Latin America, 8% in North America and 26% in Asia Pacific.

[1] Joint ventures excluded

GRI 102-10, GRI 301-2

Responsible sourcing of minerals

Bekaert recognizes the importance of responsible sourcing. In 2021, all suppliers covered by the Responsible Minerals Initiative (RMI), signed the Bekaert Supplier Code of Conduct (or delivered proof of following its principles) and 100% of our tin and tungsten suppliers completed the most recent Conflict Minerals Reporting Template (CMRT).

RMI is an initiative of the Responsible Business Alliance (RBA) and the Global e-Sustainability Initiative (GeSi) and that helps companies from a range of industries to address conflict mineral issues in their supply chain. All suppliers covered by the RMI have endorsed Bekaert's Conflict Free Minerals policy and compliance plan.

GRI 102-10

Supplier monitoring and commitment

Bekaert's purchasing department continued its engagement with suppliers to enhance sustainability awareness and control upstream in the value chain. The Bekaert Supplier Code of Conduct outlines environmental, labor and governance related requirements that suppliers must comply with. At the end of 2021, this supplier commitment represented 95% of our spend.

Bekaert engages suppliers in its sustainability agenda via EcoVadis. 58.5% of our 2021 purchase spend was with suppliers assessed via EcoVadis. 82 new suppliers were invited to participate in the EcoVadis sustainability assessment, compared with 18 in 2020. The platform provides visibility on the sustainability performance of our important suppliers and on the areas for improvement. The procurement team has analyzed the maturity and effectiveness of the current processes and has identified several opportunities to better embed sustainability in our supplier life cycle as of 2022.

All suppliers of critical materials and services are formally evaluated on a yearly basis, and corrective action plans are put in place when the minimum required levels have not been reached. These action plans are closely monitored to keep the focus on improvement high.

At Bekaert, we closely monitor the compliance of our activities with the EU REACH chemicals regulation, and we ask our suppliers to verify their REACH compliance in the supply process of raw materials.

We conducted 50 supplier audits in 2021 compared with 36 in 2020. Supplier audits are scheduled and prioritized based on quality assurance, changes to or expansions of critical supplier processes, and risk of not meeting applicable target criteria.

GRI 103-2, GRI 308-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2

Concluding Key Supplier Agreements remains very important for the purchase of wire rod and other supply categories as they enable to build effective partnerships in which sustainability, supply chain integration and innovation are explicit building blocks. In 2021 we organized a new Virtual Supplier Campaign to reach all key wire rod suppliers.

Virtual Supplier Campaign - Wire Rod Sustainability and Innovation Partnerships

To make tangible steps towards reaching Bekaert's Scope 3 sustainability ambitions, a Virtual Supplier Campaign was held in 2021 with key wire rod suppliers. The purpose was to have an open dialogue about capabilities and objectives, as a basis to identify the suppliers that are best suited to co-drive sustainability and innovation. Selected partners have been invited to collaborate on projects which will propel us as sustainability leaders in the industry, together.

This campaign was launched as part of Bekaert's ambitious science-based GHG reduction targets which are subject to the independent validation by the Science Based Targets initiative (SBTi). One of the targets we have set ourselves is to reduce our Scope 3 emissions by -20% by 2030. Scope 3 emissions include upstream and downstream emissions outside our own organization.

Read more on Bekaert's decarbonization ambitions and 2021 performance in the next chapter: 'Planet' and in Part II: Environmental Statements of this report.

better together with our customers

Quality as a top priority

Quality is essential for good customer relations. Our customers have a choice, and we strive to be their best choice. We support our customers by adding value to the products and solutions we provide. It is key to meet our customers' quality expectations, both in terms of product specifications, service levels, and current and future development needs. It is the basis of creating customer value.

BEKAERT WINS BELGIAN ASSOCIATION FOR QUALITY'S BUSINESS EXCELLENCE AWARD

Bekaert's Central Quality Assurance team has won the VCK Business Excellence Award 2021. VCK (Belgian Association for Quality) groups 200 organizations that believe in quality as a lever for growth, performance and sustainability. Each year, a professional jury awards the best quality project. Besides convincing the professional jury, Bekaert also won the popular vote and took the Audience Award.

BEKAERT WINS BEST QUALITY AWARD FROM PRINX CHENGSHAN

Bekaert was recognized with the 2021 Best Quality Award from tire manufacturer Prinx Chengshan Holdings Co., Ltd. We are a long-term partner of Prinx Chengshan and are honored with the award that praises the high-quality product and excellent service of our steel cord supplies.

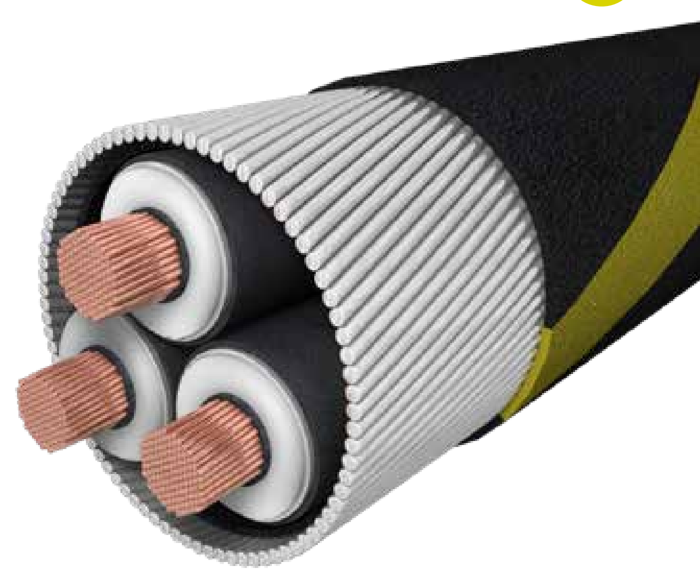
Bringing the customer into the heart of our business

To improve the digital customer experience, we included new features in the MyBekaert Agri customer portal for agricultural customers and launched a similar customer portal for Energy & Utilities customers.

Sustainable products and solutions

We aim to turn ideas into meaningful sustainable solutions that reduce the environmental footprint of our customers and end-markets. These include, among others:

Bekaert's super-tensile and ultra-tensile (ST/UT) steel cord ranges for tire reinforcement allow tire makers to produce tires with a lower weight, thinner plies, and lower rolling resistance. This improves the battery life of electric vehicles and reduces the CO_2 emissions of conventional-fueled vehicles by up to 5%. Based on actual data, generally accepted conversion models, and test results, the annual CO_2 savings attributable to Bekaert ST/UT cords amount to at least 2.4 million tons.



Our steel and synthetic mooring ropes connect anchors on the seabed to floating wind turbines and eliminate the need for extensive foundations. Furthermore, Bezinox®, Bekaert's new-generation cable armoring solution, is used in submarine power cables that transfer electricity from offshore wind farms ashore. This solution lowers the total cost of ownership by reducing energy losses and heat dissipation and by offering a predictable and reliable cable lifetime.

Our Dramix® steel fibers for concrete reinforcement use 50% less steel weight, compared to traditional steel solutions. This reduces CO_2 emissions of construction projects by 20 to 50%.

Bekaert's porous transport layer solutions increase the performance and durability of electrochemical devices used in hydrogen production.

More detailed information on how these solutions contribute to a reduction of the environmental footprint is included in Part II: Environmental Statements.

GRI 302-1

PLANET
Natural Capital

At Bekaert, we believe it is our responsibility to create the possibility of a better tomorrow.

- We implement actions to reduce the energy used in our operations.
- We use and intend to increase the share of renewable energy sources wherever possible.
- We promote a circular economy by optimizing the share of recycled steel wire rod in our manufacturing processes and by recycling 100% of our steel scrap.
- We avoid the discharge of untreated effluents.
- We work on reducing waste and limiting our water consumption, especially in water-stressed regions.
- We develop sustainable solutions which contribute to a cleaner environment and aim at reducing the environmental footprint along the entire life cycle of products.
- We commit to the Science Based Targets initiative.

INPUTS

- 39% of electricity used is from renewable sources*
- Commitment to Business Ambition for 1.5°C campaign, with science-based targets
- 34% of wire rod purchased is from recycled steel
- -3% water withdrawal compared to 2019*

OUTPUTS/IMPACT*

- -1.5% decrease in Scope 2 GHG emissions compared to 2019
- -4% Scope 2 GHG intensity ratio compared to 2019
- 100% of steel scrap from our manufacturing processes is recycled
- -9% steel scrap compared to 2019

* JVs included

Environmental performance

Our strategy and ambitions

We want to contribute to making the world a better place for generations to come and to do this we are committed to becoming an industry leader in sustainability. With this in mind, we have established an ambitious plan that connects Bekaert to the most pressing challenges and presents a wide range of opportunities. This is what we call our ambition to become *green beyond tomorrow*.

In 2021 we fundamentally stepped up our ambitions, capabilities and plans to make substantial progress on our environmental targets. We established a 'Sustainability Office' within the Strategy Office. The Board of Directors approved the new Sustainability Strategy of Bekaert, and we have determined targets that are aligned with the Science Based Targets initiative (SBTi).

> " By committing to SBTi, we are taking bold steps, thinking beyond tomorrow and basing our initiatives on the latest science that will help create a sustainable future in the longer term.

Our ambition for the environment is in line with the Paris Agreement to limit the global temperature rise to 1.5°C. We set a goal to reduce our Scope 1 and 2 Greenhouse Gas Emissions[1] - the majority of which comes from gas used within our factories and from the electricity we purchase - by -46.2% by 2030 and to reach Carbon Net Zero by 2050.

GRI 103-2

Our actions in 2021

In 2021, our application was accepted to join the Business Ambition for 1.5°C campaign. This is an urgent call to action from a global coalition of UN agencies, business, and industry leaders to limit global warming. We have set ambitious science-based GHG reduction targets which are subject to the independent validation by the *Science Based Targets initiative* (SBTi). By signing up and committing to targets in line with SBTi, we become part of the UN Climate Champions Race to Zero and aim to make a significant impact in the fight against climate change.

We have made a detailed mapping of all manufacturing activities, investments and applicable expenses of the Bekaert consolidated entities for the reporting year 2021 and have matched them with the activities described in the *EU Taxonomy* to analyze their eligibility, i.e., their potential to be environmentally sustainable. The outcome of this analysis is included in the detailed environmental statements in Part II of this report. The EU Taxonomy aims to channel capital towards sustainable activities, with the end-goal of financing sustainable growth and achieving the EU objective of becoming climate neutral by 2050.

GRI 103-2

[1] Scope 1 (direct GHG emissions): GHG emissions from sources that are owned or controlled by an organization. (e.g. GHG emissions from fuel and gas combustion)
Scope 2 (energy related indirect GHG emissions): GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization
Scope 3 (other indirect GHG emissions): indirect GHG emissions not included in Scope 2 (energy related indirect) GHG emissions that occur outside of the organization, including both upstream and downstream emissions (e.g. transport)

Our performance in 2021[1]

Using and investing in renewable energy sources

One enabler to reduce greenhouse gas emissions is the use of renewable electricity, where available and possible. In total, 39% of the electricity we consumed came from renewable energy sources in 2021. Our success in sourcing renewable energy largely depends on availability and on being able to have sufficient proof of origin. In Brazil, Canada, Colombia, Ecuador, Venezuela, Romania, the Netherlands and the UK, most of Bekaert's electricity comes from renewable energy sources.

When it comes to renewable power generation, our eyes are on solar and wind energy. We are looking at wind turbine investments and private or public investments for our plants to source energy from on-site solar panels.

GRI 302-4

Developing and installing eco-friendlier production processes in our plants worldwide

We develop and implement standard solutions and initiatives that aim to reduce energy consumption and greenhouse gas emissions. The Bekaert Manufacturing System (BMS), which is a longstanding transformation program focused on manufacturing excellence in general, focuses explicitly on energy and emission reduction measures. The largest part of Bekaert's greenhouse gas emissions relate to 'Scope 2' emissions from purchased electricity. These Scope 2 emissions were about stable compared to 2019 but increased versus last year because of the rebound of our operations to pre-Covid activity levels. Scope 2 energy intensity reduced by -4% in 2021 compared to the reference base-year 2019. This was the result of improved machine efficiency and specific energy efficiency programs.

Recycled steel: stimulate a circular economy

The total volume of wire rod we purchased and processed in 2021 contained 34% of recycled material[1], compared to 38% in 2020. The percentage of recycled material depends on the product specifications and the access to scrap-based wire rod. Today most of the steel used to produce wire rod is made via the primary route. This process is based on virgin iron ore that is used to produce pig iron in a blast furnace. Iron-ore based steel only uses a limited amount (typically ~18%) of steel scrap as coolant for the subsequent convertor process. Steel produced via the secondary route is usually made with much higher amounts of scrap mixed with iron-based pig iron, DRI (Direct Reduced Iron) and HBI (Hot Briquetted Iron).

[1] Excluding joint ventures.

GRI 301-2

Bekaert contributes to a circular economy by returning 100% of all steel scrap to the steel industry for recycling.

[1] More details on Bekaert's 2021 environmental performance and targets are included in Part II: Environmental Statements of this report.

Focus on prevention & risk management

Given our ambition to reduce our carbon footprint and the importance that energy consumption will play going forward as described earlier, the energy intensity approach within BMS is being elevated through a new program called "You Know Watt".

Prevention and risk management

Prevention is better than mitigation. Our prevention and risk management-related activities include, among others:

- Programs to reduce our water consumption, especially but not exclusively in water-stressed areas. Total water withdrawal in 2021 was -3% below 2019.
- Protection against soil and groundwater contamination with physical primary and secondary containment as well as condition monitoring and preventative maintenance.
- At the end of 2021, 78% of Bekaert manufacturing plants worldwide were certified to ISO 14001, the international environmental management system standard. Bekaert maintained its group-wide certification for ISO 14001 and ISO 9001 (the quality management standard). In addition, 3 Bekaert plants are now certified to ISO 50001 (the energy management standard). Full worldwide certification for Bekaert manufacturing plants for ISO 14001 and ISO 9001 and increased certification to ISO 50001 are ongoing goals.
- We comply with the EU regulations on hazardous substances (RoHS) in products.

GRI 102-11

Sustainable products and solutions

We aim to turn ideas into meaningful sustainable solutions that reduce the environmental footprint of our customers and end-markets. Read all about our products and solutions that contribute to a cleaner environment in the 'Value Chain' section in this Chapter and in Part II: Environmental Statements.

YOU KNOW WATT

Recognizing the significant carbon footprint associated with producing our products and solutions, we recently launched a new global program, "You Know Watt", to further reduce our energy consumption.

"You Know Watt" focuses on:

- Measuring energy consumption and building awareness
- Identifying potential energy efficiency improvement opportunities
- Evaluating each opportunity
- Implementing those which are technically and economically feasible, using standard solutions where possible

We believe in the 'power' of learning by doing. Therefore, we have designed several pilot energy implementation programs, each one following a structured process over a three-month period. We go from plant to plant to bring You Know Watt to the local teams, evaluating findings and implementing energy efficiency improvements.

We kicked this program off in our Izmit plant in Turkey in October 2021. The initial results are promising, with potential improvements in energy intensity in the range of 10-15%, which is in line with our expectations and ambitions. In addition, we identified several learning opportunities to improve the process, which were incorporated in the design of the next pilot which started in China in February 2022.

KNOWLEDGE
Intellectual Capital

- Our research and innovation activities are aimed at creating value for our customers, for our business, and all our stakeholders to prosper in the long term.
- We co-create with customers and suppliers around the globe to develop, implement, upgrade and protect both current and future technologies.
- We listen to our customers so we understand their innovation and processing needs.
- Knowing how our products function within their production processes and products is key to developing value-creating solutions.
- We accelerate our innovation agenda and upgrade the innovation pipeline.
- We deploy Industrial IoT in our manufacturing and modeling innovations.
- We extend the scope of our innovation activities *beyond steel*.

INPUTS

- € 67 million gross R&D spend
- € 7.5 million R&D grants received
- 500 R&I staff and 200 Engineering staff
- € 13 million investments in digital assets

OUTPUTS/IMPACT

- 25 first patent filings in 2021
- 1 900 patent rights in portfolio*
- 1 700 trademark registrations*
- 85%+ of our R&D programs target distinct sustainability benefits

* JVs included

Highlights in 2021

During 2021 Bekaert has made significant strides in accelerating the innovation agenda. We appointed a new Chief Innovation and Technology Officer, attracted high-profile talent and consulting services, and added innovation projects with promising growth opportunities to the project pipeline. Total R&D expenses before deduction of grants and tax credits amounted to € 67 million in 2021, compared to € 57 million in 2020. Investments in intangible fixed assets amounted to € 13 million in 2021 (€ 3 million in 2020) and mainly related to digital solutions.

Our focus is to develop sustainable and digital solutions for customers, explore new business models, and support and accelerate energy transition programs.

As we extend our scope of innovation activities beyond steel, we plan to expand our partnerships in research, open innovation, and collaboration with venture investors and start-ups in our fields of interest.

Innovation is a key priority in the new Bekaert strategy. We have identified three ‘business engines’ to create a balanced pipeline of incremental and disruptive innovations. The acceleration of innovation programs will be supported by an increase in innovation budget of +50% over the coming five years.

ENGINE 0 SUPPORT OUR DAILY EFFORTS BY ESTABLISHING:

- Top performing operations
- World class manufacturing through continuous cost & process improvement
- Responsive support to customers

ENGINE 1 SUPPORT OUR VALUE CREATION STRATEGY THROUGH:

- Innovation platforms that address customer needs
- Differentiation to be better, cheaper, greener and faster than our competitors
- Prioritizing strategic alignment and value potential

ENGINE 2 CREATE NEW AVENUES OF GROWTH THAT ENABLE US TO:

- Address major disruptions and need gaps in our key markets
- Be a disruptor rather than be disrupted
- Enter new businesses where we leverage our core and scale
- Collaborate externally through open innovation

Building a strong innovation culture

As the company learns to embrace agile innovation methodologies, we held a virtual *Dragon's Den* event where our Business Unit innovators pitched their most promising projects. This demonstrated the breadth of ideas and activities as well as exciting examples of teamwork notwithstanding the challenges posed by remote working conditions. By cultivating an entrepreneurial mindset, we want to complement our cultures of operational excellence and technology leadership with a strong innovation culture.

Providing solutions for customers

During 2021 we continued to develop technologies to meet and exceed customer needs and stretch our quality leadership in the industry. Examples include products to support energy transition like Fiber+ ropes for floating offshore wind turbine mooring, Bezinox® armoring solutions for power cables, PEM electrolyser fibers for hydrogen production, as well as solutions for the construction industry like the Sigmaslab® concrete technology that combines CCL's post-tensioning strands with Dramix® steel fiber concrete reinforcement. In 2021, more than 85% of Bekaert's global portfolio of Research & Innovation efforts targeted distinct sustainable benefits that: limit the use of natural and harmful resources; lower energy consumption and exhaust; increase recycling opportunities; enhance safety; and address the renewable energy market needs. More information on new products and solutions can be found in the 'Value Chain' section of this Chapter.

Deploying Industrial IoT in Operations

With the digital way of working and management execution systems (MES) being embraced in our plants, we deployed IoT (Internet of Things) systems for steel cord plants to enhance quality assurance and monitor energy consumption. The data generated is feeding into both physical models and digital twins to accelerate R&D processes and drive innovations that reduce energy and the CO_2 footprint of manufacturing.

Engineering

Bekaert's in-house engineering department plays a key role in the optimization and standardization of our production processes and machinery. Newly designed equipment always combines innovative solutions for performance improvements in various areas, including product quality, production excellence and flexibility, cost efficiency, energy consumption, machine safety, ergonomics and the environmental impact. Currently, we are implementing a new and sustainable operating model that allows us to concentrate on developing innovative equipment for new products, new processes and extended digital tools and features.

BEKAERT ACQUIRES DEVELOPMENT PARTNER VISIONTEK ENGINEERING SRL

Bridon-Bekaert and VisionTek Engineering have been partners since 2018. What started as a venture capital investment gradually turned into a successful technology partnership and finally in the acquisition and integration of VisionTek in February 2022. Together with Bridon-Bekaert, VisionTek has developed the first mobile 3D rope measuring and visioning equipment. 360° miniature cameras take high-resolution pictures of the rope in action and feed a real-time model that analyzes the data against artificial intelligence with performance and surface algorithms based on critical rope requirements.

This new, proprietary monitoring technology addresses constant, real-time quality inspection and outperforms other measurement tools like magnetic testing which isn't always infallible. Bridon-Bekaert has started commercializing the equipment in 2021 to monitor steel and synthetic ropes of customers on a continuous basis. As such, it is part of BBRG's ambition to be a total solution provider and offer the most advanced services in the ropes market.

Intellectual property

The Intellectual Property department of Bekaert takes care of patents, designs, trademarks, domain names and trade secrets for the whole Bekaert Group, including the joint ventures in Brazil. It also advises on IP clauses in various agreements such as joint development agreements and licenses. At the end of 2021, the Bekaert Group had a portfolio of more than 1 900 patents and patent rights, including 25 first patent filings in 2021, and more than 1 700 trademark registrations.

SECURING OUR DIGITAL ASSETS

Cyber risks can affect intellectual property protection and data privacy. Therefore, information security - securing our company's and customers' data, assets, and privacy - is critical, especially with many of our team members working remotely. Our employees are our strongest link, and the most effective protection is their awareness of information security risks and cyber threats. Our Information Security Rules explain the actions we can take to defend against cybercriminals and ensure that our information remains protected.

All employees must be aware of the potential dangers and need to know what to do to reduce cyber risks. The ‘People’ section in this chapter provides more information on how we educate our employees on cyber awareness.

Digital@Bekaert

Digital@Bekaert encompasses much more than information security. It is about building digital solutions and technology in general. With Digital@ Bekaert, we are on the path to further increase product quality, add efficiency in our operations processes, build new business models, create value to customers and enhance tools and insight for employees.

MES brings machine data at our operators’ fingertips

In 2021, we continued connecting our plants to our manufacturing execution system (MES). It aims to connect and monitor machines on the factory floor. As a result, we can track all movement of goods by scanning incoming and produced goods, automatically capture data via the connected machines, and get instant input from the operator via their handheld device.

Parallel with MES, the Digital Bekaert Manufacturing System (BMS) allows us to generate user insights that are converted into actionable data. The digital performance dialogue enables supervisors to make more informed decisions and spend more time on the shopfloor. The new mobile shopfloor app is the extra pair of eyes and ears of the supervisors.

Open innovation

Bekaert actively seeks opportunities for cooperation with strategic customers, suppliers and academic research institutes and universities. We also consider investments in early-stage companies and venture capital funds that may create new attractive business models adjacent to Bekaert’s current field-of-play.

We maintain and strengthen our research partnership and network in the domains of metallurgy and modeling with an extension of our UTC University Technology Center in University College Dublin, and with PhDs of Imperial College London, Zahreb University, CEIT Spain, UGent, University of Lille and other universities.

Furthermore, we joined and chair the Hyve consortium with Flemish research centers imec and VITO, and industrial pioneers Colruyt Group, DEME and John Cockerill, to invest in the development and production of green hydrogen power. Hyve targets a cost-efficient and sustainable production of hydrogen at gigawatt level.

More information on Bekaert’s 21 research and academic partnerships is available in Part II: Social Statements of this report.

Memberships & associations

Bekaert has numerous corporate memberships, including various relevant bilateral chambers of commerce and general industry associations, such as Agoria, VOKA – Flanders and Wire Association International and cross-industry associations such as the Conference Board. Bekaert is also a member of national employer associations in all countries where Bekaert is active.

GRI 102-13

ACKNOWLEDGEMENT

We wish to thank the Flemish government’s Flanders Innovation & Entrepreneurship (VLAIO) agency, as well as the Belgian federal government. Their subsidies and incentives for R&D projects involving highly educated scientific staff and researchers in Flanders are essential for maintaining a foothold for R&D activities in Belgium.

We also want to express our sincere appreciation for the support of the Irish Research Council and I-Form, the SFI Research Centre for Advanced Manufacturing.

Furthermore, we want to thank the Research & Innovation department of the European Commission for supporting innovation with project grants.

We are privileged to be a winning partner in the more than £ 60 million investments announced by the UK Government for the development of new technologies for deep-sea floating wind projects. Bridon-Bekaert was selected as one of the funded development partners in two of the eleven development projects: the development of a novel, lightweight anchoring system and the development of new mooring system technologies, cable protection, and an advanced digital monitoring system.

PEOPLE
Human and Societal Capital

- We are committed to provide equal opportunity in employment and respect the rights and dignity of each employee.
- Bekaert is firmly committed to complying with national legislations and collective labor agreements.
- We empower our teams with responsibility, authority and accountability, and count on the engagement of every Bekaert employee in driving a higher-level performance.
- We nurture talent through career development and life-long learning. We attach great importance to providing challenging career and personal development opportunities to our employees.
- Our global safety approach aims to create a no-harm, risk-free working environment for all our employees and for anyone working at or visiting our premises. We believe that taking care of people is fundamental to the success of the business.
- 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.
- We support and develop initiatives that help improve the social conditions in the communities where we are active. We stimulate initiatives that help create a sustainable future for our communities and for the broader society.

INPUTS

- 23 568* employees from 72 nationalities
- 2 767 new hires in 2021
- 33 average training hours per employee

* 23 568 in consolidated entities
+ 3 613 in joint ventures
= 27 181 combined

OUTPUTS/IMPACT

- 100% of PC users undersign the Code of Conduct annually
- Safety: reduction in TRIR by -9% and LTFR by -23%
- Employee retention ratio of 95%

Our commitment toward our employees

Our employees are the driving force behind our global success. The true strength of our company lies at the heart of every Bekaert employee's passion to go the extra mile for our customers, and to care for each other and for the world around us. That's what being *better together* is all about.

As a company and as individuals, we act with integrity and commit to the highest standards of business ethics. We promote equal opportunity, foster diversity and we create a caring and safe working environment across our organization. Our values are ingrained in our culture and connect us all as One Bekaert team.

We act with integrity · We earn trust · We are irrepressible!

GRI 102-16, GRI 103-2

Respecting human rights

Bekaert is firmly committed to complying with national legislation and collective labor agreements. Bekaert adheres to the Universal Declaration of Human Rights and the treaties and recommendations of the International Labor Organization.

We respect the rights and dignity of each employee. We promote equal opportunity and do not discriminate against any employee or applicant for employment based on age, race, nationality, social or ethnic descent, gender, physical disability, sexual preference, religion, political preference, or union membership. We foster diversity and inclusion and recognize and respect the cultural identity of our teams in all the countries in which we operate and do business.

The recruitment, remuneration, application of employment conditions, training, promotion and career development of our employees are based on professional qualifications only.

GRI 102-12, GRI 103-2

The Bekaert Code of Conduct describes how we put our three Bekaert values – integrity, trust and irrepressibility - into practice and which leadership behaviors we expect from every Bekaert employee. Our Code of Conduct covers, among others, key areas regarding human rights, child labor and forced labor, and anti-bribery and corruption policy and principles.

GRI 205-2, GRI 408-1, GRI 409-1

Learning & development

We nurture talent through career development and life-long learning. We attach great importance to providing challenging career and personal development opportunities to our employees. Training programs not only include technical and job specific training, but also leadership modules that help our people develop and cooperate in a global business environment.

Average hours of training per employee:

On average, each employee received 33 hours of training in 2021.

GRI 103-2, GRI 404-1, GRI 404-2

LEARNING GOES DIGITAL

To keep our employees up to speed with the latest innovations in their work domain, we expanded our learning offering digitally. The academies of the Bekaert University brought more courses to our online My Learning platform, while we now also offer access for all employees to external learning services.

Elevation

ELEVATION PROGRAM LAUNCHED

In 2021 we launched Elevation, a development program designed to equip first-time leaders with the knowledge, skills, and confidence that help them become an effective team leader who keeps a team motivated, aligned, and engaged. The program coaches first-time leaders to set and achieve personal and professional goals, expand their network, and broaden their experience.

The program is a powerful blended learning experience, combining online e-learning with practical facilitator-led group workshops to put theory into practice, and adding individual coaching sessions with experienced business leaders to the mix.

41 colleagues from 20 different countries participated in the virtual program. All our Elevation colleagues received a toolbox to support them on their development journey.

INFORMATION SECURITY WEEK

From 11-15 October we organized our annual Information Security week. During this week our employees learned how to be cybersmart and witnessed how easy it is to hack our systems if we don't secure our devices. The learning was put to the test in an online escape game in which over 200 colleagues participated.

More details about learning & development in Bekaert are included in Part II: Social Statements of this report.

GRI 418-1

Hybrid working

In January 2021 we introduced a hybrid working model for office workers at Bekaert, based on the approach that work is not a place that you go to but about the activities that a team is accountable for. The new way of working is increasingly relevant today. It intends to protect people's health during the pandemic and boost productivity, engagement and well-being.

Health & safety

Bekaert's global safety approach aims to create a no-harm, risk-free working environment for all our employees and for anyone working at or visiting our premises. We believe that taking care of people is fundamental to the success of the business. To achieve this, we operate with a set of standards, based on internal and external principles and compliance rules, while encouraging a culture of leadership and accountability.

For the fourth year in a row, the safety-related key performance indicators LTIFR and TRIR showed continued good progress. 2021 marked, however, a setback in terms of SI: the number of serious incidents leading to life-altering injuries increased from 1 case in 2020 to 8 in 2021, all of which related to hand and finger injuries. Bekaert is reinforcing its safety program through awareness campaigns, trainings, and dedicated investments to secure safe working conditions for all employees.

TRIR: Total Recordable Incident Rate (all recorded incidents per million worked hours)
LTIFR: Lost Time Incident Frequency Rate (Number of lost time incidents per million worked hours)
SI: Serious Injury (incident leading to life-altering injuries)
GRI 103-2

More details about Bekaert's safety performance are included in Part II: Social Statements of this report.

Safety champions

In 2021, 14 plants achieved 1 year without any recordable safety incident. 9 plants were 2 years incident-free. 7 plants achieved 3 to 4 years without recordable safety incidents, and 2 plants have been incident-free for 8 or more years. They are Bekaert's safety champions and lead the way toward a no-harm, risk-free working environment for all.

Covid-19

To help fight the global pandemic, we strongly encourage all employees to accept a vaccination in line with national vaccination campaigns and laws, and specific medical advice. We support access to the vaccination for everyone and organized vaccination for employees and outsourced staff in countries without an effective national vaccination campaign, all while respecting the freedom of choice and privacy. We do not discriminate against employees based on their choice to accept or decline a vaccination when offered. We also count on our employees to respect the choice of others.

Compass: a safety and compliance learning journey

At the end of 2021, we launched Compass, a safety, health & environment (SH&E) learning journey for our operational leadership. The training aims at building awareness, knowledge and understanding about SH&E related compliance and liabilities, understanding the role of site managers in the whole process, building the skills needed to manage SH&E compliance in the plant, and getting familiar and equipped with the tools and skills needed.

The course uses a mix of live-sessions and self-study. The program is structured in 4 streams aligned with the BeCare Safety program: Leadership, Governance, People & Environment at Risk, People take risk.

Compass will be rolled out globally in 2022. The training will be included in the standard induction program for new colleagues in an operational leadership role.

Health & Safety Week on finger safety and burnout prevention

In September we organized our annual Health & Safety week, this time with "all injuries are preventable" as the central theme and with particular focus on hand & finger safety, Covid-19 prevention, and mental resilience.

Doctors busted the myths about Covid-19 and during online discussions we learned from experts how societal and psychological changes might shape how we work and live. A team of medical experts gave us more insights in the medical and psychological impact of hand injuries. We also learned more about building mental strength and stress awareness and recognizing and preventing burnouts. It is Bekaert's aspiration to provide (local) mental health support to all our teams. Our team in the BBRG plant in the UK explained its Mental Health First Aid program. In Belgium we rolled out the Employee Assistance Program in collaboration with an external team of professionals. Through this plan employees can use several channels to get help with mental issues.

Diversity & Inclusion

We want Bekaert to be a great place to work. A place that inspires and ignites creativity and where everyone feels safe and welcome. We want our employees to actively take part in building an inclusive workplace for all. With the support of the Bekaert Group Executive (BGE) and the Diversity & Inclusion (D&I) Council, employees are encouraged to form affinity groups and collaborate in generating inspiring ideas and creating positive change.

In relation to gender diversity, 28% of the managers and salaried professionals of the Bekaert subsidiaries are female (as per year-end 2021). We are committed to increase this share in support of gender equality. Our target is to achieve a ratio of 40% by 2030 through an annual improvement of +1.5% in the next coming eight years. This target has also been added, as of 2022 onwards, in the short-term incentives targets for Executive Management.

Bekaert is a truly international organization and embraces the very rich cultural diversity within our team. We employ people from 72 nationalities in 45 countries in the world.

More details on diversity are included in the Leadership section of this report and in Part II: Corporate Governance and Social Statements.

Our commitment toward society

Bekaert strives to be a loyal and responsible partner in the communities where we are active. We interact with the local governments in a transparent, constructive way. We do not support political institutions and adopt a neutral position with respect to political issues. United by the belief that there should be *no harm to anyone*, we do condemn any act of violence and aggression against people.

Supporting education and training initiatives

All around the world Bekaert teams have organized support programs that benefit the local communities. To name a few, our teams in India and Chile provided PCs and tablets to schools, making it possible for children to participate to online courses during Covid-lockdowns. Our entities in Ecuador and India supported micro-financing projects that help women set up a small business. Teams all over the world participated in sports and other events to support programs that benefit people with a physical or mental disability or in financial need. Various entities engaged local stakeholders in safety programs during the Bekaert Health & Safety week.

Supporting social relief

Mid 2021, heavy rainfall across northern and central parts of Europe caused devastating floods in several regions. The houses of many families and entire villages became uninhabitable due to the extreme water level and current. The management of Bekaert was deeply touched by the damage and human impact of the floods and donated € 50 000 to the Red Cross to help victims with first aid and support.

Early 2022, the humanitarian impact of the situation in Ukraine changed the face of the world. Our thoughts are with the people from Ukraine and our priority is the wellbeing of our employees and their families, and to support them wherever they are. Our teams in the region do their utmost to help those in need in whichever way they can, and as a company we are supporting various humanitarian efforts through donations and by offering employment and accommodation at different locations.

We are one team, united by Bekaert's history and values, and by working *better together* for all our stakeholders.

GRI 103-2

Community Engagement benefiting the environment

Bekaert has concluded, in December 2021, a partnership with River CleanUp, a non-profit organization that organizes river clean-up events, develops technology for permanent and mobile plastic removal from rivers, and educates and creates awareness to stop plastics from entering the eco-systems. Bekaert supports both financially and in-kind, through engineering advice and materials, like synthetic ropes. The organization will help Bekaert organize clean-up events on rivers and along riverbanks in various locations in the world. Purpose is to enhance employee engagement and community relations through enforcing active sustainability awareness and activities together.

PART II
STATEMENTS

CORPORATE GOVERNANCE STATEMENTS

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

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

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

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

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

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

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

Board of Directors

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

The Board of Directors consists of thirteen members, who are appointed by the General Meeting of Shareholders. Seven of the Directors are appointed from among candidates nominated by the principal shareholder. 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. Five 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), Colin Smith (first appointed in 2018), 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 eight occasions in 2021: there were six regular meetings and two extraordinary 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 2021:

- the corporate strategy and strategic projects;
- the IT and digital strategy, including cybersecurity;
- the sustainability strategy;
- the budget for 2022;
- the succession planning at the Board and Executive Management levels;
- the Covid-19 pandemic: impact on the Group, prevention measures and specific actions;
- the restructuring process and plan in Belgium;
- the corporate governance structure, amongst which the proposal to introduce double voting right for loyal shareholders;
- the remuneration policy for non-executive Directors and Executive Management;
- the remuneration and long-term incentives for the (interim) Chief Executive Officer and the other members of the Executive Management;
- governance, risk and compliance;
- continuous monitoring of the debt and liquidity situation of the Group.

Name	First appointed	Expiry of current Board term	Principal occupation[2]	Number of regular/ extraordinary meetings attended
Chairman				
Jürgen Tinggren[1]	May 2019	May 2023	NV Bekaert SA	8
Chief Executive Officer				
Oswald Schmid	May 2020	May 2022	NV Bekaert SA	8
Members nominated by the principal shareholder				
Gregory Dalle	May 2015	May 2023	Managing Director, Credit Suisse, division Investment Banking and Capital Markets (UK)	8
Charles de Liedekerke	May 1997	May 2022	Director of companies	8
Christophe Jacobs van Merlen	May 2016	May 2024	Managing Director, Bain Capital Private Equity (Europe), LLP (UK)	8
Hubert Jacobs van Merlen	May 2003	May 2022	Director of companies	7
Caroline Storme	May 2019	May 2023	R&D Finance Lead Neurology at UCB (Belgium)	8
Emilie van de Walle de Ghelcke	May 2016	May 2024	Head of Legal at Sofina (Belgium)	8
Henri Jean Velge	May 2016	May 2024	Director of Companies	8
Independent Directors				
Henriette Fenger Ellekrog	May 2020	May 2025	Chief Human Resources Officer, Ørsted	8
Colin Smith	May 2018	May 2022	Independent director of and advisor to companies	8
Eriikka Söderström	May 2020	May 2025	Non-executive director of companies	8
Mei Ye	May 2014	May 2022	Independent director of and advisor to companies	7

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

Note: the composition of the Board of Directors will change in 2022: see Part I – Our Leadership – Board of Directors and Part II – Financial Statements: Parent Company Information: appointments pursuant to the Articles of Association.

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. Hubert Jacobs van Merlen has been appointed by the members of the Committee as the Chairman.

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
Hubert Jacobs van Merlen	2022	5
Charles de Liedekerke	2022	5
Eriikka Söderström	2025	5
Jürgen Tinggren	2023	5

The Committee had four regular and one extraordinary meeting in 2021. The Statutory Auditor attended three 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 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: 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	4
Henriette Fenger Ellekrog	2025	4
Christophe Jacobs van Merlen	2024	4

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

The Committee met four times in 2021. 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 2020;
- the remuneration policy for non-executive Directors and Executive Management;
- the variable remuneration for the (interim) Chief Executive Officer and the other members of the Executive Management for their performance in 2020;
- the base remuneration for the (interim) Chief Executive Officer and the other members of the Executive Management;
- the remuneration of the Chairman of the Board of Directors;
- target setting for 2021;
- 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 2021, the Board of Directors did a self-assessment, focusing on the role and responsibilities of the Board and the Board Committees, Board meetings, Board composition and teamwork, relationship with management, relationship with shareholders, overall Board effectiveness and Chairman effectiveness. In addition, the Board sought feedback from Executive Management with respect to their relationship with the Board of Directors, through interviews by an external expert.

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.

As of 12 May 2020, Oswald Schmid acted as interim Chief Executive Officer, pending the appointment of a new Chief Executive Officer. On 2 March 2021, the Board of Directors appointed Oswald Schmid as Chief Executive Officer.

Kerstin Artenberg joined Bekaert as Chief Human Resources Officer on 8 February 2021.

Yves Kerstens joined Bekaert as Divisional CEO Specialty Businesses and Chief Operations Officer on 1 April 2021.

Jun Liao, the former China CEO, left Bekaert on 14 July 2021. Bekaert is searching for a successor. In parallel, an informal body of experts was established early 2022 that will provide advice to management and the Board with respect to the Chinese environment in which the Bekaert group is operating.

Name	**Position**	**Appointed as BGE member**
Oswald Schmid[1]	Chief Executive Officer	2019
Taoufiq Boussaid	Chief Financial Officer	2019
Kerstin Artenberg[2]	Chief Human Resources Officer	2021
Juan Carlos Alonso	Chief Strategy Officer	2019
Curd Vandekerckhove	Divisional CEO Bridon-Bekaert Ropes Group	2012
Arnaud Lesschaeve	Divisional CEO Rubber Reinforcement	2019
Yves Kerstens[3]	Divisional CEO Specialty Businesses and Chief Operations Officer	2021
Stijn Vanneste	Divisional CEO Steel Wire Solutions	2016
Jun Liao[4]	China CEO	2018

[1] As of 2 March 2021.
[2] As of 8 February 2021.
[3] As of 1 April 2021.
[4] Until 14 July 2021.

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 72 different nationalities in 45 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	# natio-nalities	# non-native[1]	% non-native
Board of Directors	13	8	7	54%
BGE	8	5	5	63%

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

Gender diversity

Since the Annual General Meeting of 11 May 2016, 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 2021: People, and in Part II: Social Statements of this report.

	# people	% male	% female
Board of Directors	13	62%	38%
BGE	8	87%	13%

Age diversity

	# people	30-50 years old	over 50 years old
Board of Directors	13	31%	69%
BGE	8	38%	62%

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 two occasions in 2021. The provisions of Article 7:96 of the BCCA were complied with.

On 19 January 2021, Oswald Schmid had a conflict of interest when the Board of Directors discussed the search for the new Chief Executive Officer.

On 2 March 2021, 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 2020 performance as Chief Operations Officer and interim Chief Executive Officer (€ 500 000), his appointment as Chief Executive Officer and his remuneration as Chief Executive Officer (annual fixed pay of € 825 000, target short-term incentive of 75% of annual fixed pay, target long-term incentive of 85% of annual fixed pay and pension contribution of 25% of annual fixed pay).

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 Mr Oswald Schmid on account of his 2020 performance as Chief Operations Officer and interim CEO.

RESOLUTION

On the motion of the Nomination and Remuneration Committee, the Board resolves:

- *to appoint Mr Oswald Schmid as Chief Executive Officer of the Company with immediate effect, and*
- *to approve Mr Schmid's remuneration as described by the Chairman.*

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 2021 (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 October 2020.

The Bekaert Code of Conduct describes how the Bekaert values (We act with integrity – We earn trust – We are irrepressible!) 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 2021 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 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 2021 remuneration for the non-executive Directors has been determined by General Meeting of Shareholders on 12 May 2021, 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.

During 2021 the NRC has conducted an external executive remuneration benchmarking with an external consultant. The remuneration of the Chief Executive Committee and the members of the BGE were benchmarked versus a selected European peer group. The outcome of this benchmarking will be considered upon reviewing the annual increase in fixed remuneration during 2022. The NRC has also reviewed actions supporting the sustainability strategy of the Company and recommended to include an ESG element in the performance metrics for short-term incentives (STI) 2022.

2. Statement of the remuneration policy used in 2021 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 Chairman 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 Chairman 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 by applying an average share price; the applied share price will be the average of the last five closing prices preceding the date of the grant; the Company shares are granted on the last trading day of May of the relevant year and are blocked for a period of three years as from the grant date.

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 Chairman of a Board Committee, and an additional fixed amount of € 5 000 for the Chairman 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 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 financial metrics aligned with the Company strategy.
- Benefits and allowances are aligned with local practice and local policies; they are designed to be competitive and cost effective. This includes pension benefits aiming to support Executive Managers in their retirement planning.
- A minimum personal shareholding requirement aims to align the interest of the Executive Managers with those of the long-term shareholders by creating a link between their personal wealth and the Company’s long-term performance. This is facilitated by a voluntary share-matching program.

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

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

Operation

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

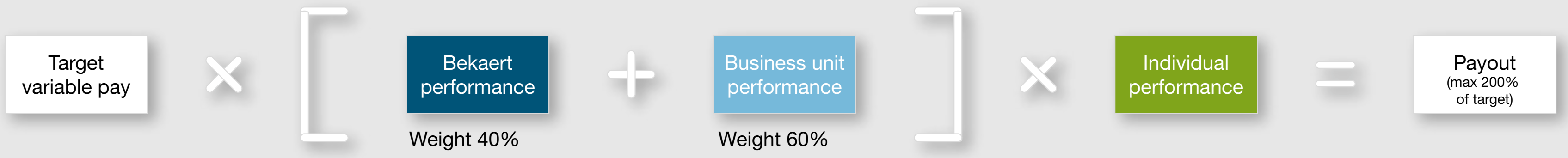
Fixed pay

- Fixed pay is set by the Board on the recommendation of the NRC with reference to a selected peer group.
- Annual increases are decided by the Board on the recommendation of the NRC and are generally aligned with the average salary increases applying to the broader employee population unless there were significant changes to an individual’s role and/or responsibilities during the year.

Short-term incentives (STI)

- STI for Executive Managers are fully aligned with the Bekaert Variable Pay Plan for all managers worldwide.
- STI is earned by reference to performance from 1 January to 31 December and is paid after the year-end of the financial year to which it relates.
- Objectives are set by the Board of Directors at the beginning of the year upon the recommendation of the NRC. Those objectives include Group, business unit 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.

An illustration of the STI plan is shown below:



Bekaert performance	
exceptional	200%
exceeded	150%
achieved	100%
partially	60%
not	0%

Business unit performance	
exceptional	200%
exceeded	150%
achieved	100%
partially	60%
not	0%

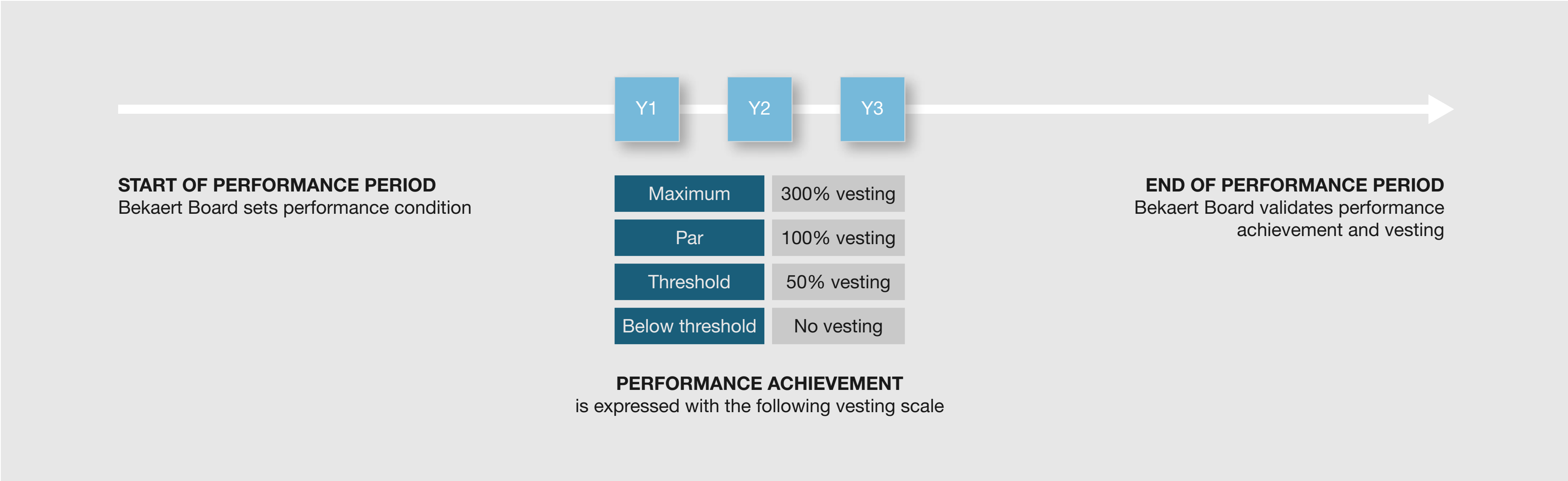
Individual performance	
A+	125% to 155%
A	90% to 110%
B	0% to 90%
C	No payout

Note: For CEO and Corporate Functions the split [40% Company Performance + 60% business unit performance] is replaced by 100% Company performance.

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 financial 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 if the actual performance is at or above an agreed ceiling level.
- 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.

An illustration of the LTI plan is shown below:



Performance measures

Short-term incentives (STI)

Company performance driving STI in 2021 is based on the below metrics, according to the internal Bekaert Management Reporting:

Business Objective Bekaert Group	Weight	Threshold	Target	Maximum	Actual Performance	Assessment
Underlying Gross Profit	20%	€ 556 mln	€ 617 mln	€ 679 mln	€ 903 mln	Exceptional
Underlying EBITDA	50%	€ 419 mln	€ 465 mln	€ 525 mln	€ 695 mln	Exceptional
Working Capital as % of Sales	20%	17.0%	16.1%	15.0%	12.6%	Exceeded
Implementation of the Digital Agenda	10%					Achieved
Overall						**Exceptional**

The Board, acting upon recommendation of the NRC, decided to assess the overall company performance as Exceptional leading to a multiplier of 200%, taking into consideration that the weighted average of the above scorecard resulted into a multiplier in the range of 175% to 200%. Evaluation of the non-financial target, implementation of the digital agenda, has been based on the progress ratio of thirteen digital and/or digitalization initiatives.

For 2022 a basket of financial targets (gross profit, underlying EBITDA and working capital) and a non-financial ESG target (percentage female salaried professionals and managers) was retained. 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 2022 remuneration report.

Long-term incentives (LTI)

The vesting criteria regarding to the performance share units issued in February 2019, in relation to the 2019-2021 performance horizon, have exceeded the maximum level. Therefore, 300% of the performance share units granted in February 2019 have vested related to this performance period for all members of the BGE, with the exception of the Divisional CEO BBRG. For the performance cycle 2019-2021, his performance metrics were linked to a specific BBRG EBITDA profit restoration plan; leading to a vesting of 288% of the performance share units granted in February 2019. As of 2020 the vesting criteria with regard to the performance share units of the Divisional CEO BBRG are aligned with the business objectives of the Group.

The vesting criteria and outcome according to the internal Bekaert Management Reporting with regard to the performance share units issued in February 2019 in relation to the 2019-2021 performance horizon for members of the BGE, with exception of the Divisional CEO BBRG were as follows:

Business Objective Bekaert Group	Weight	Threshold	Target	Maximum	Actual Performance	Vesting
Underlying EBITDA growth	50%	€ 100 mln	€ 140 mln	€ 200 mln	€ 270 mln	300%
Cum. operational Cash Flow [1]	50%	€ 645 mln	€ 725 mln	€ 845 mln	€ 1 498 mln	300%
Total	**100%**					**300%**

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

For performance period 2022-2024 specific company financials have been selected; more in particular Underlying EBITDA as percentage of Sales, Cumulative operational Cash Flow and TSR related to peer index . Given the commercial sensitivity of our long-term goals, the 2022 – 2024 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 2021

The amount of the remuneration granted directly or indirectly to the non-executive Directors, by the Company or its subsidiaries, in respect of 2021 is set forth on an individual basis below. The non-executive Directors only receive fixed remuneration, partially paid out in cash and partially in shares (cfr. section 4).

in €	Period covering fixed amount	Fixed amount for performance of duties as a member of the Board	Fixed amount for Board Committee membership and/or chairing	Total
Jürgen Tinggren[1,5]	01.01.2021 - 31.12.2021	462 500	n.a.	462 500
Charles de Liedekerke[2]	01.01.2021 - 31.12.2021	70 000	20 000	90 000
Hubert Jacobs van Merlen[3]	01.01.2021 - 31.12.2021	70 000	25 000	95 000
Mei Ye	01.01.2021 - 31.12.2021	70 000		70 000
Gregory Dalle	01.01.2021 - 31.12.2021	70 000		70 000
Emilie van de Walle de Ghelcke	01.01.2021 - 31.12.2021	70 000		70 000
Christophe Jacobs van Merlen[4]	01.01.2021 - 31.12.2021	70 000	20 000	90 000
Henri Jean Velge	01.01.2021 - 31.12.2021	70 000		70 000
Colin Smith	01.01.2021 - 31.12.2021	70 000		70 000
Caroline Storme	01.01.2021 - 31.12.2021	70 000		70 000
Henriette Fenger Ellekrog[4]	01.01.2021 - 31.12.2021	70 000	20 000	90 000
Eriikka Söderström[2]	01.01.2021 - 31.12.2021	70 000	20 000	90 000
Total Directors' Remuneration				**1 337 500**

[1] Chairman, Chairman of the Nomination and Remuneration Committee, member of the Audit, Risk and Finance Committee.
[2] Member of the Audit, Risk and Finance Committee
[3] Chairman of the Audit, Risk and Finance Committee
[4] Member of the Nomination and Remuneration Committee
[5] The fixed amount of € 462 500 includes a board fee of € 83 333 related to the period January - May 2021 and a pro-rated share grant of € 650 000 related to the period June - December 2021.

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 Chairman of a Board Committee are paid in cash.

Set out below are the number of Company shares granted to non-executive Directors in 2021. For the avoidance of doubt, the below amounts are included in the remuneration overview of the non-executive Directors in section 3.

Non-executive director	Percentage shares	Gross amount in €	Number of shares after taxes	End retention period
Chairman				
Jürgen Tinggren[1]	100%	650 000	7 930	31/5/2024
Non-executive Directors nominated by the principal shareholder				
Gregory Dalle	50%	35 000	474	n.a.
Charles de Liedekerke	—%	—	—	n.a.
Christophe Jacobs van Merlen	50%	35 000	474	n.a.
Hubert Jacobs van Merlen	25%	17 500	239	n.a.
Caroline Storme	—%	—	—	n.a.
Emilie van de Walle de Ghelcke	50%	35 000	444	n.a.
Henri Jean Velge	50%	35 000	444	n.a.
Independent non-executive Directors				
Henriette Fenger Ellekrog	25%	17 500	241	n.a.
Colin Smith	—%	—	—	n.a.
Eriikka Söderström	50%	35 000	483	n.a.
Mei Ye	25%	17 500	211	n.a.
Total		**877 500**	**10 940**	

[1] *The share grant of € 650 000 covers the period June 2021 - May 2022.*

5. Remuneration of the Chief Executive Officer in respect of 2021 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 2021

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 2021 for his role as (interim) Chief Executive Officer is set forth below:

	Chief Executive Officer	Comments
	Oswald Schmid	
Period	01.01.2021-31.12.2021	
Fixed pay	921 613	Includes base remuneration and foreign director fees and the extra responsibility premium for the Interim CEO period
STI	1 160 250	Annual variable remuneration, based on 2021 performance
LTI	—	Value of vested performance share units (performance period 2019-2021)
Pension	185 179	Defined Contribution and Cash Balance pension plans
Share-matching	—	2021 Company matching of 2019 personal investment in Company shares (none)
Other remuneration elements	89 295	Includes company car and risk insurances
Total remuneration	**2 356 337**	
Variable remuneration expressed as % of total	49%	Sum of STI, LTI and Share-Matching
Fixed remuneration expressed as % of total	51%	Sum of Fixed Pay, Pension and Other

Oswald Schmid has entered on 2 December 2019 as Chief Operation Officer, as from 12 May 2020 he also served as Interim Chief Executive Office; on 2 March 2021 he has been appointed Chief Executive Officer.

The Remuneration Policy stipulates that the target STI is 75% of fixed pay for the CEO and 60% of fixed pay for the other members of the BGE. As a consequence, the 2021 STI target has been pro-rated considering 60% target for service as Interim Chief Executive Officer up to 2 March 2021 and 75% target for service as Chief Executive Officer as of 2 March 2021.

The evaluation of STI performance criteria over 2021 leads to a payout of 200% versus target for the CEO.

There has been no LTI vesting in 2021; the CEO entered the Company in December 2019 and therefore did not participate in the performance share plan issued in February 2019 covering performance period 2019-2021.

The Remuneration Policy stipulates that the target LTI is 85% of fixed pay for the CEO and 65% of fixed pay for the other members of the BGE. On 15 January 2021 performance share units have been granted with respect to performance period 2021-2023 considering a 65% LTI target. Following the appointment as CEO later in the year, additional performance share units have been granted on 9 September 2021 reflecting the increase in target LTI from 65% to 85% of fixed pay.

There has been no Company matching of personal investment in shares in 2021 after a three year retention period; the CEO entered the Company in December 2019 and no personal investment in shares has been made in 2019.

Following the appointment as Chief Executive Officer, affiliation with the Cash Balance plan for Executives has been discontinued in March 2021. In accordance with the service agreement, pension accrual as of March 2021is foreseen in a Defined Contribution plan. The above table includes accrual in both plans during this transition year.

7. Remuneration of the other members of the BGE in respect of 2021

The amount of the remuneration and other benefits granted directly or indirectly to the BGE members other than the (interim) Chief Executive Officer, by the Company or its subsidiaries, in respect of 2021 is set forth below on a global basis. The remuneration includes pro rata remuneration of Yves Kerstens and Kerstin Artenberg who joined during 2021, and of Jun Liao who left.

	Remuneration	Comments
Fixed pay	2 854 488	Includes base remuneration as well as foreign director fees
STI	3 004 319	Annual variable remuneration, based on 2021 performance
LTI	4 956 359	Value 140 447 vested performance share units (performance period 2019-2021) and vested stock options
Pension	676 964	Defined Contribution, Defined Benefit and Cash Balance pension
Share-matching	—	2021 Company matching of 2019 personal investment in Company shares (0 units)
Other remuneration elements	259 535	Includes company car, risk insurances, school fees and housing allowance
Total remuneration	**11 751 665**	
Variable remuneration expressed as % of total	68%	Sum of STI, LTI and Share-Matching
Fixed remuneration expressed as % of total	32%	Sum of Fixed Pay, Pension and Other

The evaluation of STI performance criteria over 2021 leads to a payout of 176% (weighted average) versus target for the other members of the BGE.

The vesting criterion with regard to the performance share units issued in February 2019, in relation to the 2019-2021 performance horizon, has exceeded the maximum level. As a consequence, 300% of the performance share units granted in February 2019 have vested in 2021 for all BGE members with the exception of the Divisional CEO BBRG. For the performance cycle 2019-2021, his performance metrics were linked to a specific BBRG profit restoration plan; leading to a vesting of 288% of the performance share units granted in February 2019.

The exercise price of stock options in relation to the previous long-term incentive plans which vested in 2021 was lower than the closing price of a Company share upon vesting.

The pension expense captures a combination of several pension arrangements in place in the different work locations of the BGE members; being Belgium, France and China. 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 IAS19 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.

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 2021-2023 have been granted to the Executive Management on 15 January 2021 (19 August 2021 for the two members of the Executive Management who entered during 2021). The Remuneration Policy stipulates target LTI is 85% of fixed pay for the CEO and 65% of fixed pay for the other members of the BGE. Following the appointment as CEO after the 15 January 2021 grant, additional performance share units have been granted on 9 September 2021 reflecting the increase in target LTI from 65% to 85% of fixed pay.

Company financials retained as performance targets covering the 2021-2023 performance period are EBITDA Underlying growth and elements of cumulative cash flow.

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

Plan name	Perfor-mance period	Performance measures	Grant Date	Vesting Date	Number of PSU granted	Number of unvested PSU start of year	Granted	Forfeited/ Expired	Vested (300%)	Number of unvested PSU end of year
Oswald Schmid – Chief Executive Officer										
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	10 957	10 957	0	0	0	10 957
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
					TOTAL	**10 957**	**18 145**	**0**	**0**	**29 102**
Taoufiq Boussaid - Chief Financial Officer										
PSP 2018-2020	2019-2021	EBITDA-U & Cum. CF	26/7/2019	31/12/2021	10 478	10 478			-31 434	0
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	9 810	9 810				9 810
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	10 762		10 762			10 762
					TOTAL	**20 288**	**10 762**	**0**	**-31 434**	**20 572**
Kerstin Artenberg - Chief Human Resources Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	19/8/2021	31/12/2023	5 683		5 683			5 683
					TOTAL	**0**	**5 683**	**0**	**0**	**5 683**

Juan Carlos Alonso - Chief Strategy Officer										
PSP 2018-2020	2019-2021	EBITDA-U & Cum. CF	26/7/2019	31/12/2021	9 391	9 391			-28 173	0
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	8 409	8 409				8 409
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	8 007		8 007			8 007
					TOTAL	**17 800**	**8 007**	**0**	**-28 173**	**16 416**
Yves Kerstens - Div. CEO SPB and Chief Operations Officer										
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	19/8/2021	31/12/2023	5 732		5 732			5 732
					TOTAL	**0**	**5 732**	**0**	**0**	**5 732**
Curd Vandekerckhove - Div. CEO BBRG										
PSP 2018-2020	2019-2021	BBRG EBITDA [1]	15/2/2019	31/12/2021	11 962	11 962			-34 451	0
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	10 447	10 447				10 447
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	9 948		9 948			9 948
					TOTAL	**22 409**	**9 948**	**0**	**-34 451**	**20 395**
Stijn Vanneste - Div. CEO SWS										
PSP 2018-2020	2019-2021	EBITDA-U & Cum. CF	15/2/2019	31/12/2021	9 321	9 321			-27 963	0
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	8 378	8 378				8 378
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	8 545		8 545			8 545
					TOTAL	**17 699**	**8 545**	**0**	**-27 963**	**16 923**
Arnaud Lesschaeve - Div. CEO RR										
PSP 2018-2020	2019-2021	EBITDA-U & Cum. CF	26/7/2019	31/12/2021	6 142	6 142			-18 426	0
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	9 428	9 428				9 428
PSP 2018-2020	2021-2023	EBITDA-U & Cum. CF	15/1/2021	31/12/2023	10 043		10 043			10 043
					TOTAL	**15 570**	**10 043**	**0**	**-18 426**	**19 471**
Jun Liao - former CEO China										
PSP 2018-2020	2019-2021	EBITDA-U & Cum. CF	15/2/2019	31/12/2021	12 663	12 663		-12 663	0	0
PSP 2018-2020	2020-2022	EBITDA-U & Cum. CF	21/1/2020	31/12/2022	10 997	10 997		-10 997	0	0
					TOTAL	**23 660**	**0**	**-23 660**	**0**	**0**

[1] For the performance cycle 2019-2021, performance metrics were linked to a specific BBRG EBITDA profit restoration plan; leading to a vesting of 288% of the performance share units granted in February 2019.

Stock Options

Set out below are the number of stock options exercised or forfeited in 2021 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 2021 are based on the grants of the Stock Option Plan 2015-2017 and on the predecessor plans to the Stock Option Plan 2015-2017.

The terms of the earlier plans are similar to those of the Stock Option Plan 2015-2017, but the options that were granted to employees under the predecessor plans to the Stock Option Plan 2010-2014 took the form of subscription rights entitling the holders to acquire newly issued Company shares, while self-employed beneficiaries were entitled to acquire existing shares.

	Main plan characteristics							Movement over 2021			
	Plan name	Offer date	Grant date	Vesting date	End exercise period	Number of options granted	Exercise price (in €)	Number of SOP start of year	Forfeited/ expired	Exercised	Number of SOP end of year
Oswald Schmid - Chief Executive Officer											
None											
							TOTAL	**0**	**0**	**0**	**0**
Taoufiq Boussaid - Chief Financial Officer											
None											
							TOTAL	**0**	**0**	**0**	**0**
Kerstin Artenberg - Chief Human Resources Officer											
None											
							TOTAL	**0**	**0**	**0**	**0**
Juan Carlos Alonso - Chief Strategy Officer											
None											
							TOTAL	**0**	**0**	**0**	**0**
Yves Kerstens - Div. CEO SPB and Chief Operations Officer											
None											
							TOTAL	**0**	**0**	**0**	**0**

Curd Vandekerckhove - Div. CEO BBRG										
SOP 2010-2014	29/3/2013	28/5/2013	1/1/2017	28/3/2023	15 000	21.450	15 000		-15 000	0
SOP 2010-2014	19/12/2013	17/2/2014	1/1/2017	18/12/2023	14 000	25.380	14 000			14 000
SOP 2010-2014	18/12/2014	16/2/2015	1/1/2018	17/12/2024	15 000	26.055	15 000			15 000
SOP 2015-2017	17/12/2015	15/2/2016	1/1/2019	16/12/2025	10 000	26.375	10 000			10 000
SOP 2015-2017	15/12/2016	13/2/2017	1/1/2020	14/12/2026	15 000	39.426	15 000			15 000
SOP 2015-2017	21/12/2017	20/2/2018	1/1/2021	20/12/2027	9 000	34.600	9 000			9 000
						TOTAL	**78 000**	**0**	**-15 000**	**63 000**
Stijn Vanneste - Div. CEO SWS										
SOP 2010-2014	20/12/2012	18/2/2013	1/1/2016	19/12/2022	2 400	19.200	1 200		-1 200	0
SOP 2010-2014	19/12/2013	17/2/2014	1/1/2017	18/12/2023	3 200	25.380	3 200		-3 200	0
SOP 2010-2014	18/12/2014	16/2/2015	1/1/2018	17/12/2024	7 500	26.055	7 500		-7 500	0
SOP 2015-2017	17/12/2015	15/2/2016	1/1/2019	16/12/2025	6 250	26.375	6 250			6 250
SOP 2015-2017	15/12/2016	13/2/2017	1/1/2020	14/12/2026	12 500	39.426	12 500			12 500
SOP 2015-2017	21/12/2017	20/2/2018	1/1/2021	20/12/2027	10 000	34.600	10 000			10 000
						TOTAL	**40 650**	**0**	**-11 900**	**28 750**
Arnaud Lesschaeve - Div. CEO RR										
None										

Stock Appreciation Rights

Set out below are the number of stock appreciation rights exercised or forfeited in 2021 in relation to the previous long-term incentive plans for BGE members outside Europe.

The stock appreciation rights (SARs) have been granted to the beneficiaries free of charge. Each SAR entitles the holder the right to receive an amount in cash equal to the excess of the closing price of one Company share on the date of exercise over 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 thirty days prior to 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, SARs 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.

SARs that were exercisable in 2021 are based on the grants of the SAR Plans 2015-2017 and on the predecessor plans to the SAR Plans 2015-2017. All grants mentioned below have been made prior to Jun Liao's BGE appointment.

Main plan characteristics						Movement over 2021			
Plan name	Grant date	Vesting date	End exercise period	Number of SAR granted	Exercise price (in €)	Number of SAR start of year	Forfeited/ expired	Exercised	Number of SAR end of year
Jun Liao - former CEO China									
SAR Asia 2010-201	18/12/2014	1/1/2018	17/12/2024	6 000	26.055	6 000		-6 000	0
SAR Asia & Latam 2015-2017	17/12/2015	1/1/2019	16/12/2025	5 000	26.375	5 000		-5 000	0
SAR Asia & Latam 2015-2017	15/12/2016	1/1/2020	14/12/2026	7 000	39.426	7 000		-7 000	0
SAR Asia & Latam 2015-2017	21/12/2017	1/1/2021	20/12/2027	6 250	34.600	6 250		-6 250	0
					TOTAL	**24 250**	**0**	**-24 250**	**0**

Share-matching Plan

The table below sets forth the number of shares matched by the Company for BGE members. As there was no STI payout in 2019, no personal investment in Company Shares have been made in 2019 and as a consequence no Company matching has occurred in 2021 following the three-year retention period:

	Date personal investment	End holding period	Number of acquired shares	Number of PSR start of year	Acquired	Matched	Forfeited	Number of PSR end of year
Oswald Schmid – Chief Executive Officer								
	31/3/2020	31/12/2022	210	210				210
	31/3/2021	31/12/2023	2 096	0	2 096			2 096
Taoufiq Boussaid - Chief Financial Officer								
	31/3/2020	31/12/2022	1 038	1 038				1 038
	31/3/2021	31/12/2023	838	0	838			838
Kerstin Artenberg - Chief Human Ressources Officer								
None								
Juan Carlos Alonso - Chief Strategy Officer								
	31/3/2020	31/12/2022	971	971				971
	31/3/2021	31/12/2023	922	0	922			922
Yves Kerstens - Div. CEO SPB and Chief Operations Officer								
None								
Curd Vandekerckhove - Div. CEO BBRG								
	31/3/2020	31/12/2022	2 413	2 413				2 413
	31/3/2021	31/12/2023	2 114	0	2 114			2 114
Stijn Vanneste - Div. CEO SWS								
	31/3/2020	31/12/2022	1 608	1 608				1 608
	31/3/2021	31/12/2023	1 816	0	1 816			1 816

Arnaud Lesschaeve- Div. CEO RR								
	31/3/2020	31/12/2022	1 270	1 270				1 270
	31/3/2021	31/12/2023	698	0	698			698
Jun Liao - former CEO China								
	31/3/2020	31/12/2022	2 256	2 256			-2 256	0

9. Departure of Executive Managers

Jun Liao, the former China CEO, has decided to leave Bekaert as of 14 July 2021.

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 2021.

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 highest remuneration of the members of the Board of Directors and the Executive Management to the lowest remuneration of the employees of NV Bekaert SA in Belgium (excluding BGE members) is 57:1.

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.

	2017	2018	2019	2020	2021
Company remuneration					
Non-executive Directors[1]					
Average remuneration (€)	86 671	95 768	121 629	104 000	111 458
Year-on-year difference (%)	-2.4%	+10.5%	+27.0%	-14.5%	+7.2%
CEO					
Average remuneration (€)	1 562 907	1 135 011	1 787 480	1 225 527	2 356 337
Year-on-year difference (%)	-11.9%	-27.4%	+57.5%	-31.4%	+92.3%
Other BGE members					
Average remuneration (€)	901 307	609 540	748 023	839 736	1 611 657
Year-on-year difference (%)	+9.3%	-32.4%	+22.7%	+12.3%	+91.9%
Other employees[2]					
Average remuneration (€)	72 406	76 067	77 757	79 859	87 727
Year-on-year difference (%)	+2.7%	+5.1%	+2.2%	+2.7%	+9.9%
Key Company metrics					
EBITDA-underlying					
Amount in million (€)	497	426	468	479	689
Year-on-year difference (%)	-3.1%	-14.3%	+9.9%	+2.4%	+43.8%
Sales					
Amount in million (€)	4 098	4 305	4 322	3 772	4 840
Year-on-year difference (%)	+10.3%	+5.1%	+0.4%	-12.7%	+28.3%
Working Capital					
Amount in million (€)	888	875	699	535	678
Year-on-year difference (%)	+5.3%	-1.5%	-20.1%	-23.5%	+26.6%
Company share price (as at 31st Dec)					
Share price (€)	36.45	21.06	26.50	27.16	39.14

[1] *Through 2019, the remuneration of the Directors was based on the number of attended Board meetings*
[2] *Based on the average gross annual income of all employees of NV Bekaert SA in Belgium, excluding BGE members.*

12. Derogations from the procedures for implementing the remuneration policy

Upon recruitment of Yves Kerstens, Divisional CEO Specialty Businesses and Chief Operation Officer, compensation for loss of long-term incentives for a total amount of € 150 000 with the previous employer has been granted, subject to reimbursement in the event of resignation or in case of termination for cause.

Shares

The Bekaert share in 2021

The Bekaert share outperformed the reference index, Euronext Brussels BEL Mid, by 18% in 2021 and gained 44% comparing to the year-end closing price of 2020.

Share identification

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

Share performance

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Price as at 31 December (in €)	25.72	26.34	28.38	38.48	36.45	21.06	26.50	27.16	39.14
Price high (in €)	31.11	30.19	30.00	42.45	49.92	40.90	28.26	28.50	42.56
Price low (in €)	20.01	21.90	22.58	26.56	33.50	17.41	19.38	13.61	27.34
Price average closing (in €)	24.93	27.15	26.12	37.06	42.05	28.21	23.96	19.95	36.33
Daily volume	126 923	82 813	120 991	123 268	121 686	154 726	96 683	72 995	68 749
Daily turnover (in millions of €)	3.1	2.1	3.1	4.5	5.0	4.4	2.3	1.5	2.5
Annual turnover (in millions of €)	796	527	804	1 147	1 279	1 121	592	386	641
Velocity (% annual)	54	35	52	53	51	65	41	31	29
Velocity (% adjusted free float)	90	59	86	88	86	109	68	52	49
Free float (%)	59.9	55.7	56.7	59.2	59.6	59.3	59.3	59.5	59.3

Share trading

The average daily trading volume was about 69 000 shares in 2021. The volume peaked on 19 November, when 364 635 shares were traded on the day of the announcement of the third quarter trading update.

On 31 December 2021, Bekaert had a market capitalization of € 2.4 billion and a free float market capitalization of € 1.4 billion. The free float was 59.3% and the free float band 60%.

On 3 September 2021 Bekaert announced that it had entered into a liquidity agreement with Kepler Cheuvreux. This agreement provides for the purchase and sale by Kepler Cheuvreux of Bekaert shares on the regulated market of Euronext Brussels and the program started on 10 September 2021 for a 12-month renewable period. 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.

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 June 2021 and considering the subsequent transparency notifications, private banking, and treasury share movements until the end of 2021, as per 31 December 2021, Stichting Administratiekantoor Bekaert and parties acting in concert owned 36% of the shares. Institutional shareholders held approximately 34% of the shares and retail and private banking approximately 23%. Treasury shares represented 5% and 2% of the shares were unidentified.

Capital structure

As of 31 December 2021, the capital of the Company amounts to € 177 923 000 and is represented by 60 452 261 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.

Convertible bonds

On 9 June 2021, Bekaert fully paid back in cash the convertible bonds that had been issued on 19 May 2016 in a principal amount of € 380 000 000. None of the bonds were converted into shares since the conversion price was not reached.

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

The total number of outstanding subscription rights under the Stock Option Plan 2005-2009 and convertible into Bekaert shares is 26 400. A total of 37 420 subscription rights were exercised in 2021 under the Stock Option Plan 2005-2009, resulting in the issue of 37 420 new Bekaert shares, and an increase of the capital by € 111 000 and of the share premium by € 965 800.50.

On 31 December 2020, the Company held 3 809 534 own shares. Of these 3 809 534 own shares, a total of 620 474 shares were transferred (i) to (former) employees for purpose of the exercise of stock options under SOP 2010-2014, SOP 2015-2017 and SOP2, (ii) to (former) BGE members for purpose of the personal shareholding requirement, and (iii) to the Chairman and other non-executive Directors as part of their remuneration (see table below). No own shares were cancelled. Including the transactions exercised under the liquidity agreement with Kepler Cheuvreux, the balance of own shares held by the Company on 31 December 2021 was 3 145 446.

Date	Number of treasury shares	Purpose	Transferee	Price per share (€)
3 March 2021	6 300	Exercise options under SOP 2010-2014	Employees	25.140
3 March 2021	62 400	Exercise options under SOP 2010-2014	Employees	25.380
3 March 2021	4 000	Exercise options under SOP 2010-2014	Employees	21.450
3 March 2021	6 300	Exercise options under SOP 2010-2014	Employees	26.055
4 March 2021	1 800	Exercise options under SOP 2010-2014	Employees	26.055
5 March 2021	1 200	Exercise options under SOP 2010-2014	Employees	19.200
5 March 2021	3 200	Exercise options under SOP 2010-2014	Employees	25.380
5 March 2021	5 000	Exercise options under SOP 2010-2014	Employees	25.140
5 March 2021	6 250	Exercise options under SOP 2015-2017	Employees	26.375
8 March 2021	7 000	Exercise options under SOP 2010-2014	Employees	21.450
8 March 2021	2 700	Exercise options under SOP 2010-2014	Employees	25.140
9 March 2021	2 100	Exercise options under SOP 2010-2014	Employees	26.055
9 March 2021	4 000	Exercise options under SOP 2010-2014	Employees	25.140
10 March 2021	2 000	Exercise options under SOP 2010-2014	Employees	25.380
10 March 2021	6 400	Exercise options under SOP 2010-2014	Employees	26.055
10 March 2021	9 200	Exercise options under SOP 2010-2014	Employees	25.140
10 March 2021	5 000	Exercise options under SOP 2010-2014	Employees	19.200
10 March 2021	10 000	Exercise options under SOP 2010-2014	Employees	21.450
10 March 2021	1 500	Exercise options under SOP 2015-2017	Employees	26.375
11 March 2021	1 000	Exercise options under SOP 2010-2014	Employees	26.055
11 March 2021	3 000	Exercise options under SOP 2010-2014	Employees	25.380
11 March 2021	1 750	Exercise options under SOP 2015-2017	Employees	26.375
12 March 2021	2 100	Exercise options under SOP 2010-2014	Employees	26.055
15 March 2021	2 000	Exercise options under SOP 2015-2017	Employees	26.375
17 March 2021	2 650	Exercise options under SOP 2015-2017	Employees	26.375
18 March 2021	2 000	Exercise options under SOP 2015-2017	Employees	26.375
18 March 2021	668	Exercise options under SOP 2010-2014	Employees	19.200
18 March 2021	2 400	Exercise options under SOP 2010-2014	Employees	25.380
18 March 2021	17 100	Exercise options under SOP 2010-2014	Employees	26.055
19 March 2021	1 100	Exercise options under SOP 2010-2014	Employees	26.055
22 March 2021	2 100	Exercise options under SOP 2010-2014	Employees	25.140
22 March 2021	1 890	Exercise options under SOP 2010-2014	Employees	19.200
24 March 2021	3 500	Exercise options under SOP 2010-2014	Employees	25.140

24 March 2021	6 000	Exercise options under SOP 2010-2014	Employees	26.055
26 March 2021	6 250	Exercise options under SOP 2015-2017	Employees	26.375
31 March 2021	4 000	Exercise options under SOP 2010-2014	Employees	19.200
31 March 2021	14 000	Exercise options under SOP 2010-2014	Employees	25.380
31 March 2021	1 000	Exercise options under SOP 2010-2014	Employees	25.140
31 March 2021	2 100	Exercise options under SOP 2010-2014	Employees	26.055
31 March 2021	600	Exercise options under SOP 2015-2017	Employees	26.375
31 March 2021	9 112	Personal shareholding requirement	BGE members	35.780
1 April 2021	2 100	Exercise options under SOP 2010-2014	Employees	19.200
6 April 2021	7 000	Exercise options under SOP 2010-2014	Employees	21.450
6 April 2021	21 500	Exercise options under SOP 2015-2017	Employees	26.375
6 April 2021	10 000	Exercise options under SOP 2015-2017	Employees	34.600
7 April 2021	14 100	Exercise options under SOP 2010-2014	Employees	26.055
7 April 2021	9 000	Exercise options under SOP 2010-2014	Employees	25.380
7 April 2021	15 000	Exercise options under SOP 2010-2014	Employees	21.450
7 April 2021	7 033	Exercise options under SOP 2015-2017	Employees	26.375
8 April 2021	5 717	Exercise options under SOP 2015-2017	Employees	26.376
9 April 2021	1 800	Exercise options under SOP 2010-2014	Employees	26.055
12 April 2021	1 500	Exercise options under SOP 2015-2017	Employees	34.600
12 May 2021	1 055	Exercise options under SOP 2015-2017	Employees	34.600
12 May 2021	17 500	Exercise options under SOP 2010-2014	Employees	21.450
13 May 2021	445	Exercise options under SOP 2015-2017	Employees	34.600
13 May 2021	2 000	Exercise options under SOP 2015-2017	Employees	26.375
17 May 2021	5 000	Exercise options under SOP 2015-2017	Employees	34.600
18 May 2021	9 000	Exercise options under SOP 2010-2014	Employees	25.380
25 May 2021	2 500	Exercise options under SOP 2010-2014	Employees	25.140
25 May 2021	4 000	Exercise options under SOP 2015-2017	Employees	26.375
27 May 2021	40 000	Exercise options under SOP 2010-2014	Employees	26.055
27 May 2021	333	Exercise options under SOP 2015-2017	Employees	34.600
28 May 2021	9 667	Exercise options under SOP 2015-2017	Employees	34.600
28 May 2021	4 000	Exercise options under SOP2	Employees	30.175
31 May 2021	6 000	Exercise options under SOP2	Employees	30.175
31 May 2021	10 940	Remuneration non-executive Directors	Chairman and other non-executive Directors	—
1 June 2021	700	Exercise options under SOP 2010-2014	Employees	26.055
4 June 2021	6 000	Exercise options under SOP 2010-2014	Employees	26.055
7 June 2021	1 500	Exercise options under SOP 2015-2017	Employees	34.600
7 June 2021	500	Exercise options under SOP 2015-2017	Employees	26.375
9 June 2021	500	Exercise options under SOP 2010-2014	Employees	25.140
10 June 2021	2 400	Exercise options under SOP 2010-2014	Employees	25.380
23 June 2021	100	Exercise options under SOP 2015-2017	Employees	34.600

24 June 2021	3 500	Exercise options under SOP 2010-2014	Employees	21.450
28 June 2021	2 100	Exercise options under SOP 2010-2014	Employees	25.140
30 July 2021	8 000	Exercise options under SOP 2010-2014	Employees	26.055
30 July 2021	2 400	Exercise options under SOP 2010-2014	Employees	25.380
30 July 2021	6 500	Exercise options under SOP 2015-2017	Employees	34.600
30 July 2021	6 000	Exercise options under SOP 2015-2017	Employees	26.375
3 August 2021	6 500	Exercise options under SOP 2015-2017	Employees	26.375
4 August 2021	2 500	Exercise options under SOP 2015-2017	Employees	34.600
4 August 2021	12 500	Exercise options under SOP 2015-2017	Employees	26.375
5 August 2021	750	Exercise options under SOP 2015-2017	Employees	34.600
6 August 2021	2 400	Exercise options under SOP 2010-2014	Employees	26.055
9 August 2021	2 400	Exercise options under SOP 2010-2014	Employees	26.055
11 August 2021	1 500	Exercise options under SOP 2015-2017	Employees	34.600
12 August 2021	2 500	Exercise options under SOP 2015-2017	Employees	34.600
13 August 2021	10 000	Exercise options under SOP 2015-2017	Employees	34.600
16 August 2021	144	Exercise options under SOP 2015-2017	Employees	39.426
16 August 2021	10 000	Exercise options under SOP2	Employees	28.335
17 August 2021	7 500	Exercise options under SOP 2010-2014	Employees	26.055
17 August 2021	9 320	Exercise options under SOP2	Employees	28.335
19 August 2021	4 000	Exercise options under SOP 2010-2014	Employees	21.450
15 September 2021	6 000	Exercise options under SOP 2010-2014	Employees	25.140
1 October 2021	2 100	Exercise options under SOP 2010-2014	Employees	26.055
19 November 2021	10 000	Exercise options under SOP 2015-2017	Employees	34.600
19 November 2021	6 250	Exercise options under SOP 2015-2017	Employees	26.375
7 December 2021	400	Exercise options under SOP 2015-2017	Employees	34.600
8 December 2021	1 125	Exercise options under SOP 2015-2017	Employees	34.600
13 December 2021	3 000	Exercise options under SOP 2010-2014	Employees	21.450
14 December 2021	1 500	Exercise options under SOP 2015-2017	Employees	34.600
16 December 2021	1 500	Exercise options under SOP 2010-2014	Employees	25.140
17 December 2021	7 700	Exercise options under SOP 2010-2014	Employees	25.140
17 December 2021	1 800	Exercise options under SOP 2010-2014	Employees	19.200
17 December 2021	2 400	Exercise options under SOP 2010-2014	Employees	25.380
24 December 2021	300	Exercise options under SOP 2010-2014	Employees	21.450
24 December 2021	2 000	Exercise options under SOP 2015-2017	Employees	26.375
27 December 2021	10 000	Exercise options under SOP 2010-2014	Employees	26.055
28 December 2021	1 800	Exercise options under SOP 2010-2014	Employees	26.055
28 December 2021	2 400	Exercise options under SOP 2010-2014	Employees	25.380
28 December 2021	2 000	Exercise options under SOP 2015-2017	Employees	26.375
28 December 2021	1 125	Exercise options under SOP 2015-2017	Employees	34.600
30 December 2021	5 000	Exercise options under SOP 2015-2017	Employees	34.600

A first grant of 144 708 equity settled performance share units under the Performance Share Plan 2018-2020 was made on 15 January 2021. In addition, a mid-year grant of 23 066 performance share units in aggregate was made on 19 August and 9 September 2021 under the Performance Share Plan 2018-2020. Each performance share unit entitles the beneficiary to acquire one performance share subject to the conditions of the Performance Share Plan 2018-2020.

These performance share units will vest following a vesting period of three years, conditional to the achievement of a pre-set performance target. 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 if the actual performance is at or above an agreed ceiling level.

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 11 May 2022 approve the distribution of a gross dividend of € 1.50 per share.

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

Post balance sheet, on 25 February 2022, Bekaert announced that the Board approved a share buyback program of an amount up to € 120 million, to be initiated in March 2022. Under the program, Bekaert may repurchase outstanding shares for a maximum consideration up to € 120 million, over a period up to twelve months. The purpose of the program is to reduce the issued share capital of the company. All shares repurchased as part of this arrangement will be cancelled. The program will be conducted under the terms and conditions approved by Bekaert's Extraordinary General Meeting of 13 May 2020. Bekaert will appoint an investment services provider to execute the repurchases of shares in the open market during open and closed periods.

Bekaert's reference shareholder, Stichting Administratiekantoor Bekaert (STAK) and the parties acting in concert with the STAK, have informed the company that they commit to take appropriate measures to ensure that their voting rights in Bekaert's share capital will not exceed the current level (i.e. 36.13%) by the end of the implementation of the program.

in €	2014	2015	2016	2017	2018	2019	2020	2021
Total gross dividend	0.850	0.900	1.100	1.100	0.700	0.350	1.000	1.500
Net dividend[2]	0.638	0.657	0.770	0.770	0.490	0.245	0.700	1.050
Coupon number	6	7	8	9	10	11	12	13

[1] *The dividend is subject to approval by the General Meeting of Shareholders 2022.*
[2] *Subject to the applicable tax legislation.*

General Meetings of Shareholders 2021

The Annual General Meeting was held on 12 May 2021. It was organized as a virtual meeting in line with Covid-19 protection measures and gave the opportunity to vote online in real-time during the meeting.

An Extraordinary General Meeting was held on 15 July 2021. The meeting did not approve the introduction of double voting right. As a result, the one share-one vote principle continues to apply to all shareholders. The other proposed changes to the Articles of Association were approved. The resolutions of the meetings are available at www.bekaert.com.

Investor Relations

Bekaert is committed to providing transparent financial information to all shareholders.

All shareholders can count on access to information and on our commitment to share relevant updates on market evolutions, performance progress and other relevant information. All such updates can be found online in the investors section of the website of the Company and are presented in meetings with analysts, shareholders, and investors. The calendar of investor relations conferences, roadshows and group visits to our premises is published on our website.

Bekaert organized a Capital Markets Day on 28 May 2021. The Chairman of the Board of Directors and the CEO, CFO and CSO gave insights on the new Bekaert strategy and the upwards revised mid-term guidance for the Company. The recorded webcast is available online in the Investors section of www.bekaert.com.

Elements pertinent to a take-over bid

Restrictions on the transfer of securities

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

Subject to the foregoing, the shares are freely transferable.

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

Restrictions on the exercise of voting rights

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

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

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

Agreements among shareholders

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

Appointment and replacement of Directors

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

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

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

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

Amendments to the Articles of Association

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

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

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

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

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

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

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

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

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

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

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

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

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

Change of control

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

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

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

Other elements

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

Control and ERM

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

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

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

Control environment

The accounting and control organization consists of three levels: (i) the accounting team in the different legal entities or shared service centers, responsible for the preparation and reporting of the financial information, (ii) the controllers at the different levels in the organization (such as plant and region), responsible inter alia for the review of the financial information in their area of responsibility, and (iii) the Group Finance Department, responsible for the final review of the financial information of the different legal entities and for the preparation of the consolidated financial statements.

In December 2021, the new Finance Operating Model has been announced. Under this new model (i) the shared service centers are incorporated in an overarching Global Business Services (GBS), aiming at bringing their performance to the next level, (ii) a Financial Controller profile has been introduced, responsible inter alia for legal entity financial statements and (iii) roles and responsibilities of plant controllers have been split and focused into (a) Operations Finance, who's primary focus is on operating cost, inventory, asset utilization and all domains of Manufacturing Excellence, (b) Commercial Finance, who focuses on revenue and gross margin with related analysis of pricing and sales force effectiveness and (c) financial Planning and Analysis (FP&A) who focuses on business results, forward looking budgets and forecasts. The implementation of the new model will be done in 2022.

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 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 October 2020. The Code of Conduct sets forth the Bekaert mission and values as well as the basic principles of how Bekaert wants to do business.

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

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

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

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

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

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

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

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

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

Below are the main risks included in Bekaert's 2021 ERM report, as reported to the Audit, Risk and Finance Committee and the Board of Directors.

Note: this 2021 ERM report, risk evaluation and risk matrix do not include the increased risks that are arising post-balance sheet date as a result of the situation in Ukraine. Those increased risks include a potential impact on demand changes, supply chain disruptions, credit risks and other. Bekaert has put a task force in place to monitor the situation on a daily basis in order to assess and mitigate the potential impact on the company.

GRI 102-11

	Risk definition	Mitigating actions	Trend
Strategic risks	**Bekaert is exposed to risks arising from demand impacts from economic crises** Impactful demand changes can affect sectors that are relevant to Bekaert, such as tire markets, energy and utility markets, and the mining, construction & infrastructure sectors. 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. As an example, the Covid-pandemic and the global shortage of microchips have recently affected demand in OEM and other sectors. The price level of oil and minerals has an impact on the investment level of extraction activities and create an upside or downside demand effect for products and services offered by Bekaert in oil and mining markets.	Strategically, Bekaert's presence in different sectors and geographies makes the company more resilient to country or sector-specific trends. The new strategy of Bekaert considers the opportunities and challenges arising from the megatrends. Bekaert's innovation drive is a competitive advantage in proactively developing solutions for the current and future market needs. The company's efforts in research and innovation address the anticipated technology shifts toward more sustainable solutions. This includes, among others, products and services that offer solutions for new mobility, renewable energy, low-carbon construction materials, and lightweight and recyclable materials in general.	=
	Bekaert is exposed to risks arising potential technology shifts Impactful technology changes can affect sectors that are relevant to Bekaert, such as tire markets, energy and utility markets, and the mining, construction & infrastructure sectors. The drive for sustainable energy sources and eco-friendly materials may affect the perspectives of oil & gas and mining industries in the future.		↗
	Expansion investments are exposed to risks of delivery on anticipated returns Organic expansion investments are subject to risks of delay and cost overruns due to unforeseen roadblocks and as such the anticipated return of such projects might not be reached within the intended timeframe. Potential M&A projects, larger in scope and hence with a higher risk potential if the anticipated returns are not achieved, entail the additional risk of acquiring or merging businesses that are not a strategic fit with Bekaert. The assumptions used for organic and inorganic business cases (market conditions, competitor moves, ...) may change and affect the return on the investments made. Major investments with a delay in generating the anticipated returns may affect the cash position and funding cost of the company.	Bekaert has implemented a rigorous capital allocation framework with detailed criteria and close governance, bringing a quality line of defense measures in the preparation, execution, and monitoring discipline of growth projects. The risk trend for organic investments is decreasing. The risk trend for inorganic investments may increase according to the size of the M&A targets considered but has not materialized in 2021.	↘ ↗
People / Organization	**Bekaert is exposed to certain labor market risks** A competitive labor market can lead to shortages of specific talent capabilities, especially in markets where the talent pool is scarce and where our offices and/or factories are in remote places. This could drive cost inflation or affect the business continuity.	Bekaert has developed a framework of strategic talent pools and has performed a skill gap analysis versus the main capabilities the company wants to develop. A compensation & benefits benchmark study has been done for the critical job families. Talent acquisition and leadership programs are high on the agenda. Diversity & Inclusion initiatives and targets are put in place to structurally enhance this performance.	=

↗ *Increasing* ↘ *Decreasing* = *Stable*

	Risk definition	Mitigating actions	Trend
Operational risks	**Source dependency might impact Bekaert's business activities and profitability** Bekaert is subject to the risks from continuous changes in trade policy worldwide, and by trade tensions between specific countries and regions. Bekaert is also subject to disruptions in supply chains due to shortages of raw materials and of logistics services. Increased source dependency might have an impact on Bekaert's business continuity in certain locations and on profitability, due to increased costs and duties.	Bekaert's global presence reduces the risk of source dependency and a lack of alternatives to continue its business activities, should one source fail to deliver or become too expensive. Bekaert's pro-active supplier risk management approach reduces the probability and impact of the risk. 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.	=
	Bekaert is subject to stringent environmental laws Bekaert is subject to environmental laws & regulations, which become more stringent all over the world. Changes in policies could increase the environmental liabilities of the company.	Prevention and risk management play an important role in Bekaert's environmental policy. This includes measures against soil and ground water contamination, responsible use of water and worldwide ISO14001 certification. Bekaert's global procedure to ensure precautionary measures against soil and ground water contamination (ProSoil) is continuously monitored in relation to regulations, ISO certification, best practices and actual implementation.	=
	Bekaert is subject to cyber-security risks Many operational activities of Bekaert depend on IT-systems that are developed and maintained by internal and external experts. Home office work has expanded the number of end-point devices and connection channels. A cyber-attack affecting critical IT- systems could interrupt Bekaert's business continuity and affect profitability. It may also lead to risks associated with data privacy and confidentiality.	Bekaert is implementing 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.	↗
Legal / Compliance risks	**Bekaert is exposed to regulatory and compliance risks** As a global company, Bekaert is subject to many laws and regulations across all countries where it is active or does business. Such laws and regulations are becoming more complex, more stringent and change faster and more frequently than before. These numerous laws and regulations include, among others, data privacy requirements (such as the European General Data Protection Regulation and California Consumer Privacy Act), intellectual property laws, labor relation laws, tax laws, anti-competition regulations, import and trade restrictions (for example the trade policies in the US and the EU), exchange laws, anti-bribery and anti-corruption regulations, health and safety regulations. Compliance actions may require additional costs or capital expenditures, which could negatively impact the profit performance of the group. In addition, given the high level of complexity of these laws, there is a risk that Bekaert may inadvertently not (timely) comply. Violations could result in fines, criminal sanctions, cessation of business activities, and a reputation risk.	Bekaert steers compliance with laws and regulations through a Compliance Committee that monitors and manages the actions that are needed to ensure compliance. 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 regularly organizes trainings on anti-bribery, anti-trust, safety and other legal awareness matters.	=
	Failure to adequately protect Bekaert's intellectual property could harm its business and operating result Intellectual property leakages can harm Bekaert and help the competition, both in terms of product development, process innovation and machine engineering. Bekaert cannot assure that its intellectual property will not be objected to, infringed upon or circumvented by third parties. Furthermore, Bekaert may fail to successfully obtain patent authorization, complete patent registration or protect such patents, which may materially and adversely affect our business position.	At year-end 2021, Bekaert had approximately 1 900 patents and patent rights in portfolio. Bekaert also initiates patent infringement proceedings against competitors when such cases are observed or reported.	=

↗ *Increasing* ↘ *Decreasing* = *Stable*

	Risk definition	Mitigating actions	Trend
Financial risks	**Bekaert is exposed to a currency exchange risk which could impact its results and financial position** Bekaert's assets, income, earnings and cash flows are influenced by movements in exchange rates of several currencies. The Group's currency risk can be split into two categories: translational and transactional currency risk. A translational currency risk arises when the financial data of foreign subsidiaries are converted into the Group's consolidation currency, the euro. The Group is also exposed to transactional currency risks resulting from its investing, financing, sales and operating activities.	Bekaert has a hedging policy in place to limit the impact of currency exchange risks.	Decreasing
	Bekaert is exposed to a credit risk on its contractual and trading counterparties Bekaert is subject to the risk that commercial counterparties delay or do not pay their liabilities. While Bekaert has a credit policy in place that considers the risk profiles of the customers and the markets to which they belong, this policy cannot fully exclude the credit risk. This risk may lead 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 and actions at the onset of the Covid-19-pandemic, which increased the liquidity risk in many markets and of certain customers.	Decreasing
	Bekaert is exposed to certain country risks with political and economic instability In Venezuela, Bekaert's activities have been affected in the past years due to shortages of raw material, power supply, and the extreme devaluation of the currency. Despite the political and monetary instability, Bekaert maintains ownership control and keeps the company operational. The risk of outstanding cumulative translation adjustments is disclosed in the detailed Financial Statements under 'critical accounting adjustments'.	All assets on Venezuelan soil have been impaired since 2010 to minimize the outstanding risk.	Stable
	Adverse business performances or changes in underlying economic climate may result in an impairment of assets In accordance with the International Accounting Standards regarding the impairment of assets (i.e., IAS36), an asset must not be carried in a company's financial statements at more than the highest recoverable amount (i.e., by selling or using the asset). In the event the carrying amount (i.e., book value) exceeds the recoverable amount, the asset is impaired. For further information on Bekaert's goodwill on the balance sheet (and impairment losses relating thereto), please refer to the note 6.2 (Goodwill) in the Financial Statements of this report.	Bekaert regularly examines its groups of assets that do not generate cash flows individually (i.e., Cash Generating Units (CGUs)) and more specifically CGUs to which goodwill is allocated. The company has not identified additional risks in the fiscal year 2021.	Decreasing
	Risk of events or losses that are uninsurable, not insured or not fully insured Insurance coverage restrictions are applicable for most risks and the insurance premium cost increases steadily, which creates a risk of uninsured losses and higher costs.	Bekaert focuses on operational risk management to reduce the risks and is continuously looking for new and alternative insurance solutions to reduce the impact.	Stable
	Wire rod price and energy price volatility may result in margin erosion Wire rod, Bekaert's main raw material, is purchased from steel mills from all over the world. Wire rod represents about 50% of the cost of sales. If Bekaert is unsuccessful in passing on cost increases to customers in due time, this may negatively influence the profit margins of Bekaert. Also, the opposite price trend entails profit risks: if raw materials prices drop significantly and Bekaert has higher priced material in stock, then the profitability may be hit by (non-cash) inventory valuation corrections at the balance sheet date of a reporting period. Energy price volatility may also negatively influence the profit margins, if Bekaert is unsuccessful in passing on cost increases to customers in due time.	In principle, price movements are passed on in the selling prices as soon as possible, through contractually agreed pricing mechanisms or through individual negotiation. Bekaert also has new tools in place to mitigate the risk. This includes pricing tools and capital allocation tools.	Increasing

Increasing *Decreasing* *Stable*

	Risk definition	Mitigating actions	Trend
Financial risks	**Bekaert is exposed to tax risks** The international nature of Bekaert's activities and the rapidly changing international tax environment encompass some tax risks. Bekaert is subject to different tax laws in many countries. Bekaert seeks to structure its operations in a tax-efficient manner, while complying with the applicable tax laws and regulations. This does not exclude the risk that a subsidiary of Bekaert may incur higher than anticipated tax liabilities, which could adversely affect the effective tax rate, results of operations and financial position. Bekaert subsidiaries can be subject to government-mandated tax investigations. Such investigations have in recent years become more regular and may result in increased advisory costs and additional liabilities.	Although supported by tax consultants and specialists, Bekaert cannot guarantee that changes in tax laws, varying interpretations and inconsistent enforcement, 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.	=
Geopolitical / Country risks	**Bekaert faces asset and profit concentration risks** While Bekaert is a truly global company with a global network of manufacturing platforms and sales and distribution offices, reducing the asset and profit concentration to a minimum, it still faces a risk of asset and profit concentration in certain locations (such as Jiangyin, China). In case major a political, social, or asset damage incident would occur, then the risk of asset and profit concentration could materialize.	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.	↗
	Pandemic Risk The Covid-19 pandemic impact depends on a broad range of factors, including the duration and scope of the pandemic, the geographies impacted, the social impact, the impact on economic activity, and the nature and severity of measures adopted by governments to restrict the further spread of the virus, including restrictions on business operations and travel, restrictions on large gatherings and orders to self-isolate.	Bekaert implemented in 2020 a crisis management plan and governance model to manage the Covid-19 pandemic crisis with a focus on safeguarding the health & safety of our employees, protecting our customers and our business, ensuring financial strength, identifying and pursuing opportunities arising from the crisis and enabling the organization to deal with ambiguity. In 2021 actions from crisis were reinforced in standing function and business governance.	=
	Risk of physical damage, business interruption and/or supply chain disruption Damage caused by climate change impact (heavy rains/flooding, drought/water shortages, high ambient temperatures, bush fires, 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 implementing adaptation measures such as adequate water run-off and/or collection, flood defenses, provision of adequate firefighting facilities, water usage minimization programs & employee working condition provisions in the event of high temperatures in the summer months	↗
Corporate	**Underperformance on sustainability targets** Underperformance on sustainability targets can also cause reputational damage and affect Bekaert's position as a preferred partner to customers and investors	Bekaert has established a new sustainability strategy that will step up our sustainability performance. Our environmental targets, which are aligned with the Science-Based Targets initiative, are ambitious and will be implemented according to a roadmap that has been approved by the Board of Directors.	↗

↗ *Increasing* ↘ *Decreasing* = *Stable*

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.

FINANCIAL STATEMENTS

Consolidated financial statements

Consolidated income statement

in thousands of € - Year ended 31 December	Notes	2020	2021
Sales	5.1	3 772 374	4 839 659
Cost of sales	5.2	-3 214 056	-3 953 752
Gross profit	**5.2**	**558 318**	**885 907**
Selling expenses	5.2	-167 141	-186 239
Administrative expenses	5.2	-133 526	-161 091
Research and development expenses	5.2	-52 361	-59 537
Other operating revenues	5.2	84 659	62 940
Other operating expenses	5.2	-33 422	-28 894
Operating result (EBIT)	5.2	**256 527**	**513 086**
of which			
EBIT - Underlying	5.2 / 5.3	**272 244**	**514 617**
One-off items	5.2	**-15 717**	**-1 531**
Interest income	5.4	3 386	3 260
Interest expense	5.4	-59 554	-44 480
Other financial income and expenses	5.5	-30 165	4 430
Result before taxes		**170 194**	**476 296**
Income taxes	5.6	-56 513	-133 296
Result after taxes (consolidated companies)		**113 682**	**343 000**
Share in the results of joint ventures and associates	5.7	34 355	107 619
RESULT FOR THE PERIOD		**148 037**	**450 620**
Attributable to			
equity holders of Bekaert		*134 687*	*406 977*
non-controlling interests	6.15	*13 350*	*43 643*
Earnings per share			
in € per share	5.8	**2020**	**2021**
Result for the period attributable to equity holders of Bekaert			
Basic		*2.382*	*7.140*
Diluted		*2.266*	*7.063*

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

Consolidated statement of comprehensive income

in thousands of € - Year ended 31 December	Notes	2020	2021
Result for the period		**148 037**	**450 620**
Other comprehensive income (OCI)	6.14		
Other comprehensive income reclassifiable to income statement in subsequent periods			
Exchange differences			
Exchange differences arising during the year on subsidiaries		-80 879	89 514
Exchange differences arising during the year on joint ventures and associates		-38 134	1 647
Reclassification adjustments relating to entity disposals or step acquisitions		—	-2 987
OCI reclassifiable to income statement in subsequent periods, after tax		**-119 013**	**88 173**
Other comprehensive income non-reclassifiable to income statement in subsequent periods			
Remeasurement gains and losses on defined-benefit plans		2 497	47 351
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI		250	5 882
Share of non-reclassifiable OCI of joint ventures and associates		4	3
Deferred taxes relating to non-reclassifiable OCI	6.7	-1 024	-3 500
OCI non-reclassifiable to income statement in subsequent periods, after tax		**1 727**	**49 736**
Other comprehensive income for the period		**-117 286**	**137 909**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**30 751**	**588 529**
Attributable to			
equity holders of Bekaert		*23 233*	*545 660*
non-controlling interests	*6.15*	*7 518*	*42 869*

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

Consolidated balance sheet

Assets as at 31 December

in thousands of €	Notes	2020	2021
Intangible assets	6.1	54 664	61 440
Goodwill	6.2	149 398	150 674
Property, plant and equipment	6.3	1 191 781	1 253 857
RoU Property, plant and equipment	6.4	132 607	132 073
Investments in joint ventures and associates	6.5	123 981	188 661
Other non-current assets	6.6	45 830	65 886
Deferred tax assets	6.7	124 243	119 599
Non-current assets		**1 822 503**	**1 972 189**
Inventories	6.8	683 477	1 121 219
Bills of exchange received	6.8	54 039	41 274
Trade receivables	6.8	587 619	750 666
Other receivables	6.9 / 6.21	101 330	157 005
Short-term deposits	6.10	50 077	80 058
Cash and cash equivalents	6.10	940 416	677 270
Other current assets	6.11	41 898	42 272
Assets classified as held for sale	6.12	6 740	1 803
Current assets		**2 465 597**	**2 871 567**
Total		**4 288 100**	**4 843 756**

Equity and liabilities as at 31 December

in thousands of €	Notes	2020	2021
Share capital	6.13	177 812	177 923
Share premium		37 884	38 850
Retained earnings	6.14	1 614 781	1 984 791
Treasury shares	6.14	-106 148	-95 517
Other Group reserves	6.14	-276 448	-136 495
Equity attributable to equity holders of Bekaert		**1 447 880**	**1 969 551**
Non-controlling interests	6.15	**87 175**	**130 971**
Equity		**1 535 055**	**2 100 522**
Employee benefit obligations	6.16	130 948	77 659
Provisions	6.17	25 166	23 311
Interest-bearing debt	6.18	968 076	953 581
Other non-current liabilities	6.19	1 231	844
Deferred tax liabilities	6.7	38 337	51 979
Non-current liabilities		**1 163 759**	**1 107 375**
Interest-bearing debt	6.18	641 655	237 742
Trade payables	6.8	668 422	1 062 185
Employee benefit obligations	6.8 / 6.16	149 793	177 159
Provisions	6.17	11 421	4 392
Income taxes payable	6.21	53 543	86 131
Other current liabilities	6.20	64 451	68 249
Liabilities associated with assets classified as held for sale	6.12	—	—
Current liabilities		**1 589 286**	**1 635 859**
Total		**4 288 100**	**4 843 756**

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

Consolidated statement of changes in equity

in thousands of €	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjustments	Reva-luation reserve for non-consoli-dated equity investments	Remea-surement reserve for DB plans	Deferred tax reserve	Total	Non-controlling interests [2]	Total equity
	Attributable to equity holders of Bekaert [1]										
Balance as at 1 January 2020	**177 793**	**37 751**	**1 492 022**	**-107 463**	**-113 964**	**-12 117**	**-67 016**	**28 104**	**1 435 110**	**96 430**	**1 531 540**
Result for the period	—	—	134 687	—	—	—	—	—	**134 687**	13 350	**148 037**
Other comprehensive income	—	—	—	—	-113 858	250	3 473	-1 319	**-111 454**	-5 832	**-117 286**
Effect of NCI purchase [3]	—	—	-467	—	—	—	—	—	**-467**	-8 503	**-8 970**
Equity-settled share-based payment plans	—	—	8 556	—	—	—	—	—	**8 556**	—	**8 556**
Creation of new shares	19	133	—	—	—	—	—	—	**152**	—	**152**
Treasury shares transactions	—	—	-231	1 314	—	—	—	—	**1 083**	—	**1 083**
Dividends	—	—	-19 787	—	—	—	—	—	**-19 787**	-8 270	**-28 057**
Balance as at 31 December 2020	**177 812**	**37 884**	**1 614 780**	**-106 149**	**-227 822**	**-11 867**	**-63 543**	**26 785**	**1 447 880**	**87 175**	**1 535 055**

[1] See note 6.14. 'Retained earnings and other Group reserves'.
[2] See note 6.15. 'Non-controlling interests'.
[3] In February 2020, the buy-out of Continental in Bekaert Slatina SRL through the acquisition of Conti's 20% shareholding was closed. A consideration of € 9.0 million was paid.

in thousands of €	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjustments	Reva-luation reserve for non-consoli-dated equity investments	Remea-surement reserve for DB plans	Deferred tax reserve	Total	Non-controlling interests [2]	Total equity
	Attributable to equity holders of Bekaert [1]										
Balance as at 1 January 2021	**177 812**	**37 884**	**1 614 780**	**-106 149**	**-227 822**	**-11 867**	**-63 543**	**26 785**	**1 447 880**	**87 175**	**1 535 055**
Result for the period	—	—	406 977	—	—	—	—	—	**406 977**	43 643	**450 620**
Other comprehensive income	—	—	—	—	89 370	5 882	46 753	-3 321	**138 683**	-774	**137 909**
Capital contribution by non-controlling interests	—	—	—	—	—	—	—	—	**—**	3 975	**3 975**
Effect of other changes in Group structure [4]	—	—	-2 220	—	1 270	—	—	—	**-951**	3 601	**2 650**
Equity-settled share-based payment plans	—	—	15 261	—	—	—	—	—	**15 261**	—	**15 261**
Creation of new shares	111	966	—	—	—	—	—	—	**1 077**	—	**1 077**
Treasury shares transactions	—	—	6 787	10 631	—	—	—	—	**17 419**	—	**17 419**
Dividends	—	—	-56 795	—	—	—	—	—	**-56 795**	-6 649	**-63 444**
Balance as at 31 December 2021	**177 923**	**38 850**	**1 984 791**	**-95 517**	**-137 183**	**-5 986**	**-16 790**	**23 464**	**1 969 551**	**130 971**	**2 100 522**

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

Consolidated cash flow statement

in thousands of € - Year ended 31 December	Notes	2020	2021
Operating activities			
Operating result (EBIT)	5.2 / 5.3	256 527	513 086
Non-cash items included in operating result	7.1	270 417	190 222
Investing items included in operating result	7.1	-38 626	-23 234
Amounts used on provisions and employee benefit obligations	7.1	-50 756	-50 340
Income taxes paid	5.6 / 7.1	-56 504	-92 737
Gross cash flows from operating activities		**381 059**	**536 997**
Change in operating working capital	6.8	124 419	-119 773
Other operating cash flows	7.1	-556	-32 620
Cash flows from operating activities		**504 921**	**384 604**
Investing activities			
New business combinations	7.2	-978	—
Other portfolio investments	7.1	—	-863
Proceeds from disposals of investments		—	-66
Dividends received	6.5	25 324	24 858
Purchase of intangible assets	6.1	-3 214	-12 852
Purchase of property, plant and equipment	6.3	-104 477	-143 753
Proceeds from disposals of fixed assets	7.1	52 136	36 752
Cash flows from investing activities		**-31 209**	**-95 924**
Financing activities			
Interest received	5.4	3 076	3 474
Interest paid	5.4	-42 864	-35 170
Gross dividend paid to shareholders of NV Bekaert SA		-19 787	-56 795
Gross dividend paid to non-controlling interests		-5 953	-6 761
Proceeds from long-term interest-bearing debt	6.18	201 309	23 649
Repayment of long-term interest-bearing debt	6.18	-247 673	-439 823
Cash flows from / to (-) short-term interest-bearing debt	6.18	41 358	-43 328
Treasury shares transactions	6.13	1 084	17 419
Sales and purchases of NCI	7.1	-8 970	—
Other financing cash flows	7.1	-4 319	-29 747
Cash flows from financing activities		**-82 741**	**-567 082**

Net increase or decrease (-) in cash and cash equivalents	**390 972**	**-278 401**
Cash and cash equivalents at the beginning of the period	**566 176**	**940 416**
Effect of exchange rate fluctuations	-16 731	15 255
Cash and cash equivalents at the end of the period	**940 416**	**677 270**

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

Notes to the consolidated financial statements

1. General information

NV Bekaert SA (the 'Company') is a company incorporated and domiciled in Belgium and a world market and technology leader in steel wire transformation and coating technologies. The Company's consolidated financial statements include those of the Company and its subsidiaries (together referred to as the 'Group' or 'Bekaert') and the Group's interest in joint ventures and associates accounted for using the equity method. The consolidated financial statements were authorized for issue by the Board of Directors of the Company on 18 March 2022.

2. Summary of principal accounting policies

2.1. Statement of compliance

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

New and amended standards and interpretations

Standards, interpretations and amendments effective in 2021

In the current year, the Group has applied the below amendments to IFRS standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 4 'Insurance Contracts', effective 1 January 2021, that change the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial instruments'.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, effective 1 January 2021, related to the Interest Rate Benchmark Reform - Phase 2.
- Amendments to IFRS 16 'Leases' - Covid-19 related rent concessions beyond 30 June 2021, effective 1 April 2021.

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

Standards, amendments and interpretations that are not yet effective in 2021 and have not been early adopted

The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective. These new, and amendments to, standards and interpretations effective after 2021 are not expected to have a material impact on the financial statements.

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-Current, effective 1 January 2023.
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting policies, effective 1 January 2023.
- Amendments to IAS 8 'Accounting policies, changes in accounting estimates and errors' - Definition of Accounting estimates, effective 1 January 2023.
- Amendments to IAS 12 'Income taxes' - Deferred taxes related to assets and liabilities arising from a single transaction, effective 1 January 2023.
- Amendments to IAS 16 'Property, plant and equipment' - Proceeds before intended use, effective 1 January 2022.
- Amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' - onerous contracts - cost of fulfilling a contract, effective 1 January 2022.
- Amendments to IFRS 3 'Business combinations' - References to the conceptual framework, effective 1 January 2022.
- Amendments to IFRS 17 'Insurance contracts' - Initial application of IFRS 17 and IFRS 9 - Comparative information, effective 1 January 2023.
- IFRS 17 'Insurance contracts', effective 1 January 2023.
- Annual Improvements Cycle 2018-2020, effective 1 January 2022.

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

2.2. General principles

Basis of preparation

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

Principles of consolidation

Subsidiaries

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

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

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

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

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

Joint arrangements and associates

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

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

Foreign currency translation

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

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

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

2.3. Balance sheet items

Intangible assets

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

Licenses, patents and similar rights

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

Computer software

Generally, costs directly associated with the acquisition and implementation of acquired ERP software are recognized as intangible assets and amortized over five years on a straight-line basis.

Commercial assets

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

Emission rights

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

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

Research and development

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

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

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

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

Goodwill and business combinations

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

(i) the sum of the following elements:

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

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

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

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

Impairment of goodwill

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

Property, plant and equipment

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

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

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

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

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

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

The Group as lessee

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

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

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

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

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

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

Government grants

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

Financial assets

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

Financial assets at amortized cost

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

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

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

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

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

Financial assets at fair value

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

Bills of exchange received

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

Cash & cash equivalents and short-term deposits

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

Impairment of financial assets

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

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

Inventories

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

Share capital

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

Non-controlling interests

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

Provisions

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

Restructuring

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

Site remediation

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

Employee benefit obligations

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

Defined-benefit plans

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

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

Defined-contribution plans

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

Other long-term employee benefits

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

Share-based payment plans

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

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

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

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

Interest-bearing debt

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

Lease liabilities

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

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

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

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

Trade payables and other current liabilities

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

Income taxes

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

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

Derivatives, hedging and hedging reserves

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

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

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

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

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

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

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

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

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

Impairment of assets

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

2.4. Income statement items

Revenue recognition

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

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

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

2.6. Alternative performance measures

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

Underlying performance measures

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

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

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

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

2.7. Miscellaneous

Non-current assets held for sale and discontinued operations

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

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

Contingencies

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

Events after the balance sheet date

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

3. Significant accounting judgements and key sources of estimation uncertainty

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

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

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

- Management assessed that a constructive obligation exists in Belgium to provide pre-retirement schemes for employees as from the first day of service (see note 6.16. 'Employee benefit obligations') and therefore these pre-retirement schemes are treated as defined-benefit plans using the projected unit credit method. The obligation amounted to € 8.0 million (2020: € 8.4 million).
- Management continued to conclude that the criteria for capitalization were not met and hence recognized development expenditure through profit or loss.
- Management makes judgments in defining the functional currency of Group entities based on economic substance of the transactions relevant to these entities. By default the functional currency is the one of the country in which the entity is operating. See note 7.7. 'Subsidiaries, joint ventures and associates' for a comprehensive list of entities and their functional currency.
- Management assessed that it is controlling the Venezuelan subsidiaries. In spite of the political and monetary instability, management was able to keep the company operational and hence concluded that it is in control. The US dollar is the functional currency and as from May 2019, banks can act as intermediaries in foreign currency transactions through 'exchange tables', a measure that makes the exchange control that operated since 2003 and that gave the State a monopoly in currency management, more flexible. At year-end 2021, the cumulative translation adjustments ('CTA') amount to € -59.7 million, which - in case of loss of control - would be recycled to income statement. Apart from the CTA, the contribution of the Venezuelan operations to the consolidated accounts is immaterial.
- Deferred tax assets were recognized to the extent that it was probable that future taxable profits would be available, taking into account all evidence, both positive and negative. This assessment was done using prudent estimates based on the business plan for the entity concerned, typically using a five year time horizon. In some countries, deferred tax assets on capital losses, trade losses and tax credits were recognized to the extent of uncertain tax provisions recognized, in order to reflect that some tax audit adjustments would result in an adjustment of the amount of tax losses rather than in a tax cash-out for the entity concerned.

3.2. Key sources of estimation uncertainty

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

- Management performed the annual impairment test on the goodwill related to BBRG on the basis of the latest business plan. Following the realized turnaround performance of the business in 2020, headroom has become very solid, reducing the likelihood of an impairment loss (see note 6.2. 'Goodwill').
- Impairment analyses are based upon assumptions such as market evolution, margin evolution and discount rates. The ability of an entity to pass on changes in raw material prices to its customers (either through contractual arrangements or through commercial negotiations) is included in the margin evolution assumption. Sensitivity analyses for reasonable changes in these assumptions are presented as part of note 6.2. 'Goodwill'.
- Given its global presence, Bekaert is exposed to tax risks in many jurisdictions. On the one hand, the application of tax law in the different jurisdictions can be complex and requires judgement to assess risk and estimate outcomes, which is a major source of uncertainty. On the other hand, tax authorities of the jurisdictions conduct regular tax audits that may reveal potential tax issues. As the tax audits can take many years to resolve, this further adds to the uncertainty. While the outcome of such tax audits is not certain, Bekaert has considered the merits of its filing positions of the matters subject to each tax audit in an overall evaluation of potential tax liabilities, and concludes that the Group has adequate liabilities recorded in its consolidated financial statements for exposures on these matters. Accordingly, Bekaert considers it unlikely that potential tax exposures over and above the amounts currently recorded as liabilities in the consolidated financial statements will be material to its financial condition. Both the timing and the position taken by the tax authorities in the different jurisdictions give rise to uncertainty and can result in an adjustment to the carrying amounts of income tax payable related to uncertain tax positions within the next financial year. In FY 2020 a number of pending tax audits in different countries were finalized, leading to an additional tax expense on the one hand but also to the release of related provisions for uncertain tax positions on the other hand. In FY 2021 the amount settled during tax audits was considerably lower compared to FY 2020. At year- end 2021 Bekaert has uncertain tax positions recognized as income taxes payable amounting to € 38.9 million (2020: € 31.6 million). See note 6.21. 'Tax positions'.

4. Segment reporting

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

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

The following four business units are presented:

1. Rubber Reinforcement (RR): 42% of consolidated third party sales (2020: 43%)
2. Steel Wire Solutions (SWS): 38% of consolidated third party sales (2020: 36%)
3. Specialty Businesses (SB): 10% of consolidated third party sales (2020: 10%)
4. Bridon-Bekaert Ropes Group (BBRG): 10% of consolidated third party sales (2020: 11%)

No segments have been aggregated.

4.1. Key data by reporting segment

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

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

2020

in thousands of €	Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	BBRG	Group	Intersegment	Consolidated
Consolidated third party sales	1 614 077	1 333 513	389 434	424 359	10 991	—	3 772 374
Consolidated sales	1 644 744	1 363 252	396 030	426 682	71 658	-129 992	3 772 374
Operating result (EBIT)	**136 126**	**87 921**	**36 244**	**23 805**	**-33 772**	**6 203**	**256 527**
EBIT - Underlying	144 305	96 093	45 285	33 763	-53 585	6 384	272 244
Depreciation and amortization [2]	102 706	49 433	16 469	30 757	13 145	-10 407	202 103
Impairment losses	1 825	2 752	1 699	6 964	724	—	13 964
EBITDA	**240 657**	**140 106**	**54 412**	**61 526**	**-19 903**	**-4 204**	**472 594**
Segment assets	1 404 496	804 952	288 357	505 875	-8 564	-122 938	2 872 179
Unallocated assets							1 415 922
Total assets							**4 288 100**
Segment liabilities	310 268	307 519	71 377	82 838	84 133	-46 917	809 219
Unallocated liabilities							1 943 826
Total liabilities							**2 753 045**
Capital employed	1 094 228	497 433	216 980	423 037	-92 697	-76 021	2 062 960
Weighted average capital employed	1 166 713	544 493	226 288	457 583	-70 926	-88 974	2 235 178
Return on weighted average capital employed (ROCE)	11.7%	16.1%	16.0%	5.2%	—	—	11.5%
Capital expenditure – PP&E	37 425	20 596	29 183	16 452	848	-4 510	99 993
Capital expenditure – intangible assets	460	141	14	443	2 435	-279	3 214
Share in the results of joint ventures and associates	7 121	27 240	—	—	-6	—	34 355
Investments in joint ventures and associates	43 287	80 674	—	—	19	—	123 981
Number of employees (year-end) [1]	12 540	6 028	1 373	2 320	1 578	—	23 839

2021

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

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

4.2. Revenue by country

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

in thousands of €	2020	% of total	2021	% of total
Consolidated third party sales				
from Belgium	272 187	7%	372 886	8%
from Chile	348 906	9%	537 994	11%
from China	841 825	22%	980 016	20%
from USA	553 461	15%	685 071	14%
from Slovakia	320 459	8%	419 273	9%
from other countries	1 435 535	39%	1 844 419	38%
Total third party consolidated sales	**3 772 374**	**100%**	**4 839 659**	**100%**
Selected non-current assets				
in Belgium	120 396	7%	122 469	7%
in Chile	84 340	5%	79 059	4%
in China	300 702	18%	315 190	18%
in USA	118 356	7%	151 264	8%
in Slovakia	129 278	8%	125 848	7%
in other countries	899 358	55%	992 874	56%
Total selected non-current assets	**1 652 429**	**100%**	**1 786 704**	**100%**

Bekaert's top 5 customers together represented 21% (2020: 20%) of the Group's total consolidated sales, while the next top 5 customers represented another 8% (2020: 7%) of the Group's total consolidated sales. No individual customer contributed 10% to consolidated sales.

5. Income statement items

5.1. Net sales

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

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

in thousands of €	2020	% of total	2021	% of total
Sales of products	3 765 501	99.8%	4 836 089	99.9%
Sales of machines by engineering	6 519	0.2%	3 449	0.1%
Other sales	354	0.0%	122	0.0%
Net sales	**3 772 374**	**100.0%**	**4 839 659**	**100.0%**

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

2020

in thousands of €	Rubber Reinforcement	Steel Wire Solutions	Specialty Businesses	BBRG	Group	Consolidated
Industry						
Tire & Automotive	*1 535 462*	*133 083*	*30 112*	*7 200*	*—*	*1 705 857*
Energy & Utilities	*85*	*183 525*	*22 118*	*78 296*	*—*	*284 024*
Construction	*7*	*378 062*	*293 574*	*60 367*	*—*	*732 010*
Consumer Goods	*—*	*99 798*	*3 754*	*—*	*—*	*103 552*
Agriculture	*—*	*261 174*	*—*	*38 126*	*—*	*299 300*
Equipment	*68 307*	*74 357*	*3 937*	*116 585*	*10 991*	*274 177*
Basic Materials	*10 215*	*203 513*	*35 940*	*123 785*	*—*	*373 453*
Total	**1 614 077**	**1 333 513**	**389 434**	**424 359**	**10 991**	**3 772 374**

2021

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

5.2. Operating result (EBIT) by function

Sales and gross profit

in thousands of €	2020	2021	variance (%)
Sales	3 772 374	4 839 659	28.3%
Cost of sales	-3 214 056	-3 953 752	23.0%
Gross profit	**558 318**	**885 907**	**58.7%**
Gross profit in % of sales	14.8%	18.3%	

Bekaert achieved consolidated sales of € 4.8 billion in 2021, well above last year (28.3%) due to the heavy impact of the Covid-19 pandemic in the first half of 2020. The organic sales increase (28.4%) was driven by higher volumes (9.0%) and passed-on wire rod price (13.5%) and other price-mix effects for the full year (5.8%). The currency movements were -0.1% negative (mainly related to movements in US dollar, Czech koruna and Chinese renminbi).

The increase in sales positively impacted Gross profit as the Group realized an increase of € 327.6 million in absolute terms (58.7%), resulting in a margin of 18.3% (2020: 14.8%). This was realized due to the strong volume growth, structural improvements with lasting effects on the business portfolio and performance of Bekaert, positive inventory revaluation impact driven by the price increases of raw materials and a small favorable impact from exchange rates (€ 1.3 million).

Overheads

in thousands of €	2020	2021	variance (%)
Selling expenses	-167 141	-186 239	11.4%
Administrative expenses	-133 526	-161 091	20.6%
Research and development expenses	-52 361	-59 537	13.7%
Total	**-353 027**	**-406 867**	**15.3%**

The overhead expenses increased by € 53.8 million to € 406.9 million (8.4% on sales). The increase in absolute value was mainly due to phasing out of Covid-19 mitigation actions amounting to € 38.1 million in 2020 (and which were no longer applicable in 2021), impact from performance boost on Short-Term Variable Pay and on valuation of Long-Term Share-Based Payment schemes and consultancy fees for specific projects. The one-off impact from the restructuring programs on overheads decreased by € 19.0 million and mainly related to lay-off costs and the impairment of assets. In 2021, selling expenses included bad debt allowances recognized for € -3.0 million (2020: € -5.4 million) and reversal of bad debt allowances for amounts used and not used for € 4.4 million (2020: € 4.9 million).

Other operating revenues

in thousands of €	2020	2021	variance
Royalties received	10 139	15 209	5 071
Gains on disposal of PP&E and intangible assets	3 410	8 458	5 047
Realized exchange results on sales and purchases	-1 047	1 237	2 284
Tax rebates	—	429	429
Government grants	3 411	1 039	-2 372
Compensations received for claims	3 192	2 855	-337
Restructuring[1]	41 254	23 304	-17 950
Environmental	16 218	148	-16 070
Other revenues	8 081	10 260	2 179
Total	**84 659**	**62 940**	**-21 719**

[1] *Mainly relates to disposal of PP&E*

Other operating expenses

in thousands of €	2020	2021	variance
Royalties paid	—	-1 012	-1 012
Losses on disposal of PP&E and intangible assets	-2 594	-1 375	1 219
Amortization of intangible assets	-1 688	-1 512	176
Bank charges	-2 615	-2 776	-161
Tax related expenses (other than income taxes)	-1 562	-2 639	-1 077
Impairment losses	-5 377	-278	5 099
Restructuring	-13 832	-12 379	1 453
Losses on business disposals	-705	-170	535
Other expenses	-5 049	-6 753	-1 704
Total	**-33 422**	**-28 894**	**4 528**

The royalty income increased with 50% due to higher sales. Government grants mainly related to subsidies in China. There are no indications that the conditions attached to those grants will not be complied with in the future and therefore it is not expected that subsidies may have to be refunded.

The gain on the disposal of PP&E and intangible assets contained in 2021 the revenues from the sale of assets not included in restructuring programs, primarily in Belgium.

The compensations received for claims contained in 2020 compensations for business interruption due to Covid-19 for an amount of € 1.6 million and in 2021 contained a positive impact from the reduction of an insurance claim.

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

In 2020 'Restructuring - revenues' contained mainly the gain from the sale of land and buildings following the plant closures due to restructuring and 'Restructuring - expenses' part of the cost (lay-off costs and impairment) related to the restructuring programs and plant closures.

'Environmental' in 2020 related mainly to reversal of provisions in Belgium linked to disposal of assets and a reimbursement of soil and groundwater remediation in Italy.

The impairment losses in 2020 are mainly for assets in Belgium and the United States as a result of the closure of plants.

The other section of other operating expenses included in 2020 a penalty for cancellation of an electricity contract for a lower tariff. The other section of other operating revenues included in 2021 CTA impact on business disposals.

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

EBIT Reported and Underlying		2020			2021	
in thousands of €	reported	of which underlying	of which one-offs	reported	of which underlying	of which one-offs
Sales	3 772 374	3 772 374	—	4 839 659	4 839 659	—
Cost of sales	-3 214 056	-3 173 517	-40 539	-3 953 752	-3 936 874	-16 878
Gross profit	**558 318**	**598 857**	**-40 539**	**885 907**	**902 785**	**-16 878**
Selling expenses	-167 141	-162 602	-4 538	-186 239	-186 017	-222
Administrative expenses	-133 526	-121 961	-11 565	-161 091	-162 461	1 370
Research and development expenses	-52 361	-49 857	-2 504	-59 537	-59 440	-97
Other operating revenues	84 659	27 187	57 472	62 940	36 128	26 812
Other operating expenses	-33 422	-19 379	-14 043	-28 894	-16 377	-12 517
Operating result (EBIT)	**256 527**	**272 244**	**-15 717**	**513 086**	**514 617**	**-1 531**

One-off items 2020

in thousands of €	Cost of Sales	Selling expenses	Administrative expenses	R&D	Other operating revenues	Other operating expenses	Total
Restructuring programs by segment							
Rubber Reinforcement [1]	-3 427	-1 335	-402	—	283	-1 105	-5 986
Steel Wire Solutions [2]	-7 754	-992	-985	—	2 609	-850	-7 972
Specialty Businesses [3]	-7 869	-560	-23	-130	751	-1 039	-8 870
Bridon-Bekaert Ropes Group (BBRG) [4]	-8 957	5	-191	—	55	-1 174	-10 262
Group [5]	-10 685	-951	-9 680	-2 374	37 738	-9 664	4 385
Intersegment	—	—	—	—	-181	—	-181
Total restructuring programs	**-38 692**	**-3 833**	**-11 280**	**-2 504**	**41 254**	**-13 832**	**-28 887**
Business disposals							
Group [6]	—	-705	—	—	—	—	-705
Total business disposals	**—**	**-705**	**—**	**—**	**—**	**—**	**-705**
Environmental provisions/(reversals of provisions)							
Rubber Reinforcement	-2 192	—	—	—	—	—	-2 192
Group [7]	—	—	—	—	16 218	—	16 218
Total environmental provisions/(reversals)	**-2 192**	**—**	**—**	**—**	**16 218**	**—**	**14 026**
Other events and transactions							
Steel Wire Solutions	—	—	-199	—	—	—	-199
Specialty Businesses	—	—	—	—	—	-171	-171
Bridon-Bekaert Ropes Group (BBRG)	345	—	—	—	—	-41	304
Group	—	—	-85	—		—	-85
Total other events and transactions	**345**	**—**	**-284**	**—**	**—**	**-212**	**-151**
Total	**-40 539**	**-4 538**	**-11 565**	**-2 504**	**57 472**	**-14 043**	**-15 717**

[1] *Related mainly to lay-off costs, the closure of Figline plant (Italy) and the restructuring in India.*
[2] *Related mainly to lay-off costs and impairment of assets due to the restructuring in Belgium.*
[3] *Related mainly to lay-off-costs and impairment of assets due to the restructuring in China, the closure of the plant in Moen (Belgium) and lay-off costs due to the restructuring in Belgium.*
[4] *Related mainly to impairment of assets due the planned closure of the company in Canada and lay-off costs due to the restructuring in the UK.*
[5] *Related mainly to lay-off costs due to the restructuring in Belgium and gain on disposal of land and buildings in Belgium.*
[6] *Contractual liability indemnification related to previous divestments.*
[7] *Related mainly to reversal of provisions in Belgium linked to disposal of assets and a reimbursement of soil and groundwater remediation in Italy.*

One-off items 2021

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

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

5.3. Operating result (EBIT) by nature

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

in thousands of €	2020	% on sales	2021	% on sales
Sales	3 772 374	100%	4 839 659	100%
Other operating revenues	84 659	—	62 940	—
Total operating revenues	**3 857 032**	**—**	**4 902 599**	**—**
Own construction of PP&E	17 200	0.5%	31 872	0.7%
Raw materials	-1 349 418	-35.8%	-1 995 508	-41.2%
Semi-finished products and goods for resale	-306 261	-8.1%	-523 793	-10.8%
Change in work-in-progress and finished goods	-43 634	-1.2%	277 348	5.7%
Staff costs	-796 051	-21.1%	-840 348	-17.4%
Depreciation and amortization	-202 103	-5.4%	-166 905	-3.4%
Impairment losses	-13 964	-0.4%	1 518	0.0%
Transport and handling of finished goods	-164 390	-4.4%	-249 476	-5.2%
Consumables and spare parts	-217 900	-5.8%	-273 318	-5.6%
Utilities	-224 534	-6.0%	-264 128	-5.5%
Maintenance and repairs	-57 147	-1.5%	-66 054	-1.4%
Lease and related expenses	-8 503	-0.2%	-9 451	-0.2%
Commissions in selling expenses	-6 315	-0.2%	-8 008	-0.2%
Export VAT and export customs duty	-2 432	-0.1%	-12 760	-0.3%
ICT costs	-39 208	-1.0%	-40 034	-0.8%
Advertising and sales promotion	-5 328	-0.1%	-6 444	-0.1%
Travel, restaurant & hotel	-8 181	-0.2%	-8 605	-0.2%
Consulting and other fees	-29 753	-0.8%	-40 314	-0.8%
Office supplies and equipment	-8 451	-0.2%	-8 472	-0.2%
Venture capital funds R&D	-1 973	-0.1%	-1 447	0.0%
Temporary or external labor	-27 261	-0.7%	-36 238	-0.7%
Insurance expenses	-10 692	-0.3%	-15 427	-0.3%
Miscellaneous	-94 207	-2.5%	-133 520	-2.8%
Total operating expenses	**-3 600 506**	**-95.4%**	**-4 389 512**	**-90.7%**
Operating result (EBIT)	**256 527**	**6.8%**	**513 086**	**10.6%**

The impairment losses of the current year mainly related to disposal of machines and reversal due to restructuring of the previous year. The depreciation and amortization included write-downs / (reversals of write-downs) on inventories and trade receivables.

5.4. Interest income and expense

in thousands of €	2020	2021
Interest income on financial assets not measured at FVTPL	3 386	3 260
Interest income	**3 386**	**3 260**
Interest expense on interest-bearing debt not measured at FVTPL	*-51 159*	*-39 159*
Other debt-related interest expense	*-5 536*	*-3 496*
Debt-related interest expense	-56 695	-42 655
Interest element of discounted provisions	-2 859	-1 825
Interest expense	**-59 554**	**-44 480**
Total	**-56 168**	**-41 220**

The decrease in interest expense was mainly due to the repayment of gross debt of € 419 million and the decrease in the interest expense linked to derivatives. There was a further reduction in intercompany loans and third party debt in foreign currency, causing an equal decrease in the volume of derivatives entered into to hedge the underlying interest risk (see note 7.2. 'Financial risk management and financial derivatives').

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

The interest element of discounted provisions related for € -1.8 million (2020: € -2.8 million) to defined-benefit liabilities (see note 6.16. 'Employee benefit obligations'). In 2020, € 0.1 million related to other provisions, while there was nil in 2021 (see note 6.17. 'Provisions').

5.5. Other financial income and expenses

in thousands of €	2020	2021
Value adjustments to derivatives	*567*	*4 987*
Exchange results on hedged items	*-9 765*	*1 570*
Net impact of derivatives and hedged items	-9 198	6 557
Other exchange results	-17 934	-4 315
Gains and losses on disposal of financial assets	—	19
Dividends from non-consolidated equity investments	1 184	5 088
Bank charges and taxes on financial transactions	-3 376	-4 074
Impairments of other receivables	—	-39
Other	-842	1 194
Total	**-30 165**	**4 430**

Value adjustments include changes in the fair value of all derivatives, other than those designated as cash flow hedges. Exchange results on hedged items also relate to economic hedges only. The net impact of derivatives and hedged items presented here does not include any impacts recognized in other income statement elements, such as interest expense, cost of sales or other operating revenues and expenses. Value adjustments to derivatives included a fair value gain of € 9.4 million in 2021 (2020: gain of € 1.1 million), mainly related to a Virtual Power Purchase Agreement (VPPA). For more details on the impact of derivatives and hedged items, see note 7.2. 'Financial risk management and financial derivatives'.

Other exchange results in 2021 amounted to € -4.3 million and were mainly related to the devaluation of the Turkish lira and the Chilean peso, resulting in unrealized and realized FX results on working capital items and intercompany loans. The bank charges and taxes on financial transactions included charges linked to the factoring programs.

In 2021, other elements related mainly to a gain of € 1.2 million from the net settlements out of the VPPA.

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

5.6. Income taxes

in thousands of €	2020	2021
Current income taxes - current year	-58 130	-115 674
Current income taxes - prior periods	21 386	-332
Deferred taxes - due to changes in temporary differences	-32 159	-40 181
Deferred taxes - due to changes in tax rates	-2 214	-3 710
Deferred taxes - adjustments to tax losses of prior periods	6 990	-2 150
Deferred taxes - utilization of deferred tax assets not previously recognized	7 614	28 751
Total tax expense	**-56 513**	**-133 296**

Relationship between tax expense and accounting profit

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

in thousands of €	2020	2021
Result before taxes	170 194	476 296
Tax expense at the theoretical domestic rates applicable to results of taxable entities in the countries concerned	-46 943	-117 823
Theoretical tax rate [1]	-27.6%	-24.7%
Tax effect of:		
Non-deductible items	*-8 528*	*-12 893*
Other tax rates, tax credits and special tax regimes [2]	*13 334*	*13 979*
Non-recognition of deferred tax assets [3]	*-33 855*	*-16 803*
Utilization or recognition of deferred tax assets not previously recognized [4]	*7 614*	*28 751*
Deferred tax due to change in tax rates	*-2 214*	*-3 710*
Tax relating to prior periods [5]	*28 376*	*-2 482*
Exempted income	*129*	*3 224*
Withholding taxes on dividends, royalties, interests & services	*-15 864*	*-21 308*
Other	*1 438*	*-4 231*
Total tax expense	**-56 513**	**-133 296**
Effective tax rate	-33.2%	-28.0%

[1] The theoretical tax rate is computed as a weighted average taking into account the results before taxes in different countries at different rates.
[2] In 2021, the special tax regimes and tax credits mainly related to tax incentives in Belgium, similar as in 2020.
[3] In 2021, the non-recognition of deferred tax assets mainly related to losses carried forward in Belgium, Canada, China, Spain and the USA, while in 2020, it mainly related to losses carried forward in Brazil, Canada, China, Chile, Germany, Italy and the USA, and to impaired assets of the Sawing Wire business in China.
[4] In 2021, the movement was mainly triggered by usage of losses carried forward and recognition of deferred tax assets previously not recognized, similar as in 2020.
[5] In 2021, the prior year tax adjustments mainly relate to tax filings, while in 2020 a number of pending tax audits in different countries were finalized, leading to an additional tax expense on the one hand but also to the release of related provisions for uncertain tax positions on the other hand.

5.7. Share in the results of joint ventures and associates

In 2021, the share in the result of joint ventures and associates reflected the very strong performance of both Steel Wire Solutions and Rubber Reinforcement businesses in Brazil. Moreover, Belgo Bekaert Arames Ltda was able to recover BRL 670 million of indirect tax credits (PIS/COFINS) from the past, resulting in a one-time net impact of BRL 485 million (€ 34.2 million equivalent for the Bekaert share). The increase in performance was only slightly affected by the decrease in value of the Brazilian real against the euro (average rate decreased by 8.4% from 2020 to 2021). This decrease in YTD average rate 2021 versus 2020 was mainly caused by a significant decrease in the course of 2020, while in 2021, the rate remained more or less stable.

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

in thousands of €		2020	2021
Joint ventures			
Agro-Bekaert Colombia SAS	Colombia	-244	-390
Agro - Bekaert Springs, SL	Spain	-6	-6
Belgo Bekaert Arames Ltda	Brazil	27 631	99 349
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	7 121	8 701
Servicios Ideal AGF Inttegra Cía Ltda	Ecuador	-147	-34
Total		**34 355**	**107 619**

5.8. Earnings per share

2020	Number
Weighted average number of ordinary shares (basic)	**56 554 555**
Dilution effect of share-based payment arrangements	85 471
Dilution effect of convertible bond [1]	7 493 591
Weighted average number of ordinary shares (diluted)	**64 133 617**

in thousands of €	Basic	Diluted
Result for the period attributable to ordinary shareholders	134 687	134 687
Effect on earnings of convertible bonds [1]		10 613
Earnings	**134 687**	**145 300**
Earnings per share (in €)	**2.382**	**2.266**

[1] *Not to be reported if the effect of the convertible bond is anti-dilutive, i.e.if its effect is such that if would improve the EPS (see below).*

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

in thousands of €	Basic	Diluted
Result for the period attributable to ordinary shareholders	406 977	406 977
Earnings	**406 977**	**406 977**
Earnings per share (in €)	**7.140**	**7.063**

Earnings per share ('EPS') is the amount of post-tax profit attributable to each share. Basic EPS is calculated as the result for the period attributable to equity holders of Bekaert divided by the weighted average number of shares outstanding during the year. Diluted EPS reflects any commitments of the Group to issue shares in the future. These comprise shares to be issued for equity-settled share-based payment plans (subscription rights, options, performance shares and matching shares, see note 6.13. 'Ordinary shares, treasury shares and equity-settled share-based payments') and potentially for the settlement of the convertible bond. Subscription rights, options and other share-based payment arrangements are only dilutive to the extent that their issue price is lower than the average closing price of the period, in which the issue price includes the fair value of any services to be rendered during the remainder of the vesting period. Contingently issuable shares (e.g. performance shares) are only dilutive if the conditions are satisfied at the balance sheet date. The dilution effect of share-based payment arrangements is limited to the weighted average number of shares to be used in the denominator of the EPS ratio; there is no effect on the earnings to be used in the numerator of the EPS ratio. The convertible bond tends to affect both the denominator and the numerator of the EPS ratio. The dilution effect of the convertible bond on the earnings (to be used in the numerator of the EPS ratio) consists of a reversal of all income and expenses directly related to the convertible bonds and having affected the 'basic' earnings for the period. As the convertible bond matured in June 2021, there is no longer a dilution effect to be calculated. In 2020, income statement items were affected by the convertible bond for € -10.6 million.

To calculate the dilution impact, it is assumed that all dilutive potential shares are issued at the beginning of the period, or, if the instruments were granted during the period, at the grant date. This resulted in a total dilution effect of € -0.08 per share (2020: € -0.116), all related to the share-based payment arrangements (2020: € -0.004) and of which none related to the convertible bond (2020: € -0.112).

The average closing price during 2021 was € 36.33 per share (2020: € 19.92 per share). The following table presents all anti-dilutive instruments for the period presented. Options and subscription rights were out of the money because their issue price exceeded the average closing price, while performance shares were anti-dilutive because the performance condition was not fulfilled.

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

6. Balance sheet items

6.1. Intangible assets

Cost in thousands of €	**Licenses, patents & similar rights**	**Computer software**	**Commercial assets**	**Other**	**Total**
As at 1 January 2020	23 773	91 649	56 408	16 208	188 037
Expenditure	—	3 214	—	—	3 214
New consolidations	—	7	—	—	7
Disposals and retirements	—	-2 048	—	—	-2 048
Transfers [1]	2 601	216	-37	—	2 779
Exchange gains and losses (-)	-34	-1 566	-2 081	-642	-4 323
As at 31 December 2020	**26 340**	**91 472**	**54 290**	**15 566**	**187 667**
As at 1 January 2021	26 340	91 472	54 290	15 566	187 667
Expenditure	17	11 207	1 627	2	12 852
Disposals and retirements	-100	-7 143	-1 169	-1 649	-10 062
Transfers [1]	844	93	—	—	937
Exchange gains and losses (-)	205	1 760	3 968	834	6 768
As at 31 December 2021	**27 305**	**97 388**	**58 717**	**14 752**	**198 162**

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

Accumulated amortization and impairment in thousands of €	**Licenses, patents & similar rights**	**Computer software**	**Commercial assets**	**Other**	**Total**
As at 1 January 2020	15 859	77 730	18 487	15 696	127 772
Charge for the year	1 655	4 815	3 311	108	9 890
Impairment losses	—	103	—	—	103
Disposals and retirements	—	-2 039	—	—	-2 039
Exchange gains (-) and losses	-3	-1 498	-604	-616	-2 722
As at 31 December 2020	**17 510**	**79 111**	**21 194**	**15 188**	**133 003**
As at 1 January 2021	17 510	79 111	21 194	15 188	133 003
Charge for the year	1 920	3 573	3 872	30	9 395
Disposals and retirements	-100	-7 143	-1 169	-1 649	-10 062
Exchange gains (-) and losses	11	1 575	1 616	1 184	4 386
As at 31 December 2021	**19 341**	**77 116**	**25 514**	**14 752**	**136 723**
Carry amount as at 31 December 2020	**8 830**	**12 361**	**33 096**	**378**	**54 664**
Carry amount as at 31 December 2021	**7 965**	**20 273**	**33 202**	**—**	**61 440**

The software expenditure related to the extensive implementation of the digital roadmap in various domains (commercial, supply chain, manufacturing, procurement, finance, HR, ...), while fully amortized items were taken off the balance sheet.

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

6.2. Goodwill

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

Cost

in thousands of €	2020	2021
As at 1 January	155 024	154 280
New consolidations	598	—
Exchange gains and losses (-)	-1 342	1 689
As at 31 December	**154 280**	**155 970**

Impairment losses

in thousands of €	2020	2021
As at 1 January	5 240	4 883
Exchange gains (-) and losses	-358	413
As at 31 December	**4 883**	**5 295**

Carrying amount as at 31 December	**149 398**	**150 674**

Goodwill by cash-generating unit (CGU)

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

2020

in thousands of €	Group of cash-generating units	Carrying amount 1 January	Increases	Exchange differences	Carrying amount 31 December
Subsidiaries					
SWS	Bekaert Bradford UK Ltd	2 631	—	-141	2 490
SB	Combustion - heating EMEA	3 027	—	—	3 027
SB	Building Products	71	—	—	71
RR	Rubber Reinforcement	4 255	—	—	4 255
SWS	Orrville plant (USA)	10 442	—	-882	9 560
SWS	Inchalam group	750	—	-23	727
SWS	Bekaert Ideal SL companies	844	—	—	844
SWS	Bekaert (Qingdao) Wire Products Co Ltd	385	—	—	385
SWS	Bekaert Jiangyin Wire Products Co Ltd	47	—	—	47
SWS	Grating Peru SAC	—	598	-51	547
BBRG	BBRG	127 332	—	113	127 445
Subtotal		**149 784**	**598**	**-984**	**149 398**
Joint ventures and associates					
SWS	Belgo Bekaert Arames Ltda	3 328	—	-970	2 358
RR	BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	2 035	—	-593	1 442
Subtotal		**5 363**	**—**	**-1 563**	**3 800**
Total		**155 148**	**598**	**-2 547**	**153 198**

2021

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

Following the merger of Grating Peru SAC into Productos de Acero Cassadó S.A., the initial goodwill allocated to Grating Peru SAC was reclassified under the Bekaert Ideal SL companies.

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

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

- a 5-year forecast timeframe of cash flows based on the latest business plan, followed by a terminal value assumption based on a nominal perpetual growth rate of 2% (in 2020: 2%), which mainly is based on a conservative industrial GDP evolution assumption;
- the cash flows reflect the evolution taking into account agreed action plans and are based on the assets in their current condition, without including the impacts of future restructuring not yet committed;
- only capital expenditure required to maintain the assets in good working order are included; future capital expenditures improving or enhancing the assets in excess of their originally assessed standard of performance are not considered;
- no cost structure improvements are taken into account unless they can be substantiated; and
- the cash outflows relating to working capital are calculated as a percentage of incremental sales based on the past performance of BBRG.

The headroom for impairment, i.e., the excess of the recoverable amount over the carrying amount of the BBRG CGU is estimated at € 375.0 million (2020: € 218.7 million). The increase is the combined result of the updated business plan (€ +177.8 million) offset by an increase of the capital employed of the business (€ +21.6 million).

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

- If the sales level would be 10% lower in all periods of the business plan, then headroom would be € 112.9 million lower (remaining € 262.1 million);
- If the percentage Underlying EBITDA on sales would be 1% short from the forecasted level in all periods of the business plan, then headroom would be € 65.2 million lower (remaining € 309.8 million);
- If the Underlying EBITDA would be € 5.0 million short from the forecasted level in all periods of the business plan, then headroom would be € 55.1 million lower (remaining € 319.9 million);
- If the discount factor would be 1% higher, then headroom would be € 80.9 million lower (remaining € 294.1 million);
- The combined effect of a lower sales level by 10% and a lower Underlying EBITDA margin by 1%, in all periods of the business plan would result in a drop of € 171.6 million in headroom (remaining € 203.4 million);
- The combined effect of a lower sales level by 10%, a lower Underlying EBITDA margin by 1% in all periods of the business plan and a higher discount factor with 1% would result in a drop of € 236.3 million in headroom (remaining € 138.7 million).

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

Discount rates for impairment testing

2020			EUR region	USD region	CNY region
Group target ratios					
Gearing: net debt / equity		50%			
% debt		33.3%			
% equity		66.7%			
% LT debt		75%			
% ST debt		25%			
Cost of Bekaert debt			**1.2%**	**3.8%**	**4.8%**
Long term interest rate			1.5%	4.2%	4.9%
Short term interest rate			0.4%	2.7%	4.4%
Cost of Bekaert equity (post tax)	**= Rf + b * Em**		**7.9%**	**9.0%**	**13.1%**
Risk free rate = Rf			-0.3%	0.8%	4.9%
Beta = b		1.3			
Market equity risk premium = Em		6.3%			
Corporate tax rate		**27%**			
Cost of Bekaert equity before tax			**10.8%**	**12.4%**	**18.0%**
Bekaert WACC - nominal			**7.6%**	**9.5%**	**13.6%**
Expected inflation			1.4%	2.0%	2.8%
Bekaert WACC in real terms			**6.2%**	**7.5%**	**10.8%**

Discount rates for impairment testing

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

6.3. Property, plant and equipment

Cost in thousands of €	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other PP&E	Assets under construction	Total
As at 1 January 2020	1 203 052	2 921 507	111 751	17 266	83 209	4 336 784
Expenditure	30 526	56 434	4 638	366	8 140	100 104
Disposals and retirements	-23 901	-94 502	-5 109	-1 014	-195	-124 271
New consolidations	—	250	19	—	—	268
Transfers [1]	—	2 254	39	—	-2 817	-524
Reclassification to (-) / from held for sale [2]	-8 482	—	—	—	—	-8 482
Exchange gains and losses (-)	-48 096	-110 778	-3 225	-320	-4 313	-166 732
As at 31 December 2020	**1 153 100**	**2 775 614**	**108 112**	**16 298**	**84 023**	**4 137 147**
As at 1 January 2021	1 153 100	2 775 614	108 112	16 298	84 023	4 137 147
Expenditure	22 434	60 371	6 768	370	63 107	153 050
Disposals and retirements	-21 252	-52 833	-3 724	-417	-57	-78 283
Merger / Split	5 537	2 223	49	—	—	7 809
Transfers [1]	—	—	105	—	-937	-832
Reclassification to (-) / from held for sale [2]	-1 551	-278	—	-451	—	-2 280
Exchange gains and losses (-)	61 060	167 912	4 626	167	4 955	238 720
As at 31 December 2021	**1 219 328**	**2 953 008**	**115 937**	**15 968**	**151 091**	**4 455 332**

[1] Total transfers equal zero when aggregating the balances of 'Intangible assets' (see note 6.1. 'Intangible assets') and 'Right-of-use property, plant and equipment' (see note 6.4. 'Rights-of-use (RoU) property, plant and equipment) and 'Property, plant and equipment'.
[2] In 2020, the reclassification to held for sale mainly related to the buildings in Canada; in 2021 this relates to the Ingelmunster (Belgium) site (see note 6.12. 'Assets classified as held for sale and liabilities associated with those assets').

Accumulated depreciation and impairment

in thousands of €	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other PP&E	Assets under construction	Total
As at 1 January 2020	631 920	2 251 771	91 236	5 457	—	2 980 384
Charge for the year	41 434	111 237	8 236	760	—	161 667
Impairment losses	1 931	14 779	210	—	—	16 920
Reversal impairment losses and depreciations	—	-3 125	-16	—	—	-3 141
Disposals and retirements	-15 797	-93 637	-4 913	-784	—	-115 131
Transfers [1]	—	788	—	—	—	788
Reclassification to (-) / from held for sale [2]	-2 115	—	—	—	—	-2 115
Exchange gains (-) and losses	-22 617	-74 523	-2 667	-187	—	-99 994
As at 31 December 2020	**634 755**	**2 207 291**	**92 087**	**5 246**	**—**	**2 939 379**
As at 1 January 2021	634 755	2 207 291	92 087	5 246	—	2 939 379
Charge for the year	41 600	101 370	7 704	755	—	151 429
Impairment losses	—	1 077	158	9	—	1 244
Reversal impairment losses and depreciations	—	-2 760	-2	—	—	-2 762
Disposals and retirements	-19 345	-49 080	-3 591	-208	—	-72 225
Transfers [1]	—	—	78	—	—	78
Reclassification to (-) / from held for sale [2]	-744	-148	—	-89	—	-981
Exchange gains (-) and losses	37 566	137 913	4 046	85	—	179 611
As at 31 December 2021	**693 833**	**2 395 662**	**100 479**	**5 798**	**—**	**3 195 772**

[1] *Total transfers equal zero when aggregating the balances of 'Intangible assets' (see note 6.1. 'Intangible assets') and 'Right-of-use property, plant and equipment' (see note 6.4. 'Rights-of-use (RoU) property, plant and equipment) and 'Property, plant and equipment'.*
[2] *In 2020, the reclassification to held for sale mainly related to the buildings in Canada; in 2021 this relates to the Ingelmunster (Belgium) site (see note 6.12. 'Assets classified as held for sale and liabilities associated with those assets').*

Cost

in thousands of €	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other PP&E	Assets under construction	Total
Carrying amount as at 31 December 2020 before investment grants	**518 345**	**568 324**	**16 026**	**11 051**	**84 023**	**1 197 769**
Net investment grants	-4 704	-1 284	—	—	—	-5 988
Carry amount as at 31 December 2020	**513 641**	**567 040**	**16 026**	**11 051**	**84 023**	**1 191 781**
Carrying amount as at 31 December 2021 before investment grants	**525 495**	**557 347**	**15 457**	**10 168**	**151 091**	**1 259 559**
Net investment grants	-4 780	-922	—	—	—	-5 702
Carry amount as at 31 December 2021	**520 716**	**556 425**	**15 457**	**10 168**	**151 091**	**1 253 857**

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

The ending balance of Assets under Construction per year-end 2021 related to a few big expansion projects (such as the plant in Vietnam, expansions in Central and Eastern Europe, the BBRG plant in USA and the expansion in Advanced Cords) but predominantly to a lot of smaller capital expenditure projects in all of the Bekaert entities which were still in the finalization phase.

In 2020, impairment losses have been recorded in BBRG (Canada), Specialty Businesses (Combustion Technologies China) and Steel Wire Solutions (EMEA).

No items of PP&E were pledged as securities.

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

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

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

Cost in thousands of €	RoU land	RoU buildings	RoU plant, machinery and equipment	RoU industrial vehicles	RoU company cars	RoU office equipment	RoU other PP&E	Total
As at 1 January 2020	78 789	72 863	4 381	15 411	20 808	1 547	373	194 173
New leases / extensions	—	11 809	1 500	5 026	5 334	406	235	24 309
Ending contracts / reductions in contract term	-3 978	-7 710	-285	-2 399	-3 122	-135	-12	-17 641
Transfers [1]	—	—	-2 255	—	—	—	—	-2 255
Exchange gains and losses (-)	-3 434	-3 276	-135	-545	-396	-87	-8	-7 881
As at 31 December 2020	**71 376**	**73 686**	**3 206**	**17 494**	**22 624**	**1 730**	**589**	**190 704**
As at 1 January 2021	71 376	73 686	3 206	17 494	22 624	1 730	589	190 704
New leases / extensions	—	6 123	782	7 116	4 184	398	144	18 748
Ending contracts / reductions in contract term	-985	-2 966	-104	-3 017	-4 229	—	-241	-11 542
Transfers [1]	—	—	—	—	-105	—	—	-105
Exchange gains and losses (-)	7 554	2 817	59	416	324	121	32	11 323
As at 31 December 2021	**77 945**	**79 661**	**3 943**	**22 009**	**22 798**	**2 249**	**523**	**209 129**

Accumulated depreciation and impairment in thousands of €	RoU land	RoU buildings	RoU plant, machinery and equipment	RoU industrial vehicles	RoU company cars	RoU office equipment	RoU other PP&E	Total
As at 1 January 2020	16 809	16 818	1 331	3 781	6 015	296	71	45 121
Charge for the year	1 419	9 987	832	4 949	6 301	353	88	23 930
Impairment losses	—	59	—	—	—	—	—	59
Ending contracts	-400	-3 792	-285	-1 542	-2 318	-34	-1	-8 372
Transfers [1]	—	—	-788	—	—	—	—	-788
Exchange gains (-) and losses	-627	-853	-36	-163	-147	-25	-3	-1 853
As at 31 December 2020	**17 201**	**22 219**	**1 055**	**7 026**	**9 852**	**590**	**155**	**58 097**
As at 1 January 2021	17 201	22 219	1 055	7 026	9 852	590	155	58 097
Charge for the year	1 381	10 211	979	5 169	5 950	433	88	24 210
Ending contracts	-273	-2 418	-75	-2 520	-3 291	—	-15	-8 592
Transfers [1]	—	—	—	—	-78	—	—	-78
Exchange gains (-) and losses	1 968	1 066	12	162	152	49	10	3 418
As at 31 December 2021	**20 277**	**31 077**	**1 971**	**9 836**	**12 585**	**1 072**	**238**	**77 056**

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

in thousands of €	RoU land	RoU buildings	RoU plant, machinery and equipment	RoU industrial vehicles	RoU company cars	RoU office equipment	RoU other PP&E	Total
Carrying amount as at 31 December 2020	**54 175**	**51 467**	**2 151**	**10 468**	**12 773**	**1 141**	**433**	**132 607**
Carrying amount as at 31 December 2021	**57 668**	**48 584**	**1 972**	**12 172**	**10 214**	**1 178**	**285**	**132 073**

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

Additions to RoU buildings included new contracts for warehouses and offices, mainly in China and United Arab Emirates.

The average lease term for the RoU assets (excluding the RoU land) was 9.9 years (2020: 9.8 years). RoU buildings had an average lease term of 13 years (2020: 13 years) and the other categories of PP&E (excluding land) had an average lease term between 4 and 6 years.

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

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

The incremental borrowing rate is determined by Group Treasury, taking into account the market rate per currency for different relevant time buckets and the credit margin for each individual company based on its credit rating. The incremental borrowing rate is calculated as the total of both elements. The weighted average discount rate at the end of 2021 was 4.01% (2020: 4.09%).

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

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

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

The income statement showed the following amounts relating to leases:

2020

in thousands of €	RoU land	RoU buildings	RoU plant, machinery and equipment	RoU industrial vehicles	RoU company cars	RoU office equipment	RoU other PP&E	Total
Depreciation charge of right-of-use assets	-1 419	-9 987	-832	-4 949	-6 301	-353	-88	-23 930
Interest expense (included in finance cost)								-3 593
Expense relating to short-term leases								-1 121
Expense relating to low-value leases								-888
Total								**-29 532**

2021

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

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

The total cash outflow for leases in 2021 was € 27.9 million (2020: € 27.8 million).

6.5. Investments in joint ventures and associates

In 2021 and 2020, the Group had no investments in entities qualified as associates.

Investments excluding related goodwill

Carrying amount

in thousands of €	2020	2021
As at 1 January	155 302	120 181
Capital increases and decreases	872	—
Result for the year	34 355	107 619
Dividends	-24 908	-44 872
Exchange gains and losses	-45 443	1 891
Other comprehensive income	3	3
As at 31 December	**120 181**	**184 823**

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

Exchange gains and losses related mainly to the evolution of the Brazilian real versus the euro which remained more or less stable in 2021 (6.3 BRL/EUR end 2021 vs 6.4 BRL/EUR end 2020). In 2020, it decreased significantly in value against the euro (4.5 BRL/EUR end 2019).

In 2020, capital increases related to Agro - Bekaert Springs, SL and Agro-Bekaert Colombia SAS, new 50/50 joint ventures in Spain and Colombia, and to a lesser extent to Servicios Ideal AGF Inttegra Cía Ltda in Ecuador.

Related goodwill

Cost

in thousands of €	2020	2021
As at 1 January	5 363	3 800
Exchange gains and losses	-1 563	38
As at 31 December	**3 800**	**3 838**
Carrying amount of related goodwill as at 31 December	**3 800**	**3 838**
Total carrying amount of investments in joint ventures as at 31 December	**123 981**	**188 661**

See Note 6.2 ‘Goodwill’ for details per entity.

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

in thousands of €		2020	2021
Joint ventures			
Agro-Bekaert Colombia SAS	Colombia	473	56
Agro - Bekaert Springs, SL	Spain	20	13
Belgo Bekaert Arames Ltda	Brazil	77 679	136 092
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	41 845	48 521
Servicios Ideal AGF Inttegra Cía Ltda	Ecuador	164	140
Total for joint ventures excluding related goodwill		**120 181**	**184 822**
Carrying amount of related goodwill		**3 800**	**3 838**
Total for joint ventures including related goodwill		**123 981**	**188 661**

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

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

Name of joint venture

in thousands of €	Country	2020	2021
Belgo Bekaert Arames Ltda	Brazil	45.0% (50.0%)	45.0% (50.0%)
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	44.5% (50.0%)	44.5% (50.0%)

Belgo Bekaert Arames Ltda manufactures and sells a wide variety of wire products mostly for industrial customers, and BMB manufactures and sells mainly wires and cables for rubber reinforcement in tires.

Brazilian joint ventures: income statement

in thousands of €	2020	2021
Sales	694 366	1 041 142
Operating result (EBIT)	109 680	282 531
Interest income	8 524	53 043
Interest expense	-4 397	-17 775
Other financial income and expenses	-2 062	-2 051
Income taxes	-25 656	-62 360
Result for the period	86 089	253 389
Other comprehensive income for the period	6	12
Total comprehensive income for the period	86 095	253 400
Depreciation and amortization	16 214	15 803
EBITDA	125 894	298 334
Dividends received from the entities	24 908	44 872

Brazilian joint ventures: balance sheet

in thousands of €	2020	2021
Current assets	217 429	406 456
Non-current assets	189 957	239 857
Current liabilities	-109 817	-184 396
Non-current liabilities	-33 600	-53 086
Net assets	**263 969**	**408 831**

Brazilian joint ventures: net debt elements

in thousands of €	2020	2021
Non-current interest-bearing debt	8 247	5 963
Current interest-bearing debt	17 252	18 454
Total financial debt	**25 499**	**24 417**
Non-current financial receivables and cash guarantees	-18 862	-16 466
Cash and cash equivalents	-19 393	-31 940
Net debt	**-12 756**	**-23 990**

The Brazilian joint ventures have been facing claims relating to indirect tax credits (ICMS) totaling € 5.0 million (2020: € 6.0 million). Several other tax claims, most of which date back several years, were filed for a total nominal amount of € 18.6 million (2020: € 11.6 million). Evidently, any potential gains and losses resulting from the above mentioned contingencies would only affect the Group to the extent of their interest in the joint ventures involved (i.e. 45%).

Unrecognized commitments to acquire property, plant and equipment amounted to € 16.2 million (2020: € 4.6 million), including € 12.4 million (2020: € 2.7 million) from other Bekaert companies. Furthermore, the Brazilian joint ventures have unrecognized commitments to purchase electricity over the next five years for an aggregate amount of € 24.9 million (2020: € 25.2 million).

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

Brazilian joint ventures: reconciliation with carrying amount

in thousands of €	2020	2021
Net assets of Belgo Bekaert Arames Ltda	171 882	301 977
Proportion of the Group's ownership interest	45.0%	45.0%
Proportionate net assets	77 347	135 890
Consolidation adjustments	332	202
Carrying amount of the Group's interest in Belgo Bekaert Arames Ltda	**77 679**	**136 092**
Net assets of BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	92 088	106 854
Proportion of the Group's ownership interest	44.5%	44.5%
Proportionate net assets	40 979	47 550
Consolidation adjustments	866	971
Carrying amount of the Group's interest in BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	**41 845**	**48 521**
Carrying amount of the Group's interest in the Brazilian joint ventures	**119 524**	**184 613**

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

Aggregate information of the other joint ventures

in thousands of €	2020	2021
The Group's share in the result from continuing operations	-397	-430
The Group's share of other comprehensive income	-14	-2
The Group's share of total comprehensive income	-411	-432
Aggregate carrying amount of the Group's interests in these joint ventures	657	210

6.6. Other non-current assets

in thousands of €	2020	2021
Non-current financial receivables and cash guarantees	7 451	10 192
Reimbursement rights and other non-current amounts receivable	3 164	2 522
Derivatives (cf. note 7.2.)	3 762	13 244
Overfunded employee benefit plans - non-current	18 082	19 847
Equity investments at FVTOCI	13 372	20 081
Total other non-current assets	**45 830**	**65 886**

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

Equity investments at FVTOCI

Carrying amount

in thousands of €	2020	2021
As at 1 January	13 152	13 372
Expenditure	—	863
Fair value changes	220	5 847
As at 31 December	**13 372**	**20 081**

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

- Shougang Concord Century Holdings Ltd, a Hong Kong Stock Exchange listed company (€ 9.8 million). On this investment, an increase in fair value of € 3.9 million was recognized through OCI (2020: € 0.1 million).
- Bekaert Xinyu Metal Products Co Ltd (€ 8.0 million). On this investment, an increase in fair value of € 2.0 million was recognized through OCI (2020: € 0.2 million).
- Transportes Puelche Ltda (€ 0.5 million), an investment held by Acma SA and Prodalam SA (Chile).
- Greenzest Sun Park Private Limited (€ 0.9 million), a new investment held by Bekaert Industries Private Limited (India).

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

6.7. Deferred tax assets and liabilities

Carrying amount	Assets		Liabilities	
in thousands of €	2020	2021	2020	2021
As at 1 January	142 333	124 243	34 182	38 337
Increase or decrease via income statement	-9 302	-2 821	10 467	14 469
Increase or decrease via OCI	557	-2 191	1 580	1 308
New consolidations	—	—	—	1 184
Exchange gains and losses	-6 372	6 869	-4 919	3 183
Change in set-off of assets and liabilities	-2 973	-6 501	-2 973	-6 501
As at 31 December	**124 243**	**119 599**	**38 337**	**51 979**

Recognized deferred tax assets and liabilities

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

	Assets		Liabilities		Net assets	
in thousands of €	2020	2021	2020	2021	2020	2021
Intangible assets	19 553	17 390	12 051	12 390	7 502	5 000
Property, plant and equipment	44 130	46 338	52 401	55 828	-8 271	-9 490
Financial assets	111	90	20 961	31 967	-20 850	-31 877
Inventories	9 565	10 581	2 103	8 168	7 462	2 413
Receivables	4 614	4 156	57	128	4 557	4 027
Other current assets	831	1 004	2 598	1 995	-1 767	-991
Employee benefit obligations	23 494	20 697	119	120	23 375	20 577
Other provisions	3 477	1 938	177	4	3 300	1 934
Other liabilities	27 967	38 630	8 299	8 311	19 668	30 319
Tax deductible losses carried forward, tax credits and recoverable income taxes	50 930	45 707	—	—	50 930	45 707
Tax assets / liabilities	**184 672**	**186 529**	**98 766**	**118 910**	**85 906**	**67 620**
Set-off of assets and liabilities	-60 429	-66 930	-60 429	-66 930	—	—
Net tax assets / liabilities	**124 243**	**119 599**	**38 337**	**51 979**	**85 906**	**67 620**

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

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

2020

in thousands of €	As at 1 January	Recognized via income statement	Recognized via OCI	Acquisitions and disposals	Exchange gains and losses	As at 31 December
Temporary differences						
Intangible assets	12 019	-4 805	—	—	288	7 502
Property, plant and equipment	2 346	-13 535	—	—	2 918	-8 271
Financial assets	-16 132	-3 136	-1 770	—	188	-20 850
Inventories	6 677	646	—	—	139	7 462
Receivables	3 860	840	—	—	-143	4 557
Other current assets	-842	-933	—	—	8	-1 767
Employee benefit obligations	20 942	2 812	580	—	-959	23 375
Other provisions	3 473	-300	167	—	-40	3 300
Other liabilities	19 525	853	—	—	-710	19 668
Tax deductible losses carried forward, tax credits and recoverable income taxes	56 283	-2 211	—	—	-3 142	50 930
Total	**108 151**	**-19 769**	**-1 023**	**—**	**-1 453**	**85 906**

2021

in thousands of €	As at 1 January	Recognized via income statement	Recognized via OCI	Acquisitions and disposals	Exchange gains and losses	As at 31 December
Temporary differences						
Intangible assets	7 502	-2 221	—	—	-281	5 000
Property, plant and equipment	-8 271	-1 224	—	-1 184	1 189	-9 490
Financial assets	-20 850	-9 294	-1 288	—	-445	-31 877
Inventories	7 462	-4 459	—	—	-590	2 413
Receivables	4 557	-596	—	—	66	4 027
Other current assets	-1 767	722	—	—	55	-991
Employee benefit obligations	23 375	-997	-2 212	—	411	20 577
Other provisions	3 300	-1 415	—	—	48	1 934
Other liabilities	19 668	9 455	—	—	1 195	30 319
Tax deductible losses carried forward, tax credits and recoverable income taxes	50 930	-7 261	—	—	2 038	45 707
Total	**85 906**	**-17 290**	**-3 500**	**-1 184**	**3 686**	**67 620**

Deferred taxes related to other comprehensive income (OCI)

2020

in thousands of €	Before tax	Tax impact	After tax
Exchange differences	-119 013	—	-119 013
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI	250	—	250
Remeasurement gains and losses on defined-benefit plans	2 497	-1 023	1 474
Share of OCI of joint ventures and associates	4	—	4
Total	**-116 262**	**-1 023**	**-117 285**

2021

in thousands of €	Before tax	Tax impact	After tax
Exchange differences	88 173	—	88 173
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI	5 882	—	5 882
Remeasurement gains and losses on defined-benefit plans	47 351	-3 500	43 851
Share of OCI of joint ventures and associates	6	-3	3
Total	**141 412**	**-3 503**	**137 909**

Unrecognized deferred tax assets

Deferred tax assets, related to deductible temporary differences, have not been recognized for a gross amount of € 188.7 million (2020: € 235.5 million). The unrecognized deferred tax assets in respect of tax losses and tax credits are presented in the table by expiry date below.

Capital losses, trade losses and tax credits by expiry date

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

2020

in thousands of €		Expiring within 1 year	Expiring between 1 and 5 years	Expiring after more than 5 years	Not expiring	Total
Capital losses	*Gross value*	—	—	*536*	*43 072*	*43 608*
	Allowance	—	—	—	*-36 872*	*-36 872*
	Net balance	—	—	536	6 200	6 736
Trade losses	*Gross value*	*11 649*	*94 489*	*123 900*	*780 467*	*1 010 505*
	Allowance	*-11 583*	*-73 063*	*-110 464*	*-656 033*	*-851 143*
	Net balance	66	21 426	13 436	124 434	159 362
Tax credits	*Gross value*	*4 106*	—	*35 884*	*35 752*	*75 742*
	Allowance	—	—	*-17 775*	*-10 284*	*-28 059*
	Net balance	4 106	—	18 109	25 468	47 683
Total	**Gross value**	**15 755**	**94 489**	**160 320**	**859 291**	**1 129 855**
	Allowance	**-11 583**	**-73 063**	**-128 239**	**-703 189**	**-916 074**
	Net balance	**4172**	**21 426**	**32 081**	**156 102**	**213 781**

2021

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

The net deferred tax assets corresponding to these base amounts were € 45.7 million in 2021 (2020: € 50.9 million)).

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

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

6.8. Operating working capital

2020

in thousands of €	As at 1 January	Organic increase or decrease [1]	Write-downs and write-down reversals	New consolidations	Exchange gains and losses	Other	As at 31 December
Raw materials	*139 985*	*-9 551*	*-3 815*	*69*	*-6 549*	—	*120 139*
Consumables and spare parts	*91 125*	*-5 870*	*-2 708*	*137*	*-3 972*	—	*78 711*
Work in progress	*136 425*	*-4 957*	*-817*	—	*-4 975*	—	*125 676*
Finished goods	*282 018*	*-38 208*	*2 045*	*53*	*-11 050*	—	*234 858*
Goods purchased for resale	*133 477*	*-252*	*-1 609*	*83*	*-7 606*	—	*124 093*
Inventories	783 030	-58 838	-6 904	342	-34 153	—	683 477
Trade receivables	644 908	-25 565	-400	681	-31 954	-51	587 619
Bills of exchange received	59 904	-4 154	—	—	-1 710	—	54 039
Advances paid	15 820	3 576	—	301	-1 102	—	18 594
Trade payables	-652 384	-41 706	—	-778	26 571	-125	-668 422
Advances received	-18 791	2 425	—	-39	723	—	-15 682
Remuneration and social security payables	-125 051	4 969	—	-178	3 285	960	-116 014
Employment-related taxes	-8 543	-641	—	—	82	—	-9 101
Operating working capital	**698 893**	**-119 935**	**-7 304**	**329**	**-38 257**	**784**	**534 510**

2021

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

[1] The organic increase or decrease represents the cash movements of the working capital, which are adjusted in the cash flow statement against purchase of intangible assets and property, plant and equipment for the variation of outstanding trade payables at year-end related to capital expenditure (2021: increase of outstanding payables by € 9.4 million (2020: decrease of outstanding payables by € 4.5 million)).

The average working capital, weighted by the number of periods that an entity has contributed to the consolidated result, represented 12.6% of sales (2020: 16.4%). Additional information is as follows:

- Inventories
  The inventories increased from year-end last year as the combined effect of higher material prices, replenishment of very low inventory tonnages at year-end 2020 and the higher activity. The cost of sales included expenses related to transport and handling of finished goods amounting to € 249.5 million (2020: € 164.4 million), which have never been capitalized in inventories. Movements in inventories in 2021 included write-downs of € -22.8 million (2020: € -34.6 million) and reversals of write-downs of € 40.1 million (2020: € 27.7 million).
  Similar as in 2020, in 2021 no inventories were pledged as security for liabilities.
- Trade receivables and bills of exchange received
  At year-end 2021, the higher amount is linked to the higher sales prices in Q4 2021 compared to Q4 of last year. The carrying amount of the trade receivables involved in the factoring program amounted to € 224.8 million (2020: 152.3 million).
  The following table presents the movements in the allowance for bad debt on trade receivables. No allowance was posted for bills of exchange received.

Trade receivables and bills of exchange received

in thousands of €	2020	2021
Gross amount	682 152	833 840
Allowance for bad debts (impaired)	-40 494	-41 899
specific allowance for bad debts	*-35 097*	*-35 099*
general allowance for bad debts	*-5 397*	*-6 801*
Net carrying amount	641 658	791 940

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

Allowance for bad debt

in thousands of €	2020	2021
As at 1 January	-41 687	-40 494
Losses recognized in current year	-5 350	-3 009
Losses recognized in prior years - amounts used	1 596	1 079
Losses recognized in prior years - reversal of amounts not used	3 354	3 343
New consolidations	-81	—
Exchange gains and losses (-)	1 550	-2 817
Other	124	—
As at 31 December	**-40 494**	**-41 899**

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

- Trade payables increased significantly as a result of the organic evolution which goes hand in hand with the higher material prices for the purchased wire rod in Q4 and exceptionally high capex spend in Q4.

6.9. Other receivables

Carrying amount

in thousands of €	2020	2021
As at 1 January	111 615	101 330
Increase or decrease	-4 792	51 532
Write-downs (-) and write-down reversals	—	158
New consolidations	192	—
Exchange gains and losses	-5 685	3 985
As at 31 December	**101 330**	**157 005**

Other receivables mainly related to income taxes (€ 43.2 million (2020: € 35.1 million)), VAT and other taxes (€ 74.6 million (2020: € 52.1 million)), loans to employees (€ 3.4 million (2020: € 3.7 million)) and dividends from joint ventures (€ 27.5 million (2020: € 2.1 million)). See also note 6.21. 'Tax positions'. Write-downs of other receivables are included in note 5.5. 'Other financial income and expense'.

6.10. Cash & cash equivalents and short term deposits

Carrying amount

in thousands of €	2020	2021
Cash & cash equivalents	940 416	677 270
Short-term deposits	50 077	80 058

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

6.11. Other current assets

Carrying amount

in thousands of €	2020	2021
Financial receivables and cash guarantees	7 707	6 475
Advances paid	18 594	19 988
Derivatives (cf.note 7.2.)	5 250	1 416
Deferred charges and accrued income	10 346	14 394
As at 31 December	**41 898**	**42 272**

The financial receivables and cash guarantees mainly related to receivables from the disposal of the majority stake in the rubber reinforcement plant Sumaré (Brazil) in 2017 (€ 4.6 million, same amount as in 2020) and various cash guarantees (€ 0.5 million (2020: € 1.0 million)).

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

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

Carrying amount (net)

in thousands of €	2020	2021
As at 1 January	466	6 740
Increases and decreases (-)	6 468	-5 264
Exchange gains and losses	-193	327
As at 31 December	**6 740**	**1 803**

in thousands of €	2020	2021
Property, plant and equipment	6 740	1 803
Total assets classified as held for sale	**6 740**	**1 803**
Total liabilities associated with assets classified as held for sale	**–**	**–**

The change in assets classified as held for sale mainly included the sale of the buildings in Canada following the closure of the manufacturing plant in Pointe-Claire (€ -6.1 million) and the classification as held for sale of the property in Ingelmunster (Belgium) following the discontinuation of the operations, together with the land of Bridon-Bekaert Scanrope AS (Sweden) (€ +1.3 million).

As at 31 December 2021, fair value less costs to sell of the assets held for sale did not fall below the carrying value, hence no write-downs to the carrying amount of the assets was required.

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

Issued capital		2020		2021	
in thousands of €		Nominal value	Number of shares	Nominal value	Number of shares
1	As at 1 January	177 793	60 408 441	177 812	60 414 841
	Movements in the year				
	Issue of new shares	*19*	*6 400*	*110*	*37 420*
	As at 31 December	177 812	60 414 841	177 922	60 452 261
2	Structure				
2.1	Classes of ordinary shares				
	Ordinary shares without par value	*177 812*	*60 414 841*	*177 922*	*60 452 261*
2.2	Registered shares		22 502 452		22 841 937
	Dematerialized shares		37 912 389		37 610 324
	Authorized capital not issued	**176 000**		**176 000**	

A total of 37 420 subscription rights were exercised under the Company's SOP 2005-2009 stock option plan in 2021, requiring the issue of a total of 37 420 new shares of the Company.

On 31 December 2020, the Company held 3 809 534 own shares. Of these 3 809 534 own shares, a total of 620 474 shares were transferred (i) to (former) employees for purpose of the exercise of stock options under SOP 2010-2014, SOP 2015-2017 and SOP2, (ii) to (former) BGE members for purpose of the personal shareholding requirement, and (iii) to the Chairman and other non-executive Directors as part of their remuneration (see chapter shares). No own shares were cancelled. On 3 September 2021 Bekaert announced that it had entered into a liquidity agreement with Kepler Cheuvreux. This agreement provides for the purchase and sale by Kepler Cheuvreux of Bekaert shares on the regulated market of Euronext Brussels and the program started on 10 September 2021 for a 12-month renewable period. 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. Including the transactions exercised under the liquidity agreement with Kepler Cheuvreux, the balance of own shares held by the Company on 31 December 2021 was 3 145 446.

Stock option plans ('SOP')

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

Overview of SOP2 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options				First exercise period	Last exercise period
			Granted	Exercised	Forfeited	Outstanding		
21.12.2006	19.02.2007	30.175	37 500	37 500	—	—	22.05 - 30.06.2010	15.11 - 15.12.2021
20.12.2007	18.02.2008	28.335	30 630	30 630	—	—	22.05 - 30.06.2011	15.11 - 15.12.2022
17.12.2009	15.02.2010	33.990	49 500	5 000	44 500	—	22.05 - 30.06.2013	15.11 - 15.12.2019
			117 630	**73 130**	**44 500**	**—**		

Overview of SOP 2005-2009 Stock Option Plan

Date offered	Date granted	Date of issue of subscription rights	Exercise price (in €)	Number of subscription rights				First exercise period	Last exercise period
				Granted	Exercised	Forfeited	Outstanding		
22.12.2005	20.02.2006	22.03.2006	23.795	190 698	190 683	15	—	22.05 - 30.06.2009	15.11 - 15.12.2020
21.12.2006	19.02.2007	22.03.2007	30.175	153 810	153 210	600	—	22.05 - 30.06.2010	15.11 - 15.12.2021
20.12.2007	18.02.2008	22.04.2008	28.335	215 100	176 000	12 700	26 400	22.05 - 30.06.2011	15.11 - 15.12.2022
17.12.2009	15.02.2010	08.09.2010	33.990	225 450	69 600	155 850	—	22.05 - 30.06.2013	15.11 - 15.12.2019
				785 058	**589 493**	**169 165**	**26 400**		

Overview of SOP 2010-2014 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options				First exercise period	Last exercise period
			Granted	Exercised	Forfeited	Outstanding		
16.12.2010	14.02.2011	77.000	360 925	—	360 925	—	28.02 - 13.04.2014	Mid Nov.- 15.12.2020
22.12.2011	20.02.2012	25.140	287 800	285 200	2 600	—	27.02 - 12.04.2015	Mid Nov. - 21.12.2021
20.12.2012	18.02.2013	19.200	267 200	232 000	2 700	32 500	End Feb. - 10.04.2016	Mid Nov. - 19.12.2022
29.03.2013	28.05.2013	21.450	260 000	203 800	—	56 200	End Feb. - 09.04.2017	End Feb. - 28.03.2023
19.12.2013	17.02.2014	25.380	373 450	302 850	2 400	68 200	End Feb. - 09.04.2017	Mid Nov. - 18.12.2023
18.12.2014	16.02.2015	26.055	349 810	187 600	18 510	143 700	End Feb. - 08.04.2018	Mid Nov. - 17.12.2024
			1 899 185	**1 211 450**	**387 135**	**300 600**		

Overview of SOP 2015-2017 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options: Granted	Exercised	Forfeited	Outstanding	First exercise period	Last exercise period
17.12.2015	15.02.2016	26.375	227 250	100 500	28 250	98 500	End Feb. - 07.04.2019	Mid Nov. - 16.12.2025
15.12.2016	13.02.2017	39.426	273 325	144	47 125	226 056	End Feb. - 12.04.2020	Mid Nov. - 14.12.2026
21.12.2017	20.02.2018	34.600	225 475	72 500	8 375	144 600	End Feb. - 11.04.2021	Mid Nov. - 20.12.2027
			726 050	**173 144**	**83 750**	**469 156**		

SOP2 Stock Option Plan	2020 Number of options	2020 Weighted average exercise price (in €)	2021 Number of options	2021 Weighted average exercise price (in €)
Outstanding as at 1 January	29 320	28.963	29 320	28.963
Exercised during the year	—	—	-29 320	28.963
Outstanding as at 31 December	**29 320**	**28.963**	**—**	**—**

SOP 2005-2009 Stock Option Plan	2020 Number of subscription rights	2020 Weighted average exercise price (in €)	2021 Number of subscription rights	2021 Weighted average exercise price (in €)
Outstanding as at 1 January	70 220	28.156	63 820	28.594
Exercised during the year	-6 400	23.795	-37 420	28.776
Outstanding as at 31 December	**63 820**	**28.594**	**26 400**	**28.335**

SOP 2010-2014 Stock Option Plan	2020 Number of options	2020 Weighted average exercise price (in €)	2021 Number of options	2021 Weighted average exercise price (in €)
Outstanding as at 1 January	1 025 083	39.653	700 058	24.488
Forfeited during the year	-295 725	77.000	—	—
Exercised during the year	-29 300	25.033	-399 458	24.630
Outstanding as at 31 December	**700 058**	**24.488**	**300 600**	**24.300**

SOP 2015-2017 Stock Option Plan	2020		2021	
	Number of options	Weighted average exercise price (in €)	Number of options	Weighted average exercise price (in €)
Outstanding as at 1 January	711 675	33.863	640 800	33.769
Forfeited during the year	-70 875	34.721	—	—
Exercised during the year	—	—	-171 644	29.860
Outstanding as at 31 December	**640 800**	**33.769**	**469 156**	**35.198**

Weighted average remaining contractual life

in years	2020	2021
SOP2	1.6	0.0
SOP 2005-2009	1.8	1.0
SOP 2010-2014	3.0	2.2
SOP 2015-2017	6.0	5.1

The weighted average share price at the date of exercise in 2021 was € 28.96 for the SOP2 options (2020: n/a), € 24.63 for the SOP 2010-2014 options (2020: € 25.03), € 29.86 for the SOP 2015-2017 options (2020: n/a) and € 28.78 for the SOP 2005-2009 subscription rights (2020: € 23.80). The exercise price of the subscription rights and options is equal to the lower of (i) the average closing price of the Company's share during the thirty days preceding the date of the offer, and (ii) the last closing price preceding the date of the offer. When subscription rights are exercised under the SOP 2005-2009 plan, equity is increased by the amount of the proceeds received. Under the terms of the SOP2 plan any subscription rights or options granted through 2004 were vested immediately.

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

The options granted under SOP2, SOP 2010-2014 and SOP 2015-2017 and the subscription rights granted under SOP 2005- 2009 are recognized at fair value at grant date in accordance with IFRS 2 (see note 6.14. 'Retained earnings and other Group reserves'). The fair value of the options is determined using a binomial pricing model. For the tranches that entailed an expense in the current or prior period, inputs and outcome of this pricing model are detailed below:

Pricing model details - Stock option plan 2015-2017	**Granted in February 2016**	**Granted in February 2017**	**Granted in February 2018**
Inputs to the model			
Share price at grant date (in €)	27.25	39.39	37.40
Exercise price (in €)	26.38	39.43	34.60
Expected volatility	39%	39%	39%
Expected dividend yield	3%	3%	3%
Vesting period (years)	3.00	3.00	3.00
Contractual life (years)	10	10	10
Employee exit rate	3%	3%	3%
Risk-free interest rate	0.05%	-0.18%	0.08%
Exercise factor	1.40	1.40	1.40
Outcome of the model			
Fair value (in €)	7.44	10.32	10.61
Outstanding options	98 500	226 056	144 600

The model allows for the effects of early exercise through an exercise factor. An exercise factor of 1.40 stands for the assumption that the beneficiaries exercise the options and the subscription rights after the vesting date when the share price exceeds the exercise price by 40% (on average).

During 2021, no options (2020: no options) were granted under SOP 2015-2017. The Group has recorded no expense against equity (2020: € 0.7 million) for the options granted, based on their fair value and vesting period.

Performance Share Plan ('PSP')

The members of the Bekaert Group Executive, the senior management and a limited number of management staff members of the Company and a number of its subsidiaries received Performance Share Units entitling the beneficiary will be granted Performance Shares: during 2015, 2016 and 2017 subject to the conditions of the Performance Share Plan 2015-2017 and in 2019, 2020 and 2021 under the conditions of the Performance Share Plan 2018-2020. These Performance Share Units will vest following a vesting period of three years, conditional to the achievement of a pre-set performance target. The performance target was set by the Board of Directors, in line with the Company strategy. The vesting percentage can vary from 0% to 300%. At granting date, the assumption is taken that the grant will vest at a vesting percentage of 100%, the vesting percentage is reassessed for the expected performance at each balance sheet date, if needed the vesting percentage is adjusted based on that assessment. For more information we refer to the 'Remuneration Report' in the 'Corporate Governance Statements' section of this report.

Overview of Performance Share Plan		Number of units				
	Date granted	**Granted**	**Forfeited**	**Expired**	**Outstanding**	**Expiry date**
PSP 2015-2017	21.12.2017	55 250	4 900	50 350	—	31.12.2020
PSP 2018-2020	15.02.2019	178 233	42 210	—	136 023	31.12.2021
PSP 2018-2020	26.07.2019	35 663	3 885	—	31 778	31.12.2021
PSP 2018-2020	21.01.2020	182 900	43 290	—	139 610	31.12.2022
PSP 2018-2020	17.08.2020	12 580	713	—	11 867	31.12.2022
PSP 2018-2020	15.01.2021	144 708	14 047	—	130 661	31.12.2023
PSP 2018-2020	19.08.2021	15 101	—	—	15 101	31.12.2023
PSP 2018-2020	09.09.2021	7 966	—	—	7 966	31.12.2023
		632 401	**109 045**	**50 350**	**473 006**	

The Performance Share Units granted under these plans are recognized at fair value at grant date in accordance with IFRS 2 (see note 6.14. 'Retained earnings and other Group reserves'). The fair value of the Performance Share Units under the PSP 2015-2017 is determined using a binomial pricing model. Inputs and outcome of the pricing model are detailed below:

	Granted in
Pricing model details - Performance Share Plan	**December 2017**
Inputs to the model	
Share price at grant date (in €)	34.60
Expected volatility	39%
Expected dividend yield	3%
Vesting period (years)	3.00
Employee exit rate	3%
Risk-free interest rate	-0.46%
Outcome of the model	
Fair value (years)	40.19
Outstanding PSP Units	—

Under the PSP 2015-2017, the Group has recorded no expense against equity (2020: € 0.6 million) for the Performance Share Units granted, based on their fair value and vesting period.

In 2021, on 15 January an offer of 144 708 equity settled performance share units, on 19 August an offer of 15 101 equity settled performance share units and on 9 September an offer of 7 966 equity settled performance share units were made under the terms of the PSP 2018-2020 (2020: on 21 January an offer of 182 900 equity settled performance share units and on 17 August an offer of 12 580). The fair value of the Performance Share Units under the terms of the PSP 2018-2020 plan is equal to the share price at grant date (15 January 2021: € 29.14, 19 August 2021: € 39.74 and 9 September 2021: € 38.44 (21 January 2020: € 25.14 and 17 August 2020: € 16.92)), since the performance conditions are non-market conditions (Underlying EBITDA and operational cash flow). The grant in 2021 represented a fair value of € 5.1 million (2020: € 4.8 million). The Group has recorded an expense against equity of € 14.8 million in 2021 (2020: € 4.7 million).

	2020		2021	
PSP 2015-2017	**Number of units**	**Weighted average exercise price (in €)**	**Number of units**	**Weighted average exercise price (in €)**
Outstanding as at 1 January	50 950	40.19	0	0
Forfeited during the year	-600	40.19	0	0
Expired during the year	-50 350	40.19	0	0
Outstanding as at 31 December	**0**	**0**	**0**	**0**

	2020		2021	
PSP 2018-2020	**Number of units**	**Weighted average exercise price (in €)**	**Number of units**	**Weighted average exercise price (in €)**
Outstanding as at 1 January	206 621	23.791	390 631	24.185
Granted during the year	195 480	24.058	167 775	30.536
Forfeited during the year	-11 470	24.344	-85 400	25.217
Outstanding as at 31 December	**390 631**	**24.185**	**473 006**	**26.251**

Personal Shareholding Requirement Plan ('PSR')

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

Overview of Personal Shareholding Requirement Plan

	Number of units				
Date acquired	**Acquired**	**Matched**	**Forfeited**	**Outstanding**	**Expiry date**
31.03.2017	14 668	13 428	1 240	—	31.12.2019
01.09.2017	2 523	2 523	—	—	31.12.2019
14.05.2018	15 251	14 191	1 060	—	31.12.2020
31.03.2020	10 766	—	1 000	9 766	31.12.2022
31.03.2021	9 112	—	—	9 112	31.12.2023
	52 320	**30 142**	**3 300**	**18 878**	

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

	To be matched in December 2020	**To be matched in December 2022**	**To be matched in December 2023**
Pricing model details - Personal Shareholding Requirement plan	**Start date May 2018**	**Start date March 2020**	**Start date March 2021**
Inputs to the model			
Share price at start date (in €)	34.00	14.98	35.68
Expected volatility	39%	36%	36%
Expected dividend yield	3%	3%	3%
Vesting period (years)	2.60	2.75	2.75
Employee exit rate	4.38%	0%	0%
Risk-free interest rate	-0.39%	-0.47%	-0.47%
Outcome of the model			
Fair value (in €)	27.95	13.81	32.99
Outstanding PSR Units	—	9 766	9 112

The matching shares to be granted represented a fair value of € 0.4 million (2020: € 0.1 million). The Group has recorded an expense against equity of € 0.1 million (2020: € 0.2 million) for the matching shares to be granted, based on their fair value and vesting period.

Number of units - PSR	2020	2021
Outstanding as at 1 January	13 661	10 766
Matched during the year	-13 661	—
Forfeited during the year	—	-1 000
Acquired during the year	10 766	9 112
Outstanding as at 31 December	**10 766**	**18 878**

Stock grant Board members

The fixed fee of the Chairperson is paid partly in cash and partly in Company shares, subject to a three-year holding period from grant date. For the other non-executive Directors, the fixed fee for performance of duties as a member of the Board are paid in cash, but with the option each year to receive part (0%, 25% or 50%) in Company shares. In accordance with IFRS 2 this is treated as a share-based payment award with a cash alternative. The fair value of the stock grant are equal to the share price at grant date, being 31 May 2021 (€ 39.37) (being 29 May 2020: € 18.43). This stock grant vested immediately. The stock grant represented a fair value of € 0.4 million (2020: € 0.2 million). The Group has recorded an expense against equity of € 0.4 million (2020: € 0.2 million).

6.14. Retained earnings and other group reserves

Carrying amount

in thousands of €	2020	2021
Revaluation reserve for non-consolidated equity investments	-11 867	-5 986
Remeasurement reserve for defined-benefit plans	-63 543	-16 790
Deferred tax reserve	26 785	23 464
Other reserves	-48 626	688
Cumulative translation adjustments	-227 823	-137 183
Total other Group reserves	**-276 448**	**-136 495**
Treasury shares	**-106 148**	**-95 517**
Retained earnings	**1 614 781**	**1 984 791**

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

Revaluation reserve for non-consolidated equity investments

in thousands of €	2020	2021
As at 1 January	-12 117	-11 867
Fair value changes	250	5 882
As at 31 December	**-11 867**	**-5 986**
Of which		
Investment in Xinyu Xinsteel Metal Products Co Ltd	-1 951	—
Investment in Shougang Concord Century Holdings Ltd	-10 009	-6 078
Other investments	92	92

The revaluation of the investment in Shougang Concord Century Holdings Ltd is based on the closing price of the share on the Hong Kong Stock Exchange. The fair value of the investment in Xinyu Xinsteel Metal Products Co Ltd is determined using a discounted cash flow model based on the company's most recent business plan for 2022-2026. See also note 6.6. 'Other non-current assets'.

Remeasurement reserve for defined-benefit plans

in thousands of €	2020	2021
As at 1 January	-67 017	-63 543
Remeasurements of the period	3 474	46 753
As at 31 December	**-63 543**	**-16 790**

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

Deferred tax reserve

in thousands of €	2020	2021
As at 1 January	28 104	26 785
Deferred taxes relating to other comprehensive income	-1 319	-3 321
As at 31 December	**26 785**	**23 464**

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

Cumulative translation adjustments

in thousands of €	2020	2021
As at 1 January	-113 964	-227 823
Exchange differences on dividends declared	-2 244	-2 463
Recycled to income statement - relating to disposed entities or step acquisitions	—	1 270
Movements arising from exchange rate fluctuations	-111 615	91 833
As at 31 December	**-227 823**	**-137 184**
Of which relating to entities with following functional currencies		
Chinese renminbi	88 513	145 149
US dollar	12 453	30 502
Brazilian real	-220 231	-218 372
Chilean peso	-21 028	-28 753
Venezuelan bolivar soberano [1]	-59 691	-59 691
Indian rupee	-10 319	-7 625
Czech koruna	8 616	11 291
British pound	-13 974	2 115
Russian ruble	-7 984	-6 463
Romenian leu	-3 296	-3 991
Other currencies	-881	-1 345

[1] *As a consequence of the functional currency switch to the US dollar on 1 January 2019, the value related to Venezuelan bolivar soberano remains frozen.*

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

Treasury shares

in thousands of €	2020	2021
As at 1 January	-107 463	-106 148
Shares purchased	—	-11 570
Shares sold	1 314	28 988
Price difference on shares sold	—	-6 787
As at 31 December	**-106 148**	**-95 517**

The number of shares on hand were sufficient, both to anticipate any dilution and to hedge the cash flow risk on share-based payment plans. In 2021 309 242 additional shares were bought back including the transactions exercised under the liquidity agreement with Kepler Cheuvreux (2020: nil). 973 330 treasury shares were sold to the beneficiaries of the share-based payment plans of the Group and under the liquidity agreement with Kepler Cheuvreux (2020: 63 541). Treasury shares are accounted for using the FIFO principle (first-in, first-out). Gains and losses on disposals of treasury shares are directly recognized through retained earnings (see movements in retained earnings below). See also note 6.13. 'Ordinary shares, treasury shares and equity-settled share-based payments'.

Retained earnings

in thousands of €	Notes	2020	2021
As at 1 January (as reported)		1 492 028	1 614 781
Equity-settled share-based payments	6	8 556	15 261
Result for the period attributable to equity holders of Bekaert		134 687	406 977
Dividends		-19 787	-56 795
Equity reclassification		-6	—
Other comprehensive income - other		1	—
Treasury shares transactions	6.13	-231	6 787
Changes in Group structure		-467	-2 220
As at 31 December		**1 614 781**	**1 984 791**

Treasury shares transactions (€ +6.8 million vs € -0.2 million in 2020) represented the difference between the proceeds and the FIFO book value of the shares that were sold. Changes in Group structure in 2021 related to the merger of Proalco SAS (subsidiary of Bekaert) with the steel wire activities of Almasa SA, both located in Colombia., while in 2020 this related to the purchase of non-controlling interests (NCI) in Bekaert Slatina SRL.

6.15. Non-controlling interests

Carrying amount

in thousands of €	2020	2021
As at 1 January	96 430	87 175
Changes in Group structure	-8 503	3 601
Share of the result for the period	13 350	43 643
Share of other comprehensive income excluding CTA	-677	422
Dividend pay-out	-8 270	-6 649
Capital increases	—	3 975
Exchange gains and losses (-)	-5 155	-1 196
As at 31 December	**87 175**	**130 971**

The changes in Group structure and the Capital Increase in 2021 mainly related to the merger of Proalco SAS (subsidiary of Bekaert) with the steel wire activities of Almasa SA, both located in Colombia. The change in 2020 related to the purchase of the non-controlling interests ('NCI') in Bekaert Slatina SRL, the carrying amount of which amounted to € +8.5 million at the transaction date.

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

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

Entities included in material NCI disclosure	Country	Proportion of NCI at year-end 2020	2021
BBRG entities			
Inversiones BBRG Lima SA	Peru	3.9%	
Procables SA	Peru	3.9%	3.9%
SWS entities Chile and Peru			
Acma SA	Chile	48.0%	48.0%
Acmanet SA	Chile	48.0%	48.0%
Industrias Acmanet Ltda	Chile	48.0%	48.0%
Industrias Chilenas de Alambre - Inchalam SA	Chile	48.0%	48.0%
Grating Peru SAC	Peru	62.5%	
Procercos SA	Chile	48.0%	48.0%
Prodalam SA	Chile	48.0%	48.0%
Prodicom Selva SAC	Peru	62.5%	62.5%
Prodimin SAC	Peru	62.5%	62.5%
Prodac Contrata SAC	Peru	62.5%	62.5%
Productos de Acero Cassadó SA	Peru	62.5%	62.5%
SWS entities Andina region			
Agro-Bekaert Colombia SAS	Colombia	60.0%	60.0%
Agro - Bekaert Springs, SL	Spain	60.0%	60.0%
Bekaert Ideal SL	Spain	20.0%	20.0%
Bekaert Costa Rica SA	Costa Rica	41.6%	
BIA Alambres Costa Rica SA	Costa Rica	41.6%	41.6%
Ideal Alambrec SA	Ecuador	41.6%	41.6%
InverVicson SA	Venezuela	20.0%	20.0%
Productora de Alambres Colombianos Proalco SAS	Colombia	20.0%	60.0%
Vicson SA	Venezuela	20.0%	20.0%

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

Material and other NCI	**Result attributable to NCI**		**Equity attributable to NCI**	
in thousands of €	**2020**	**2021**	**2020**	**2021**
SWS entities Chile and Peru	9 602	35 633	72 282	100 872
SWS entities Andina region	2 156	6 075	11 474	21 858
Consolidation adjustments on material NCI	181	-651	-28 184	-27 573
Contribution of material NCI to consolidated NCI	11 939	41 057	55 572	95 157
Other NCI	1 411	2 586	31 603	35 814
Total consolidated NCI	13 350	43 643	87 175	130 971

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

SWS entities Chile and Peru		
in thousands of €	**2020**	**2021**
Current assets	218 034	382 128
Non-current assets	121 990	119 973
Current liabilities	140 264	247 022
Non-current liabilities	62 648	60 402
Equity attributable to equity holders of Bekaert	**64 830**	**93 805**
Equity attributable to NCI	**72 282**	**100 872**

SWS entities Chile and Peru		
in thousands of €	**2020**	**2021**
Sales	433 751	689 790
Expenses	-414 334	-619 952
Result for the period	19 417	69 838
Result for the period attributable to equity holders of Bekaert	9 815	34 205
Result for the period attributable to NCI	9 602	35 633
Other comprehensive income for the period	-7 360	-8 946
OCI attributable to equity holders of Bekaert	-3 270	-5 302
OCI attributable to NCI	-4 090	-3 644
Total comprehensive income for the period	12 057	60 892
Total comprehensive income attributable to equity holders of Bekaert	6 545	28 903
Total comprehensive income attributable to NCI	5 512	31 989
Dividends paid to NCI	-5 340	-3 475

Net cash inflow (outflow) from operating activities	60 491	-4 351
Net cash inflow (outflow) from investing activities	-4 228	-8 402
Net cash inflow (outflow) from financing activities	-28 441	22 430
Net cash inflow (outflow)	27 822	9 676

Significant increase in sales (+59%) resulting in better profitability in absolute terms. Building further on the profit restoration initiatives started last year, profitability as percentage was increased once more (underlying EBIT margin on sales at 15.0% compared to (7.7% last year).

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

SWS entities Andina region

in thousands of €	2020	2021
Current assets	75 125	150 291
Non-current assets	40 417	52 206
Current liabilities	74 998	143 778
Non-current liabilities	7 553	11 067
Equity attributable to equity holders of Bekaert	**21 517**	**25 795**
Equity attributable to NCI	**11 474**	**21 858**

SWS entities Andina region

in thousands of €	2020	2021
Sales	157 487	237 878
Expenses	-152 300	-224 404
Result for the period	5 188	13 473
Result for the period attributable to equity holders of Bekaert	3 032	7 398
Result for the period attributable to NCI	2 156	6 075
Other comprehensive income for the period	-3 325	-254
OCI attributable to equity holders of Bekaert	-2 274	-203
OCI attributable to NCI	-1 052	-51
Total comprehensive income for the period	1 863	13 220
Total comprehensive income attributable to equity holders of Bekaert	758	7 196
Total comprehensive income attributable to NCI	1 104	6 024
Dividends paid to NCI	-2 060	-3 137
Net cash inflow (outflow) from operating activities	14 148	28 707
Net cash inflow (outflow) from investing activities	-3 635	-4 940
Net cash inflow (outflow) from financing activities	-5 295	-13 089
Net cash inflow (outflow)	5 218	10 678

Sales in 2021 were 51.0% higher compared to last year. In addition the underlying EBIT margin on sales further improved from 8.6% last year to 9.5% this year. Net working capital monitoring helped to increase the cash flow from operating activities, resulting in a further decrease of the Net Debt position..

The situation for Vicson SA (Venezuela) remains under control. The company manages to source an adequate amount of wire rod to keep its operations going, albeit at a subdued level. In the second half of the year, wire rod could be purchased locally. Though payment terms for these purchases are very short, this represents better profitability and cash flow going forward. Furthermore, the access to US dollar has become more flexible in the country to a point that now invoicing to many customers is made in that currency. Its cash & cash equivalents and short-term deposits amounted to € 0.4 million at 31 December 2021 (compared to € 0.9 million at 31 December 2020).

6.16. Employee benefit obligations

The total net liabilities for employee benefit obligations, which amounted to € 235.0 million as at 31 December 2021 (€ 262.7 million as at year-end 2020), are as follows:

in thousands of €	2020	2021
Liabilities for		
Post-employment defined-benefit plans	*118 892*	*71 363*
Other long-term employee benefits	*4 700*	*4 821*
Cash-settled share-based payment employee benefits	*2 556*	*7 150*
Short-term employee benefits	*116 014*	*160 699*
Termination benefits	*38 580*	*10 786*
Total liabilities in the balance sheet	**280 742**	**254 818**
of which		
Non-current liabilities	*130 948*	*77 659*
Current liabilities	*149 793*	*177 159*
Assets for		
Defined-benefit pension plans	*-18 082*	*-19 847*
Total assets in the balance sheet	**-18 082**	**-19 847**
Total net liabilities	**262 660**	**234 971**

Post-employment benefit plans

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

Defined-contribution plans

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

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

Bekaert participates in a multi-employer defined-benefit plan in the Netherlands funded through the Pensioenfonds Metaal & Techniek ('PMT'). This plan is treated as a defined-contribution plan because no sufficient information is available with respect to the plan assets attributable to Bekaert to apply defined-benefit accounting. Contributions for the plan amounted to € 1.6 million (2020: € 1.9 million). Employer contributions are set every five years by PMT, they are equal for all participating companies and are expressed as a percentage of pensionable salary. Bekaert's total contribution represents less than 0.1% of the overall PMT contribution. The financing rules specify that an employer is not obliged to pay any further contributions in respect of previously accrued benefits. The funded status of PMT was 106.1% at 31 December 2021 (2020: 95.4%). During the period 2015 to 2022 there is no obligation for participating companies to fund any deficit of PMT (nor to receive any surplus).

Defined-contribution plans

in thousands of €	2020	2021
Expenses recognized	15 534	14 420

Defined-benefit plans

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

The latest actuarial valuations under IAS 19 were carried out as of 31 December 2021 for all significant post-employment defined-benefit plans by independent actuaries. The Group's largest defined-benefit obligations were in Belgium, the United States and the United Kingdom. They accounted for 90.0% (2020: 89.1%) of the Group's defined-benefit obligations and 99.6% (2020: 99.7%) of the Group's plan assets.

Plans in Belgium

The funded plans in Belgium mainly related to retirement plans representing a defined-benefit obligation of € 216.5 million (2020: € 229.4 million) and € 213.4 million assets (2020: € 205.7 million). This is including the related plans funded through a group insurance.

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

Other plans mainly related to pre-retirement pensions (defined-benefit obligation € 8.0 million (2020: € 8.4 million)) which are not externally funded. An amount of € 4.6 million (2020: € 3.4 million) related to employees in active service who have not yet entered into any pre-retirement agreement.

Plans in the United States

The funded plans in the United States mainly related to pension plans representing a defined-benefit obligation of € 128.1 million (2020: € 127.4 million) and assets of € 124.4 million (2020: € 104.8 million). The plans provide for benefits for the life of the plan members but have been closed for new entrants. Plan assets are invested, in fixed-income funds and in equities. Funding policy targets to be sufficiently funded in terms of Pension Protection Act requirements and thus to avoid benefit restrictions or at-risk status of the plans.

Unfunded plans included medical care plans (defined-benefit obligation € 2.4 million (2020: € 3.8 million)).

Plans in the United Kingdom

The funded plan in the United Kingdom related to a pension scheme closed for new entrants and further accrual representing a defined-benefit obligation of € 93.6 million (2020: € 92.0 million) and assets of € 113.5 million (2020: € 110.1 million). The scheme is administrated by a separate board of Trustees which is legally separate from the company. The Trustees are composed of representatives of both employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day-to-day administration of the benefits.

The defined-benefit obligation solely includes benefits for deferred vested members (members whose employment has terminated and have not yet reached the eligible retirement age for drawing a pension) and pensioners (members who are already receiving pension as they have reached the eligible retirement age). Broadly, about 70% of the liabilities are attributable to deferred vested members and 30% to pensioners (2020: 30% pensioners).

UK legislation requires that pension schemes are funded prudently. The funding valuation of the scheme carried out as at 31 December 2019 by a qualified actuary showed a surplus of € 7.4 million. As a consequence, the company is no longer required to pay contributions into the scheme. Administration costs are reported separately from IAS 19.

The amounts recognized in the balance sheet are as follows:

in thousands of €	2020	2021
Belgium		
Present value of funded obligations	229 377	216 562
Fair value of plan assets	-205 728	-213 440
Deficit / surplus (-) of funded obligations	**23 649**	**3 122**
Present value of unfunded obligations	8 365	7 994
Total deficit / surplus (-) of obligations	**32 014**	**11 116**
United States		
Present value of funded obligations	127 361	128 125
Fair value of plan assets	-104 847	-124 372
Deficit / surplus (-) of funded obligations	**22 514**	**3 753**
Present value of unfunded obligations	8 975	7 556
Total deficit / surplus (-) of obligations	**31 489**	**11 309**
United Kingdom		
Present value of funded obligations	91 997	93 635
Fair value of plan assets	-110 079	-113 482
Deficit / surplus (-) of funded obligations	**-18 082**	**-19 847**
Present value of unfunded obligations	—	—
Total deficit / surplus (-) of obligations	**-18 082**	**-19 847**
Other		
Present value of funded obligations	1 633	2 545
Fair value of plan assets	-1 425	-1 615
Deficit / surplus (-) of funded obligations	**208**	**930**
Present value of unfunded obligations	55 181	48 008
Total deficit / surplus (-) of obligations	**55 389**	**48 938**
Total		
Present value of funded obligations	450 368	440 867
Fair value of plan assets	-422 079	-452 909
Deficit / surplus (-) of funded obligations	**28 289**	**-12 042**
Present value of unfunded obligations	72 521	63 558
Total deficit / surplus (-) of obligations	**100 810**	**51 516**

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

in thousands of €	Defined-benefit obligation	Plan assets	Net liability / asset (-)
As at 1 January 2020	**518 600**	**-408 821**	**109 778**
Current service cost	16 035	—	16 035
Past service cost	937	—	937
Gains (-) / losses from settlements	-3 816	—	-3 816
Interest expense / income (-)	9 402	-6 860	2 541
Net benefit expense / income (-) recognized in profit and loss	**22 557**	**-6 860**	**15 697**
Components recognized in EBIT			*13 155*
Components recognized in financial result			*2 541*
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / income (-)	—	*-33 773*	*-33 773*
Gain (-) / loss from change in demographic assumptions	*-1 753*	—	*-1 753*
Gain (-) / loss from change in financial assumptions	*34 728*	—	*34 728*
Experience gains (-) / losses	*-2*	*-1 697*	*-1 699*
Changes recognized in equity	**32 973**	**-35 470**	**-2 497**
Contributions			
Employer contributions / direct benefit payments	—	-17 052	-17 052
Employee contributions	170	-170	—
Payments from plans			
Benefit payments	-30 914	30 914	—
Foreign-currency translation effect	**-20 497**	**15 380**	**-5 116**
As at 31 December 2020	**522 889**	**-422 079**	**100 810**

in thousands of €	Defined-benefit obligation	Plan assets	Net liability / asset (-)
As at 1 January 2021	**522 889**	**-422 079**	**100 810**
Current service cost	17 424	—	17 424
Past service cost	-252	—	-252
Gains (-) / losses from settlements	-87	—	-87
Interest expense / income (-)	7 384	-5 500	1 884
Net benefit expense / income (-) recognized in profit and loss	**24 470**	**-5 500**	**18 969**
Components recognized in EBIT			*17 085*
Components recognized in financial result			*1 884*
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / income (-)	—	*-21 127*	*-21 127*
Gain (-) / loss from change in demographic assumptions	*-1 622*	—	*-1 622*
Gain (-) / loss from change in financial assumptions	*-28 439*	—	*-28 439*
Experience gains (-) / losses	*3 836*	—	*3 836*
Changes recognized in equity	**-26 224**	**-21 127**	**-47 351**
Contributions			
Employer contributions / direct benefit payments	—	-19 430	-19 430
Employee contributions	148	-148	—
Payments from plans			
Benefit payments	-32 275	32 275	—
Foreign-currency translation effect	**15 418**	**-16 900**	**-1 483**
As at 31 December 2021	**504 425**	**-452 909**	**51 516**

The past service cost related to changes in post-employment plans in Chile and a true-up of the past service cost triggered by the 2020 restructuring in Belgium after the 2021 implementation wave. Gains from settlements mainly related to plan the closure of the Figline site in Italy and a true-up of settlement costs triggered by the 2020 restructuring in Belgium after the 2021 implementation wave. In the income statement, current and past service cost, including gains or losses from settlements are included in the operating result (EBIT), and interest expense or income is included in interest expense, under interest element of interest-bearing provisions.

Reimbursement rights arising from reinsurance contracts covering retirement pensions, death and disability benefits in Germany amounted to € 0.1 million (2020: € 0.2 million).

Estimated contributions and direct benefit payments for 2022 are as follows:

Estimated contributions and direct benefit payments

in thousands of €	2022
Pension plans	13 190

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

in thousands of €	2020	2021
Belgium		
Bonds	**54 808**	**55 905**
Equity	**80 076**	**94 366**
Cash	**920**	**4 077**
Insurance contracts	**69 923**	**59 092**
Total Belgium	**205 728**	**213 440**
United States		
Bonds		
USD Long Duration Bonds	29 765	36 617
USD Fixed Income	4 944	5 842
USD Guaranteed Deposit	3 191	4 437
Equity		
USD Equity	42 610	49 690
Non-USD Equity	19 026	20 317
Real estate	5 310	7 470
Total United States	**104 847**	**124 372**
United Kingdom		
Bonds	**27 929**	**35 480**
Derivatives	**60 967**	**62 806**
Equity	**14 576**	**13 850**
Cash	**6 607**	**1 346**
Total United Kingdom	**110 079**	**113 482**
Other		
Bonds	**1 425**	**1 614**
Total Other	**1 425**	**1 614**
Total	**422 079**	**452 909**

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

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

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

Actuarial assumptions	2020	2021
Discount rate	1.4%	2.0%
Future salary increases	3.0%	3.3%
Underlying inflation rate	1.4%	2.3%
Health care cost increases (initial)	6.8%	6.5%
Health care cost increases (ultimate)	5.0%	5.0%
Health care (years to ultimate rate)	7	6

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

This resulted into the following discount rates:

Discount rates	2020	2021
Belgium	0.6%	1.0%
United States	2.4%	2.8%
United Kingdom	1.5%	1.9%
Other	2.9%	4.7%

This resulted into the following inflation rates:

Inflation rates	2020	2021
Belgium	1.5%	1.8%
United States	N/A	N/A
United Kingdom	2.9%	3.3%
Other	1.9%	2.9%
Total	**1.4%**	**2.3%**

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

	2020	2021
Life expectancy of a man aged 65 (years) at balance sheet date	20.2	20.2
Life expectancy of a woman aged 65 (years) at balance sheet date	22.6	22.6
Life expectancy of a man aged 65 (years) ten years after balance sheet date	20.9	20.9
Life expectancy of a woman aged 65 (years) ten years after balance sheet date	23.4	23.4

Sensitivity analyses show the following effects:

Sensitivity analysis

in thousands of €	Change in assumption	Impact on defined-benefit obligation		
Discount rate	-0.50%	Increase by	29 222	5.8%
Salary growth rate	0.50%	Increase by	5 845	1.2%
Health care cost	0.50%	Increase by	104	0.02%
Life expectancy	1 year	Increase by	8 338	1.6%

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

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

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

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

Weighted average durations of the DBO

in years	2020	2021
Belgium	13.5	12.5
United States	12.1	11.5
United Kingdom	19.9	20.0
Other	11.9	10.3
Total	14.1	**13.4**

Termination benefits

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

Other long-term employee benefits

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

Cash-settled share-based payment employee benefits

Stock appreciation rights ('SAR')

The Group issues stock appreciation rights (SARs) for certain management employees, granting them the right to receive the intrinsic value of the SARs at the date of exercise. These SARs are accounted for as cash-settled share-based payments in accordance with IFRS 2. The fair value of each grant is recalculated at balance sheet date, using the same binomial pricing model as for the equity-settled share-based payments (see note 6.13. 'Ordinary shares, treasury shares and equity-settled share-based payments'). Based on local regulations, the exercise price for any grant under the USA SAR plan is equal to the average closing price of the Company's share during the thirty days following the date of the offer. The exercise price for the other SAR plans is determined in the same way as for the equity-settled stock option plans: it is equal to the lower of (i) the average closing price of the Company's share during the thirty days preceding the date of the offer, and (ii) the last closing price preceding the date of the offer.

Following inputs to the model are used for all grants: share price at balance sheet date: € 39.14 (2020: € 27.16), expected volatility of 34% (2020: 36%), expected dividend yield of 3.0% (2020: 3.0%), vesting period of 3 years, contractual life of 10 years and an exercise factor of 1.40 (2020: 1.40). Inputs for risk-free interest rates vary by grant and are based on the return of Belgian OLO's (Obligation Linéaire / Lineaire Obligatie) with a term equal to the maturity of the SAR grant under consideration.

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

USA SAR Plan details by grant

in €	Granted	Exercise price	Fair value as at 31 December 2020	Fair value as at 31 December 2021
Grant 2012	21 200	27.63	3.20	—
Grant 2013	20 900	22.09	6.58	17.04
Grant 2014	36 800	25.66	5.41	13.72
Grant 2015	40 200	25.45	5.86	13.99
Grant 2016	20 250	28.38	5.34	11.91
Grant 2017	26 375	38.86	3.79	7.88
Grant 2018	16 875	37.06	4.33	8.76

Other SAR Plans details by grant

in €	Granted	Exercise price	Fair value as at 31 December 2020	Fair value as at 31 December 2021
Grant 2012	19 500	25.14	4.25	—
Grant 2013	24 500	19.20	8.43	19.92
Exceptional grant 2013	10 000	21.45	7.17	17.69
Grant 2014	54 800	25.38	5.57	13.96
Grant 2015	44 700	26.06	5.73	13.42
Grant 2016	38 500	26.38	5.85	13.33
Grant 2017	53 000	39.43	3.68	7.85
Grant 2018	37 500	34.60	4.68	9.48

At 31 December 2021, the total liability for the USA SAR plan amounted to € 0.4 million (2020: € 0.2 million), while the total liability for the other SAR plans amounted to € 0.5 million (2020: € 0.7 million).

The Group recorded a total income of € 0.0 million (2020: income of € 0.1 million) during the year in respect of SARs.

Performance Share Units (‘PSU’)

Certain management employees received cash-settled Performance Share Units (PSUs) entitling the beneficiary to receive the value of Performance Share Units: during 2015, 2016 and 2017 subject to the conditions of the Performance Share Plan 2015- 2017 and in 2019, 2020 and 2021 under the conditions of the Performance Share Plan 2018-2020. These Performance Share Units will vest following a vesting period of three years, conditional to the achievement of a pre-set performance target. The performance target was set by the Board of Directors, in line with the Company strategy, and can vary from 0% to 300%. At granting date, the assumption is taken that the grant will vest at a vesting percentage of 100%, the performance target is reassessed for the expected performance at each balance sheet date, if needed the vesting percentage is adjusted based on that assessment.

These Performance Share Units are accounted for as cash-settled share-based payments in accordance with IFRS 2. The fair value of each grant under PSU 2015-2017 is recalculated at balance sheet date, using the same binomial pricing model as for the equity-settled share-based payments (see note 6.13. ‘Ordinary shares, treasury shares and equity-settled share-based payments’). Following inputs to the model are used: share price at balance sheet date: € 39.14 (2020: € 27.16), expected volatility of 34% (2020: 36%), expected dividend yield of 3.0% (2020: 3.0%), vesting period of 3 years. Inputs for risk-free interest rates vary by grant and are based on the return of Belgian OLO’s with a term equal to the maturity of the PSU grant under consideration.

The fair value of each grant under PSU 2018-2020 is equal to the share price at balance sheet date, since the performance conditions are non-market conditions (Underlying EBITDA and operational cash flow).

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

Performance Share Units details by grant

in €		Granted	Fair value as at 31 December 2020	Fair value as at 31 December 2021
PSU 2018-2020	Grant 2019	51 995	27.16	—
PSU 2018-2020	Grant 2020	45 141	27.16	39.14
PSU 2018-2020	Grant 2020	444	27.16	39.14
PSU 2018-2020	Grant 2021	4 567	—	39.14

At 31 December 2021, the total liability for the USA PSUs amounted to € 1.6 million (2020: € 0.3 million), while the total liability for the other PSUs amounted to € 4.8 million (2020: € 1.3 million).

The Group recorded a total cost of € 4.8 million (2020: cost of € 0.8 million) during the year in respect of PSUs.

Short-term employee benefit obligations

Short-term employee benefit obligations relate to liabilities for remuneration and social security that are due within twelve months after the end of the period in which the employees render the related service.

6.17. Provisions

in thousands of €	Restructuring	Claims	Environment	Other	Total
As at 1 January 2020	**12 155**	**8 458**	**32 488**	**2 127**	**55 227**
Additional provisions	755	2 391	2 090	935	6 170
Unutilized amounts released	-1 542	-2 596	-5 789	-153	-10 080
Increase in present value	—	—	—	43	43
Charged to the income statement	**-787**	**-205**	**-3 699**	**825**	**-3 867**
Amounts utilized during the year	-4 148	-1 077	-8 766	-169	-14 160
Transfers	-390	-369	24	734	—
Exchange gains (-) and losses	-305	-208	-31	-69	-613
As at 31 December 2020	**6 525**	**6 600**	**20 015**	**3 448**	**36 588**
Of which					
current	6 467	3 389	737	828	11 421
non-current - between 1 and 5 years	58	3 211	3 988	2 364	9 621
non-current - more than 5 years	—	—	15 290	256	15 546

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

The decrease of the restructuring programs mainly related to the utilization of the provision for the rubber reinforcement plant in Figline (Italy).

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

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

The decrease of other provisions mainly related to the release of provisions for law suits.

6.18. Interest-bearing debt

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

2020

in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
Lease liability	*19 746*	*39 603*	*21 157*	*80 505*
Cash guarantees received	*—*	*51*	*120*	*171*
Credit institutions	*246 817*	*187 511*	*—*	*434 328*
Schuldschein loans	*—*	*298 702*	*20 933*	*319 635*
Bonds	*—*	*—*	*400 000*	*400 000*
Convertible bonds	*375 092*	*—*	*—*	*375 092*
Total financial debt	**641 655**	**525 867**	**442 210**	**1 609 732**

2021

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

An analysis of the undiscounted outflows relating to the Group's financial liabilities by contractual maturity is presented in note 7.2. 'Financial risk management and financial derivatives'. The financial debt due within one year decreased with € 403.9 million mainly due to the repayment of the convertible bond in June 2021 (€ 375.1 million at amortized cost per year-end 2020).

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

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

Net debt calculation

Similar to all financial derivative assets and liabilities, the conversion option (€ 0.03 million in 2020) embedded in the convertible bond was not included in the net debt (see note 6.19. 'Other non-current liabilities'). The table below summarizes the calculation of the net debt.

in thousands of €	2020	2021
Non-current interest-bearing debt	968 076	953 581
Current interest-bearing debt	641 655	237 742
Total financial debt	**1 609 732**	**1 191 324**
Non-current financial receivables and cash guarantees	-7 451	-10 192
Current financial receivables and cash guarantees	-7 707	-6 475
Short-term deposits	-50 077	-80 058
Cash and cash equivalents	-940 416	-677 270
Net debt	**604 081**	**417 329**

Changes in liabilities arising from financing activities

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

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

Acquisitions and disposals in 2020 related to the acquisition of Grating Peru SAC. Other changes in 2020 mainly related to the non-cash movements on the lease liability (€ 22.0 million) (see also note 6.4. 'Right-of-use (RoU) property, plant and equipment'), and interest accruals from amortizations on liabilities using the effective interest method (€ 10.7 million).

2020			Non-cash changes				
in thousands of €	**As at 1 January**	**Cash flows**	**Acquisitions & disposals**	**Cumulative translation adjustments**	**Fair value changes**	**Other changes**	**As at 31 December**
Financial debt							
Long-term interest-bearing debt [1]	1 403 804	-46 364	—	-9 486	—	32 912	1 380 866
Cash guarantees received	*—*	*175*	*—*	*-3*	*—*	*—*	*171*
Lease liability	*88 253*	*-25 785*	*—*	*-3 914*	*—*	*21 952*	*80 505*
Credit institutions	*386 171*	*-175 139*	*—*	*-5 569*	*—*	*—*	*205 463*
Schuldschein loans	*319 368*	*—*	*—*	*—*	*—*	*267*	*319 635*
Bonds	*245 614*	*154 386*	*—*	*—*	*—*	*—*	*400 000*
Convertible bonds	*364 398*	*—*	*—*	*—*	*—*	*10 694*	*375 092*
Short-term interest bearing debt	204 691	41 358	1 237	-18 420	—	—	228 865
Total financial debt	**1 608 495**	**-5 006**	**1 237**	**-27 906**	**—**	**32 912**	**1 609 732**
Derivatives held to hedge financial debt							
Interest-rate swaps	496	—	—	—	585	—	1 081
Cross-currency interest-rate swaps	-3 705	—	—	—	-1 325	—	-5 030
Other liabilities from financing activities							
Conversion derivative	115	—	—	—	-81	—	34
Total liabilities from financing activities	**1 605 400**	**-5 006**	**1 237**	**-27 906**	**-820**	**32 912**	**1 605 817**

[1] Including the current portion of non-current interest-bearing debt of € 219.5 million as at 1 January and € 412.8 million as at 31 December.

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

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

6.19. Other non-current liabilities

Carrying amount

in thousands of €	2020	2021
Other non-current amounts payable	150	142
Derivatives (cf. note 7.2.)	1 081	703
Total	**1 231**	**844**

The derivatives related for € 0.1 million to an interest-rate swap to hedge the variable interest in some of the Schuldschein loans (2020: € 1.1 million) and for € 0.6 million to CCIRSs (2020: none) (see notes 6.18. 'Interest-bearing debt' and 7.2. 'Financial risk management and financial derivatives').

6.20. Other current liabilities

Carrying amount in thousands of €	2020	2021
Other amounts payable	9 939	9 122
Derivatives (cf. note 7.2.)	1 885	2 324
Advances received	15 682	24 354
Other taxes	27 073	24 127
Accruals and deferred income	9 872	8 322
Total	**64 451**	**68 249**

The derivatives included forward-exchange contracts (€ 0.7 million (2020: € 1.6 million)) and CCIRSs (€ 1.7 million (2020: € 0.2 million)). Other taxes predominantly related to VAT payable, employment-related taxes withheld and other non-income taxes payable.

Advances received mainly related to advance payments from the Brazilian joint ventures on equipment orders at Engineering.

6.21. Tax positions

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

in thousands of €	2020	2021
Tax receivables	83 487	113 568
Certain tax liabilities	48 976	71 376
Uncertain tax positions	31 639	38 882

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

7. Miscellaneous items

7.1. Notes to the cash flow statement

Summary

in thousands of €	2020	2021
Operating result (EBIT)	*256 527*	*513 086*
Non-cash items added back to operating result (EBIT)	*216 067*	*164 256*
EBITDA	*472 594*	*677 342*
Other gross cash flows from operating activities	*-91 535*	*-140 345*
Gross cash flows from operating activities	*381 059*	*536 997*
Changes in operating working capital [1]	*124 419*	*-119 773*
Other operating cash flows	*-556*	*-32 620*
Cash from operating activities	504 921	384 604
Cash from investing activities	-31 209	-95 924
Cash from financing activities	-82 741	-567 082
Net increase or decrease in cash and cash equivalents	**390 972**	**-278 401**

[1] *For reconciliation of the changes in operating working capital with the organic variation of the working capital, see note 6.8. 'Operating working capital'.*

The cash flow from operating activities is presented using the indirect method, whereas the direct method is used for the cash flows from other activities. The direct method focuses on classifying gross cash receipts and gross cash payments by category.

Cash from operating activities

Details of selected operating items

in thousands of €	2020	2021
Non-cash items included in operating result (EBIT)		
Depreciation and amortization [1]	*202 103*	*165 774*
Impairment losses on assets	*13 964*	*-1 518*
Non-cash items added back to operating result (EBIT)	216 067	164 256
Employee benefits: set-up / reversal (-) of amounts not used	*49 703*	*14 044*
Provisions: set-up / reversal (-) of amounts not used	*-3 909*	*-352*
CTA recycled on business disposals	*—*	*-2 987*
Equity-settled share-based payments	*8 556*	*15 261*
Other non-cash items included in operating result (EBIT)	54 350	25 966
Total	**270 417**	**190 222**
Investing items included in operating result (EBIT)		
Gains (-) and losses on business disposals (portion sold)	705	170
Gains (-) and losses on disposals of intangible assets + PP&E	-39 331	-23 404
Total	**-38 626**	**-23 234**
Amounts used on provisions and employee benefit obligations		
Employee benefits: amounts used	-36 596	-41 503
Provisions: amounts used	-14 160	-8 837
Total	**-50 756**	**-50 340**
Income taxes paid		
Current income tax expense	-36 744	-116 006
Increase or decrease (-) in net income taxes payable	-19 760	23 269
Total	**-56 504**	**-92 737**
Other operating cash flows		
Movements in other receivables and payables	-1 225	-27 411
Other	669	-5 209
Total	**-556**	**-32 620**

[1] *Including € -18.7 million (2020: € 7.3 million) write-downs / (reversals of write-downs) on inventories and trade receivables (see note 6.8. 'Operating working capital').*

Gross cash flows from operating activities increased by € +155.9 million as a result of higher EBITDA (€ +204.7 million), higher set-up for equity-settled share-based payments (€ +6.7 million) and lower adjustment for the accounting profit on investing items (€ +15.4 million lower), offset by a lower set-up of employee benefit obligation (€ -35.7 million lower) and a higher cash-out from income taxes paid (€ -36.2 million higher).

The cash outflow from the increase in working capital, driven by the strong business growth, amounted to € -119.8 million in 2021 (2020: € +124.4 million) (see organic decrease in note 6.8. 'Operating working capital').

Other operating cash flows mainly related to swings in other receivables and payables not included in working capital and not arising from investing or financing activities.

In 2021, € 92.7 million income taxes were paid. Most taxes were paid in China (€ 22.8 million), Chile (€ 14.8 million), Belgium (€ 12.1 million), Turkey (€ 10.7 million), Slovakia (€ 5.7 million) and Indonesia (€ 4.7 million).

Cash from investing activities

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

Details of selected investing items

in thousands of €	2020	2021
Other portfolio investments		
New business combinations	-978	—
Other investments	—	-863
Total	**-978**	**-863**
Proceeds from disposals of fixed assets		
Proceeds from disposals of intangible assets	—	121
Proceeds from disposals of property, plant and equipment	48 199	12 235
Proceeds from disposals of RoU Land	3 861	712
Total	**52 135**	**36 752**

The other investments in 2021 relate to the investment in a power generation company in India. New business combinations relate to the investments in new joint ventures in 2020.

Cash-outs from capital expenditure for property, plant and equipment increased from € 104.5 million in 2020 to € 143.8 million in 2021.

The proceeds from sales of fixed assets in 2021 relate to the real estate sales transactions, mainly in Peru, Malaysia, Belgium and Canada. In 2020 they related to the sale of (1) Bekaert sites in Belgium, (2) land and buildings due to restructuring in Belgium and (3) the Belton, Texas factory due to the restructuring in the United States.

Cash from financing activities

The following table presents more details about selected financing items:

Details of selected financing items

in thousands of €	2020	2021
Other financing cash flows		
New shares issued following exercise of subscription rights	153	1 077
Increase (-) or decrease in current and non-current receivables	-211	495
Increase (-) or decrease in current financial assets	-46	-28 439
Other financial income and expenses	-4 215	-2 879
Total	**-4 319**	**-29 747**

New long-term debt issued was limited to € 23.6 million in 2021 (2020: € 201.3 million, mainly related to a new retail bond). Repayments of long-term debt (€ -439.8 million) included the repayment of the convertible bond (€ -380.0 million) and refinancing of local loans in Peru (€ -14.6 million), China (€ -12.8 million) and in Chile (€ -11.1 million). Cash-outs from short-term debt amounted to € -43.3 million in 2021 (2020: cash-ins € 41.4 million). For an overview of the movements in liabilities arising from financing activities, see note 6.18. 'Interest-bearing debt'.

In 2021 the treasury shares transactions amounted to € 17.4 million (2020: € 1.1 million) and consisted of mainly of the proceeds from options being exercised.

In 2020 'Sales and purchases of non-controlling interests' concerned the acquisition of the (20%) shares previously held by Continental Global Holding Netherlands BV in Bekaert Slatina SRL in Romania (€ -9.0 million). As for other financing cash flows, cash-ins resulted from new shares issued following exercise of subscription rights (€ 1.1 million vs € 0.2 million in 2020), net receipts from loans and receivables (€ 0.5 million vs € -0.2 million in 2020) and cash-outs from current financial assets, mainly short-term deposits (€ -28.4 million vs almost nil in 2020). Other financial income and expenses mainly related amongst others to taxes and bank charges on financial transactions (€ -4.1 million vs € -3.4 million in 2020).

7.2. Financial risk management and financial instruments

Principles of financial risk management

The Group is exposed to risks from movements in exchange rates, interest rates and market risks that affect its assets and liabilities. Financial risk management within the Group aims at reducing the impact of these market risks through ongoing operational and financing activities. Selected derivative hedging instruments are used depending on the assessment of risk involved. The Group mainly hedges the risks that affect the Group's cash flows. Derivatives are used exclusively as hedging instruments and not for trading or other speculative purposes. To reduce the credit risk, hedging transactions are generally only concluded with financial institutions whose long term credit rating is at least A according to Moody's Investors Service Inc., Fitch and S&P.

The guidelines and principles of the Bekaert financial risk policy are defined by the Audit, Risk and Finance Committee and overseen by the Board of the Group. Group Treasury is responsible for implementing the financial risk policy. This encompasses defining appropriate policies and setting up effective control and reporting procedures. The Audit, Risk and Finance Committee is regularly kept informed on the exposures.

Currency risk

The Group's currency risk can be split into two categories: translational and transactional currency risk.

Translational currency risk

A translational currency risk arises when the financial data of foreign subsidiaries are converted into the Group's presentation currency, the euro. The main currencies are Chinese renminbi, US dollar, Czech koruna, Brazilian real, Chilean peso, Russian ruble, Indian rupee and pound sterling. Since there is no impact on the cash flows, the Group usually does not hedge against such risk.

Transactional currency risk

The Group is exposed to transactional currency risks resulting from its operating, investing and financing activities.

Foreign currency risk in the area of operating activities arises from commercial activities with sales and purchases in foreign currencies, as well as payments and receipts of royalties. The Group uses forward-exchange contracts to limit the currency risk on the forecasted cash inflows and outflows for the coming three months. Significant exposures and firm commitments beyond that time frame may also be covered.

Foreign currency risk in the area of investment results from the acquisition and disposal of investments in foreign companies, and sometimes also from dividends receivable from foreign investments. If material, these risks are hedged by means of forward exchange contracts.

Foreign currency risk in the financing area results from financial liabilities in foreign currencies. In line with its policy, Group Treasury hedges these risks using cross-currency interest-rate swaps and forward exchange contracts to convert financial obligations denominated in foreign currencies into the entity's functional currency. At the reporting date, the foreign currency liabilities for which currency risks were hedged mainly consisted of intercompany loans in euro and US dollar.

Currency sensitivity analysis

Currency sensitivity relating to the operating, investing and financing activities

The following table summarizes the Group's net foreign currency positions of operating, investing and financing receivables and payables at the reporting date for the most important currency pairs. The net currency positions are presented before intercompany eliminations. Positive amounts indicate that the Group has a net future cash inflow in the first currency. In the table, the 'Total exposure' column represents the position on the balance sheet, while the 'Total derivatives' column includes all financial derivatives hedging those balance sheet positions as well as forecasted transactions.

Currency pair - 2020

in thousands of €	Total exposure	Total derivatives	Open position
BRL/EUR	2 104	—	2 104
CZK/EUR	11 317	3 908	15 225
EUR/CNY	-27 568	-2 500	-30 068
EUR/GBP	-4 047	2 464	-1 583
EUR/INR	-33 691	18 530	-15 161
EUR/MYR	-23 277	—	-23 277
EUR/RON	-31 373	—	-31 373
EUR/RUB	-28 520	21 866	-6 654
EUR/USD	-2 648	4 014	1 365
IDR/USD	2 497	—	2 497
JPY/CNY	5 143	-2 554	2 589
JPY/USD	3 504	-2 042	1 462
NOK/GBP	11 878	—	11 878
NZD/USD	-9 585	-765	-10 350
RUB/EUR	21 869	—	21 869
TRY/EUR	14 378	—	14 378
USD/BRL	-17 094	—	-17 094
USD/CLP	1 586	—	1 586
USD/CNY	17 752	8 300	26 052
USD/COP	2 515	11 744	14 259
USD/EUR	140 981	-82 843	58 138
USD/GBP	-2 438	—	-2 438
USD/INR	-48 221	—	-48 221

Currency pair - 2021

in thousands of €	Total exposure	Total derivatives	Open position
AUD/EUR	-6 506	-8 323	-14 829
CAD/EUR	-11 171	—	-11 171
CZK/EUR	24 625	-1 132	23 493
EUR/CNY	-17 706	—	-17 706
EUR/GBP	12 479	6 206	18 685
EUR/INR	-27 084	19 725	-7 359
EUR/MYR	-12 495	—	-12 495
EUR/RON	-39 256	—	-39 256
EUR/RUB	-35 641	22 134	-13 507
IDR/USD	-13 740	—	-13 740
JPY/CNY	8 229	-1 925	6 304
JPY/USD	5 888	-3 362	2 526
NOK/GBP	16 221	—	16 221
USD/BRL	-10 822	—	-10 822
USD/CLP	-18 970	—	-18 970
USD/CNY	35 648	11 528	47 176
USD/EUR	140 008	-96 566	43 442
USD/INR	-48 924	—	-48 924
USD/MXN	-5 939	—	-5 939
USD/RUB	-6 970	—	-6 970

The reasonably possible changes used in this calculation were based on annualized volatility relating to the daily movement of the exchange rate of the reported year, with a 95% confidence interval.

If rates had weakened/strengthened by such changes with all other variables constant, the result for the period before taxes would have been € 10.8 million lower/higher (2020: € 1.6 million). Increase of the impact is linked to the higher volatility in different currencies such as Chilean peso, Indian rupee, Brazilian real and US dollar.

Currency sensitivity in relation to hedge accounting

At 31 December 2021 the Group does not apply hedge accounting (also none at 31 December 2020).

Interest-rate risk

The Group is exposed to interest-rate risk, mainly on debt denominated in US dollar, Chinese renminbi and euro. To minimize the effects of interest-rate fluctuations in these regions, the Group manages the interest-rate risk for net debt denominated in the respective currencies of these countries separately. General guidelines are applied to cover interest-rate risk:

- The target average life of long-term debt is four years.
- The allocation of long-term debt between floating and fixed interest rates must remain within the defined limits approved by the Audit, Risk and Finance Committee.

Group Treasury uses interest-rate swaps and cross-currency interest-rate swaps to ensure that the floating and fixed portions of the long-term debt remain within the defined limits.

The following table summarizes the weighted average interest rates, excluding the effects of any swaps, at the balance sheet date.

The convertible bond (EUR) was carried at amortized cost using the effective interest method so as to spread the separate recognition of the conversion option and any transaction fees over time via interest charges. This results in effective interest charges exceeding the nominal interest charges.

	Long-term				
2020	**Fixed rate**	**Floating rate**	**Total**	**Short-term**	**Total**
US dollar	4.69%	3.50%	4.10%	1.72%	2.06%
Chinese renminbi	—%	3.71%	3.71%	3.80%	3.79%
Euro	1.39%	1.48%	1.43%	0.55%	1.43%
Other	6.31%	—%	6.31%	3.92%	4.83%
Total	**1.72%**	**1.67%**	**1.71%**	**2.82%**	**1.92%**

	Long-term				
2021	**Fixed rate**	**Floating rate**	**Total**	**Short-term**	**Total**
US dollar	4.04%	2.37%	3.29%	1.31%	1.60%
Chinese renminbi	—%	—%	—%	3.62%	3.62%
Euro	2.27%	1.48%	2.07%	—%	2.07%
Other	6.71%	—%	6.71%	4.58%	4.58%
Total	**2.65%**	**1.53%**	**2.38%**	**2.41%**	**2.38%**

Interest-rate sensitivity analysis

Interest-rate sensitivity of the financial debt

As disclosed in note 6.18. 'Interest-bearing debt', the total financial debt of the Group as of 31 December 2021 amounted to € 1 191.3 million (2020: € 1 609.7 million). The following table shows the currency and interest rate profile, i.e. the percentage distribution of the total financial debt by currency and by type of interest rate (fixed, floating), including the effect of any swaps.

	Long-term		Short-term	
2020	**Fixed rate**	**Floating rate**	**Floating rate**	**Total**
US dollar	0.80%	0.80%	9.10%	10.70%
Chinese renminbi	—%	0.50%	4.40%	4.90%
Euro	62.10%	13.00%	0.30%	75.40%
Other	3.40%	—%	5.60%	9.00%
Total	**66.30%**	**14.30%**	**19.40%**	**100.00%**

2021	Long-term Fixed rate	Long-term Floating rate	Short-term Floating rate	Total
US dollar	1.40%	1.10%	14.30%	16.80%
Chinese renminbi	—%	—%	3.00%	3.00%
Euro	52.70%	17.70%	—%	70.40%
Other	4.40%	—%	5.40%	9.80%
Total	**58.50%**	**18.80%**	**22.70%**	**100.00%**

On the basis of the annualized daily volatility of the 3-month Interbank Offered Rate in 2021 and 2020, the reasonable estimates of possible interest rate changes, with a 95% confidence interval, are set out for the main currencies in the table below.

2020	Interest rate at 31 December	Reasonably possible changes (+/-)
Chinese renminbi [1]	2.53%	0.42%
Euro	—%	0.00%
US dollar	0.24%	0.24%

2021	Interest rate at 31 December	Reasonably possible changes (+/-)
Chinese renminbi [1]	2.21%	0.36%
Euro	—%	0.00%
US dollar	0.21%	0.17%

[1] For the Chinese renminbi, the interest rate is the PBOC benchmark interest rate for lending up to six months.

Applying the estimated possible changes in the interest rates to the floating rated debt, with all other variables constant, the result for the period before tax would have been € 3.5 million higher/lower (2020: € 3.9 million higher/lower). Since the EURIBOR was negative and Bekaert has a 0% floor in place, reasonably possible changes in the EURIBOR will not generate any effect except for the fair value remeasurement of the interest rate swap at reporting date.

Interest-rate sensitivity in relation to hedge accounting

At 31 December 2021, the Group does not apply hedge accounting (2020: none) and no sensitivity analysis was required.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and certain financing activities, including deposits with banks and financial institutions. In respect of its operating activities, the Group has a credit policy in place, which takes into account the risk profiles of the customers in terms of the market segment to which they belong. Based on activity platform, product sector and geographical area, a credit risk analysis is made of customers and a decision is taken regarding the covering of the credit risk. The exposure to credit risk is monitored on an ongoing basis and credit evaluations are made of all customers. In terms of the characteristics of some steel wire activities with a limited number of global customers, the concentration risk is closely monitored and, in combination with the existing credit policy, appropriate action is taken when needed. In accordance with IFRS 8 §34, none of the specified disclosures on individual customers (or groups of customers under common control) are required, since none of the Group's customers accounts for more than 10% of its revenues. At 31 December 2021, 65.4% (2020: 57.3%) of the credit risk exposure was covered by credit insurance policies and by trade finance techniques such as letters of credit, cash against documents and bank guarantees. In respect of financing activities, transactions are normally concluded with counterparties that have at least an A credit rating. There are also limits allocated to each counterparty which depend on their rating. Due to this approach, the Group considers the risk of counterparty default to be limited in both operating and financing activities. In accordance with the IFRS 9 'expected credit loss' model for financial assets, a general bad debt allowance is made for trade receivables to cover the unknown bad debt risk at each reporting date. This general allowance constitutes of a percentage on outstanding trade receivables at each reporting date. The percentages reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at reporting date about past events, current conditions and forecasts of future economic conditions and are reviewed year-on-year.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations as they come due because of an inability to liquidate assets or obtain adequate funding. To ensure liquidity and financial flexibility at all times, the Group, in addition to its available cash, has several uncommitted short-term credit lines at its disposal in the major currencies and in amounts considered adequate for current and near-future financing needs. These facilities are generally of the mixed type and may be utilized, for example, for advances, overdrafts, acceptances and discounting. The Group also has committed credit facilities at its disposal up to a maximum equivalent of € 200 million (2020: € 200 million) at floating interest rates with fixed margins. At year-end, nothing was outstanding under these facilities (2020: nil). In addition, the Group has a commercial paper and medium-term note program available for a maximum of € 123.9 million (2020: € 123.9 million). At the end of 2021, no commercial paper notes were outstanding (2020: nil). At year-end, no external bank debt was subject to debt covenants (2020: nil). The Group has discounted outstanding receivables per 31 December 2021 for a total amount of € 224.8 million (2020: € 152.3 million) under its existing factoring agreements. Under these agreements, substantially all risks and rewards of ownership of the receivables are transferred to the factor. As a consequence, at the end of 2021, the factored receivables are derecognized.

The following table shows the Group's contractually agreed (undiscounted) outflows in relation to financial liabilities (including financial liabilities reclassified as liabilities associated with assets held for sale). Only net interest payments and principal repayments are included.

2020

in thousands of €	2021	2022	2023-2025	2026 and thereafter
Financial liabilities - principal				
Trade payables	*-668 422*	—	—	—
Other payables	*-9 939*	*-150*	—	—
Interest-bearing debt	*-649 314*	*-42 990*	*-490 011*	*-450 037*
Derivatives - gross settled	*-103 678*	*-18 530*	—	—
Financial liabilities - interests				
Trade and other payables	—	—	—	—
Interest-bearing debt	*-24 001*	*-18 041*	*-45 128*	*-17 087*
Derivatives - net settled	*-348*	*-348*	*-609*	—
Derivatives - gross settled	*-2 825*	*-2 059*	—	—
Total undiscounted cash flow	**-1 458 527**	**-82 118**	**-535 748**	**-467 124**

2021

in thousands of €	2022	2023	2024-2026	2027 and thereafter
Financial liabilities - principal				
Trade payables	*-1 062 185*	—	—	—
Other payables	*-9 122*	*-142*	—	—
Interest-bearing debt	*-240 525*	*-224 519*	*-494 605*	*-248 279*
Derivatives - gross settled	*-109 565*	—	—	—
Financial liabilities - interests				
Trade and other payables	—	—	—	—
Interest-bearing debt	*-22 087*	*-18 049*	*-40 723*	*-5 778*
Derivatives - net settled	*-343*	*-272*	*-309*	—
Derivatives - gross settled	*-2 805*	—	—	—
Total undiscounted cash flow	**-1 446 632**	**-242 982**	**-535 637**	**-254 057**

All instruments held at the reporting date and for which payments had been contractually agreed are included. Forecasted data relating to future, new liabilities have not been included. Amounts in foreign currencies have been translated at the closing rate at the reporting date. The variable interest payments arising from the financial instruments were calculated using the applicable forward interest rates.

Hedging

All financial derivatives the Group enters into, relate to an underlying transaction or forecasted exposure. In function of the expected impact on the income statement and if the stringent IFRS 9 criteria are met, the Group decides on a case-by-case basis whether hedge accounting will be applied. The following sections describe the transactions whereby hedge accounting is applied and transactions which do not qualify for hedge accounting but constitute an economic hedge.

Hedge accounting

The Group did not apply hedge accounting in 2021 (2020: none) so there were no fair value hedges nor cash flow hedges in 2021 (2020: none).

Economic hedging and other derivatives

The Group also uses financial instruments that represent an economic hedge but for which no hedge accounting is applied, either because the criteria to qualify for hedge accounting defined in IFRS 9 'Financial Instruments' are not met or because the Group has elected not to apply hedge accounting. These derivatives are treated as free-standing instruments held for trading.

- The Group uses cross-currency interest-rate swaps and forward-exchange contracts to hedge the currency risk on intercompany loans involving two entities with different functional currencies. Until now, the Group has elected not to apply hedge accounting as defined in IFRS 9. Since nearly all cross-currency interest-rate swaps are floating-to-floating, the fair value gain or loss on the financial instruments is expected to offset the foreign-exchange result arising from the remeasurement of the intercompany loans. The major currencies involved are US dollar, euro and Russian ruble.
- To manage its interest-rate exposure, the Group uses interest-rate swaps to convert its floating-rate debt to a fixed rate debt. The Group entered into interest-rate swaps for € 196.5 million to hedge the Schuldschein loans with floating interest rates (2020: € 196.5 million).
- The Group uses forward exchange contracts to limit currency risks on its various operating and financing activities. For all forward exchange contracts, the fair value change is recorded immediately under other financial income and expenses.
- In June 2016, a € 380 million convertible bond maturing in 2021 was issued with a zero coupon interest. The characteristics of the convertible bond were such that the conversion option constituted a non-closely related embedded derivative which, in accordance with IFRS 9, was separated from the host contract. The fair value of the conversion derivative on the bond amounted to € 0.03 million at 31 December 2020, which as a result of the maturing of the convertible bond in June 2021 resulted in a gain of € 0.03 million recognized in other financial income (2020: a gain of € 0.1 million). The host contract (the plain vanilla debt without the conversion option) is recognized at amortized cost using the effective interest method; its effective interest expense amounts to € 4.9 million (2020: € 10.7 million).
- In June 2019, the Group entered into a renewable energy Virtual Power Purchase Agreement (VPPA) for a wind generation facility located in North America. The characteristics of the contract are such that the VPPA constitutes a derivative in accordance with IFRS 9. The fair value of the derivative amounted to € 13.2 million at 31 December 2021 (2020: € 3.2 million), as a result of which a gain of € 9.4 million was recognized in other financial income.

Derivatives

The following table analyzes the notional amounts of the derivatives according to their maturity date. In the case that derivatives are designated for hedge accounting as set out in IFRS 9, a distinction will be made depending on whether these are part of a fair value hedge (FVH) or cash flow hedge (CFH). At 31 December 2021, Bekaert does not apply hedge accounting:

2020

in thousands of €	Due within one year	Due between one and 5 years	Due after more than 5 years
Held for trading			
Forward exchange contracts	71 063	—	—
Interest-rate swaps	—	196 500	—
Cross-currency interest-rate swaps	108 665	18 530	—
Conversion derivative	380 000	—	—
Total	**559 728**	**215 030**	**—**

2021

in thousands of €	Due within one year	Due between one and 5 years	Due after more than 5 years
Held for trading			
Forward exchange contracts	67 716	—	—
Interest-rate swaps	—	196 500	—
Cross-currency interest-rate swaps	128 947	—	—
Total	**196 663**	**196 500**	**—**

The following table summarizes the fair values of the various derivatives carried. In the case that derivatives are designated for hedge accounting as set out in IFRS 9, a distinction will be made depending on whether these are part of a fair value hedge (FVH) or cash flow hedge (CFH). At 31 December 2021, Bekaert does not apply hedge accounting:

Fair value of current and non-current derivatives	**Assets**		**Liabilities**	
in thousands of €	**2020**	**2021**	**2020**	**2021**
Financial instruments				
Held for trading				
Forward exchange contracts	570	805	1 618	654
Interest-rate swaps	—	—	1 081	118
Cross-currency interest-rate swaps	5 264	610	234	2 255
Conversion derivative	—	—	34	—
Other derivative financial assets	3 178	13 244	—	—
Total	**9 012**	**14 659**	**2 967**	**3 026**
Non-current	3 762	13 244	1 081	703
Current	5 250	1 416	1 885	2 324
Total	**9 012**	**14 659**	**2 967**	**3 026**

In 2021, the other derivative financial assets related to the VPPA derivative for € 13.2 million (2020: € 3.2 million).

The Group has no financial assets and financial liabilities that are presented net in the balance sheet due to set-off in accordance with IAS 32. The Group enters into ISDA (International Swaps and Derivatives Association) master agreements with its counterparties for some of its derivatives, allowing the counterparties to net derivative assets with derivative liabilities when settling in case of default. Under these agreements, no collateral is being exchanged, neither in cash nor in securities.

The potential effect of the netting of derivative contracts is shown below:

Effect of enforceable netting agreements	**Assets**		**Liabilities**	
in thousands of €	**2020**	**2021**	**2020**	**2021**
Total derivatives recognized in balance sheet	9 012	14 659	2 967	3 026
Enforceable netting	-234	-610	-234	-610
Net amounts	**8 778**	**14 049**	**2 733**	**2 416**

Additional disclosures on financial instruments by class and category

The following tables list the different classes of financial assets and liabilities with their carrying amounts and their respective fair values, analyzed by their measurement category in accordance with IFRS 9 'Financial Instruments'.

Cash and cash equivalents, short-term deposits, trade and other receivables, bills of exchange received, loans and receivables primarily have short terms to maturity; hence, their carrying amounts at the reporting date approximate the fair values. Trade and other payables also generally have short terms to maturity and, hence, their carrying amounts also approximate their fair values. The Group has no exposure to collateralized debt obligations (CDOs).

The following abbreviations are used for the IFRS 9 categories:

Abbreviation	Category in accordance with IFRS 9
AC	Financial assets or financial liabilities at amortized cost
FVTOCI/Eq	Equity instruments designated as at fair value through OCI
FVTPL/Mnd	Financial assets mandatorily measured at fair value through profit or loss
FVTPL	Financial liabilities measured as at fair value through profit or loss

Carrying amount vs fair value		**31 December 2020**		**31 December 2021**	
in thousands of €	**Category in accordance with IFRS 9**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Assets					
Non-current financial assets					
- Financial & other receivables and cash guarantees	AC	10 365	10 365	12 549	12 549
- Equity investments	FVTOCI/Eq	13 372	13 372	20 081	20 081
- Derivatives					
- Held for trading	FVTPL/Mnd	3 762	3 762	13 244	13 244
Current financial assets					
- Financial receivables and cash guarantees	AC	7 707	7 707	6 475	6 475
- Cash and cash equivalents	AC	940 416	940 416	677 270	677 270
- Short term deposits	AC	50 077	50 077	80 058	80 058
- Trade receivables	AC	587 619	587 619	750 666	750 666
- Bills of exchange received	AC	54 039	54 039	41 274	41 274
- Other current assets					
- Other receivables	AC	17 830	17 830	43 437	43 437
- Derivatives					
- Held for trading	FVTPL/Mnd	5 250	5 250	1 416	1 416

Liabilities					
Non-current interest-bearing debt					
- Lease liabilities	AC	60 760	60 760	56 425	56 425
- Cash guarantees received	AC	171	171	204	204
- Credit institutions	AC	187 511	187 511	177 047	177 047
- Schuldschein loans	AC	319 635	319 635	319 905	319 905
- Bonds	AC	400 000	401 693	400 000	395 074
Current interest-bearing debt					
- Lease liabilities	AC	19 746	19 746	20 219	20 219
- Credit institutions	AC	246 817	246 817	217 523	217 523
- Bonds	AC	375 092	377 929	—	—
Other non-current liabilities					
- Other derivatives	FVTPL	1 081	1 081	118	118
- Other payables	AC	150	150	142	142
Trade payables	AC	668 422	668 422	1 062 185	1 062 185
Other current liabilities					
- Conversion option	FVTPL	34	34	—	—
- Other payables	AC	25 621	25 621	33 476	33 476
- Derivatives					
- Held for trading	FVTPL	1 851	1 851	2 324	2 324
Aggregated by category in accordance with IFRS 9					
Financial assets	AC	1 668 053	1 668 053	1 611 729	1 611 729
	FVTOCI/Eq	13 372	13 372	20 081	20 081
	FVTPL/Mnd	9 012	9 012	14 659	14 659
Financial liabilities	AC	2 303 925	2 308 454	2 287 127	2 282 201
	FVTPL	2 967	2 967	2 441	2 441

The fair value of all financial instruments measured at amortized cost in the balance sheet has been determined using level-2 fair value measurement techniques. For most financial instruments the carrying amount approximates the fair value.

Financial instruments by fair value measurement hierarchy

The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:

- 'Level 1' fair value measurement: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in these active markets for identical assets and liabilities. This mainly relates to financial assets at fair value through other comprehensive income such as the investment in Shougang Concord Century Holdings Ltd (see note 6.6. 'Other non-current assets').
- 'Level 2' fair value measurement: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments. Forward exchange contracts are measured using quoted forward-exchange rates and yield curves derived from quoted interest rates with matching maturities. Interest-rate swaps are measured at the present value of future cash flows estimated and discounted using the applicable yield curves derived from quoted interest rates. The fair value measurement of cross-currency interest-rate swaps is based on discounted estimated cash flows using quoted forward-exchange rates, quoted interest rates and applicable yield curves derived therefrom.
- 'Level 3' fair value measurement: the fair value of the remaining financial assets and financial liabilities is derived from valuation techniques which include inputs that are not based on observable market data. At the end of 2021, Bekaert had two types of financial instruments, namely the VPPA agreement and several equity investments, for which the fair value measurement can be characterized as 'level 3'. The fair value of the VPPA contract is determined using a Monte Carlo valuation model. The main factors determining the fair value of the VPPA agreement are the discount rate (level 2), the estimated energy output based on wind studies in the area and the off-peak/on-peak price volatility (level 3). The fair value of the main equity investment (Xinju Metal Products Co Ltd) is determined using a 5-year forecast timeframe of cash flows based on the latest business plan, followed by a terminal value assumption. The main factors determining the fair value are the discount rate and EBITDA.

Derivative in VPPA arrangement	**31 December 2021**
Level 2 inputs	
Discount rate	Weighted average of investment grade corporate bond curves
Level 3 inputs	
Power forward sensitivity	Estimated on peak/off peak price forecasts
Production sensitivity	Based on wind studies in the area
Outcome of the model (in thousands of €)	
Fair value of the VPPA derivative	13 244

The carrying amount (i.e. the fair value) of the level-3 liabilities/(assets) has evolved as follows:

Level-3 Financial liabilities / (assets)

in thousands of €	**2020**	**2021**
At 1 January	-2 378	-10 682
Reclassification from level 2 to level 3 [1]	-7 407	—
Expenditure	—	-863
(Gain) / loss in fair value through OCI	-131	-1 916
(Gain) / loss in fair value through P&L	-766	-10 100
At 31 December	-10 682	-23 561

[1] *Equity investments have been moved in presentation from level 2 to level 3*

Gains and losses in fair value are reported in other financial income and expenses (€ -10.1 million), except for the equity investments where fair value changes are carried through other comprehensive income (€ -1.9 million) (see note 6.6. 'Other non-current assets').

The following table shows the sensitivity of the fair value calculation to the most significant level-3 inputs of the VPPA agreement.

Sensitivity analysis

in thousands of €	Change	Impact on VPPA derivative	
Power forward sensitivity	+10%	increased by	2 031
	-10%	decreased by	-1 942
Production sensitivity	+5%	increased by	1 589
	-5%	decreased by	-1 501

The sensitivity of the fair value calculation of the equity investment in Xinju Metal Products Co Ltd (€ 8.0 million) is shown below:

- If EBITDA would be CNY 4.0 million lower in all periods of the business plan, the fair value would be € 6.3 million;
- If the discount factor would be 1% higher, the fair value would be € 7.7 million;
- If EBITDA would be CNY 4.0 million lower in all years of the business plan and the discount factor would be 1% higher, the fair value would be € 5.8 million.

The following table provides an analysis of financial instruments measured at fair value in the balance sheet, in accordance with the fair value measurement hierarchy described above:

2020

in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured as at fair value through profit or loss				
Derivative financial assets	*—*	*5 834*	*3 178*	*9 012*
Equity instruments designated as at fair value through OCI				
Equity investments [1]	*5 833*	*—*	*7 538*	*13 371*
Total assets	**5 833**	**5 834**	**10 716**	**22 383**
Financial liabilities held for trading				
Conversion option	*—*	*—*	*34*	*34*
Other derivative financial liabilities	*—*	*2 932*	*—*	*2 932*
Total liabilities	**—**	**2 932**	**34**	**2 966**

[1] *Equity investments have been moved in presentation from level 2 to level 3.*

2021

in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured as at fair value through profit or loss				
Derivative financial assets	*–*	*1 416*	*13 244*	*14 659*
Equity instruments designated as at fair value through OCI				
Equity investments [1]	*9 764*	*–*	*10 317*	*20 081*
Total assets	**9 764**	**1 416**	**23 561**	**34 741**
Financial liabilities held for trading				
Other derivative financial liabilities	*–*	*3 026*	*–*	*3 026*
Total liabilities	**–**	**3 026**	**–**	**3 026**

[1] *Equity investments have been moved in presentation from level 2 to level 3.*

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the net debt and equity balance. The Group's overall strategy remains unchanged from 2020.

The capital structure of the Group consists of net debt, as defined in note 6.18. 'Interest-bearing debt', and equity (both attributable to equity holders of Bekaert and to non-controlling interests).

Gearing ratio

The Group's Audit, Risk and Finance Committee reviews the capital structure on a semi-annual basis. As part of this review, the committee assesses the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 50% determined as the proportion of net debt to equity. To realize this target (excluding the impact of IFRS 16 'Leases'), the Group is following systematically a number of guidelines, a.o.

- strict cost control to improve profitability;
- managing working capital levels by:
    - operational excellence;
    - cash collection actions;
    - better aligned payment terms;
    - optimized factoring usage;
- strict control of capital expenditure;
- active business portfolio management, including M&A and divestments.

Gearing

in thousands of €	2020	2021
Net debt	604 081	417 329
Equity	1 535 055	2 100 522
Net debt to equity ratio	**39.4%**	**19.9%**

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

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

in thousands of €	2020	2021
Contingent liabilities	12 105	4 200
Commitments to purchase fixed assets	45 690	48 984
Commitments to invest in venture capital funds	8 246	3 269

At year-end 2021, there were no outstanding bank guarantees linked to environmental obligations.

Apart from the leases, there are no restrictions to realize assets or settle liabilities. The lease liabilities are effectively secured as the rights to the leased assets recognized in the financial statements revert to the lessor in the event of default. The contingencies, commitments and assets pledged as security in joint ventures are disclosed in note 6.5.'Investments in joint ventures and associates'.

7.4. Related parties

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in the consolidation and are accordingly not disclosed in this note. Transactions with other related parties are disclosed below.

Transactions with joint ventures

in thousands of €	2020	2021
Sales of goods	12 117	13 231
Purchases of goods	18 621	18 509
Services rendered	177	81
Royalties and management fees received	10 074	14 981
Interest and similar income	1	—
Dividends received	24 706	44 847

Outstanding balances with joint ventures

in thousands of €	2020	2021
Trade receivables	4 554	6 116
Other current receivables [1]	2 060	27 452
Trade payables	4 271	4 945
Other current payables	1 181	54

[1] The other current receivables are at year-end 2021 significantly higher due to outstanding receivables for dividends from the Brazilian joint ventures (€ 27.5 million).

None of the related parties have entered into any other transactions with the Group that meet the requirements of IAS 24 ‘Related Party Disclosures’. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. Advances have been received for ongoing capex projects. More information on transactions with joint ventures are disclosed in note 6.5. ‘Investments in joint ventures and associates’.

Key Management includes the Board of Directors, the CEO, the members of the Bekaert Group Executive (BGE) and the Senior Vice Presidents (see last page of the Financial Statements).

Key Management remuneration

in thousands of €	2020	2021
Number of persons	34	34
Short-term employee benefits		
Basic remuneration	*7 621*	*8 407*
Variable remuneration	*3 103*	*4 126*
Remuneration as directors of subsidiaries	563	511
Post-employment benefits		
Defined-benefit pension plans	*419*	*327*
Defined-contribution pension plans	*1 276*	*1 551*
Share-based payment benefits	6 280	11 719
Total gross remuneration	**19 262**	**26 641**
Average gross remuneration per person	567	784
Number of performance share units granted (cash-settled and equity-settled)	156 021	131 442
Number of matching share units to be granted	10 766	9 112
Number of shares granted	23 475	10 940

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

7.5. Events after the balance sheet date

- Since 1 January 2022, a total of 7 150 treasury shares have been disposed of following the exercise of stock options under the stock option plans SOP 2010-2014 and SOP 2015-2017 and a total of 256 760 treasury shares following the vesting of performance share units under the Performance Share Plan.
- On 10 February Bridon-Bekaert Ropes Group (BBRG) announced the acquisition of VisionTek Engineering Srl as an important strategic step in extending the service offering to customers. BBRG's 'Ropes 360' services provide complete solutions and support to maximize the lifetime of ropes and to monitor the rope integrity when in use. The acquisition announced will extend the digital capabilities and benefits of the service offering of BBRG. BBRG and VisionTek Engineering have been partners since 2018. What started as a venture capital investment together with Trentino Sviluppo SpA, gradually turned into a successful technology partnership and now led to the agreement of the integration of VisionTek within BBRG.
- On 24 February the Board has approved a share buyback program. Under the program, Bekaert may repurchase outstanding shares for a maximum consideration up to € 120 million, over a period up to twelve months.
- On 1 March 2022, the Competent Authority of the Government of the Republic of Indonesia and the Competent Authority of the Government of the Kingdom of Belgium agreed on an Advance Pricing Agreement (APA) in relation to the royalty payments by PT Bekaert Indonesia to NV Bekaert SA. This is the final phase of the mutual agreement procedure that was initiated by Bekaert at the end of FY 2019 and will provide certainty on the tax treatment of said royalties for the period 2020 – 2023. Bekaert will reassess the uncertain tax position on this topic after the validation and execution of the agreement in 2022.
- A grant of 132 022 equity settled performance share units was made on 4 March 2022 under the terms of the PSP 2022-2024 Performance Share Plan. The granted performance share units represented a fair value of € 4.5 million.
- A grant of 23 225 cash settled performance share units was made on 4 March 2022 under the terms of the PSU A&L 2022-2024 and PSU USA 2022-2024 Performance Share Plan. The granted performance share units represented a fair value of € 0.8 million.
- The presence of Bekaert in Russia includes a manufacturing plant (Lipetsk) and a sales office (Moscow), mainly operating for the Rubber Reinforcement segment. Most of their activities are domestic bound (local sourcing and domestic sales). Short-term demand is not affected but visibility on demand evolutions over the coming months is low. Moreover the current situation has an impact on supply chains, on customer and supplier operations, on raw material, utility and shipping prices. As a consequence, alternative supply sources are activated where needed. Other mitigating actions might be needed in the months to come. We continue to monitor the potential impact of applicable sanctions or restrictions, on our Russian entity. The contribution of the Russian entities is approximately 1.5% of the Group total. Our exposure against the Russian Ruble is presented in note 7.2.'Financial risk management and financial derivatives', including our hedges against the Ruble. Our cumulative currency translation adjustments on the Russian Ruble are presented in note 6.14.'Retained earnings and other Group reserves'. On 31 December 2021, the Russian entities have a net payable position towards other Bekaert entities of € 42.2 million, translated at closing rate of year-end 2021.

7.6. Services provided by the statutory auditor and related persons

During 2021, the statutory auditor and persons professionally related to him performed additional services for fees amounting to € 188 100.

These fees essentially relate to further assurance services (€ 12 650), tax advisory services (€ 58 200) and other non-audit services (€ 117 250). The additional services were approved by the Audit, Risk and Finance Committee.

The audit fees for NV Bekaert SA and its subsidiaries amounted to € 2 172 501.

7.7. Subsidiaries, joint ventures and associates

Companies forming part of the Group as at 31 December 2021

Subsidiaries

Industrial companies	Address	FC [1]	% [2]
EMEA			
Bekaert Advanced Cords Aalter NV	Aalter, Belgium	EUR	100
Bekaert Bohumín sro	Bohumín, Czech Republic	CZK	100
Bekaert Bradford UK Ltd	Bradford, United Kingdom	GBP	100
Bekaert Combustion Technology BV	Assen, Netherlands	EUR	100
Bekaert Heating Romania SRL	Negoiesti, Brazi Commune, Romania	RON	100
Bekaert Hlohovec as	Hlohovec, Slovakia	EUR	100
Bekaert Izmit Çelik Kord Sanayi ve Ticaret AS	Izmit, Turkey	EUR	100
Bekaert Kartepe Çelik Kord Sanayi ve Ticaret AS	Kartepe, Turkey	EUR	100
Bekaert Petrovice sro	Petrovice, Czech Republic	CZK	100
Bekaert Sardegna SpA	Assemini, Italy	EUR	100
Bekaert Slatina SRL	Slatina, Romania	RON	100
Bekaert Slovakia sro	Sládkovičovo, Slovakia	EUR	100
Bekintex NV	Wetteren, Belgium	EUR	100
Bridon International GmbH	Gelsenkirchen, Germany	EUR	100
Bridon International Ltd	Doncaster, United Kingdom	GBP	100
Industrias del Ubierna SA	Burgos, Spain	EUR	100
OOO Bekaert Lipetsk	Gryazi, Russian Federation	RUB	100
North America			
Bekaert Corporation	Wilmington (Delaware), United States	USD	100
Bridon-American Corporation	New York, United States	USD	100
Latin America			
Acma SA	Santiago, Chile	CLP	52
Acmanet SA	Talcahuano, Chile	CLP	52
BBRG - Osasco Cabos Ltda	São Paulo, Brazil	BRL	100
BIA Alambres Costa Rica SA	San José-Santa Ana, Costa Rica	USD	58
Ideal Alambrec SA	Quito, Ecuador	USD	58
Industrias Chilenas de Alambre - Inchalam SA	Talcahuano, Chile	CLP	52
Prodimin SAC	Lima, Peru	USD	38
Prodinsa SA	Maipú, Chile	CLP	100
Productora de Alambres Colombianos Proalco SAS	Bogotá, Colombia	COP	40
Productos de Acero Cassadó SA	Callao, Peru	USD	38
Vicson SA	Valencia, Venezuela	USD	80

Asia Pacific			
Bekaert Applied Material Technology (Shanghai) Co Ltd	Shanghai, China	CNY	100
Bekaert Binjiang Steel Cord Co Ltd	Jiangyin (Jiangsu province), China	CNY	90
Bekaert (China) Technology Research and Development Co Ltd	Jiangyin (Jiangsu province), China	CNY	100
Bekaert (Chongqing) Steel Cord Co Ltd	Chongqing, China	CNY	100
Bekaert Industries Pvt Ltd	Taluka Shirur, District Pune, India	INR	100
Bekaert (Jining) Steel Cord Co Ltd	Jining City, Yanzhou district (Shandong Province), China	CNY	60
Bekaert Jiangyin Wire Products Co Ltd	Jiangyin (Jiangsu province), China	CNY	100
Bekaert Mukand Wire Industries Pvt Ltd	Pune, India	INR	100
Bekaert New Materials (Suzhou) Co Ltd	Suzhou (Jiangsu province), China	CNY	100
Bekaert (Qingdao) Wire Products Co Ltd	Qingdao (Shandong province), China	CNY	100
Bekaert (Shandong) Tire Cord Co Ltd	Weihai (Shandong province), China	CNY	100
Bekaert (Shenyang) Advanced Cords Co Ltd	Shenyang (Liaoning province), China	CNY	100
Bekaert Shenyang Advanced Products Co Ltd	Shenyang (Liaoning province), China	CNY	100
Bekaert Toko Metal Fiber Co Ltd	Tokyo, Japan	JPY	70
Bekaert Vietnam Co Ltd	Son Tinh District, Quang Ngai Province, Vietnam	USD	100
Bekaert Wire Ropes Pty Ltd	Mayfield East, Australia	AUD	100
Bridon (Hangzhou) Ropes Co Ltd	Hangzhou (Zhejiang province), China	CNY	100
China Bekaert Steel Cord Co Ltd	Jiangyin (Jiangsu province), China	CNY	90
PT Bekaert Indonesia	Karawang, Indonesia	USD	100
PT Bekaert Wire Indonesia	Karawang, Indonesia	USD	100
PT Bridon	Bekasi, West Java, Indonesia	USD	100

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

Sales offices, warehouses and others	Address	FC [1]	% [2]
EMEA			
Bekaert AS	Hellerup, Denmark	DKK	100
Bekaert Emirates LLC	Dubai, United Arab Emirates	AED	49
Bekaert Figline SpA	Milano, Italy	EUR	100
Bekaert France SAS	Lille, France	EUR	100
Bekaert Gesellschaft mbH	Vienna, Austria	EUR	100
Bekaert GmbH	Neu-Anspach, Germany	EUR	100
Bekaert Middle East LLC	Dubai, United Arab Emirates	AED	49
Bekaert Norge AS	Oslo, Norway	NOK	100
Bekaert Poland Sp z oo	Warsaw, Poland	PLN	100
Bekaert (Schweiz) AG	Baden, Switzerland	CHF	100
Bekaert Svenska AB	Gothenburg, Sweden	SEK	100
Bridon-Bekaert ScanRope AS	Tonsberg, Norway	NOK	100
Bridon Middle East FZE	Sharjah, United Arab Emirates	AED	100
Bridon Scheme Trustees Ltd	Doncaster, United Kingdom	GBP	100
British Ropes Ltd	Doncaster, United Kingdom	GBP	100
Leon Bekaert SpA	Milano, Italy	EUR	100
OOO Bekaert Wire	Moscow, Russian Federation	RUB	100
Rylands-Whitecross Ltd	Bradford, United Kingdom	GBP	100
Scheldestroom NV	Zwevegem, Belgium	EUR	100
Twil Company	Bradford, United Kingdom	GBP	100
North America			
Wire Rope Industries Ltd/Industries de Câbles d'Acier Ltée	Montréal, Canada	CAD	100
Latin America			
Bekaert Guatemala SA	Ciudad de Guatemala, Guatemala	GTQ	58
Bekaert Specialty Films de Mexico SA de CV	Monterrey, Mexico	MXN	100
Bekaert Trade Mexico S de RL de CV	Mexico City, Mexico	MXN	100
Procables SA	Callao, Peru	PEN	96
Prodac Contrata SAC	Callao, Peru	USD	38
Prodalam SA	Santiago, Chile	CLP	52
Prodicom Selva SAC	Ucayali, Peru	USD	38
Specialty Films de Services Company SA de CV	Monterrey, Mexico	MXN	100

Asia Pacific			
Bekaert Architectural Design Consulting (Shanghai) Co Ltd	Shanghai, China	CNY	100
Bekaert Heating Technology (Suzhou) Co Ltd	Taicang City (Jiangsu province), China	CNY	100
Bekaert Japan Co Ltd	Tokyo, Japan	JPY	100
Bekaert Korea Ltd	Seoul, South-Korea	KRW	100
Bekaert Malaysia Sdn Bhd	Kuala Lumpur, Malaysia	MYR	100
Bekaert Management (Shanghai) Co Ltd	Shanghai, China	CNY	100
Bekaert Shah Alam Sdn Bhd	Kuala Lumpur, Malaysia	MYR	100
Bekaert Singapore Pte Ltd	Singapore	SGD	100
Bekaert Taiwan Co Ltd	Taipei, Taiwan	TWD	100
Bekaert (Thailand) Co Ltd	Tambol Pluakdaeng, Amphur Pluakdaeng,Thailand	USD	100
BOSFA Pty Ltd	Mayfield East, Australia	AUD	100
Bridon Hong Kong Ltd	Hong Kong, China	HKD	100
Bridon New Zealand Ltd	Aukland, New Zealand	NZD	100
Bridon Singapore (Pte) Ltd	Singapore	SGD	100
Bridon (South East Asia) Ltd	Hong Kong, China	HKD	100
PT Bekaert Trade Indonesia	Karawang, Indonesia	USD	100

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

Financial companies	Address	FC [1]	% [2]
Acma Inversiones SA	Santiago, Chile	CLP	100
BBRG Finance (UK) Ltd	Doncaster, United Kingdom	EUR	100
Becare DAC	Dublin, Ireland	EUR	100
Bekaert Building Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Carding Solutions Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Coördinatiecentrum NV	Zwevegem, Belgium	EUR	100
Bekaert do Brasil Ltda	Contagem, Brazil	BRL	100
Bekaert Holding Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Ibérica Holding SL	Burgos, Spain	EUR	100
Bekaert Ideal SL	Burgos, Spain	EUR	80
Bekaert Investments NV	Zwevegem, Belgium	EUR	100
Bekaert Investments Italia SpA	Milano, Italy	EUR	100
Bekaert North America Management Corporation	Wilmington (Delaware), United States	USD	100
Bekaert Services Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Singapore Holding Pte Ltd	Singapore	SGD	100
Bekaert Specialty Wire Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Stainless Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Steel Cord Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Strategic Partnerships Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Wire Products Hong Kong Ltd	Hong Kong, China	EUR	100
Bekaert Wire Rope Industry NV	Zwevegem, Belgium	EUR	100
Bridon-Bekaert Ropes Group Ltd	Doncaster, United Kingdom	EUR	100
Bridon Holdings Ltd	Doncaster, United Kingdom	GBP	100
Bridon Ltd	Doncaster, United Kingdom	GBP	100
Industrias Acmanet Ltda	Talcahuano, Chile	CLP	52
InverVicson SA	Valencia, Venezuela	USD	80
Procercos SA	Talcahuano, Chile	CLP	52

Joint ventures

Industrial companies	Address	FC [1]	% [2]
Latin America			
Agro-Bekaert Colombia SAS	Malambo - Atlántico, Colombia	COP	40
Belgo Bekaert Arames Ltda	Contagem, Brazil	BRL	45
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Vespasiano, Brazil	BRL	45
Servicios Ideal AGF Inttegra Cia Ltda	Quito, Ecuador	USD	29

Sales offices, warehouses and others	Address	FC [1]	% [2]
EMEA			
Netlon Sentinel Ltd	Blackburn, United Kingdom	GBP	50
Asia Pacific			
Bekaert Engineering (India) Pvt Ltd	New Delhi, India	INR	40

Financial companies	Address	FC [1]	% [2]
EMEA			
Agro - Bekaert Springs SL	Burgos, Spain	EUR	40

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

Changes in 2021

1. Conversions

Subsidiaries	Address	% [1]
Bridon Middle East FZE	Sharjah, United Arab Emirates	100

2. Changes in ownership without change in control

Subsidiaries	Address	% [1]
Productora de Alambres Colombianos Proalco SAS	Bogotá, Colombia	From 80% to 40%

3. Mergers

Subsidiaries	Merged into
Grating Perú S.A.C.	Productos de Acero Cassadó SA
Inversiones BBRG Lima SA	Procables SA

4. Liquidated

Companies	Address
Bekaert Costa Rica SA	San José-Santa Ana, Costa Rica
Bekaert (Huizhou) Steel Cord Co Ltd	Huizhou (Guangdong province), China
Inversiones Bekaert Andean Ropes SA	Santiago, Chile

In accordance with Belgian legislation, the table below lists the registered numbers of the Belgian companies.

Companies	Company number
Bekaert Advanced Cords Aalter NV	BTW BE 0645.654.071 RPR Gent, division Gent
Bekaert Coördinatiecentrum NV	BTW BE 0426.824.150 RPR Gent, division Kortrijk
Bekaert Investments NV	BTW BE 0406.207.096 RPR Gent, division Kortrijk
Bekaert Wire Rope Industry NV	BTW BE 0550.983.358 RPR Gent, division Kortrijk
Bekintex NV	BTW BE 0452.746.609 RPR Gent, division Dendermonde
NV Bekaert SA	BTW BE 0405.388.536 RPR Gent, division Kortrijk
Scheldestroom NV	BTW BE 0403.676.188 RPR Gent, division Kortrijk

[1] *Financial interest percentage*

Parent company information

Annual report of the Board of Directors and financial statements of NV Bekaert SA

The report of the Board of Directors and the financial statements of the parent company, NV Bekaert SA (the 'Company'), are presented below in a condensed form.

The report of the Board of Directors ex Article 3:6 of the Belgian Companies Code is not included in full in the report ex Article 3:32.

Copies of the full Directors' report and of the full financial statements of the Company are available free of charge upon request from:

NV Bekaert SA
Bekaertstraat 2
BE-8550 Zwevegem
Belgium
www.bekaert.com

The statutory auditor has issued an unqualified report on the financial statements of the Company.

The Directors' report and financial statements of the Company, together with the statutory auditor's report, will be deposited with the National Bank of Belgium as provided by law.

Condensed income statement

in thousands of € - Year ended 31 December	2020	2021
Sales	281 052	415 161
Operating result before non-recurring items	-14 004	58 418
Non-recurring operational items	-3 430	-145
Operating result after non-recurring items	-17 434	58 273
Financial result before non-recurring items	1 763	67 831
Non-recurring financial items	-73 711	-1 158
Financial result after non-recurring items	-71 947	66 673
Profit before income taxes	-89 381	124 945
Income taxes	2 492	13 997
Result for the period	**-86 890**	**138 943**

Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2020	2021
Fixed assets	**2 000 915**	**2 001 872**
Intangible fixed assets	66 449	71 411
Tangible fixed assets	32 588	29 349
Financial fixed assets	1 901 878	1 901 112
Current assets	**461 406**	**413 107**
Total assets	**2 462 321**	**2 414 979**

Shareholders' equity	**957 368**	**1 010 924**
Share capital	177 812	177 923
Share premium	37 884	38 850
Revaluation surplus	1 995	1 995
Statutory reserve	17 779	17 792
Unavailable reserve	103 467	94 713
Reserves available for distribution, retained earnings	618 430	679 651
Provisions and deferred taxes	**77 510**	78 866
Creditors	**1 427 443**	**1 325 189**
Amounts payable after one year	845 650	845 650
Amounts payable within one year	581 793	479 539
Total equity and liabilities	**2 462 321**	**2 414 979**

Valuation principles

Valuation and foreign currency translation principles applied in the parent company's financial statements are based on Belgian accounting legislation.

Summary of the annual report of the Board of Directors

The Belgium-based entity's sales amounted to € 415.2 million, an increase of 48% compared to 2020. The operating profit before non-recurring items was € 58.4 million, compared with a loss of € -14.0 million last year. The increase of the operating result was a combined effect of higher sales volumes, higher margins and better cost control.

Non-recurring items included in the operating result amounted to € -0.1 million in 2021 (mainly accelerated depreciation and realization of tangible fixed assets), compared to € -3.4 million last year.

The financial result before non-recurring items was € 67.8 million compared to € 1.8 million last year. The higher dividend income in 2021 was the main element explaining this evolution.

The non-recurring financial items amounted to € -1.2 million in 2021, against € -73.7 million in the previous year, which was mainly driven by write-downs on portfolio.

The income taxes of € 14.0 million were positive due to tax credit receivable on intangible fixed assets and the group contribution Scheldestroom nv. This led to a result for the period of € 138.9 million compared with € -86.9 million in 2020.

Environmental programs

The provisions for environmental programs decreased to € 16.5 million (2020: € 17.2 million).

Information on research and development

Information on the company's research and development activities can be found in the 'Knowledge' section in the 'Strategy and performance' chapter.

Interests in share capital

In connection with the entry into force of the Act of 2 May 2007 on the disclosure of significant participations (the Transparency Act), the Company has in its Articles of Association set the thresholds of 3% and 7.50% in addition to the legal thresholds of 5% and each multiple of 5%. In 2021, the Company received following transparency notifications.
On 31 December 2021, the total number of securities conferring voting rights was 60 452 261. The voting rights attached to the treasury shares held by the Company are suspended.
On 31 December 2021, Bekaert held 3 145 446 treasury shares.

Transparency notification of 12 April 2021

This notification showed that on 7 April 2021, pursuant to the direct/indirect transfer of shares, the Stichting Administratiekantoor Bekaert had crossed the 40% threshold downward.
On 7 April 2021, there were a total of 60 414 841 securities conferring voting rights.

Voting rights	Previous notification	After the transaction			
	Number of voting rights	Number of voting rights		Percentage of voting rights	
Holders of voting rights		**Linked to securities**	**Not linked to securities**	**Linked to securities**	**Not linked to securities**
Stichting Administratiekantoor Bekaert	22 370 001	20 654 557	—	34.19%	—%
Bekaert	3 005 875	3 498 164	—	5.79%	—%
TOTAL	**25 375 876**	**24 152 721**	**—**	**39.98%**	**—%**

Transparency notification of 22 June 2021

The notification showed that an agreement to act in concert had been reached as a result of which the 35% threshold was crossed on 16 June 2021. On 16 June 2021, there were a total of 60 414 841 securities conferring voting rights.

Voting rights	Previous notification	After the transaction			
	Number of voting rights	Number of voting rights		Percentage of voting rights	
Holders of voting rights		**Linked to securities**	**Not linked to securities**	**Linked to securities**	**Not linked to securities**
Stichting Administratiekantoor Bekaert	20 654 557	20 522 237	—	33.97%	—%
Subtotal	**20 654 557**	**20 522 237**	**—**	**33.97%**	**—%**
Individual Controlling Aliunde Ltd	—	—	—	—%	—%
Aliunde Ltd	—	421 370	—	0.70%	—%
Subtotal	**—**	**421 370**	**—**	**0.70%**	**—%**
Three individuals controlling Velge Holding NV	—	—	—	—%	—%
Velge Holding NV	—	284 190	—	0.47%	—%
Subtotal	**—**	**284 190**	**—**	**0.47%**	**—%**
Individual controlling Berfin SA	—	—	—	—%	—%
Berfin SA	—	108 470	—	0.18%	—%
Subtotal	**—**	**108 470**	**—**	**0.18%**	**—%**
Four individuals controlling Genefin SA	—	—	—	—%	—%
Genefin SA	—	600 000	—	0.99%	—%
Subtotal	**—**	**600 000**	**—**	**0.99%**	**—%**
Individual controlling Millenium 3 SA	—	—	—	—%	—%
Millenium 3 SA	—	130 200	—	0.22%	—%
Subtotal	**—**	**130 200**	**—**	**0.22%**	**—%**
TOTAL	**—**	**22 066 467**	**—**	**36.52%**	**—%**

Detailed information can be found on: https://www.bekaert.com/en/about-us/news-room/regulated-information

Proposed appropriation of NV Bekaert SA 2021 result

The after-tax result for the year was € 138 942 685 compared with € -86 889 620 for the previous year.

The Board of Directors has proposed that the Annual General Meeting to be held on 11 May 2022 appropriate the above result as follows:

	in €
Result of the year to be appropriated	138 942 685
Transfer to statutory reserves	-13 000
Transfer to other reserves	-52 466 652
Profit for distribution	**86 463 033**

The Board of Directors has proposed that the Annual General Meeting approve the distribution of a gross dividend of € 1.50 per share (2020: € 1.00 per share).

The dividend will be payable in euro on 16 May 2022 by the following banks:

- BNP Paribas Fortis, ING Belgium, Bank Degroof Petercam, KBC Bank, Belfius Bank in Belgium;
- Société Générale in France;
- ABN AMRO Bank in The Netherlands;
- UBS in Switzerland.

Appointments pursuant to the Articles of Association

The term of office of the Directors Charles de Liedekerke, Hubert Jacobs van Merlen, Oswald Schmid, Colin Smith and Mei Ye will expire at the close of the Annual General Meeting of 11 May 2022.

Charles de Liedekerke, Hubert Jacobs van Merlen and Colin Smith do not seek re-election.

The Board of Directors has proposed that the General Meeting:

- appoint Maxime Parmentier as Director for a term of one year, up to and including the Annual General Meeting to be held in 2023;
- re-appoint Oswald Schmid as Director for a term of one year, up to and including the Annual General Meeting to be held in 2023;
- re-appoint Mei Ye as independent Director for a term of one year, up to and including the Annual General Meeting to be held in 2023.

Alternative performance measures

Metric	Definition	Reason for use
Capital employed (CE)	Working capital + net intangible assets + net goodwill + net property, plant and equipment + net RoU Property, plant and equipment. The weighted average CE is weighted by the number of periods that an entity has contributed to the consolidated result.	Capital employed consists of the main balance sheet items that operating management can actively and effectively control to optimize its financial performance, and serves as the denominator of ROCE.
Capital ratio (financial autonomy)	Equity relative to total assets.	This ratio provides a measure of the extent to which the Group is equity-financed.
Current ratio	Current assets to Current liabilities.	This ratio provides a measure for the liquidity of the company. It measures whether a company has enough resources to meet it short-term obligations.
Combined figures	Sum of consolidated companies + 100% of joint ventures and associates after elimination of intercompany transactions (if any). Examples: sales, capital expenditure, number of employees.	In addition to Consolidated figures, which only comprise controlled companies, combined figures provide useful insights of the actual size and performance of the Group including its joint ventures and associates.
EBIT	Operating result (earnings before interest and taxation).	EBIT consists of the main income statement items that operating management can actively and effectively control to optimize its profitability, and a.o. serves as the numerator of ROCE and EBIT interest coverage.
EBIT – underlying	EBIT before operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a material one-off effect that is not inherent to the business.	EBIT – underlying is presented to enhance the reader's understanding of the operating profitability before one-off items, as it provides a better basis for comparison and extrapolation.
EBITDA	Operating result (EBIT) + depreciation, amortization and impairment of assets + negative goodwill.	EBITDA provides a measure of operating profitability before non-cash effects of past investment decisions and working capital assets.
EBITDA – underlying	EBITDA before operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a material one-off effect that is not inherent to the business.	EBITDA – underlying is presented to enhance the reader's understanding of the operating profitability before one-off items and non-cash effects of past investment decisions and working capital assets, as it provides a better basis for comparison and extrapolation.
EBIT interest coverage	Operating result (EBIT) divided by net interest expense.	The EBIT interest coverage provides a measure of the Group's capability to service its debt through its operating profitability.
Free Cash Flow (FCF)	Cash flows from Operating activities - capex + dividends received - net interest paid	Free cash flow (FCF) represents the cash available for the company to repay financial debt or pay dividends to investors.
Gearing	Net debt relative to equity.	Gearing is a measure of the Group's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.
Margin on sales	EBIT, EBIT-underlying, EBITDA and EBITDA-underlying on sales.	Each of these ratios provides a specific measure of operating profitability expressed as a percentage on sales.
Net capitalization	Net debt + equity.	Net capitalization is a measure of the Group's total financing from both lenders and shareholders.
Net debt	Interest-bearing debt after deducting non-current and current financial receivables and cash guarantees, short-term deposits, cash and cash equivalents.	Net debt is a measure of debt after deduction of financial assets that can be deployed to repay the gross debt.
Net debt on EBITDA	Net debt divided by EBITDA.	Net debt on EBITDA provides a measure of the Group's capability (expressed as a number of years) to repay its debt through its operating profitability.
Operating free cash flow	Cash flows from Operating activities - capex (net of disposals of fixed assets)	Operating cash flow measures the net cash required to support the business (working capital and capital expenditure needs).
Return on capital employed (ROCE)	Operating result (EBIT) relative to the weighted average capital employed.	ROCE provides a measure of the Group's operating profitability relative to the capital resources deployed and managed by operating management.
Return on equity (ROE)	Result for the period relative to average equity.	ROE provides a measure of the Group's net profitability relative to the capital resources provided by its shareholders.

WACC	Cost of debt and cost of equity weighted with a target gearing of 50% (net debt/equity structure) after tax.	WACC is used to assess an investor's return on an investment in the Company.
Working capital (operating)	Inventories + trade receivables + bills of exchange received + advanced paid - trade payables - advances received - remuneration and social security payables - employment-related taxes. The weighted average WC is weighted by the number of periods that an entity has contributed to the consolidated result.	Working capital includes all current assets and liabilities that operating management can actively and effectively control to optimize its financial performance. It represents the current component of capital employed.
Internal Bekaert Management Reporting	Focusing on the operational performance of the industrial companies of the Group, leaving out financial companies and other non-industrial companies, in a flash approach and as such not including all consolidation entries reflected in the full hard-close consolidation on which the annual report is based.	The pragmatic approach enables a short follow-up process regarding the operational performance of the business throughout the year.

in millions of €	Note annual report	2020	2021
Net Debt			
Non-current interest-bearing debt		907	897
L/T Lease Liability - non-current		61	56
Current interest-bearing debt		622	218
L/T Lease Liability - current		20	20
Total financial debt	**6.18**	**1 610**	**1 191**
Non-current financial receivables and cash guarantees		-7	-10
Current financial receivables and cash guarantees		-8	-6
Short-term deposits		-50	-80
Cash and cash equivalents		-940	-677
Net debt	**6.18**	**604**	**417**

Capital Employed		**2020**	**2021**
Intangible assets		55	61
Goodwill		149	151
Property, plant and equipment		1 192	1 254
RoU Property plant and equipment		133	132
Working capital (operating)	6.8	535	678
Capital employed		**2 063**	**2 276**
Weighted average capital employed		**2 235**	**2 169**

Working capital (operating)		2020	2021
Inventories		683	1 121
Trade receivables		588	751
Bills of exchange received		54	41
Advances paid		19	20
Trade payables		-668	-1 062
Advances received		-16	-24
Remuneration and social security payables		-116	-161
Employment-related taxes		-9	-8
Working capital (operating)	6.8	**535**	**678**
Weighted average working capital (operating)		**786**	**607**

EBIT Underlying to EBIT	5.2		

EBITDA	2 020	2 021
EBIT	**257**	**513**
Amortization intangible assets	10	9
Depreciation property, plant & equipment	161	151
Depreciation RoU property, plant & equipment	24	24
Write-downs/(reversals of write-downs) on inventories and receivables	7	-19
Impairment losses/ (reversals of depreciation and impairment losses) on fixed assets	14	-2
EBITDA	**473**	**677**

EBITDA - Underlying	2 020	2 021
EBIT - Underlying	**272**	**515**
Amortization intangible assets	10	9
Depreciation property, plant & equipment	161	151
Depreciation RoU property, plant & equipment	24	24
Write-downs/(reversals of write-downs) on inventories and receivables	7	-11
Impairment losses/ (reversals of impairment losses) on fixed assets	5	—
EBITDA - Underlying	**479**	**689**

ROCE		2 020	2 021
EBIT		257	513
Weighted average capital employed		2 235	2 169
ROCE		**11.5%**	**23.7%**

EBIT interest coverage		2 020	2 021
EBIT		**257**	**513**
(Interest income)	5.4	-3	-3
Interest expense	5.4	60	44
(interest element of discounted provisions)	5.4	-3	-2
Net interest expense		53	39
EBIT interest coverage		**4.8**	**13.0**

ROE (return on equity)		2 020	2 021
Result for the period		148	451
Average equity (period-weighted)		1 533	1 818
ROE		**9.7%**	**24.8%**

Capital ratio (Financial autonomy)		2 020	2 021
Equity		1 535	2 101
Total assets		4 288	4 844
Financial autonomy		**35.8%**	**43.4%**

Gearing (net debt on equity)		2 020	2 021
Net debt		604	417
Equity		1 535	2 101
Gearing (net debt on equity)	7.2	**39.4%**	**19.9%**

Net debt on EBITDA	2 020	2 021
Net debt	604	417
EBITDA	473	677
Net debt on EBITDA	**1.3**	**0.6**

Net debt on EBITDA-underlying	2 020	2 021
Net debt	604	417
EBITDA-Underlying	479	689
Net debt on EBITDA-underlying	**1.3**	**0.6**

Current Ratio	2 020	2 021
Current Assets	2 466	2 872
Current liabilities	1 589	1 636
Current Ratio	**1.6**	**1.8**

Operating free cash flow	2 020	2 021
Cash flows from operating activities	505	385
Purchase of intangible assets	-3	-13
Purchase of PP&E	-104	-144
Purchase of RoU Land	—	—
Proceeds from disposals of fixed assets	52	37
Operating free cash flow	**449**	**265**

Free Cash Flow	2 020	2 021
Cash flows from operating activities	505	385
Purchase of intangible assets	-3	-13
Purchase of property, plant and equipment	-104	-144
Purchase of RoU Land	—	—
Dividends received	25	25
Interest received	3	3
Interest paid	-43	-35
Free Cash Flow	**383**	**221**

Independent auditor's report to the general meeting of NV Bekaert SA for the year ended 31 December 2021

As required by law and the Company's articles of association, we report to you as statutory auditor of NV Bekaert SA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 31 December 2021 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 12 May 2021, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2023. We performed the audit of the Consolidated Financial Statements of the Group for one year.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of NV Bekaert SA, that comprise of the consolidated balance sheet on 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the year and the disclosures, which show a consolidated balance sheet total of € 4.843.756 thousand and of which the consolidated income statement shows a profit for the year of € 450.620 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2021, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Besloten vennootschap
Société à responsabilité limitée
RPR Brussel - RPM Bruxelles - BTW-TVA BE0446.334.711-IBAN N° BE71 2100 9059 0069
*handelend in naam van een vennootschap/agissant au nom d'une société

A member firm of Ernst & Young Global Limited

Other matter

The Consolidated Financial Statements of the Group for the year ended 31 December 2020 were audited by another statutory auditor who issued an unqualified audit opinion on these Consolidated Financial Statements in his report dated 25 March 2021.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

1. Valuation of goodwill related to the BBRG cash-generating unit

Description of the key audit matter

As at 31 December 2021, the total carrying value of goodwill amounted to € 151 million (note 6.2 to the Consolidated Financial Statements), representing 3% of the Group's total assets. A significant part of this goodwill (€ 127 million) relates to the Bridon Bekaert Ropes Group ("BBRG") cash-generating unit.

Goodwill is allocated to Cash Generating Units ("CGUs") for which management is required to test the carrying value of goodwill for impairment, annually or more frequently, if there is a triggering event. The Group assesses the recoverable amount of the BBRG CGU by calculating the value in use of the assets within the CGU, using a discounted cash flow ("DCF") method. This valuation method is complex and requires significant judgement in estimating cash flow projections impacted by management's expectations of future performance and sales growth, margin evolution, the discount rate and the terminal growth rate.

Due to the involvement of significant judgements, complexity of the valuation methodology, inherent uncertainty related to forecasting and assumptions that are affected by economic conditions, we consider this assessment as a key audit matter.

The above stated assumptions have been disclosed in notes 3.2 and 6.2 to the Consolidated Financial Statements.

Summary of the procedures performed

- We evaluated management's assessment to classify BBRG as a cash generating unit;
- We evaluated and challenged the key drivers of revenue growth, expected margin evolution, long-term growth rate beyond the projection period, and the discount rate;
- We included our internal valuation specialist on our team to analyze and test the valuation model and the abovementioned critical assumptions used in the valuation model;
- We carried out probing inquiries to management involved in the preparation of BBRG's 5-year plan (adopted and approved by the Board of Directors), which serves as the basis in the valuation model;
- We have assessed the methodology, clerical accuracy, revenue growth, long term growth rate, and discount rate, by comparison to peer-group information, the Group's cost of capital and relevant risk factors.
- We analyzed and tested the sensitivity analysis prepared by management to understand the impact of reasonable changes in the key assumptions on the available headroom for the BBRG CGU;
- We considered additional impairment indicators by reading minutes of the board of directors' meetings, and we held regular discussions with the management and the audit committee.
- We assessed the adequacy of the information disclosed in note 6.2 to the Consolidated Financial Statements.

2. Control assumption over the Venezuelan subsidiaries and operations

Description of the key audit matter

The Group's equity shows negative cumulative translation adjustments amounting to € 59.7 million, relating to the Venezuelan subsidiaries Vicson and Invervicson.

In accordance with IFRS 10, the group periodically evaluates the assumption of its control over the Venezuelan subsidiaries, by considering the instable economic conditions of the country and most importantly the ability of the Group to affect the variable returns through its power over the subsidiary.

A loss of control over the Venezuelan subsidiaries would lead to a disposal of the controlling interest and the relating adjustments in this respect in accordance with IFRS 10. This would include, amongst others, the reclassification to the income statement of the cumulative translation adjustment amount relating to these subsidiaries.

Given the uncertainty of the Venezuelan political and economic environment and the potential material impact on the Group's results, we consider management's assumption of control over the Venezuelan subsidiaries and operations to be a key audit matter.

The group disclosed the outcome of this evaluation in notes 3.1 and 6.14 to the Consolidated Financial Statements.

Summary of the procedures performed

We assessed and challenged the group's assessment of control over the Venezuelan subsidiaries and operations by taking into consideration the following:

- We challenged management's assumptions regarding the of risk of seizure or acquiring of control of operations by the Venezuelan government;
- We assessed the ability of the Venezuelan subsidiaries to source raw materials, steer the local production and operations and generate cash flows (although at modest level);
- We challenged management's assumptions in respect of the potential limitations to transfer funds to the parent company.
- We have also assessed the adequacy of the information disclosed in note 6.14 to the Consolidated Financial Statements.

3. Income taxes payable – Uncertain tax positions

Description of the key audit matter

The group operates across a number of different tax jurisdictions and is subject to periodic tax inspections by local tax authorities on a range of tax matters during the normal course of business. These tax inspections include transactions with related parties, financing arrangements between group entities and transfer pricing arrangements where centralized functions support a number of different entities.

If the amount of tax payables is uncertain, the group establishes a liability based on management's best estimate of the probable amount to settle the liability. Management exercises significant judgement in assessing the liability for uncertain tax positions, as a result of which, we consider this assessment as a key audit matter.

At 31 December 2021, the Group recognized a current liability of € 38,9 million in respect to uncertain tax positions within the caption current income taxes.

The group disclosed the outcome of its assessment in notes 3.2 and 6.21 to the Consolidated Financial Statements.

Summary of the procedures performed

- We obtained a detailed understanding of the group's tax strategy and transfer pricing policies and assessed key technical tax issues and risks using, where applicable, local and international tax specialists. We obtained an understanding and evaluated the related accounting policy for uncertain tax positions.
- We assessed the completeness and status of ongoing inspections by local tax authorities. We obtained explanations from management and corroborative evidence including details of progress on tax arrangements with tax authorities and the corresponding liabilities recorded. We have also assessed the historical accuracy of management's assumptions.
- We analyzed and challenged management's key assumptions and judgements in relation to uncertain tax positions and the determination of the related tax liabilities.
- We considered the advice received by management from external tax advisors to support their position.
- We have also assessed the adequacy of the information disclosed in notes 3.2 and 6.21 to the Consolidated Financial Statements.

4. Income taxes – Recoverability of deferred tax assets

Description of the key audit matter

The Group has recognized deferred tax assets to the extent that the realization of these deferred tax assets through future taxable profits are probable. The management's estimate of foreseeable future taxable profits is based on the approved strategic plan which is then allocated to the tax-paying entities in the various jurisdictions and can be impacted by legislative developments. The recognition of deferred tax assets is therefore sensitive to changes in the strategic plan and legislation changes, because the Group operates in various tax jurisdictions which are subject to their respective local tax regulations.

We refer to notes 5.6 and 6.7 to the Consolidated Financial Statements with management's estimates on the recoverability of deferred tax assets.

Based on internal calculations with respect to the expected taxable profits in foreseeable future years, the Group has recognized a deferred tax asset of € 119.6 million. This area was important to our audit due to the amount of the tax losses as well as the judgment involved in management's assessment of the likelihood and magnitude of budgeted taxable profits to offset the tax losses in the foreseeable future.

Summary of the procedures performed

- We assessed and challenged management's assumptions and estimates to determine the probability to recover the recognized deferred tax assets through future taxable income in respective jurisdictions.
- We evaluated management's budgets and forecasts and considered the relevant tax laws of the respective tax jurisdictions. We critically assessed the consistency of the group's profit forecasts included in their assessment for recognized deferred tax assets to the strategic plan as well as the appropriateness of used tax rates.
- We have evaluated the reasonableness of the time period in which the Group expects to recover the recognized deferred tax assets in accordance with IAS 12 "Income taxes".
- We assessed the adequacy of the information disclosed in Notes 5.6 and 6.7 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;

- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements and the declaration of the non-financial information in annex of this annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, as well as to report on these matters.

Aspects relating to Board of Directors' report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Section "Our performance in 2021 - Financial Performance"
- Section "Parent Company Information"
- Section "Alternative Performance Measurements"

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non-financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared

6

this non-financial information based on the Global Reporting Initiative. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the Global Reporting Initiative.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) of NV Bekaert SA per 31 December 2021 are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Ghent, 23 March 2022

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

marnix van dooren
Digitally signed by marnix van dooren
DN: cn=marnix van dooren, email=marnix.van.dooren@be.ey.com
Date: 2022.03.23 20:44:52 +01'00'

Marnix Van Dooren *
Partner
*Acting on behalf of a BV/SRL

francis boelens
Digitally signed by francis boelens
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Date: 2022.03.23 16:44:47 +01'00'

Francis Boelens *
Partner
*Acting on behalf of a BV/SRL

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ENVIRONMENTAL STATEMENTS

Chemical management

We have a product stewardship framework and related capability building in place. The framework covers:

- standardized chemical management,
- environmental compliance of both raw materials and finished products, and
- related customer expectations.

In 2021, we rolled out a global chemical management standard and implemented a global tool that allows efficient implementation of the standard, strict governance process and more proactive product compliance.

In line with the ISO 14001 requirements, a company-wide process for lifecycle management has been deployed. The process aims to identify potentially significant environmental impacts in the entire supply chain and considering all the stages of the lifecycle of our finished products and how to address them in an appropriate way.

At Bekaert, we closely monitor the EU REACH regulation to confirm compliance in a proactive way related both to the raw materials we are using and to our finished products. We are in contact with our suppliers to verify their REACH compliance in the supply process of raw materials. Furthermore, we identify substances of concern and start proactive phase-out programs. In case we identify important regional differences in hazard classification and exposure limits, we are committed to applying our own company-specific hazard classification and exposure limits which are mandatory if no stricter regulations apply.

GRI 403-7

Energy

Our ambition is to reduce our combined Scope 1 and Scope 2 CO_2 emissions by -46.2% by 2030, compared to 2019, in line with science-based targets. We also aim to reach net-zero emissions by 2050. One of the most important ways of reducing our CO_2 emissions is to improve the energy efficiency of our operations by installing energy-efficient infrastructure and equipment in our new plants and plant extensions, in addition to upgrading our existing facilities.

Total energy consumption[1] = 5 134 GWh of which:

- Electrical energy (incl. cooling) = 3 154 GWh
- Thermal energy (steam and heat) = 257 GWh
- Natural gas = 1 723 GWh

GRI 302-1

Energy Intensity Ratio[1]:

- Electrical energy (incl. cooling) = 868 kWh/ton
- Thermal energy (steam & heat) = 71 kWh/ton
- Natural gas = 474 kWh/ton

GRI 302-3

Methodology used: the energy data are monitored in a central database.

Renewable Energy: 39% of our electricity needs came from renewable energy sources in 2021.

Energy consumption in GWh	2019	2020	2021 including Brazil	2021 excluding Brazil
Total energy consumption	4 957	4 577	5 134	4 457
Electrical energy (incl. cooling)	3 152	2 880	3 154	2 753
Thermal energy (steam and heat)	329	286	257	257
Natural gas	1 476	1 410	1 723	1 447

Data 2019-2020 relate to combined numbers, including the joint ventures in Brazil.

Data 2021 are disclosed for both the combined (including joint ventures in Brazil) and consolidated plants (excluding joint ventures).

Energy intensity ratio in KWh per ton	2019	2020	2021 including Brazil	2021 excluding Brazil
Electrical energy (incl. cooling)	889	876	868	750
Thermal energy (steam and heat)	93	87	71	70
Natural gas	417	429	474	394

Energy intensity ratio: the energy (electricity and thermal) used per ton of end product produced.

Data 2019-2020 relate to combined numbers, including the joint ventures in Brazil.

Data 2021 are disclosed for both the combined (including joint ventures in Brazil) and consolidated plants (excluding joint ventures).

The energy intensity of 2021 increased by + 1% versus 2019 and by +1.5% versus 2020.

% of energy needs that came from renewable sources[1]	2019	2020[2]	2021
	42	42	39

[1] Joint ventures included
[2] Restated figure 2020: in prior years we have used 'grid mix' as a reference, which is the observed renewable energy % that is on a given grid. Per GHG protocol (page 48) it is preferred to use the 'residual grid mix' which is intended to filter out the voluntary purchases of others. This reduces the % of renewable energy on a grid and, consequently, the previously reported 2020 figure (43%) of Bekaert (to 42%).

CO_2

We aim for zero, as we believe this is the only way to take conscious and bold actions in reducing our carbon footprint.

In line with this, we have committed to join the Business Ambition for 1.5°C. Companies committed to the Business Ambition for 1.5°C receive independent validation of their targets from the Science Based Targets initiative (SBTi) and become part of the UN Climate Champions' Race to Zero.

Scope 1

Scope 1 emissions are direct greenhouse emissions that are related to our operations.

Natural gas

- GHG emissions natural gas = 316 854 ton CO_2
- GHG intensity ratio natural gas = 87 kg CO_2 /ton

GRI 305-1

Scope1 GHG emissions natural gas	2019	2020	2021 including Brazil	2021 excluding Brazil
GHG emissions natural gas (in ton CO_2)	271 609	259 569	316 854	262 580
GHG intensity ratio natural gas (kg CO_2/ton)	77	79	87	71

Data 2019-2020 relate to combined numbers, including the joint ventures in Brazil.

Data 2021 are disclosed for both the combined (including joint ventures in Brazil) and consolidated plants (excluding joint ventures).

GHG emission intensity for natural gas in 2021 increased by +10% versus 2020 and by +13% versus 2019.

GRI 305-5

Scope 2

Scope 2 emissions are indirect emissions, from purchased electricity, steam etc. that have been calculated based on energy consumption data and country specific kWh/MWh to CO_2 conversion factors as provided by the International Energy Agency (IEA).

GRI 305-2

GHG emissions from purchased electricity and other types of energy:

- Electrical energy (including cooling) = 1 345 956 ton CO_2
- Thermal energy (steam and heat) = 46 425 ton CO_2

GRI 305-2

GHG Intensity Ratio:

- Electrical energy (including cooling) = 370 kg CO_2/ton.
- Thermal energy (steam and heat) = 13 kg CO_2/ton.

GRI 305-4

Scope 2 GHG emissions from purchased electricity and other types of energy	2019	2020	2021 including Brazil	2021 excluding Brazil
Electrical energy (including cooling) in ton CO_2	1 351 373	1 195 306	1 345 956	1 308 129
Thermal energy (steam and heat) in ton CO_2	60 371	52 718	46 425	46 425

Data 2019-2020 relate to combined numbers, including the joint ventures in Brazil.

Data 2021 are disclosed for both the combined (including joint ventures in Brazil) and consolidated plants (excluding joint ventures).

Scope 2 GHG intensity ratio	2019	2020	2021 including Brazil	2021 excluding Brazil
Electrical energy (including cooling) in kg CO_2/ton	381	363	370	356
Thermal energy (steam and heat) in kg CO_2/ton	17	16	13	13

Data 2021 are disclosed for both the combined (including joint ventures in Brazil) and consolidated plants (excluding joint ventures).

GHG emissions intensity for purchased electricity in 2021 increased by +2% compared to 2020 and reduced by -3% compared to 2019.

GHG emissions intensity for thermal energy in 2021 reduced by -19% compared to 2020 and by -24% compared to 2019.

GRI 305-5

Scope 3

Transport

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

GHG emissions intensity of outbound logistics:

In previous years we have reported GHG emissions from outbound logistics under Scope 1 (according to the GRI Standards). However, to be aligned with our SBTi targets, GHG emissions from outbound logistics are now reported under Scope 3.

GHG emissions from outbound logistics:

- Global sea freight: 31 137 ton CO_2
- Road transport for Rubber Reinforcement EMEA: 10 562 ton CO_2
- Air freight: 4 118 ton CO_2

GHG intensity ratio from outbound logistics:

- Global sea freight: 0.0384 ton CO_2/ton product transported
- Road transport for Rubber Reinforcement EMEA: 0.0716 ton CO_2/ton product transported
- Air freight: 5.103 ton CO_2/ton product transported

GRI 305-3

Emissions of outbound logistics increased because of a strong demand rebound and agile supply chain management.

Scope 3 GHG emissions from outbound logistics in ton CO_2	2019	2020	2021
Global sea freight	18 578	22 603	31 137
Road transport for Rubber Reinforcement EMEA	9 284	8 249	10 562
Air freight		803	4 118

Scope 3 GHG intensity ratio from outbound logistics (in ton CO_2/ton product transported)	2020	2021
Global sea freight	0.0550	0.0384
Road transport for Rubber Reinforcement EMEA	0.0388	0.0716
Air freight		5.1030

Disclosed since 2020, with the exception of air freight: since 2021

GRI 305-3, GRI 305-4

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

GHG emissions from company cars & buses (excluding JVs): 3 508 ton CO_2/year

GHG emissions from business travel (air): 1 000 ton CO_2 (without radiative forcing (RF))

GHG emissions intensity of company cars, personnel bus services and air travel	2019	2020	2021
GHG emissions from company cars & buses (excluding JVs) in ton CO_2/year	3 692	3 606	3 508
GHG emissions from business travel (air) in ton CO_2 (without radiative forcing (RF))	2 740	1 700	1 000

GRI 305-3, GRI 305-4

Scope 3 emissions from purchased goods (in ton)

Scope 3 emissions from purchased goods (in ton)	2019	2020	2021 including Brazil	2021 excluding Brazil
Scope 3 emissions from purchased wire rod	5 856 000	5 490 000	6 059 000	4 753 000

Calculation method: tons of wire rod purchased in the particular year multiplied by the world average emissions intensity of steel (1.83 ton CO_2/ton steel).

GRI 305-3

Water

We use water in our production processes, and we want to save every drop. We are taking a close look at our water consumption and are implementing programs to reduce our water usage, especially, but not exclusively, in water stressed areas. Our ambition is to reduce our freshwater intake in water stressed areas by -15% by 2030 compared to 2019.

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

All water data is combined data (consolidated entities + joint ventures)

GRI 303-1

Water withdrawal

Total water withdrawal was 8 975 megaliter (ML) of which 3 619 ML from areas with water stress.

Freshwater withdrawal by source:

- Surface water: 626 ML of which 605 ML from areas with water stress
- Groundwater: 2 571 ML of which 813 ML from areas with water stress
- Third party water: 5 778 ML of which 2 201 ML from areas with water stress:
  - 4 970 ML from surface water of which 1 846 ML from areas with water stress
  - 808 ML from groundwater of which 355 ML from areas with water stress

All data is provided by the respective plants.

Water stress: in areas with water stress, the ratio of total annual water withdrawal to total available annual renewable water supply is high (40-80%) or extremely high (>80%)

1 megaliter (ML) = 1 000 000 liter

Water withdrawal (in ML)	2019[1]	2020[1]	2021
Total water withdrawal	**9 237**	**8 088**	**8 975**
from areas with water stress	3 626	3 107	3 619

Freshwater withdrawal by source (in ML)	2019[1]	2020[1]	2021
Surface water	**761**	**587**	**626**
from areas with water stress	559	530	605
Groundwater	**2 355**	**2 201**	**2 571**
from areas with water stress	754	640	813
Total third-party water	**6 121**	**5 300**	**5 778**
from areas with water stress	2 312	1 937	2 201

Third-party water by source (in ML)	2019[1]	2020[1]	2021
Third-party water from surface water	**5 581**	**4 783**	**4 970**
from areas with water stress	2 055	1 717	1 846
Third-party water from ground water	**540**	**517**	**808**
from areas with water stress	257	220	355

[1] 2019 and 2020 data have been restated according to updated definition of water-stressed areas

GRI 303-3

Water discharge

Total water discharge is 4 164 ML in 2021 of which 2 032 ML to areas with water stress.

Water discharge by destination:

- Surface water: 1 466 ML of which 502 ML freshwater and 964 ML other water
- Groundwater: 0 ML
- Sea water: 100 ML of which 0 ML freshwater and 100 ML other water
- Third party water: 2 598 ML of which 94 ML freshwater and 2 504 ML other water

Water discharge to areas with water stress was 2 032 ML of which 557 ML freshwater and 1 475 ML other water.

Our water discharge is filtered at our own premises.

All data is provided by the respective plants.

Water stress: in areas with water stress, the ratio of total annual water withdrawal to total available annual renewable water supply is high (40-80%) or extremely high (>80%)

1 megaliter (ML) = 1 000 000 liter

Water discharge (in ML)	2019[1]	2020[1]	2021
Total water discharge	**4 315**	**3 712**	**4 164**
to areas with water stress	1 727	1 486	2 032

Water discharge by destination (in ML)	2019[1]	2020[1]	2021
Surface water	**1 595**	**1 511**	**1 466**
Freshwater	599	462	502
Other water	996	1 049	964
Groundwater	**0**	**0**	**0**
Sea water	**86**	**91**	**100**
Freshwater			
Other water	86	91	100
Third-party water	**2 633**	**2 109**	**2 598**
Freshwater	295	221	94
Other water	2 339	1 889	2 504
Water discharge to areas with water stress	**1 727**	**1 486**	**2 032**
Freshwater	668	527	557
Other water	1 059	959	1 475

[1] 2019 and 2020 data have been restated according to updated definition of water stressed areas

GRI 303-4, GRI 303-2

Water consumption

Water consumption = total water withdrawal - total water discharge.

Total water consumption was 4 811 ML of which 1 587 ML from areas with water stress

All data is provided by the respective plants.

Water stress: in areas with water stress, the ratio of total annual water withdrawal to total available annual renewable water supply is high (40-80%) or extremely high (>80%)

1 megaliter (ML) = 1 000 000 liter

Water consumption (in ML)	2019[1]	2020[1]	2021
Total water consumption	4 922	4 376	4 811
From areas with water stress	1 899	1 621	1 587

[1] 2019 and 2020 data have been restated according to updated definition of water-stressed areas

GRI 303-5

Waste

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

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

Steel scrap in ton	**2019**	**2020**	**2021**
Preparation for re-use	0	0	0
Recycling	117 879	101 727	107 760
Other recovery operations	0	0	0

Steel scrap = steel wire scrap, end-of-life spools and machine spare parts, other steel-based scrap.

Sustainable solutions

We turn ideas into meaningful sustainable solutions that reduce the environmental footprint of our customers and beyond, in end-markets.

Some examples hereof:

Automotive

Tires have an impact on the emissions of cars. Steel cords are used to reinforce the tires and therefore, can play a role in reducing the environmental footprint of cars. Bekaert's super-tensile and ultra-tensile steel cord ranges for tire reinforcement allow tire makers to produce tires with a lower weight, thinner plies, and lower rolling resistance making the tires more sustainable. In addition, this technology improves the battery life and reduces noise for electric vehicles.

Generation of renewable power

Off-shore wind power production is becoming more and more relevant in the generation of renewable power. The foundation of wind turbines at the seafloor is mission critical for this renewable energy source. Our mooring ropes keep the floating wind turbines at work and eliminate the need for extensive foundations. Furthermore, offshore power generation is supported by our solutions for submarine power cables that transfer electricity from offshore wind farms to land.

Building technology

Cement is a key factor in greenhouse gas emissions in the construction industry. To reduce the amount of cement needed and to strengthen cement against tactile forces, steel bars are most often used for enforcement. Bekaert's alternative, Dramix® steel fibers, helps construction industry players use 50% less steel in weight, compared to traditional steel reinforcement solutions, reducing CO_2 emissions between 20 and 50% per project.

Water electrolysis / use of hydrogen

Hydrogen is seen as a key lever in the future energy eco-system. Production of green hydrogen is an area with huge growth potential. All improvements of this process have significant impact on the future global energy strategy for climate neutrality. Bekaert's porous transport layer solutions increase performance and durability of electrochemical devices used in hydrogen production. Our solutions in hydrogen technology extends to wires used for hydrogen refilling station hoses. We are also pioneering in decarbonization of heating with burners and heat exchangers for hydrogen-ready and energy-efficient gas boilers.

EU Taxonomy

This section covers the key performance indicators and accompanying information required under Regulation EU 2020/852[1] and the related Delegated Acts[2] (the EU Taxonomy).

The EU Taxonomy aims to channel capital towards sustainable activities, with the end-goal of financing sustainable growth and achieving the EU objective of becoming climate neutral by 2050.

Reporting on our contribution to the environment through the EU Taxonomy is in line with Bekaert's ambition to create sustainable value for all stakeholders and become an industry leader in sustainability.

The EU Taxonomy can be seen as a green dictionary: a classification system to define which activities are environmentally sustainable. To be considered as such, an activity needs to – among others – contribute substantially to one or more of six environmental objectives[3] (via meeting technical screening criteria, i.e., certain performance thresholds and other requirements).

This is the first year that the EU Taxonomy applies, and its deployment will be progressive. For this first year, Bekaert must only report on its share of eligible and non-eligible activities and analyze its potential contribution only for the first two of the six environmental objectives: climate change mitigation and climate change adaptation[4].

[1] Regulation EU 2020/852 of the European Parliament and of the Council, published in the Official Journal of the European Union on the 22.06.2020.
[2] The Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021) and the Disclosure Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021).
[3] Climate Change Mitigation, Climate Change Adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems.
[4] The criteria for the other four environmental objectives are expected to be officially approved at the end of 2022.

EU Taxonomy eligibility assessment process

An 'eligible economic activity' is one that is described in the EU Taxonomy, regardless of whether it meets all the technical screening criteria laid out for that activity.

Reporting on eligibility does not mean that the activity is environmentally sustainable according to the EU Taxonomy, it means that the activity has the potential to be environmentally sustainable if it complies with all the technical screening criteria. An activity that – among others – meets all the technical screening criteria would then be considered as EU Taxonomy aligned.

To evaluate our EU Taxonomy eligibility, we have mapped all products manufactured by the Bekaert subsidiaries, the applicable expenses incurred, and investments made, and matched them with the activities described in the EU Taxonomy.

To facilitate this exercise, the EU Taxonomy includes a reference to NACE codes (Revision 2) on each activity. However, such reference is only indicative and does not prevail over the specific definition provided in the text of the Climate Delegated Act. Therefore, we mapped the eligibility of our products and expenses firstly in relation to the descriptions in such Delegated Act, and only using NACE codes (Revision 2) and other reference classifications provided by the Sustainable Finance Platform[5] as a further guide.

We assessed our eligibility by collaborating with and involving each of our four business units in performing the mapping exercise as referred-to above. We took into consideration each of the elements included in the activity description in the Climate Delegated Act, and when in doubt we referred to the technical screening criteria and the TEG Final Report – Technical Annex for further information on which products manufactured by Bekaert could be assessed as eligible or not.

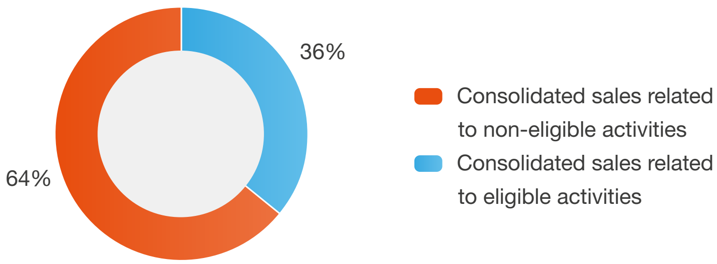
[5] Refer to: https://ec.europa.eu/info/files/sustainable-finance-taxonomy-nace-alternate-classification-mapping_en

Below we report on our EU Taxonomy eligibility for 2021, expressed through three KPIs: our share of eligible and non-eligible activities in the Bekaert consolidated sales of 2021, capital expenditure and 'applicable' operational excellence expenses.

Note: consolidated sales is the terminology used in the Bekaert income statement. It has the same definition as 'net turnover' as used in the EU Taxonomy. We refer to note 5.1 in Part II – Financial Statements of this report for more detailed information on our revenue recognition principles.

EU Taxonomy Key Performance Indicators

1 Consolidated sales



Numerator

The numerator is comprised of the Bekaert 2021 consolidated sales that are related to the economic activities listed below (the numbers refer to the section in Annex I of the Climate Delegated Act that corresponds to such activity):

3.1 Manufacture of renewable energy technologies

3.2 Manufacture of equipment for the use of hydrogen

3.5 Manufacture of energy efficiency equipment for buildings

3.6 Manufacture of low carbon technologies

All the activities above are considered as eligible to-be enabling activities, as referred to in Article 10(1)-point (i) of Regulation (EU) 2020/852.

To avoid double counting, each business unit performed the eligibility analysis separately, for the products manufactured within the business unit. This information was then aggregated and validated by Group Finance, following the same principles as for the consolidated financial reporting.

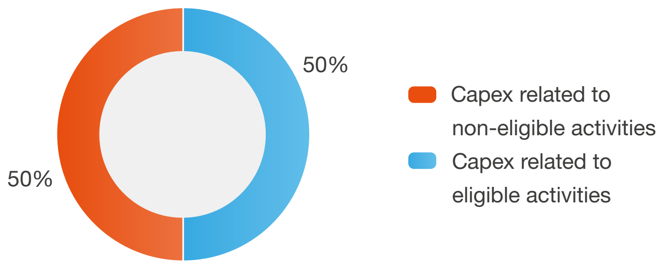
Examples of eligible products can be found in Part I of this report: Our performance in 2021 - Value Chain.

Bekaert's commitment is to create and deliver long-term value to all its stakeholders and to create green and sustainable solutions. This sustainable value is also translated into the extended lifespan of our products, energy efficiency offered by our products, the reduced carbon footprint from their use, as well as the utilization of alternative low carbon materials and innovative technologies in its manufacturing processes.

Denominator

The denominator is comprised of consolidated sales as disclosed in Part II of this report: Financial Statements.

2 Capital Expenditure (Capex)



Numerator

The numerator is comprised of (a) capex related to taxonomy-eligible activities and (b) capex related to other Taxonomy-eligible economic activities (in both cases, we refer to capex invested during the fiscal year 2021), as described in Section 1.1.2.2 of Annex I of the Disclosure Delegated Act. The total EU Taxonomy-eligible capex is calculated from the following economic activities:

3.1 Manufacture of renewable energy technologies

3.2 Manufacture of equipment for the use of hydrogen

3.5 Manufacture of energy efficiency equipment for buildings

3.6 Manufacture of low carbon technologies

5.1 Construction, extension and operation of water collection, treatment and supply systems

5.2 Renewal of water collection treatment and supply systems

5.3 Construction, extension and operation of waste water collection and treatment

5.4 Renewal of waste water collection and treatment

7.2 Renovation of existing buildings

7.3 Installation, maintenance and repair of energy efficiency equipment

7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

7.6 Installation, maintenance and repair of renewable energy technologies

Activities 3.1, 3.2, 3.5, 7.3, 7.5 and 7.6 are considered as eligible to-be enabling activities, as referred to in Article 10(1)-point (i) of Regulation (EU) 2020/852. Activity 7.2 is considered as an eligible to-be transitional activity as referred to in Article 10(2)-point (i) of Regulation (EU) 2020/852.

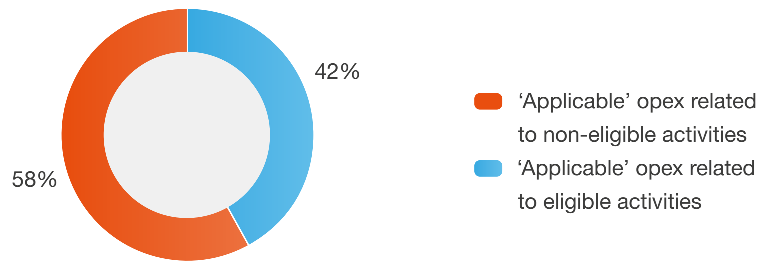
In certain scenarios where invested equipment is used to manufacture both eligible and non-eligible products, we have applied an allocation rule based on the tonnage of eligible products manufactured, to calculate the eligible capex.

To avoid double counting, each business unit separately screened first their capex to identify the capex related to the purchase of output from Taxonomy-eligible economic activities (literal (b) from the referred Section 1.1.2.2). At a second stage, each business unit further screened the capex that was left out from the previous step to link the corresponding expenses to eligible products manufactured by Bekaert (literal (a) of Section 1.1.2.2 of Annex I of the Disclosure Delegated Act). Separately, the Group Finance department identified the capex related to other Taxonomy-eligible economic activities, which was not registered in the accounts of the business units.

Denominator

The denominator is comprised of Bekaert's total capex invested in the financial year 2021 as disclosed in Part II of this report: Financial Statements, covering additions to tangible assets (PP&E) considered before depreciation, amortization and any re-measurements that may apply.

3 Operational excellence expenses (opex)



Numerator

The concept of opex under the EU Taxonomy does not equal one line item in the Income Statement. The EU Taxonomy has a specified scope for operational expenses to be reported (described in the Denominator section below), therefore, we refer to this reduced concept as 'applicable' opex to clearly differentiate it from the Income Statement lines reported by Bekaert.

The numerator is comprised of (a) 'applicable' opex related to taxonomy-eligible activities and (b) 'applicable' opex related to other Taxonomy-eligible economic activities, as described in Section 1.1.2.2 of Annex I of the Disclosure Delegated Act. The total EU Taxonomy-eligible 'applicable' opex is mainly calculated from the following economic activities:

3.1 Manufacture of renewable energy technologies

3.2 Manufacture of equipment for the use of hydrogen

3.5 Manufacture of energy efficiency equipment for buildings

3.6 Manufacture of low carbon technologies

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

9.1 Close to market research, development and innovation

10.1 Non-life insurance: underwriting of climate-related perils

All the activities above are considered as eligible to-be enabling activities, as referred to in Article 10(1)-point (i) of Regulation (EU) 2020/852, except for activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles.

In certain scenarios where it is impossible to allocate opex costs to individual product lines, we have applied an allocation rule based on the tonnage of eligible products manufactured, to calculate the eligible R&D expenses, building renovation measures, and maintenance and repair expenses.

To avoid double counting, each business unit extracted separately the opex meeting the definition of the EU Taxonomy related to the eligible products. Separately, our central purchasing department identified the 'applicable' opex related to other Taxonomy-eligible economic activities, which was not registered in the accounts of the business units.

Currently Bekaert is spending 45% of its total R&D costs to eligible activities. However, in the following years, we intend to allocate most of our R&D to eligible products segments and work on improving our current portfolio of eligible products.

Denominator

Opex is defined in the Disclosure Delegated Act as direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to day-to-day servicing of assets of property, plant and equipment. The denominator comprises of expenses that fit within this definition of opex.

Each business unit obtained the maintenance and repair costs (which include non-capitalized expenses for building renovation measures) from internal reporting systems.

SOCIAL STATEMENTS

Health & safety

Safety programs

The Bekaert safety programs guide all employees toward the same safety mindset and behaviors worldwide.

BeCare: no harm to anyone @Bekaert

It is our goal to create a no-harm-to-anyone working environment at Bekaert. We commit to do whatever is necessary to eliminate accidents in the workplace.

BeCare, the Bekaert global safety program, launched in 2016, is our way to do this. It focuses on creating an interdependent safety culture, promoting strong risk awareness, removing risk tolerance, and investing in the necessary tools and equipment to create a safer working environment.

BeCare has changed the behavior in our plants and offices and in our meetings with business partners.

Bekaert also launched, end of 2021, a new safety and compliance learning program, aligned with BeCare. More information on 'Compass' can be found in Part I of this report: Our Performance in 2021: People.

GRI403-2

Safety procedures

Bekaert has developed several safety procedures and standards that are applicable in all our plants worldwide. They aim for a coherent and standardized approach of processes and actions across the group.

GRI403-2

In line with our BeCare safety program, and to put more emphasis on safety in specific situations, our employees must follow the Life Saving Rules. The rules are simple dos and don'ts in 10 hazardous situations that have the highest potential to cause death. They apply to everyone: employees, contractors and visitors. Moreover, they are not only applicable at the workplace, but also highly recommended on the road, at home and in other situations.

Abiding by these rules is a condition of employment at and access to our sites. Following these rules and helping others to do so will save lives. That is why consequence management applies to those who do not follow the Life Saving Rules.

GRI 403-2, GRI 403-7

Apart from the behavioral component, we realize that equipment safety is also key in our efforts to improve our safety performance. To meet this need, we have an equipment safety standard in place that describes the requirements to which all new and existing equipment should comply. Our Engineering departments start their design process from this standard when they develop a new machine. Existing machinery is evaluated on its safety-related risks via a risk assessment method. The method prioritizes the risks that could have the most severe impact and are most likely to happen.

Bekaert has approved a safety investment program that will be rolled out in the course of 2022 as another enabler to create a safe environment for all people at the workplace.

GRI 403-2

A healthy workplace

In addition to the BeCare and safety investment initiatives aimed at eliminating safety risks, we also want to create and maintain a healthy workplace for our employees.

Workplace conditions

We monitor workplace conditions such as noise, dust and temperature, and are defining and implementing a roadmap to make further improvements. Our new investments consider strict standards with regards to all working conditions.

GRI 403-6

All employees and subcontractors working in the Bekaert plants worldwide wear the safety and health equipment provided to avoid the risks of injuries and health impact. This includes uniforms, dust filters, eye and ear protection, and grippers and hoists to lift and handle spools, coils, and pallets in an ergonomic way.

Bekaert will not purchase or renew the lease contract of diesel-powered forklifts and other internal trucks in the plants, unless there is no alternative, to eliminate the CO_2 emissions.

GRI 403-3

Handling and storing chemicals

Throughout the company, we pay special attention to the safe handling and storage of chemicals. A database records all chemicals used in our plants and strict health and safety guidelines apply to our employees. Employees who are exposed to potentially hazardous materials go through a medical check-up every six months. We are developing and optimizing techniques and processes that eliminate the need for hazardous chemicals during heat treatment processes.

GRI 403-3

Mental health

69% of our employees in the Bekaert subsidiaries have access to a globally deployed employee assistance program that focuses on mental health. In addition, other specific mental health programs run in various entities and are particularly oriented on the impact of the pandemic on well-being.

20% of our employees followed a training that focused on well-being in 2021.

GRI 403-3, GRI403-6

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

Safety data

- The Total Recordable Incident Rate decreased with 8% compared to 2020.
- The Lost-Time Incident Frequency Rate was 23% lower than last year, driven by the reduction in incidents that led to lost time.
- The number of incidents leading to life-altering injuries increased from one case in 2020 to eight in 2021.
- 14% of all incidents either led or could potentially have led to a life-altering injury, down from 16% in 2020.
- The number of incidents that happened in high-risk situations (but not necessarily resulting in a serious injury) has increased by 12.5% in 2021.

47% of the injuries that happen at Bekaert involve hands and fingers. Despite all safety measures, eight of these incidents in 2021 were life-altering, compared to one life-altering incident in 2020. In safety procedures and during safety trainings, special attention is given to the prevention of hand and finger injuries. Other body parts injured were head and neck (16%), upper limbs (13%), lower limbs (9%), feet and toes (6%) and torso, back and organs (7%).

GRI 403-9

In 2021, Bekaert received a group-wide ISO45001 certificate (the safety management system standard) and 31% of the Bekaert plants worldwide were certified to ISO45001. Increased certification to ISO45001 is an ongoing goal.

GRI 403-1, GRI 403-8

On average, each Bekaert employee received 8 hours of safety-related training in 2021.

GRI 403-5

Key safety performance indicators Bekaert consolidated	2018	2019	2020	2021
TRIR	7.17	5.62	4.30	3.96
LTIFR	4.41	3.39	2.94	2.27
SI rate	0.13	0.13	0.02	0.10

Key safety performance indicators Bekaert combined (consolidated plants + joint ventures)	2018	2019	2020	2021
TRIR	6.61	5.18	4.02	3.67
LTIFR	3.98	3.08	2.65	2.08
SI rate	0.11	0.13	0.02	0.12

Incident rates per region

Group data per region	LTIFR [1] All (Bekaert payroll employees + contractors	LTIFR [1] Bekaert payroll employees	LTIFR [1] Contractor	SI rate [2] All (Bekaert payroll employees + contractors	SI rate [2] Bekaert payroll employees	SI rate [2] Contractor	TRIR [3] All (Bekaert payroll employees + contractors	TRIR [3] Bekaert payroll employees	TRIR [3] Contractor
EMEA	5.88	6.06	4.34	0.32	0.29	0.62	7.23	7.28	6.82
Latin America	1.71	1.82	1.34	0.00	0.00	0.00	1.71	1.82	1.34
North America	1.48	1.64	0.00	0.30	0.33	0.00	18.91	19.97	9.11
Asia Pacific	0.62	0.71	0.38	0.00	0.00	0.00	1.14	1.23	0.89
JV's in Brazil and Colombia	0.95	1.31	0.00	0.21	0.29	0.00	2.10	2.63	0.75

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

GRI 403-9

Incident rates per gender

Group data by gender (payroll employees)	Male		Female	
	2020	2021	2020	2021
LTIFR [1]	3.27	2.43	2.34	2.31
SI rate [2]	0.02	0.11	0.00	0.33
TRIR [3]	5.01	4.30	2.88	3.47

[1] LTIFR: Lost Time Incident Frequency Rate: number of lost time incidents per million worked hours.
[2] SI: real Serious Injuries per million worked hours.
[3] TRIR: Total Recordable Incident Rate: all recorded incidents per million worked hours.

GRI 403-9

Communicating with and engaging our employees

People engagement and empowerment have always been important at Bekaert. We empower our teams with responsibility, authority and accountability, and count on the engagement of every Bekaert employee in driving a higher-level performance.

- The Bekaert Intranet is a place where employees can share and obtain knowledge, find relevant information fast, connect with colleagues, collaborate with team members on common development programs, and actively contribute to impactful communications across the company. Moreover, the company's internal social media platform Yammer and video platform Stream are intensively used tools to share best practices, celebrations and ideas. Our employees regularly receive internal news bulletins with corporate messages and business updates.
- Every quarter, Bekaert's CEO and CFO invite all managers and salaried professionals worldwide to join an internal webcast at the occasion of the financial news releases. They share information on Bekaert's performance and the actions to be taken and answer the questions raised. The sessions are recorded and can be replayed afterwards via our internal online video platform.
- Next to the quarterly financial updates, employees are also invited to Communication Town Halls, hosted by the CEO and the members of the Bekaert Group Executive. They share insights on market developments, decisions made, and strategies established and implemented. These sessions engage active interaction with all participants.
- At the end of 2021 Bekaert launched an employee podcast channel, Bekaert Bits & Bytes. The podcast shares stories from colleagues across the globe sharing inspiring ideas and discussions on highly relevant themes.

GRI 102-43, GRI 102-44

Learning & development

Average hours of training per employee

On average, each employee received 33 hours of training in 2021.

Average hours of training per employee per region	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
EMEA						
Blue collars	19	14	12	10	37	37
Salaried professionals	16	16	15	8	25	26
Management	8	10	12	16	17	20
Latin America						
Blue collars	75	9	7	7	39	150
Salaried professionals	32	34	7	6	23	21
Management	44	46	11	31	34	43
North America						
Blue collars	36	40	35	33	22	14
Salaried professionals	20	13	22	7	17	9
Management	13	6	11	8	20	19
Asia Pacific						
Blue collars	49	29	23	31	37	58
Salaried professionals	22	11	12	13	24	16
Management	12	12	14	21	39	27

Note: in 2021, intensive training programs were set up in Latin America to bring more female workers in manufacturing and other operational roles. This clarifies the high average number of training hours for female operators in the region.

GRI 404-1

Labor unions and collective bargaining agreements

Communication also includes the information exchange and negotiations with labor unions. We recognize the right of any employee to join or to refrain from joining a labor union. 64% of our employees worldwide are covered by collective bargaining agreements.

Agreements with trade unions are locally concluded and include the following elements:

- Personal protective equipment
- Right to refuse unsafe work
- Joint management-employee health and safety committees
- Participation of worker representatives in health and safety matters
- Inspections, audits, and accident investigations
- Training and education
- Complaints mechanism
- Periodic inspections

GRI 102-41, GRI 403-4, GRI 407-1

Health and safety committees

Our integral workforce is represented in formal joint management-worker health and safety committees. They help monitor and formulate advice on occupational health and safety programs.

GRI 403-4, GRI 403-3, GRI 403-9

Research & innovation partnerships

Bekaert has research & innovation partnerships with the following partners:

Partner	Innovation domain
Technical University of Denmark (DTU)	Eco2Fuel
University Politecnica Valencia (UPV)	Eco2Fuel
Consiglio Nazionale delle Ricerche (CNR)	Eco2Fuel
Centro Ricerch e FIAT	Eco2Fuel
Flemish Institute for Technological (VITO)	Hyve
IMEC	Hyve
TNO (Toegepast Natuurweterschappelijk Onderzoek)	MooringSense
SINTEF	MooringSense
CTC (Foundacion Centro Tecnologico de Componentes	MooringSense
UCD University College Dublin	Modeling
Imperial College London	Modeling
Universitas Studiorum Zagrabiensis	Modeling
CEIT	Modeling
Ghent University	Modeling
OCAS	Physical Metallurgy
CRM (Centre de Recherches Metallurgie)	Metallic Coatings
INSA Lyon	Physical Metallurgy
Université de Lille (UMET)	Physical Metallurgy
KU Leuven	
Flanders' Make	Digital - engineering
VKI Von Karman Institute	Metallic coatings - hot dip

Highest ethical standards

Code of Conduct

Our hiring policy states that every new employee receives a copy of our Code of Conduct and every year, all salaried professionals and managers worldwide are required to read the Bekaert Code of Conduct, to pass a test on business ethics cases, and to renew their commitment to the principles of the Code via Bekaert's online global learning platform.

GRI 102-16

As part of the annual commitment process a mandatory training session reminds employees of the principles to follow when confronted with ethical choices. 100% of the managers and 100% of the salaried professionals renewed their commitment to the Code of Conduct in 2021 and it is our goal to maintain full annual commitment results. We already trained the most of our operators on the principles of the Code of Conduct. The isolation procedures imposed by the Covid-19 pandemic prevented us, however, from achieving full training in 2021. We aim to reach our goal by the end of 2022.

In 2021, we rolled out a mandatory anti-bribery and corruption course to all managers at Bekaert and to salaried professionals employed in departments that have frequent contacts with third parties. 100% of the addressees completed the training and passed the test. A dedicated training on anti-trust was assigned to a specific target audience of managers, based on Hay classification level and function. 100% of the addressees completed the training and passed the test.

Training programs on the Code of Conduct and on anti-corruption and anti-bribery policies are also provided to specific, functional groups (e.g., the purchasing function).

In addition, the Group Internal Audit department regularly audits adherence to the respective policies and procedures and recommends corrective actions where necessary. All policies are available to personnel on the Bekaert Intranet.

GRI 205-2

Our Code of Conduct contains a (whistleblowing) procedure to raise an integrity concern. Employees have the choice between informing their supervisor, HR manager or the Internal Audit manager, sending an email to integrity@bekaert.com or reporting a concern via the Bekaert website where it can also be done anonymously.

In 2021, 62 integrity allegations were reported. 23 were considered valid for further investigation. 6 of the 62 allegations related to discrimination or harassment and one related to bribery & corruption. After investigation respectively 2 and 1 case were found substantiated and were dealt with. All concerns and complaints are handled confidentially and Bekaert takes the necessary measures to protect employees against any form of retaliation when reporting a concern. This information, including the follow-up process, is regulated through a formal procedure that follows the European Union's Directive for the protection of people reporting on breaches of Union law (or 'Whistleblower Protection Directive').

We want to encourage all our employees to 'Speak Up' when having factual or suspected integrity concerns and questions. Early 2021 a global 'Speak Up' campaign was launched in all our sites. The campaign materials are available in all relevant languages.

GRI 406-1, GRI 205-3, GRI 418-1

Embracing diversity

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

Nationality diversity

Throughout our organization, 430 employees have another nationality than that of the country they work in. The countries where we have the largest foreign employee workforce are Chile (133 foreign employees or 9% of the Chilean workforce), Belgium (67 foreign employees or 5% of the Belgian workforce) and Slovakia (86 foreign employees or 4% of the Slovakian workforce).

NATIONAL DIVERSITY - 31 December 2021	# People	# Nationalities	# Non-native [1]	% Non-native
BOARD OF DIRECTORS	13	8	7	54%
Bekaert Group Executive (BGE)	8	5	5	63%
Senior Vice Presidents (B16-B18) [2]	14	5	5	36%
Next leadership level (B13-B15) [2]	93	20	47	51%
TOTAL LEADERSHIP TEAM	115	22[3]	57	50%

[1] Non-native = nationality other than the one of the mother company's social seat (i.e. Belgium)
[2] Hay classification reference
[3] Sum of nationalities across leadership team

GRI 405-1

Gender diversity

GENDER DIVERSITY - 31 December 2021	% Male	% Female
Blue collars	93%	7%
Salaried professionals [1]	69%	31%
Management [2]	80%	20%
TOTAL BEKAERT EMPLOYEES	87%	13%

[1] *In previous reports referred to as white collars*
[2] *B7 and above (Hay classification reference)*

GRI 405-1

The manufacturing character of Bekaert's operations explains the predominantly male population among operators.

Bekaert adopts a recruitment and promotion policy that aims to gradually generate more diversity, including gender diversity. This fits within the Diversity & Inclusion program of the company. 28% of the managers and salaried professionals of the Bekaert subsidiaries are female (as per year-end 2021). We are committed to increase this share in support of gender equality. Our target is to achieve a ratio of 40% by 2030 through an annual improvement of +1.5% in the next coming eight years. This target has also been added, as of 2022 onwards, in the short-term incentives targets for Executive Management.

GRI 405-1

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

GENDER DIVERSITY - 31 December 2021	# People	% Male	% Female
BOARD OF DIRECTORS	13	62%	38%
Bekaert Group Executive (BGE)	8	87%	13%
Senior & next leadership level [1]	107	81%	19%
TOTAL LEADERSHIP TEAM	115	82%	18%

[1] *B13-B18 (Hay classification reference)*

More information about gender diversity in the Board of Directors can be found in Part I: Leadership, and in Part II: Governance Statements of this report.

GRI 405-1

By 2030, Bekaert aims to reach a gender diversity ratio of 33% at the leadership level.

Age diversity

AGE DIVERSITY - 31 December 2021	% Under 30 years old	% 30-50 Years old	% Over 50 years old
Blue collars	19%	67%	14%
Salaried professionals [1]	12%	70%	18%
Management [2]	2%	68%	30%
TOTAL BEKAERT EMPLOYEES	16%	68%	16%

GRI 405-1

[1] B7 and above (Hay classification reference)

Age diversity in Bekaert's highest governance bodies:

AGE DIVERSITY - 31 December 2021	# People	% 30-50 Years old	% Over 50 years old
BOARD OF DIRECTORS	13	31%	69%
Bekaert Group Executive (BGE)	8	38%	62%
Senior Vice Presidents (B16-B18) [1]	14	21%	79%
Next leadership level (B13-B15) [1]	93	42%	58%
TOTAL LEADERSHIP TEAM	115	39%	61%

GRI 405-1

[1] Age diversity in Bekaert's highest governance bodies: Hay classification reference

Employment data:

REGION - 31 December 2021	EMEA	North America	Latin America	Asia Pacific	TOTAL
Blue Collars	6 103	1 089	1 892	8 150	17 234
Male	5 258	1 029	1 823	7 904	16 015
Female	845	60	69	246	1 219
Salaried professionals	1 412	256	1 194	1 819	4 681
Male	920	159	766	1 399	3 244
Female	492	97	428	420	1 437
Management	700	157	188	608	1 653
Male	571	129	155	473	1 328
Female	129	28	33	135	325
Total Male	6 749	1 317	2 745	9 776	20 587
Total Female	1 466	185	529	801	2 981
GRAND TOTAL	8 215	1 502	3 274	10 577	23 568

87% of people employed by Bekaert have a permanent contract, 13% has a temporary contract. Employees with a temporary contract are usually on the payroll of external organizations and agencies (Special Economic Zones, employment agencies) and are hence not included in the Bekaert payroll numbers. *GRI 102-8*

99% of the Bekaert employees work full-time. *GRI 102-8*

New hires

Bekaert consolidated entities

New hires in 2021	Total	Male	Female
number of new hires	2 767	2 311	456
% new hires on total number of employees	12%	10%	2%
% new hires on total number of new hires		84%	16%

GRI 401-1

New hires in 2021 per region	EMEA	Latin America	North America	Asia Pacific
number of new hires	996	622	450	685
% new hires on total number of employees	4%	3%	2%	3%
% new hires on total number of new hires	36%	22%	16%	25%

GRI 401-1

New hires in 2021 per employee category	Blue collar	Salaried professional	Management
% new hires on total number of employees	9%	2%	1%
% new hires on total number of new hires	75%	20%	5%

GRI 401-1

Number of vacancies in 2021	
# vacancies	980
% vacancies filled within 90 days	70%
% vacancies open longer than 90 days	30%

Turnover

Bekaert consolidated entities

Employee turnover in 2021	Total	Male	Female
turnover (number) taking into account voluntary leave	1 090	935	155
turnover (number) taking into account all personnel exits (voluntary leave – dismissal – retirement – end of temporary contract – death in service)	2 093	1 804	289
turnover (%) taking into account voluntary leave	5%	5%	5%
turnover (%) taking into account all personnel exits (voluntary leave – dismissal – retirement – end of temporary contract – death in service)	9%	9%	10%

GRI 401-1

Employee turnover in 2021 per region	EMEA	Latin America	North America	Asia Pacific
turnover (number) taking into account voluntary leave	256	127	153	552
turnover (number) taking into account all personnel exits (voluntary leave – dismissal – retirement – end of temporary contract – death in service)	624	326	356	787
turnover (%) taking into account voluntary leave	3%	4%	10%	5%
turnover (%) taking into account all personnel exits (voluntary leave – dismissal – retirement – end of temporary contract – death in service)	8%	10%	23%	7%

GRI 401-1

Employee turnover in 2021 per employee category	Blue collar	Salaried professional	Management
turnover (number) taking into account voluntary leave	752	245	93
turnover (number) taking into account all personnel exits (voluntary leave – dismissal – retirement – end of temporary contract – death in service)	1 480	446	167
turnover (%) taking into account voluntary leave	4%	5%	6%
turnover (%) taking into account all personnel exits (voluntary leave – dismissal – retirement – end of temporary contract – death in service)	8%	10%	6%

GRI 401-1

Performance management

Performance reviews

To stimulate high performance, commitment, and the continuous development of all employees, the group targets are deployed into team and personal targets for everyone.

Bekaert has developed and deployed a People Performance Management (PPM) program. PPM is our way of looking at people performance and how we can better achieve our goals in the future. As such, PPM is part of a larger effort to become a much more performance-driven organization.

The performance management process includes two-way personal development reviews, transparency, feedforward and leadership behavior.

Enablers for the people performance management practice are a clear alignment of team and individual goals with business priorities; frequent performance steering and coaching; fair recognition in line with the achieved performance; and better supporting tools that allow employees to keep track of their performance and feedforward actions throughout the year.

Percentage of employees who received a performance review in 2021[1]

EMPLOYEE CATEGORY	Percentage
Managers	100%
Salaried professionals	100%
Blue collars	76%

[1] *Excluding joint ventures*

GRI 404-3

Remuneration & benefits

We offer competitive salaries and benefits designed to enhance the financial, physical and overall well-being of our employees and their families. Our offerings differ from country to country and are often adapted to local social security policies. We provide a wide range of employee benefits that may include retirement benefits, healthcare plans, service awards, labor accident disability coverage and paid leave. For detailed information on employee benefits, we refer to Part II Financial Statements section 6.15.

GRI 201-3

Benefits provided to full-time and part-time employees by significant locations of operation (> 1 000 employees):

BENEFIT	Belgium	Slovakia	China	Chile	US	Indonesia
Life insurance	Yes	Yes	Yes	Yes	Yes	Yes
Health care	Yes	No	Yes	Yes	Yes	Yes
Disability coverage	Yes	Yes	Yes	Yes	Yes	Yes
Parental leave	Yes	Yes	Yes	Yes	Yes	Yes
Retirement provision	Yes	Yes	Yes	Yes	Yes	Yes
Stock ownership	No	No	No	No	No	No

These benefits are not provided to temporary workers ('interim workers') who are not on the Bekaert payroll.

GRI 401-2, GRI 403-6

Termination & severance

Bekaert has restructured several sites in 2021. The management only implements such measures when other options to restore the performance in view of securing a sustainable, profitable future, have failed or are non-existent.

In implementing such measures, the management aims at mitigating the social impact for the affected employees by considering re-industrialization, re-employment help and a fair severance package.

GRI 404-2

PART III ABOUT THIS REPORT

Reporting principles

Reporting scope

This report covers the consolidated performance indicators for all subsidiaries of the Bekaert Group. Consolidated data apply to the wholly and majority owned subsidiaries of NV Bekaert SA. When specified, the (combined) disclosures in this report include in addition the performance metrics of the joint ventures considered at 100% ownership.

GRI 102-45, GRI 102-48, GRI 102-49

Reporting period

This report covers the activities between 1 January 2021 and 31 December 2021, unless stated differently and if relevant for the report.

Bekaert reports its financial results twice per year (half-year results and full-year results). Bekaert reports annually on its sustainability performance.

GRI 102-50, GRI 102-51, GRI 102-52

Process for defining reporting content

The content of this report has been defined considering the most significant indicators of our activities, the impact of and commitment to the company's interest groups, the efforts in enhancing sustainability and the level of detail established by the GRI Sustainability Reporting Standards and the current NFRD (Non-Financial Reporting Directive).

This report complies with iXBRL/ESEF regulations and includes the outcome of the EU Taxonomy eligibility disclosure requirements. The structure and content of this first integrated annual report are based on the framework *Guidelines of Value Reporting Foundation (International Reporting Council (IIRC) & Sustainability Accounting Standards Board (SASB)*.

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

Our interest groups are the Bekaert employees, suppliers, customers, shareholders, partners, local governments and the communities in which we are active.

GRI 102-46

Sustainability standards

This report has been prepared in accordance with the GRI Standards: Core option. Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability.

Bekaert's responsible performance in 2021 has been recognized by its inclusion in the Solactive ISS ESG Screened Europe Small Cap Index and the Solactive ISS ESG Screened Developed Markets Small Cap Index - a reference benchmark for top performers in terms of corporate social responsibility based on Vigeo - Eiris' research - as well as in Kempen SRI.

In 2021 rating agencies MSCI and ISS-ESG have analyzed the Environment, Social and Governance performance of our company, based on our publicly available information. Their reports are used by institutional investors and financial service companies. Bekaert received a rating of 'A' in the MSCI ESG Ratings assessment (above average) and 'C-' rating in the ISS-ESG rating (on a scale from D- to A+), which is on average within the sector.

After having obtained a gold level during four consecutive years, Bekaert was awarded, for the company's 2020 data disclosures, a platinum recognition level from EcoVadis.

EcoVadis is an independent sustainability rating agency whose methodology is built on international CSR standards. The agency states that Bekaert forms part of the top 1% of all companies assessed in the same industry category.

In response to growing interest throughout the supply chain to report on the carbon footprint of operations and logistics, Bekaert also participates in the Climate Change and Supply Chain questionnaires of CDP. Bekaert received a C level for both listings based on 2020 data disclosures.

GRI 102-54

GRI Content Index

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

This service was performed on the English version of the report.

GRI 102-55

GENERAL DISCLOSURES		
GRI STANDARD	**DISCLOSURE**	**Page numbers and/ or URL and/or direct answers**
GRI 101 Foundation 2016		
GRI 102 General disclosure 2016	**ORGANIZATIONAL PROFILE**	
	Disclosure 102-1 Name of the organization	9
	Disclosure 102-2 Activities, brands, products & services	9, 12, 13
	Disclosure 102-3 Location of headquarters	9
	Disclosure 102-4 Location of operations	10
	Disclosure 102-5 Ownership and legal form	282
	Disclosure 102-6 Markets served	9
	Disclosure 102-7 Scale of the organization	9
	Disclosure 102-8 Information on employees and other workers	266
	Disclosure 102-9 Supply chain	39
	Disclosure 102-10 Significant changes to the organization and its supply chain	39, 40
	Disclosure 102-11 Precautionary principle or approach	45, 92
	Disclosure 102-12 External initiatives	51
	Disclosure 102-13 Membership of associations	49
	STRATEGY	
	Disclosure 102-14 Statement from the most senior-decision makers	7
	ETHICS AND INTEGRITY	
	Disclosure 102-16 Values, principles, standards and norms of behavior	9, 51, 263
	GOVERNANCE	
	Disclosure 102-18 Governance structure	19, 25
	Disclosure 102-23 Chair of the highest governance body	19
	STAKEHOLDER ENGAGEMENT	
	Disclosure 102-40 List of stakeholder groups	29, 30
	Disclosure 102-41 Collective bargaining agreements	261

Disclosure 102-42 Identifying and selecting stakeholders	30
Disclosure 102-43 Approach to stakeholder engagement	260
Disclosure 102-44 Key topics and concerns raised	260
REPORTING PRACTICE	
Disclosure 102-45 Entities included in the consolidated financial statements	272
Disclosure 102-46 Defining report content and topic Boundaries	272
Disclosure 102-47 List of material topics	32
Disclosure 102-48 Restatements of information	272
Disclosure 102-49 Changes in reporting	272
Disclosure 102-50 Reporting period	272
Disclosure 102-51 Date of most recent report	272
Disclosure 102-52 Reporting cycle	272
Disclosure 102-53 Contact point for questions regarding the report	282
Disclosure 102-54 Claims of reporting in accordance with the GRI Standards	273
Disclosure 102-55 GRI Content Index	274
Disclosure 102-56 External assurance	No external assurance

MATERIAL TOPICS		
GRI STANDARD	DISCLOSURE	Page numbers and/ or URL and/or direct answers
ECONOMICS		
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 201 Economic performance 2016	Disclosure 201-1 Direct economic value generated and distributed	34, 37
	Disclosure 201-3 Defined benefit plan obligations and other retirement plans	270
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 204 Procurement practices 2016	Disclosure 204-1 Proportion of spending on local suppliers	39
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 205 Anti-corruption 2016	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	51, 263
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	263

ENVIRONMENTAL		
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 301 Materials 2016	Disclosure 301-2 Recycled input materials used	40, 44
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 302 Energy 2016	Disclosure 302-1 Energy consumption within the organization	41, 245
	Disclosure 302-3 Energy intensity	245
	Disclosure 302-4 Reduction of energy consumption	44

Water and effluents		
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 303 Water and effluents 2018	Disclosure 303-1 Interactions with water as a shared resource	248
	Disclosure 303-2 Management of water discharge-related impacts	249
	Disclosure 303-3 Water withdrawal	248
	Disclosure 303-4 Water discharge	249
	Disclosure 303-5 Water consumption	249
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 305 Emissions 2016	Disclosure 305-1 Energy direct (Scope 1) GHG emissions	246
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	246
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	247
	Disclosure 305-4 GHG emissions intensity	246, 247
	Disclosure 305-5 Reduction of GHG emissions	246, 247
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 308 Supplier Environmental assessment 2016	Disclosure 308-1 New suppliers that were screened using environmental criteria	40

SOCIAL		
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 401 Employment 2016	Disclosure 401-1 New employee hires and employee turnover	267, 268
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	270

Occupational health and safety		
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 403 Occupational health and safety 2018	Disclosure 403-1 Occupational health and safety management system	258
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	257
	Disclosure 403-3 Occupational health services	258, 261
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	261
	Disclosure 403-5 Worker training on occupational health and safety	258
	Disclosure 403-6 Promotion of worker health	258, 270
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	244, 257
	Disclosure 403-8 Workers covered by an occupational health & safety management system	258
	Disclosure 403-9 Work-related injuries	258, 259, 261
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 404 Training and education 2016	Disclosure 404-1 Average hours of training per year per employee	52, 260
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	52, 270
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	269
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 405 Diversity and equal opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	264, 265, 266
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 406 Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	263
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 407 Freedom of association and collective bargaining 2016	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	40, 261
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 408 Child Labor 2016	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	40, 51
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19

GRI 409 Forced or Compulsory Labor 2016	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	40, 51
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 414 Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	40
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	40
GRI 103 Management approach 2016	Disclosure 103-1 Explanation of the material topic and its Boundary	32
	Disclosure 103-2 The management approach and its components	19, 35, 40, 43, 51, 52, 53, 54
	Disclosure 103-3 Evaluation of the management approach	19
GRI 418 Customer privacy 2016	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	52, 263

Glossary

GLOSSARY	
GENDER	
Gender diversity %	Indication of the opposite (minority) gender share
Leadership team	Bekaert Group Executive + B13 and above managers (Hay classification reference)
SAFETY	
Serious injuries	Accidents with life-threatening/life altering injuries
BeCare coverage %	% of employees trained in BeCare, Bekaert's global safety program
ENVIRONMENT	
kWh/GWh	Kilowatt per hour / Gigawatt per hour 1 gWh = 1 mln kWh
Energy intensity ratio	The energy (electricity and thermal) used per ton of end product produced
GHG intensity ratio	Greenhouse gas ratio or carbon dioxide (CO_2) exhaust in kg per ton end product produced (intensity corrected with renewable energy share)
Scope 1 emissions	CO_2 emissions from sources owned or controlled by us (in our plants: e.g. natural gas)
Scope 2 emissions	CO_2 emissions from purchased/acquired electricity, heating, cooling and steam for consumption in our plants
Scope 3 emissions	CO_2 emissions that are a consequence of our activities, but from sources not owned or controlled by us
Energy > CO_2 conversion	Based on IEA/EPA rules
Annual CO_2 savings attributable to Bekaert ST/UT tire cord	Scope 3 emissions: CO_2 emission of fuel x fuel savings for tires reinforced with Bekaert ST/UT steel cord. Calculated for passenger and truck tires on the basis of effective (and targeted) Bekaert sales; generally accepted conversion tables fuel/CO_2; and test results of ST/UT on rolling resistance (results vary in function of tire design and other factors from 2% to 7%. In our calculations we took the lowest assumption (2%) as a parameter so that our data (actuals and targets) represent the absolute minimum impact of our products on CO_2 reduction).

Management

As of end of March 2022

Bekaert Group Executive

Oswald Schmid	Chief Executive Officer
Juan Carlos Alonso	Chief Strategy Officer
Kerstin Artenberg	Chief Human Resources Officer
Taoufiq Boussaid	Chief Financial Officer
Yves Kerstens	Divisional CEO Specialty Businesses and Chief Operations Officer
Arnaud Lesschaeve	Divisional CEO Rubber Reinforcement
Curd Vandekerckhove	Divisional CEO Bridon-Bekaert Ropes Group
Stijn Vanneste	Divisional CEO Steel Wire Solutions

Senior Vice Presidents

Jan Boelens	Senior Vice President Steel Wire Solutions EMEA
Bruno Cluydts	Chief Strategy Officer BBRG
Philip Eyskens	Chief Legal & Compliance Officer
Annalisa Gigante	Chief Innovation and Technology Officer
Katiana Iavarone	Chief Procurement Officer
Raj Kalra	Senior Vice President Rubber Reinforcement Sales, Marketing & Strategy
Patrick Louwagie	Senior Vice President Global Engineering and Operational Excellence
Dirk Moyson	Senior Vice President Rubber Reinforcement Global Operations
Steven Parewyck	Senior Vice President Steel Wire Solutions Latin America North and North America
Raf Rentmeesters	Senior Vice President Building Products
Adam Touhig	Senior Vice President Rubber Reinforcement Asia
Gunter Van Craen	Chief Digital & Information Officer (CIO)
Geert Voet	Senior Vice President Steel Wire Solutions South and Central America
Zhigao Yu	Senior Vice President Rubber Reinforcement Technology

Statement from the responsible persons

The undersigned persons state that, to the best of their knowledge:

- the consolidated financial statements of NV Bekaert SA and its subsidiaries as of 31 December 2021 have been prepared in accordance with the International Financial Reporting Standards, and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies included in the consolidation; and
- the annual report on the consolidated financial statements gives a fair overview of the development and the results of the business and of the position of the whole of the companies included in the consolidation, as well as a description of the principal risks and uncertainties faced by them.

On behalf of the Board of Directors:

Oswald Schmid
Chief Executive Officer

Jürgen Tinggren
Chairman of the Board of Directors

Company Secretary

Isabelle Vander Vekens

Auditors

EY

The Auditor's Report is included in the Financial Statements of this annual report.

Editor & coordination

Katelijn Bohez, VP Sustainable Finance & Community Relations

GRI 102-53

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GRI 102-53

The annual report for the 2021 financial year is available in English and Dutch on annualreport.bekaert.com