

**PART I**

# **Strategy and Performance**

# Message from the Chairman and the CEO



**Oswald Schmid**  
CEO



**Jürgen Tinggren**  
Chairman



Dear Shareholder,  
Dear Reader,

We are delighted to report another strong year of strategic progress and robust financial performance in 2022, despite the many global challenges. We achieved this by focusing on pricing to offset rapidly rising energy and material costs, by delivering business-mix improvements, capturing growth opportunities, and organizational efficiencies.

We made important progress on our strategic transformation focusing on new growth markets, innovation, and sustainability. In promising growth areas such as Energy Transition, we secured important new orders for applications in green Hydrogen production and Floating Offshore Wind. Focusing on such segments with significant growth and higher value-creation potential strengthened the Group in 2022 and will contribute to future growth and profitability improvements. With the agreement to sell our Steel Wire Solutions businesses in Chile and Peru, we will further improve the business portfolio by reducing exposure to more commoditized and volatile markets.

Sustainability is central to our transformation – both working to minimizing our impact and helping others to minimize theirs. Importantly Bekaert improved its safety record for the fifth year in a row and brought sustainability performance improvements in-line with ambitious targets. We are proud that our near-term and long-term greenhouse gas emissions reduction targets have been validated by the Science Based Targets initiative (SBTi). We are equally pleased that our external ESG ratings continue to improve and recognize the work undertaken across the business, this includes Bekaert being selected for inclusion in Euronext's BEL ESG Index of the leading sustainable companies in Belgium.

From a financial perspective, we delivered record levels of consolidated sales, which increased by 17% to € 5.7 billion. Underlying EBIT was € 459 million, a resilient performance considering challenging markets with price rises and efficiency gains broadly offsetting higher input costs and lower utilization. Our continued focus on working capital and cash generation resulted in a net debt to underlying EBITDA ratio of 0.7x at year-end 2022, demonstrating our resilient financial position.

Based on these robust results, we are pleased to announce that the Board of Directors will propose to the Annual General Meeting of Shareholders in May a gross dividend of € 1.65 per share, representing an increase of 10% versus the previous year. In addition, the Board has approved another share buyback program in 2023 for Bekaert to repurchase and cancel outstanding shares of up to € 120 million.

Moving forward, we are determined to continue the pace of transformation. We are making investments to accelerate growth in promising markets, both within our core technologies and beyond steel. We are increasing our resources in innovation and digitalization, to create more value for our customers.

Whilst trading in 2023 has started well across all business units, economic uncertainties remain. The robust performance delivered in 2022 and the company's strong financial position give us confidence in our ability to deliver further on our strategic priorities. We therefore continue to 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.

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

We would like to thank all our employees for their contribution, energy, and above and beyond spirit.

**Oswald Schmid**  
Chief Executive Officer

**Jürgen Tinggren**  
Chairman of the Board of Directors

GRI 2-22

# **Bekaert at a glance**



# About us

## Who we are

Bekaert's ambition is to be the leading partner for shaping the way we live and move, and to always do this in a way that is safe, smart, and sustainable. As a global market and technology leader in material science of steel wire transformation and coating technologies, Bekaert also applies its expertise to create new solutions with innovative materials and services for markets including new mobility, low-carbon construction, and green energy.

Founded in 1880, with its headquarters in Belgium, Bekaert (Euronext Brussels, BEKB) is a global company whose 27 000 employees worldwide together generated close to € 7 billion in combined revenue in 2022.

Information about our subsidiaries, joint ventures and associates is available in Part II: Statements - note 7.7 of the Financial statements.

[GRI 2-1](#), [GRI 2-2](#), [GRI 2-6](#)

## What we do

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 pioneer with innovations beyond steel into new materials, new markets, services, and solutions. Expanding our field of play beyond steel will help us achieve our growth ambition in promising markets.

[GRI 2-1](#)

## How we work

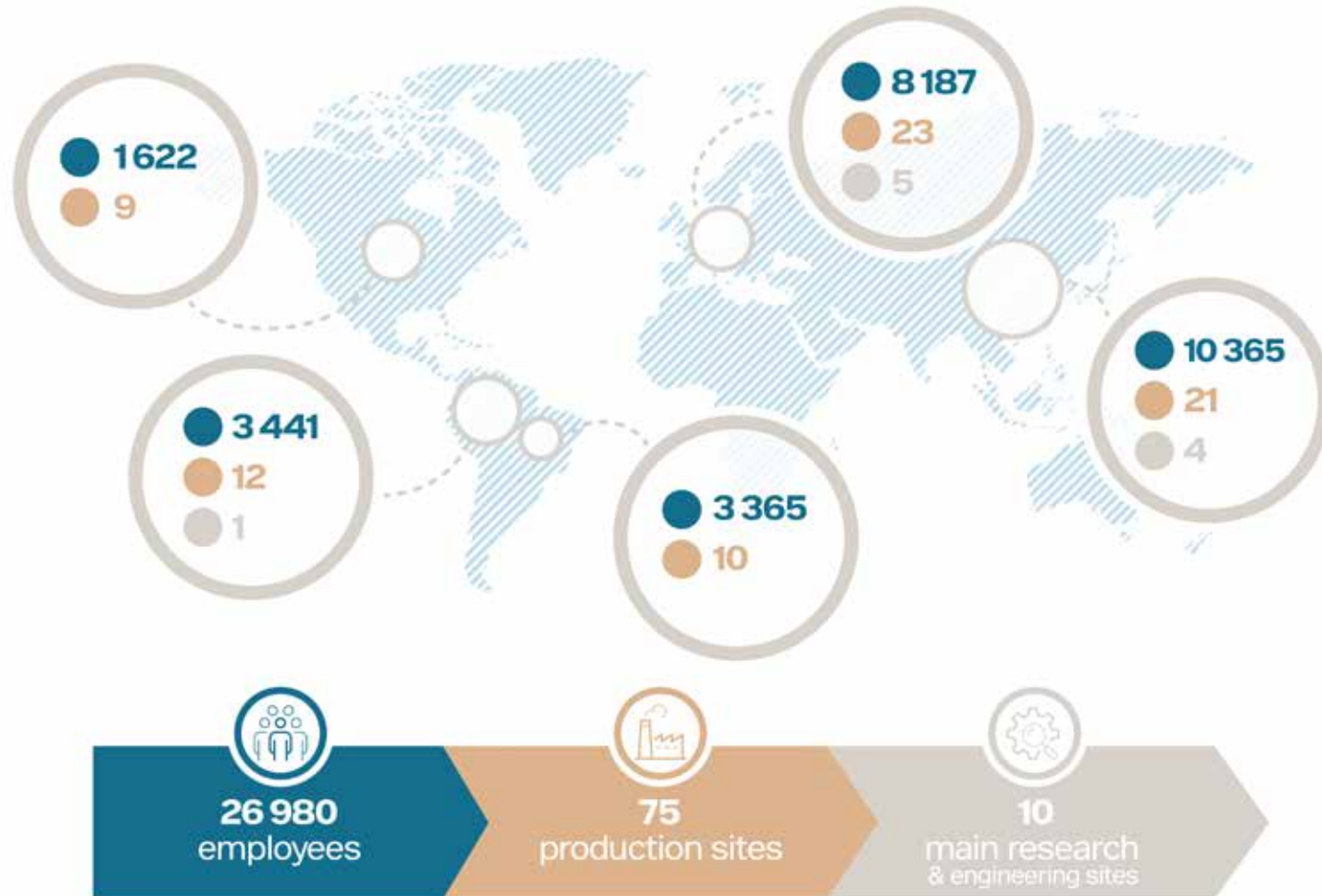
From making a positive impact with sustainable solutions and practices, to building a diverse and inclusive future, Bekaert is determined to improve life and create value for all stakeholders. We are convinced that the integrity, trust, agility, and boldness that bring our employees worldwide together as one team create the fundamentals of successful partnerships wherever we do business.

Bekaert delivers on its sustainability strategy by developing and offering sustainable solutions, using materials and energy responsibly, conducting the highest business ethics standards, improving health and safety at the workplace, and engaging employees and business partners throughout the supply chain, always better together.

[GRI 2-1](#)

# The highlights of 2022

strong delivery on all priorities



Subsidiaries: 23 615 employees - 65 production sites - 10 main research & engineering sites  
Joint ventures in Latin America: 3 365 employees - 10 manufacturing plants  
Combined: 26 980 employees - 75 production sites - 10 main research & engineering sites



## Strong financial performance in 2022



References are made relative to fiscal year 2021. The dividend proposal is subject to approval by the General Meeting of Shareholders in May 2023. 2022 EPS decline is due to one-off elements related to Lipetsk (Russia) impairment and Geleenkirchen (Germany) plant closure.



## Acceleration of the innovation agenda



Gross investments in R&D increased by +4.5% to € 70 million



## Sustainable supply chain management

Bekaert works with 16 000 active suppliers and serves 13 500 customers in 130 countries. We operate 75<sup>1</sup> manufacturing plants worldwide.



<sup>1</sup>Including 10 joint venture plants  
Percentages relative to supply spend by Bekaert subsidiaries



## A safe, diverse, and inclusive working environment for everybody



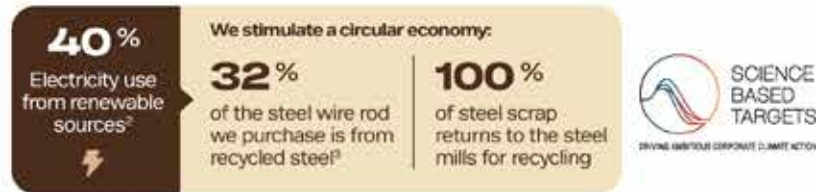
We employ **26 980 employees** of **75 nationalities** in **43 countries**.

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



## Committed to Science-Based Targets initiative

Scope 1 & 2 GHG emissions<sup>1,2</sup>: -8.3% - Scope 3 GHG emissions<sup>1,2</sup>: -8.2%



<sup>1</sup>reference made to 2021  
<sup>2</sup>GHG & energy figures including joint ventures  
<sup>3</sup>scrap-based steel purchased by the steel mills and/or reused in their production processes



## Caring for people and society



# 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.

To serve customers worldwide, the business unit has a global presence with manufacturing plants in EMEA, US, Brazil, India, South East Asia, and China.

### 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:
  - Enabling the shift towards electric vehicles
  - Safer, lighter, and sustainable materials
- Global footprint - local presence
- Agility and resilience to changing market dynamics

### Main applications

Steel cord and bead wire for tires

### BU performance FY2022

€ 2.20 billion in consolidated sales (up +7.0%<sup>1</sup> versus 2021) • € 2.46 billion combined sales<sup>2</sup> (up +10.2%)  
8.0% underlying EBIT margin • 12.1% underlying EBITDA margin

<sup>1</sup> The Hose and Conveyor Belt activities have been moved to the business unit Specialty Businesses as from January 2022. Based on a pro-forma restatement excluding the effect of this move, sales of Rubber Reinforcement increased by 13% year-on-year.

<sup>2</sup> 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.

GRI 2-6

## 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 sectors including energy & utilities, mining, construction, agriculture, automotive, and consumer goods.

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 adding 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
- Smart solutions provider to energy and utilities markets
- Improvement of the business portfolio by moving beyond commodity markets

### Main applications

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

### BU performance FY2022

€ 2.08 billion in consolidated sales (up +14.5% versus 2021) • € 3.04 billion in combined sales<sup>2</sup> (up + 14.2%)  
6.9% underlying EBIT margin • 9.3% underlying EBITDA margin



## Specialty Businesses

The business unit Specialty Businesses comprises four sub-segments<sup>1</sup> that serve different markets. These sub-segments are Building Products, Fiber Technologies, Combustion Technologies, and Hose and Conveyor Belt. The characteristics all four have in common are their high-end portfolio of 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. The Hose and Conveyor Belt activities develop and supply reinforcement solutions for rubber hoses and belts.

### Our ambition

Be the leading solutions provider in 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 metal fibers for filtration, Currento® fiber media for hydrogen electrolysis technologies, RFID tags
- Low and zero-emission gas burners and heat exchangers
- Hose reinforcement wire and conveyor belt reinforcement applications

### BU performance FY2022

€ 766 million in consolidated sales (up +61.1%<sup>1</sup> versus 2021)  
16.7% underlying EBIT margin · 19.5% underlying EBITDA margin

<sup>1</sup> See footnote Rubber Reinforcement. Excluding the effect of the move of the Hose and Conveyor Belt activities, the segment's revenue increased by 30%.

## Bridon-Bekaert Ropes Group

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, window regulator and heating cords for the automotive sector, and Armofoor® thermoplastic tapes for light-weight pipes in energy markets.

### 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 floating offshore wind projects
- Significant improvement of the business portfolio and footprint
- 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, timing belts, and pipe armoring

### BU performance FY2022

€ 585 million in consolidated sales (up +21.6% versus 2021)  
10.3% underlying EBIT margin · 16.0% underlying EBITDA margin



# Creating value for our stakeholders





# Value creation model<sup>1</sup>

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.



## The resources we invest

Strong cash generation over the past years has enabled us to free up cash for value-creating investments. In 2022 we invested € 171 million in capital expenditure (PP&E), € 15 million in intangible investments (related to the digital transformation), and € 70 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 27 000 people (23 615 in consolidated entities) in 43 countries in the world, including manufacturing sites in 25 countries and additional sales and distribution facilities in 18 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.

<sup>1</sup> Based on the framework Guidelines of Value Reporting Foundation (International Reporting Council (IIRC) & Sustainability Accounting Standards Board (SASB))



## The value we create

2022 marked a record year in revenue (up +17% up from 2021). Underlying EBITDA (€ 654 million) and underlying EBIT (€ 459 million) delivered lower but solid profitability margins despite the challenging market conditions. Committed to return value to our shareholders, the Board of Directors proposed to distribute a dividend of € 1.65 per share (up +10%) and approved the continuation of the share buyback program up to a total of € 120 million. This will lead to a total shareholder return (TSR) of € 210 million related to the performance of 2022, more than tenfold the TSR related to base year 2019.

We serve 13 500 customers in 130 countries in the world. Our investments in research and innovation added 19 first patent filings in 2022, which resulted in a portfolio of patents and patent applications of more than 2 100. 22 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. GHG emissions Scope 1 and 2 reduced by 8.3% compared to 2021 and by 7.8% compared to base year 2019. GHG emissions Scope 3 reduced by 8.2% compared to 2021 but increased by 2.3% compared to base year 2019 (combined data, including joint ventures) because of an expansion of emission disclosures as of 2022. GHG intensity ratios Scope 1 and 2 increased due to the significant decrease in production volumes in 2022. 100% of steel-based scrap returns to the steel mills for recycling. € 81 million in income taxes were paid in the countries where we are active and our social engagement and disaster relief contributions amounted to approximately € 800 000 in 2022. Continued priority actions in health and safety led to a reduction of safety incident rates for the fifth 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 'dare to go beyond' 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'.



## THE VALUE WE CREATE

### We commit to high performance

High performance allows us to create economic value and enhance shareholder returns



- € 654m EBITDAu (11.6%)
- € 459m EBITu (8.1%)
- € 190m FCF
- € 1.65 dividend/share and TSR of € 210m

### We make our customers succeed

Our innovative solutions & service offering and global presence make us a leading partner for our customers



- 13 500 customers in 130 countries
- Growing share of sustainable products and solutions
- 2 100+ patents - 19 first filed in 2022
- +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 -26% and LTIFR -20%<sup>4</sup>
- 100% Code of Conduct commitment
- 96% employee retention rate
- 22 partnerships with academic and research institutes

### We care for the world around us

Our responsibility extends beyond our own organization, with clear commitments toward the environment and society



- Scope 1&2 GHG emissions reduced by -78% vs base year 2019<sup>3</sup>
- Scope 3 GHG emissions reduced vs 2021 but increased by +2.3% vs 2019<sup>3</sup>
- Steel scrap reduced by -5.8% vs 2021 and by -13.9% vs 2019
- Bekaert's emission reduction targets have been approved by SBTi
- € 81m in income taxes paid globally
- € 800 000 funding of social support and disaster relief programs

<sup>2</sup> Joint ventures included

<sup>3</sup> 23 615 in consolidated entities + 3 365 in joint ventures = 26 980 combined

<sup>4</sup> Total Recordable Incident Rate and Lost-Time Incident Frequency Rate 2022 versus 2021



# Our strategy

Our ambition is to **be the leading partner for shaping the way we live and move - safe, smart, sustainable**. We focus on strengthening our core businesses as well as on growing beyond steel with lighter, more sustainable, and more intelligent solutions. Our pioneering spirit enables us to explore, develop, and drive innovations that make a positive difference in people's lives. All of this is reflected in our purpose: **establishing the new possible**.

We use the analogy of a compass as our guide to stay on course and move forward towards our goals. Bekaert's Beyond Compass is double-sided as it guides us in both our strategy and our culture.

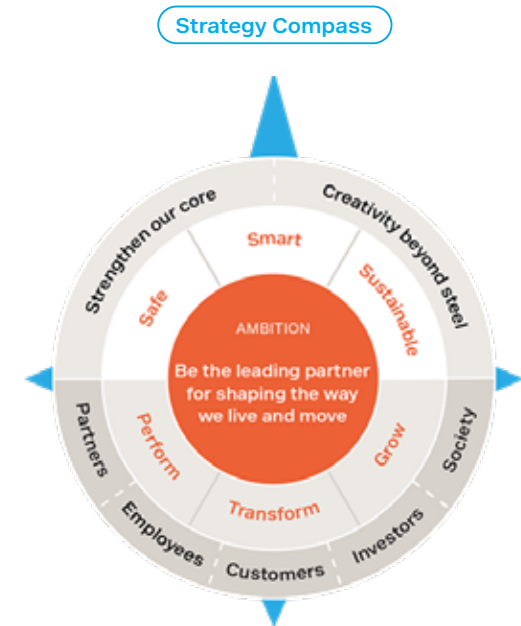
The **strategy compass** aligns towards our purpose and ambition to make a positive difference for our stakeholders. It clarifies our field of play where our unique strengths are most valuable, and it confirms the facets of our strategy to create successful outcomes for all. We not only want to strengthen our core, but also want to inspire creativity beyond steel to pioneer into new materials, new markets, services and solutions. A set of measurable key performance indicators have been defined for each of the goals we have set ourselves. They are clustered in five categories: customer experience, innovation pipeline, sustainable solutions, digital impact, and financial performance.

The **culture compass** guides us to be an employer of choice for our current and future team members and to be the leading partner for our other stakeholders. It is focused on what we believe matters most to put people first: ensuring no harm to anyone, nurturing people engagement, enabling talent growth and creating an inclusive environment where diversity flourishes. The behaviors we expect from every member of our team will help us deliver on these goals and will unlock the full potential of our people and of the company. Our values bring us together as one global team 'better together'. They are the foundation of our culture and way of working. Our four values are: integrity, trust, agility, and boldness and they were co-created with our employees.

Our strategy has three facets to create outcomes for long-term positive progress that describe the **path we take to achieve our ambition**:

- We perform to excel in all our current business activities.
- We bring digital solutions, innovation, and sustainability to transform our field of play and how we work.
- We grow organically and through acquisitions and grow ourselves to grow our business.

GRI 2-22





## 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. The sales growth was driven by the expansion of value-adding business opportunities and by ensuring strong pricing discipline.

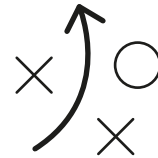
We delivered robust profitability and strong cash conversion, despite very challenging market conditions.

Our teams realized a breakthrough in safety performance in 2022. Safety investments, dedicated trainings, and a much higher level of awareness and discipline, together resulted in a much better safety outcome.

### CUSTOMER RECOGNITION

Bekaert's performance is measured in terms of progress on a set of financial and non-financial goals. In measuring progress on our excellence goals, we take into account the feedback from customers.

In 2022 we have been honored with a number of highly valued customer awards. Among others, Bekaert was recognized for technical collaboration, innovation, sustainable development, and excellent partnership.



## We transform

In 2022 we continued to improve our business portfolio and further optimized our footprint, including the consolidation of BBRG's manufacturing set-up in North America and EMEA. Post balance sheet date, we announced the agreement reached on the sale of Bekaert's stake in the Steel Wire Solutions businesses in Chile and Peru, which is another important strategic step in the ongoing transformation of Bekaert, as it will reduce the Group's exposure to more commoditized and volatile markets, while increasing its positioning in new, faster growing markets, particularly in new mobility, green energy, and low-carbon concrete solutions.

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

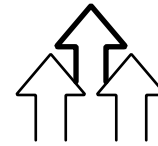
We established a long-term sustainability strategy aimed at raising our ambitions and delivering upon the decarbonization targets that we commit to. Our emission reduction targets have been approved by SBTi in December 2022.

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.

### BEKAERT WINS 'TIRE TECHNOLOGY INTERNATIONAL AWARDS FOR MANUFACTURING INNOVATION OF THE YEAR' AWARD

In June 2022, Tire Technology International awarded Bekaert in recognition of scientific and technology excellence in tire manufacturing, more specifically for our cobalt-free solution for steel cord adhesion, at the Tire Technology Expo 2022 in Hannover, Germany.





## We grow

We are actively exploring opportunities for growth, both in existing and adjacent markets, and apply capital allocation criteria that ensure accretive growth.

In 2022 we focused on tactical acquisitions and partnerships to build a growing presence in offshore wind, utilities, digital monitoring expertise, and green hydrogen technologies. By investing in successful partnerships, we expand our leadership position in these promising growth markets and accelerate the development and go-to-market of spearheading innovations.

Further growth will be supported by a higher level of research and capacity investments and by exploring additional partnerships and inorganic growth opportunities that will allow us to further grow our market and technological leadership position.

We also grow by creating a diverse and inclusive workplace that enables and stimulates our people to develop and grow, so they dare to go beyond in unlocking their full potential. We attract new talent that helps us transform faster in the areas we believe will make Bekaert even more successful in the future.

### PROGRESSING SUSTAINABLY

Based on the progress made in sustainability performance and transparency in disclosures, Bekaert is included in the newly established Euronext BEL ESG index, which counts 20 issuers. We made good progress in the label ranking of various sustainability standards, including CDP climate change, ISS-ESG, Gaia (EthiFinance), Sustainalytics, and EcoVadis.



As part of our sustainability strategy Bekaert actively invests in renewable energy: in 2022 Bekaert announced the investment of Spain's largest solar park on the factory grounds of Ubiña (Industrias del Ubiña SA), Bekaert's manufacturing plant in Burgos, Spain. The plant projects to consume 95% of the generated electricity. Bekaert also invested in an additional PPA in the US that will allow the company to source 100% of its power needs from renewable energy, and a third PPA in India which will lead to a total CO<sub>2</sub> reduction by more than 60% of Bekaert's operations in India.

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### PARTNERING FOR GROWTH

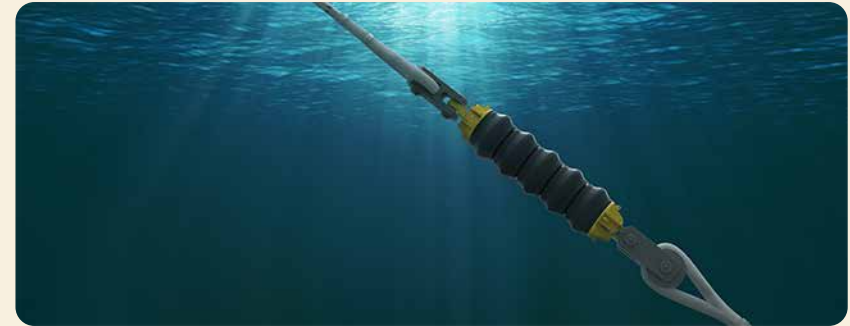
In 2022, Bekaert invested in Pajarito Powder and TFI Marine, two successful start-up companies with differentiating technologies that are now scaling up to the industrialization phase. Partnering with and investing in these technology pioneers helps all partners grow.

Pajarito Powder (Albuquerque, US) is a leader in the development and commercialization of advanced electrocatalysts for electrolyzers that enable green energy production. Bekaert has a leadership position in porous transport layers for electrolysis technologies with the brand name Currento®. The partnership with Pajarito Powder will accelerate the innovation and scale-up of advanced solutions for the green hydrogen market.





TFI Marine (Dublin, Ireland) is a leading mooring innovator in floating offshore wind. The company has developed and successfully demonstrated SeaSpring, a game-changing polymer-based mooring component that significantly reduces the mooring loads and fatigue experienced by floating platforms. Bekaert's investment in TFI Marine creates strong synergies with the synthetics ropes business of Bridon-Bekaert Ropes Group. The partnership also launches a commercial collaboration whereby a smart solution of BBRG synthetic ropes equipped with TFI load reduction devices will be introduced to the market.



### GREAT ENGAGEMENT AT GLOBAL BRAND REVEAL

In December 2022 we revealed our new brand identity with a global event hosted in Belgium and co-hosted from six locations involving colleagues from all corners of the world. It was the perfect opportunity to demonstrate how we establish the new possible. Team members of the six co-hosting locations brought interesting stories of how they interpret our new ambition and purpose to achieve future business success. Attendees got together at well-received watch parties in all regions, often meeting colleagues they hadn't seen before, which added to the overall positive vibe and enthusiasm.



For more information and details on our performance during 2022, 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. This includes the Group's sustainability strategy and progress monitoring. 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 eleven members. Their professional profiles cover different areas of expertise, such as law, business, industrial operations, finance & investment banking, HR, consultancy, ESG, innovation and compliance.

All information about the Board of Directors (nomination & selection, committees, remuneration) is available in Part II: Corporate Governance Statements of this report.

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20

### Composition of the Board of Directors

Jürgen Tinggren, Chairman <sup>1</sup>
Oswald Schmid, CEO
Gregory Dalle
Henriette Fenger Ellekrog <sup>1</sup>
Christophe Jacobs van Merlen
Maxime Parmentier
Eriikka Söderström <sup>1</sup>
Caroline Storme
Emilie van de Walle de Ghelcke
Henri Jean Velge
Mei Ye <sup>1</sup>

<sup>1</sup> Independent Directors

### Changes in 2022

The Annual General Meeting of Shareholders of 11 May 2022 approved the appointment of Maxime Parmentier as Director, and the reappointment of Oswald Schmid as Director and Mei Ye as independent Director, for a term of one year until the Annual General Meeting to be held on 10 May 2023.

Charles de Liedekerke and Hubert Jacobs van Merlen retired in line with the retirement age for Directors as applied by Bekaert. Colin Smith decided to retire and did not seek reappointment. 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.

As a result of these changes, the number of Directors decreased from thirteen to eleven.



## 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.

He 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, Jürgen Tinggren 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 and later on as General Manager for a ContiTech Hose business. In 2002, Oswald Schmid joined Schindler as Chief Purchasing Officer and held various regional CEO as well as area management positions. From 2013, Oswald Schmid served as a member of the Group Executive Committee of Schindler responsible for the Europe North Business and later for the New Installation Business and Global Supply Chain. In 2017, Oswald Schmid moved to the Kalle Group to become CEO and Managing Director.

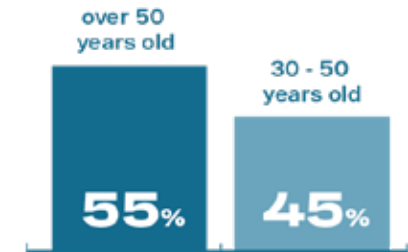
### OTHER MANDATES

Member of the Supervisory Board of Wienerberger

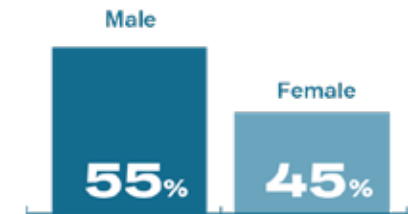
### EXPIRATION OF BEKAERT MANDATE

Annual General Meeting of 2023

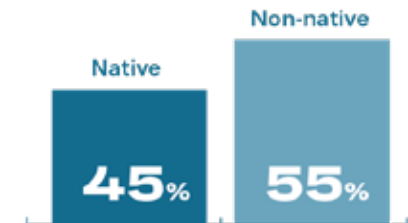
## Age Diversity



## 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.

He joined Credit Suisse in 2000 as a member of the EMEA Mergers & Acquisitions Group. Gregory Dalle moved to 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 is Chief Human Resources Officer at Ørsted.

She 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.

### OTHER MANDATES

Member of several advisory boards and committees

### EXPIRATION OF MANDATE

Annual General Meeting of 2025

### COMMITTEES

Member of the Nomination & Remuneration 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 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.

He joined Bain Capital Europe, LLP (London) in 2004. Christophe Jacobs van Merlen 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.

### EXPIRATION OF BEKAERT MANDATE

Annual General Meeting of 2024

### COMMITTEES

Member of the Nomination & Remuneration Committee



## Maxime Parmentier



### MEMBER OF THE BOARD

Director  
Belgian, \*1982

### FIRST APPOINTED

May 2022

### EDUCATION

Catholic University of Louvain  
Esade-CEMS Business School of Barcelona  
Columbia University of New York

### EXPERIENCE

Maxime Parmentier is founder and CEO of Birdie Care Services Ltd, a London-based health technology scale-up aimed at improving the lives and care for the elderly.

He started his career in 2008 with McKinsey & Company before joining Riaktr. In 2013, Maxime Parmentier moved to The Global Fund to fight AIDS, tuberculosis and malaria, where he took roles of increasing responsibility. Before establishing Birdie in 2017, he founded and headed Wambo, a health e-marketplace, and he worked for Kamet Ventures (AXA).

### EXPIRATION OF BEKAERT MANDATE

Annual General Meeting of 2023

## Eriikka Söderström



### MEMBER OF THE BOARD CHAIR OF THE AUDIT, RISK AND FINANCE COMMITTEE

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. Eriikka Söderström 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 and Chairman of the Audit Committee, member of the Board of Directors and Chairman of the Audit Committee of Kempower, member of the Board of Directors of Amadeus IT Group

### EXPIRATION OF BEKAERT MANDATE

Annual General Meeting of 2025

### COMMITTEES

Chair 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 holds the position of R&D Finance Lead Neurology at UCB in Belgium.

She started her career with Deloitte Consulting in 2000 in Belgium. Caroline Storme 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.

### 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 and BEL ESG indices).

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.

### OTHER MANDATES

Chairman of Stichting Administratiekantoor Bekaert, representing the interests of the reference shareholder of Bekaert

### 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 is an independent Corporate Director and international business advisor, based in Shanghai. She serves on the Board of Jamieson Wellness, a Canadian public company. She is also a senior advisor to Eurazeo, a French investment company.

Mei served on the Board of Shenwan Hongyuan Group in China (2015 to 2021), after serving on the Board of Shenyin & Wanguo (2012 to 2014). She was a senior advisor to McKinsey & Company (2013 to 2022), and a senior expert and consultant with the firm (2003 to 2013). Mei started her career as strategy manager and analyst for various companies in the US, including E\*TRADE Financial (now a subsidiary of Morgan Stanley), Gartner Group, and SPR Associates.

### OTHER MANDATES

Independent Director of the Board of Jamieson Wellness Inc and senior advisor to Eurazeo; Advisor to Rhodes Trust of Oxford University and final selection committee of Global Rhodes Scholars.

### EXPIRATION OF BEKAERT MANDATE

Annual General Meeting of 2023



# 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 2-9, GRI 2-13

## Organizational structure

The composition of the Bekaert Group Executive reflects the organizational structure with four Business Units and four Global Functional Domains. In 2022, the Business Units and Global Functions were led by the following Executives.

### Business Units

- The Business Unit Rubber Reinforcement was led by Arnaud Lesschaeve, Divisional CEO Rubber Reinforcement\*.
- The Business Unit Steel Wire Solutions is led by François Desné, 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 ad interim by Oswald Schmid, CEO.

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.

GRI 2-13

### 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 Divisional CEO role above)
- Gunter Van Craen, Chief Digital and Information Officer

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.

GRI 2-13

## Changes during 2022

On 5 September 2022, François Desné joined Bekaert as Divisional CEO Steel Wire Solutions and became a member of the BGE. François Desné succeeded Stijn Vanneste who left the company in August 2022.

On 1 June 2022, Gunter Van Craen, Chief Digital and Information Officer at Bekaert since 2020, became a member of the Bekaert Group Executive.

Curd Vandekerckhove resigned as Divisional CEO Bridon-Bekaert Ropes Group (BBRG) in September 2022.

## Changes in 2023

\* The composition of the BGE has changed in early 2023. On 1 March 2023, Mrs Annie Xu-Huhmann joined Bekaert as Divisional CEO Rubber Reinforcement and became a member of the Bekaert Group Executive, succeeding Arnaud Lesschaeve who left the company at the end of February. Annie's curriculum vitae is available on [the Bekaert website](#).



## 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 Schmid began his career with Semperit in 1984, before moving to Continental in 1990 as Head of Purchasing and later on as General Manager for a ContiTech Hose business. In 2002, Oswald Schmid joined Schindler as Chief Purchasing Officer and held various regional CEO as well as area management positions. From 2013, Oswald Schmid served as a member of the Group Executive Committee of Schindler responsible for the Europe North Business and later for the New Installation Business and Global Supply Chain. In 2017, Oswald Schmid moved to the Kalle Group to become CEO and Managing Director.

\*As per the issue date of this report, Oswald Schmid combines his role as CEO of Bekaert with the ad interim role as Divisional CEO of Bridon-Bekaert Ropes Group.

## 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

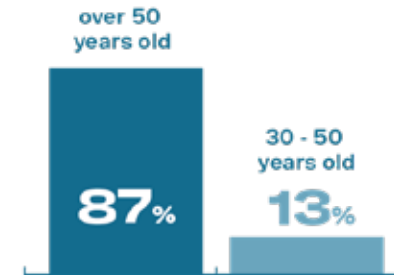


### EXPERIENCE

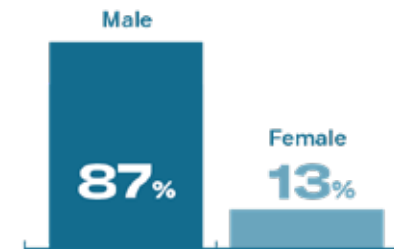
Taoufiq Boussaid started his career in international finance with an initial 10-year period as Audit Manager with Ernst & Young in France and The Coca-Cola Company in the US. From 2004 to 2007, he held several finance roles with United Technologies Corporation, first as Corporate Controller EMEA and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

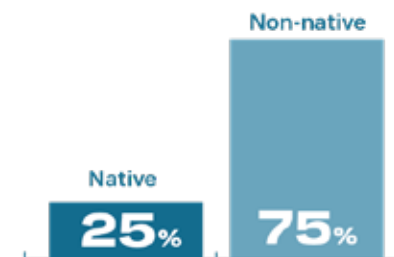
### Age Diversity



### 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 - Strategic HR Management  
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.

## Gunter Van Craen

### CHIEF DIGITAL AND INFORMATION OFFICER

Belgian, \*1970



### JOINED BEKAERT

2020

### EDUCATION

Commercial Engineering - Accountancy and Auditing -  
Computer Auditing  
Catholic University of Louvain  
University of Antwerp

### EXPERIENCE

Gunter Van Craen started his career in internal auditing at KBC. In 2003, he joined Johnson & Johnson where he took on several IT and finance management functions of increasingly broader scope and responsibility.

Initially in finance roles, Gunter moved to global IT functions and became CIO for the integration of Crucell into Janssen Pharmaceutica and subsequently global VP IT Pharma R&D. His last position before joining Bekaert was SVP IT for technology services at J&J, covering all IT related services across EMEA, Latin America and Asia.



## François Desné



**DIVISIONAL CEO STEEL  
WIRE SOLUTIONS**

French, \*1971

**JOINED BEKAERT  
2022**

### EDUCATION

Physics - MBA - International Studies  
University of Paris VII, The Wharton School and The  
Lauder Institute at the University of Pennsylvania

### EXPERIENCE

François Desné started his career in 1996 at RHODIA where he held management roles in quality and development. In 2003, he moved to BASF where he took on several regional and global leadership positions across Europe and Asia with increasingly broader scope and responsibility as SVP of Global Business units.

In 2016, François Desné joined Recticel as Group General Manager of Recticel Engineered Foams and member of the Recticel Group Executive Committee.

## 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.

\* Arnaud left the company at the end of February 2023 and was succeeded by Annie Xu-Huhmann on 1 March 2023.

Top, from left: François Desné, Juan Carlos Alonso, Arnaud Lesschaeve, Yves Kerstens and Gunter Van Craen.  
Bottom, from left: Oswald Schmid, Kerstin Artenberg and Taoufiq Boussaid. Insert picture: Annie Xu-Huhmann.





# Our stakeholders

Bekaert creates value for its stakeholders by delivering on the company's strategy and objectives, both in terms of financial performance and in addressing society's environmental and social opportunities and challenges.

As a publicly listed company (Euronext Brussels, BEKB) with a global business scope and footprint, we interact with many parties who have an interest in our organization based on the outcomes of our actions. We believe this interdependency is mutually beneficial for long-term, positive progress for all.

GRI 2-26, GRI 2-29



## Our partners

Bekaert supports economic development and employment through the business relations and activities with suppliers worldwide. We work together with key suppliers in new product and service development projects that help us expand our offering of sustainable and digital solutions. We require a formal commitment of our suppliers to comply with human rights and ethical business conduct standards.

Bekaert works together with business partners in joint ventures and in consolidated entities co-owned with other shareholders. With or without partners, Bekaert adopts the same high standards in business ethics, health and safety at the workplace, and high-performance standards.

Bekaert collaborates with technology partners to drive innovations in target markets. Several forms of cooperation exist: as a member in hydrogen power and new mobility consortia, through business partnerships with industry leaders and associations, by investing in companies that scale up promising new technologies, and by collaborating with research and academic institutes.

GRI 2-6, GRI 2-29

€3.6 bn payments to suppliers in 97 countries (consolidated)

22 academic partnerships worldwide



## Our employees

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.

United through our values of integrity, trust, agility, and boldness, we work better together to grow the business, to inspire and engage, and to deliver results. These form the key enablers of our Culture Compass. More information is included in the Strategy Chapter of this report.

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

This way, we engage our people to dare to go beyond in unlocking their full potential, have an impact on the company's performance, and in establishing the new possible.

This employer value proposition is not only relevant to our current employees: it also aims to inspire future talents to join us in our purpose and ambition.

GRI 2-7, GRI 2-23, GRI 2-29

26 980 Employees globally

75 Different nationalities in our workforce



## Our customers

Bekaert has a wide international customer base in established and emerging markets. We serve global and local customers with a rich portfolio of value adding products and services. Our global footprint helps building a customer-centric approach and it shortens the supply chains.

Our investments in research & innovation, and in digital and sustainable solutions, lead to advanced technologies that enable our customers to meet their most stringent demands and ambitions, and hence create customer value.

Bekaert is a trusted partner in offering quality products and solutions, and demonstrates a high degree of agility in all possible circumstances.

Our higher ambition is to be the leading partner for shaping the way we live and move. Driven by the megatrends, we want to be the partner of choice to customers developing solutions in new mobility, low carbon construction, and green energy. Together, we can drive and accelerate the shift toward sustainable solutions in the end markets.

GRI 2-6, GRI 2-29



## Our investors

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

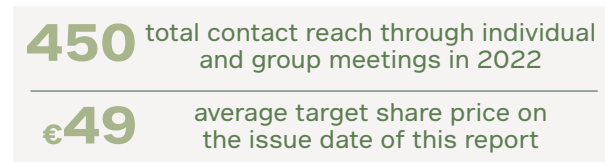
We provide information on the progress we make and the challenges we face during our meetings with investors and financial analysts. The 2022 meetings included live and virtual roadshows and conferences, webcasts, and the hybrid General Meetings of Shareholders.

Bekaert's disclosures, including this integrated annual report, cover both financial and non-financial performance indicators and progress, as well as market and strategic updates.

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

Shareholders, investors, and analysts have access to Bekaert information through the website, the press releases issued, individual and group meetings, and webcasts.

GRI 2-29



## Society

We strive to be a good corporate citizen in the communities where we operate. We promote and apply responsible and sustainable business practices in our community relations and business operations.

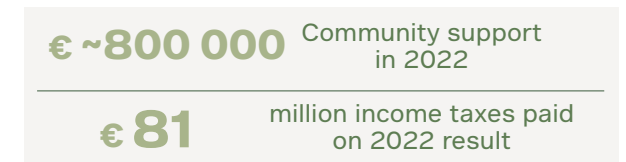
We do not support political institutions and adopt a neutral position in political issues. We do condemn any act of violence and aggression against people and any breach of human rights.

We are committed to minimize the environmental impact of our activities. We invest in green energy sources and other exhaust saving measures to decarbonize the impact of our operations.

We stimulate the economic activity and employment in the locations where we are active. Our tax payments contribute to the development of communities worldwide.

We advocate and fund initiatives that help improve the social and environmental conditions in communities all around the world. We support community engagement initiatives and disaster relief programs that make a difference to people's lives.

GRI 2-23, GRI 2-29



More information on our stakeholders and how Bekaert creates value for them is available in the 2022 Performance chapters (Part I of this report) and in the detailed Statements (Part II).



# Risk and materiality

Bekaert's 2022 materiality analysis builds further on the approach adopted in the past years and includes an additional dimension that reflects an assessment of the company's impact on society and the environment, both in terms of risk and opportunity. This way, we prepare for reporting in line with the **double materiality** requirements that will apply through the implementation of the CSRD guidelines from the 2024 report onwards.

## Sources used in the risk and materiality analysis

Analysis	Internal sources	External sources	Review/Validation
<b>ERM matrix</b>	Bekaert strategy Local risk registers Risk mitigation priorities	Gartner WEF Benchmark peers WTW (Willis Towers Watson)	Bekaert Group Executive Audit, Risk and Finance Committee Board of Directors EY
<b>Materiality matrix</b>	Bekaert strategy Bekaert ESG priorities and sustainability targets Outcome of ERM matrix	Customer questionnaires Financial institution questionnaires ESG label questionnaires Investor meetings Standards: GRI - EFRAG	Audit, Risk and Finance Committee Board of Directors EY SBTi (emission reduction targets) GRI

## Importance to stakeholders

The importance stakeholders attach to risks and opportunities is considered in both the ERM and the materiality matrix. The measurement of the importance attached by stakeholders is based on recurring questions and disclosure requirements through customer questionnaires, financial institution questionnaires (particularly green investment criteria), supplier engagement actions, ESG labels and standards, and requests and feedback or reports from investors and financial analysts. In a next phase, Bekaert will also organize dedicated surveys to complete the stakeholder expectations analysis, in line with the guidelines on double materiality.

## Process

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 financial materiality and impact materiality.

Our approach ensures that the main risks and opportunities of the Group are considered in the assessment of materiality. While the guiding principles and assessment scope in ERM and (double) materiality may be different, there obviously is a strong correlation between the outcomes of these assessments.

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 2-23](#), [GRI 2-24](#), [GRI 2-25](#), [GRI 3-1](#), [GRI 3-3](#)



# ERM matrix

## 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.

GRI 3-1

## The main changes in 2022

### Risks arising from demand impact and inflationary cost pressure from economic crises (increasing)

Impactful demand changes can affect sectors that are relevant to Bekaert. A crisis or recession can lead to a significant demand decline driven by weak consumer confidence and postponed investments. The resulting upstream and downstream overcapacity can lead to price erosion across the supply chain. To mitigate these risks, Bekaert implements measures to be cost-competitive, to flex costs, and to pass on cost inflation. The company's focus also moves beyond the traditional markets to less cyclical sectors with strong growth potential, including new mobility, renewable energy, and markets focused on decarbonization and recycling trends.

### Country risks with political and economic instability (increasing)

Bekaert is present in countries with political and economic risks, including China, Venezuela, Russia and Turkey. In case a major political, social, or asset damage incident would occur, then an impact on the profit is possible. As part of a business continuity plan, Bekaert has measures in place to reduce this risk through back-up scenarios and delivery approvals from other locations.

### Risk of physical damage, business interruption, or supply chain disruption caused by climate change (increasing)

Damage caused by the impacts of climate change (heavy rains/flooding, drought/water shortage, heat-stress, fire weather, extreme storms/wind damage) may affect the continuity of Bekaert's activities in affected locations. Bekaert is assessing the possible impact of climate change and implements adaptation measures such as adequate water run-off and/or collection, flood defenses, provision of adequate firefighting facilities, water usage minimization programs, and employee working condition provisions in the event of extreme high temperatures.

GRI 201-2

### Risk of funding availability and financing cost + insufficient delivery on anticipated returns of expansion programs (increasing)

In case of significant organic and/or inorganic growth, the risk of funding availability and financing cost might be high due to increased interest rates and/or (more) restrictive covenants and/or more securities (pledges, collaterals). Moreover, larger expansions are subject to risks of delay and cost overruns and the anticipated return of such projects might not be reached within the intended timeframe. A highly volatile global macro-environment may furthermore change the assumptions used in the expansion business cases. Bekaert has a strict capital allocation program and M&A project management framework in place that determine the return criteria of investments and include close governance and control.

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

GRI 2-25



# Materiality assessment

We have identified the list of material topics on the basis of:

- The Bekaert strategy
- The Bekaert sustainability strategy and commitments
- The GRI reporting framework

The assessment and prioritization in terms of financial materiality and impact materiality was done on the basis of:

- The Bekaert ERM assessment outcome
- Stakeholder relevance assessment
- Outside-in business impacts
- Inside-out societal and environmental impacts

The following material topics were assessed as 'decisive issues' (high financial materiality and high impact materiality):

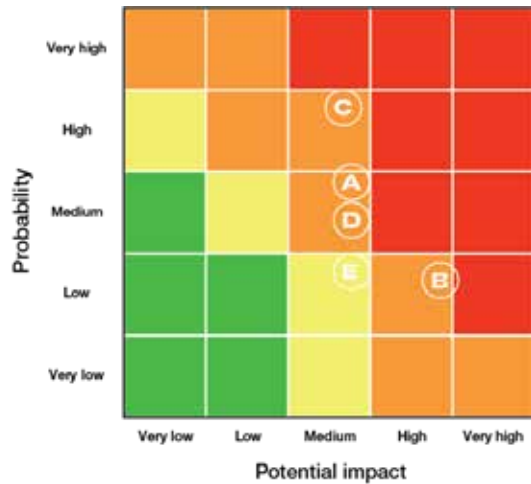
- Climate, Energy, and GHG management: high financial materiality due to the risk and severity of potential natural disasters as a result of climate change, and the high cost of investments and of non-compliance liabilities. The impact materiality is high because of the direct effect of our actions on the environment, company reputation, and the positive opportunities arising from the ongoing energy shift in our target markets.
- Health and safety: high impact materiality in case of fatal accidents or life-altering injuries. High financial materiality due to liability risks and employer reputation, as well as investments in equipment safety.
- Ethical standards and Human rights: high impact materiality in case of non-compliance, with reputation damage that would affect relations with customers, partners, communities, and employees. Financial materiality could also be very high as a result of affected relations, loss of the 'license to operate', and/or the cost of litigation and fines.
- Technology advantage: Bekaert's technology leadership is a differentiator in its positioning and ability to drive the launch of sustainable solutions. The loss of this technology advantage may lead to: loss of customer trust in Bekaert as a preferred partner; missed opportunities in value creation; and difficulty in attracting and retaining talent.
- Data privacy and cyber security: the financial materiality and impact materiality on customers, employees, shareholders, and suppliers of exposure to cyber risks and data privacy breach, is considered a decisive issue and a priority in the company's mitigation actions so that business continuity can be ensured and safeguards are put in place in case of incidents.
- Financial performance: the financial performance of Bekaert is crucial in enabling the company to allocate capital to its strategic priorities, including its sustainability commitments. As a result, the financial health of the company may accelerate or delay progress in: the sustainability commitments; the company's readiness to grow in its target markets; honoring development and investment commitments made to customers; ensuring shareholder returns; and attract and retain talent.

GRI 3-1, GRI 3-2, GRI 3-3





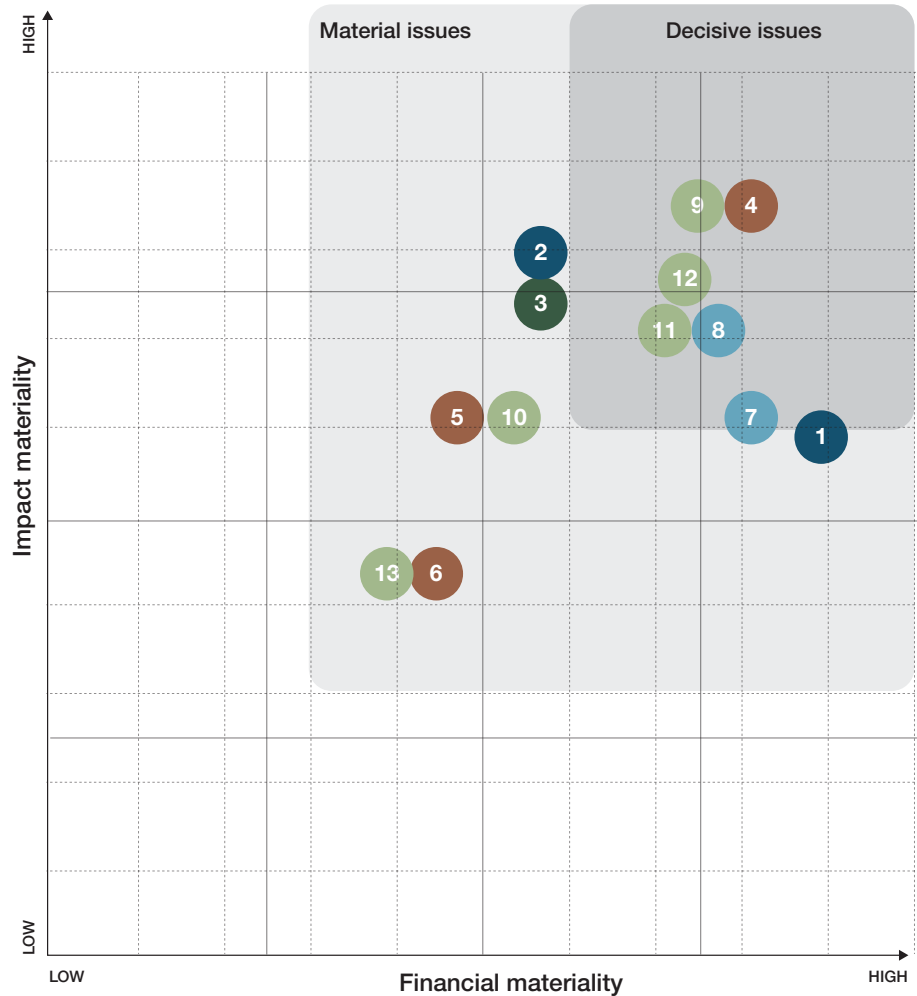
## ERM



### ERM top 5 risks identified

- A. Disruptions caused by technology shifts
- B. Major cyber attack
- C. Risks related to prolonged recession/ stagflation
- D. Climate change risks and underperformance on sustainability targets
- E. Regulatory compliance risks

## Materiality



### Financial

- 1 Financial performance
- 2 Compliance



### Value chain

- 3 Sustainable supplies



### Planet

- 4 Climate, Energy & GHG management
- 5 Water
- 6 Waste & recycling



### Knowledge

- 7 Technology advantage
- 8 Cyber & data security



### People & society

- 9 Health and safety
- 10 Talent
- 11 Human rights
- 12 Ethical standards
- 13 Community relations



**Our  
performance  
in 2022**



# Financial performance

## Financial highlights FY2022<sup>1</sup>

- Consolidated sales of € 5.7 billion (+16.8%) and combined sales of € 6.9 billion (+17.1%)
- Robust profitability despite a dilutionary effect on margins from the pass-through of increased costs, lower volumes and an absence of 2021 tailwinds
- Underlying EBITDA of € 654 million (-5%), delivering a margin on sales of 11.6% (versus 14.2%)
- Underlying EBIT of € 459 million (-10.5%), resulting in a margin of 8.1% (versus 10.6%)
- Strong cash conversion, despite lower volumes impacting profitability and payables
- Average working capital on sales ratio of 13.5% (versus 12.6%)
- Free Cash Flow (FCF) of € +190 million (versus € +221 million last year)
- Net debt of € 487 million (versus € 417 million), resulting in net debt to underlying EBITDA of 0.7x
- Proposed dividend of € 1.65 per share (+10%) and continued share buyback of up to € 120 million

GRI 201-1



<sup>1</sup> All comparisons made are relative to the fiscal year 2021



## INPUTS

- € 2.2 billion shareholders' equity
- € 728 million cash on hand (+7.5% versus 2021)
- € 487 million net debt
- 13.5% average working capital on sales



## OUTPUTS

- € 654 million EBITAu (11.6%)
- € 459 million EBITu (8.1%)
- € 190 million FCF
- € 1.65/share dividend proposal
- € 120 million share buyback

# Bekaert delivers strong sales growth and robust financial results in challenging market conditions

Bekaert achieved strong sales growth responding quickly to the challenges of high raw material and energy cost inflation with product price rises. These swift actions, along with further operational efficiencies, helped to protect profitability despite higher input costs and lower utilization. These results also reflect the successful execution of Bekaert's strategy, where the core businesses have been further strengthened, whilst also repositioning to target new markets with opportunities from energy transition and decarbonization trends.

Bekaert achieved a +16.8% consolidated sales growth in 2022. The organic growth (+11.8%) stemmed from business mix improvements and passed-on wire rod price changes and other cost inflation (+20.6% aggregated), tempered by lower volumes (-8.8%). Favorable currency movements added +5.0% to the top line, which reached € 5 652 million, € +812 million higher than in 2021.

The sales growth of Bekaert's joint ventures in Brazil (+19.3% to € 1 220 million in revenue) was mainly the result of favorable currency effects (+17.2%) due to the strong revaluation of the Brazilian real. Organic growth was +2.1% and stemmed from mix improvements and passed-on costs on lower volumes, similar to the consolidated sales. Including joint ventures, combined sales increased by +17.1%, reaching € 6 858 million (up by € 1 billion from last year).

## Financial review

Bekaert achieved an operating result (EBITu) of € 459 million (versus € 512 million last year). This resulted in an EBITu margin on sales of 8.1% (10.6% in 2021). In 2022 there were significant increases to the costs of the Group's raw materials, principally wire rod, and to its energy costs. All business units responded well to these challenges with pass through of increases in costs. However these price rises were typically only offsetting the impact of this inflation and were therefore at zero profit margin. These effects diluted the overall margin of the group and can be seen in all margin percentages (and other metrics on sales) including underlying EBIT margin.



The one-off items amounted to € -93 million (€ -2 million in 2021) and included the € -55 million impairment of the fixed assets of the Russian operations in Lipetsk and the € -21 million restructuring cost of the closure of the Gelsenkirchen factory in Germany and the related consolidation of EMEA Ropes in the UK. Other one-off items related to restructuring related costs in Rubber Reinforcement (EMEA and North America), in Steel Wire Solutions (Latin America) and on a group level. Including one-off items, reported EBIT was € 366 million, representing an EBIT margin on sales of 6.5% (versus € 511 million or 10.6% in 2021). Underlying EBITDA was € 654 million (11.6% margin) compared with € 686 million (14.2%) and reported EBITDA reached € 626 million, or a margin on sales of 11.1% (versus 13.9%).

The underlying overhead expenses decreased as a percentage on sales to 7.5%, compared to 8.5% in 2021, but increased by € 12 million in absolute numbers. The increase was almost entirely driven by negative FX impacts. The extra costs in selling expenses related to higher salary, travel and IT costs which were compensated by lower administrative expenses.

Underlying other operating revenues and expenses increased from € +21 million in 2021 to € +26 million in 2022 due to the gain on the sale of land in Doncaster (UK) in the BBRG segment (€ +11.4 million).

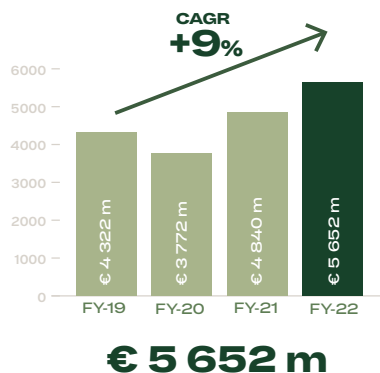
Interest income and expenses amounted to € -38 million, down from € -41 million in 2021 due to the elimination of interest from amortized cost measurement that applied to the convertible bond until June 2021, when it matured and was repaid. Other financial income and expenses was € -11 million (€ +4 million in 2021). The decrease stemmed from a reduced valuation of the virtual Power Purchase Agreements and increased bank charges.

Income taxes decreased from € -134 million last year to € -81 million. The overall effective tax rate dropped from 28% to 26%. The key driver is stronger profitability in legal entities that were historically loss making, resulting in the utilization of previously unrecognized tax attributes.

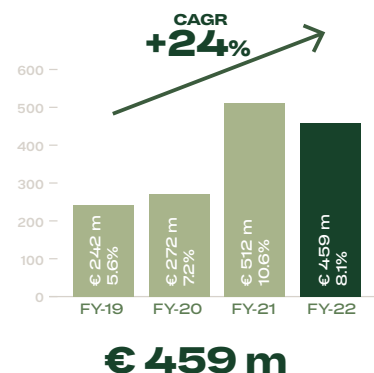
The share in the result of joint ventures and associated companies was € +54 million (versus € +108 million last year, of which € 34 million related to a one-time recovery of tax credits from the past), reflecting a solid performance of the joint ventures in Brazil.

The result for the period thus totaled € +289 million, compared with € +448 million in 2021. The result attributable to non-controlling interests was € +20 million (versus € +44 million in 2021) due to less profit generation in entities with minority shareholders, particularly in Chile and Peru. After non-controlling interests, the result for the period attributable to equity holders of Bekaert was € +269 million versus € +404 million last year. Earnings per share amounted to € +4.78, down from € +7.09 last year.

### Consolidated Sales



### u-EBIT%



## Balance Sheet

The average working capital on sales in 2022 was 13.5%, and although higher than 2021's figure, significantly lower than the historical average for the group. Working capital increased by € +172 million since December 2021 but decreased significantly versus June 2022. The organic increase amounted to € +168 million and was primarily due to lower accounts payable. Inventories remained broadly stable while accounts receivables reduced with € 27 million due to the impact of higher sales on the running factoring programs (off-balance sheet factoring increased from € 225 million in 2021 to € 268 million in 2022).



Cash on hand was € 728 million at the end of the period, compared with € 677 million at the close of 2021. The increase in cash was a result of a robust EBITDA generation and significant improvements in working capital in the last quarter of the year, while there were increasing cash outs for growth investments and shareholder returns in the form of an increased dividend and the share buyback.

Net debt amounted to € 487 million, € 70 million up from € 417 million at the close of 2021 while down € 186 million from the level of H1 2022, driven by an improved working capital. This resulted in net debt on underlying EBITDA of 0.74 versus 0.61 at the end of 2021.

On 31 December 2022, equity represented 46.2% of total assets, up from 43.4% at year-end 2021. The gearing ratio (net debt to equity) was 21.8% compared to 19.9% at the close of the year 2021, up slightly with a higher net debt driven by working capital and cash out for the share buyback. The ratio is still significantly down versus the 39.4% at the end of 2020.

## Cash Flow

Cash flows from operating activities amounted to € 340 million, compared with € 380 million in 2021. The reported EBITDA in 2022 was resilient at € 626 million versus a very strong comparable of € 675 million last year. Higher cash out on income taxes and working capital was compensated partly by lower cash out against provisions and other operating cash flows.

The Free Cash Flow (FCF) amounted to € 190 million versus € 221 million in 2021. FCF is calculated from the Cash Flow Statement as Net Cash Flow from Operations minus Capex (purchase of Property, Plant and Equipment and Intangible Assets) minus net interest plus dividends received. While there was less EBITDA and cash outflow from taxes and working capital was higher, there were positive effects to the FCF from higher dividends received and other operating cash flows.

Cash flows attributable to investing activities amounted to € -125 million (versus € -92 million in 2021) due to higher capital expenditures.

Cash flows from financing activities totaled € -174 million, compared with € -567 million last year. 2021 included the repayment of the convertible bond and other loans (€ -440 million). 2022 included higher dividend payments

(€ -105 million versus € -64 million last year) and the cash costs of the share buyback (€ -97 million).

More details on Bekaert's 2022 financial performance are included in Part II: Financial Statements, and in the FY2022 press release that was published on 1 March 2023.

## Shareholder returns

The Board of Directors seeks to maintain a prudent approach to capital allocation, balancing investment in future growth, maintenance of a strong balance sheet and shareholders' returns. The successful execution of the strategic plan and robust financial performance have strengthened Bekaert's balance sheet position and overall cash generation through time, and therefore potential returns to shareholders. In 2022, the dividend was increased by 50% and a share buyback program of up to € 120 million was commenced, executed over four equal tranches and completed in February 2023.

Against this robust financial position and the policy set out above, the Group intends to take a balanced approach with the following returns:

- A gross dividend of € 1.65 per share (an increase of 10% vs FY2021), to be proposed by the Board at the Annual General Meeting of Shareholders in May 2023
- To continue the share buyback program up to a total of € 120 million over a period of twelve months

As before, the purpose of the program will be to reduce the issued share capital of the company and shares repurchased will be cancelled.

## Strategic and investment updates

Bekaert has concluded partnerships in 2022 that are improving market access and our technology positions in high growth sectors. These included:

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



The Group has also signed Virtual Power Purchase Agreements in the US and India and is installing a solar park in Ubisa, Spain, to help reduce and offset its carbon greenhouse emissions.

Bekaert has also continued to invest in the organic growth of the company:

- € 171 million in property, plant and equipment, up +11% compared to last year (€ 153 million), thereby allowing for future growth opportunities in our core segments and beyond. The largest investment programs in 2022 were in Vietnam for Rubber Reinforcement and in the US for the energy and utilities markets served by our BBRG and Steel Wire Solutions divisions, with additional significant expansion investments in hydrogen, and advanced cords applications
- € 70 million in Research and Innovation activities (before deduction of grants and R&D incentives)
- € 15 million in intangible investments mainly related to investments in digital transformation projects

Since the outbreak of conflict in Ukraine, we have significantly scaled back business activities in and with Russia. The financials of the Lipetsk plant in Russia are included in the consolidated financial statements of 2022. However, the ongoing conflict is a clear impairment indicator, and as such the Group has performed an impairment test at year-end under value in use. Based on the outcome of the impairment test, the Group has taken the decision to fully impair the fixed assets. We are therefore taking in 2022 a non-cash exceptional charge of € 55 million in the result. At 31 December 2022, there remained consolidated current assets of € 26 million and consolidated liabilities of € 3 million in relation to activities in the Lipetsk plant. Lipetsk also has an intercompany debt position towards partners within the Group of € 35 million as well as net intercompany liabilities of € 12 million.

Post balance sheet date, Bekaert announced its intention to sell its stake in the Steel Wire Solutions businesses in Chile and Peru to its current partners, with a total enterprise value of approximately US\$ 350 million, and resulting in net proceeds for our stake of US\$ 136 million. The sale is in-line with Bekaert's strategy, which has been to improve its business portfolio by reducing the Group's exposure to lower growth, more commoditized and volatile markets, while increasing its presence in fast-growing markets.

## INCLUSION IN BEL ESG INDEX OF EURONEXT BRUSSELS

Bekaert has been selected as a member of the new BEL ESG index, a recognition for our sustainability performance and progress. The BEL ESG index comprises the leading sustainable, Belgian-listed companies and tracks those demonstrating the best environmental, social and governance practices. The index also highlights the market's growing demand for sustainable investments.



## Consolidated financial statements

### Income statement

in millions of €	2021	2022	Delta
Sales	4 840	5 652	+16.8%
EBIT	511	366	-28.4%
EBIT-underlying	512	459	-10.5%
Interests and other financial results	-37	-50	+34.8%
Income taxes	-134	-81	-39.4%
Group share joint ventures	108	54	-49.6%
Result for the period	448	289	-35.4%
attributable to equity holders of Bekaert	404	269	-33.5%
attributable to non-controlling interests	44	20	-53.1%
EBITDA-underlying	686	654	-4.7%
Depreciation PP&E	175	182	+3.7%
Amortization and impairment	-11	79	-



## Balance sheet

in millions of €	2021	2022	Delta
Equity	2 098	2 230	+6.3%
Non-current assets	1 968	1 975	+0.4%
Capital expenditure (PP&E)	153	171	+11.3%
Balance sheet total	4 839	4 829	-0.2%
Net debt	417	487	+16.7%
Capital employed	2 271	2 433	+7.1%
Working capital	678	850	+25.4%
Employees as per 31 December	23 568	23 615	+0.2%

## Ratios

	2021	2022
EBITDA on sales	13.9%	11.1%
Underlying EBITDA on sales	14.2%	11.6%
EBIT on sales	10.6%	6.5%
Underlying EBIT on sales	10.6%	8.1%
EBIT interest coverage	13.0	9.9
ROCE-underlying	23.6%	19.5%
ROE	24.6%	13.4%
Financial autonomy	43.3%	46.2%
Gearing (net debt on equity)	19.9%	21.8%
Net debt on EBITDA-underlying	0.61	0.74

## Joint ventures and associates

in millions of €	2021	2022	Delta
Sales <sup>1</sup>	1 015	1 206	+18.9%
Operating result	282	173	-38.7%
Net result	252	134	-46.9%
Capital expenditure (PP&E)	31	36	+16.7%
Depreciation	13	17	+27.3%
Employees as per 31 December	3 613	3 365	-6.9%
Group's share net result	108	54	-49.6%
Group's share equity	189	222	+17.6%

<sup>1</sup> Sales joint ventures = € 1 220 million from the Brazilian joint ventures after addition of revenue from small joint ventures and elimination of intercompany transactions.

## Combined key figures

in millions of €	2021	2022	Delta
Sales	5 854	6 858	+17.2%
Capital expenditure (PP&E)	184	206	+12.0%
Employees as per 31 December	27 181	26 980	-0.7%

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 and financial assistance received from government are available in the Financial Statements §5.1, §5.2, §5.3, §5.4, §5.6, §6.13.

GRI 201-1, GRI 201-4





# Value chain

- 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.





## Our operations

Bekaert operates 75 production plants (including subsidiaries and joint ventures) in 25 different countries in EMEA, North America, Latin America and Asia-Pacific. In 2022, they consumed and processed almost 3 million tons of wire rod, the company's main raw material.

GRI 2-1, GRI 301-1

Total capital investment in 2022 was € 186 million, out of which € 171 million in property, plant & equipment (PP&E) and € 15 million of investments related to the digital transformation program. About € 12 million of the PP&E investments was allocated to sustainability efforts to reduce energy intensity and CO<sub>2</sub> emissions reduction. Bekaert also invests in operational excellence programs, as part of the group-wide Bekaert Manufacturing System, which 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. We also increasingly develop and produce products based on other metals and synthetic materials. The products manufactured by Bekaert are shipped to industrial customers who then further process our materials into half or end products; or to end customers, directly or via distribution channels.

GRI 2-6

### INPUTS

**75** production plants<sup>1</sup>

**~3 million tons** of wire rod purchased<sup>1</sup>

**€ 186 million** capex (PP&E and digital)  
(+ € 36 million capex in JVs)<sup>1</sup>

**16 000** active suppliers



### OUTPUTS

**96%** of supplier base signed our supplier CoC<sup>2</sup>

**60%** of supplier base is rated by EcoVadis<sup>2</sup>

**13 500** customers

**2.3 million ton** carbon emission savings by ST/UT tire cords<sup>1</sup>

<sup>1</sup> JVs included

<sup>2</sup> percentages relative to Bekaert supplier spend



Steel wire rod represents more than half of our total purchase spend and is ordered from vendors all over the world. The purchasing function manages the supply process. 2022 was marked by significant supply chain disruptions caused by the continued impact of the pandemic and container shortages. Nevertheless, 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 301-1

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 2022, 92% of our purchases were sourced locally, unchanged from the previous year.

Bekaert purchases from different sources, in line with the product quality requirements and the sourcing options available. During 2022 we worked with around 16 000 suppliers<sup>1</sup> in total, of which 50% delivered into EMEA, 6% into Latin America, 10% into North America and 34% into Asia Pacific.

<sup>1</sup> Joint ventures excluded

GRI 2-6, GRI 204-1

## Responsible sourcing of minerals

Bekaert recognizes the importance of responsible sourcing. In 2022, all suppliers covered by the Responsible Minerals Initiative (RMI) signed the Bekaert Supplier Code of Conduct (or delivered proof of following its principles), 100% signed the Bekaert Policy on Conflict Minerals and 100% of our tin and tungsten suppliers completed the Conflict Minerals Reporting Template (CMRT) recommended by the RMI for the current reporting year.

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.

GRI 3-3

## Supplier monitoring and commitment

Bekaert's purchasing department continued its engagement with suppliers to enhance sustainability awareness and control the upstream value chain. The Bekaert Supplier Code of Conduct outlines environmental, labor and governance related requirements that suppliers must comply with. At the end of 2022, this supplier commitment represented 96% of our spend. During 2022 procurement began the implementation of an improved supplier sustainability due diligence process, to ensure that the conduct of new suppliers is aligned with our values and to monitor existing suppliers' adherence to Bekaert's Supplier Code Of Conduct. Additional third-party data which considers structured and unstructured input across environmental, social and governance topics is used alongside already gathered data (e.g. CSR audit results and EcoVadis assessments) to assess the potential risk and to highlight where mitigation actions are required.

Bekaert engages suppliers in its sustainability agenda via EcoVadis. 60% of our 2022 purchase spend was with suppliers assessed via EcoVadis. The platform provides visibility on the sustainability performance of our important suppliers and on the areas for improvement. During 2022, EcoVadis assessments have been further embedded into our procurement processes. EcoVadis rating information is requested during new supplier onboarding via our digital procurement platform - eBuy. Assessment results are considered in the annual evaluation of supplier performance and assessment levels are incorporated into our Supplier Relationship Management (SRM) framework, being a key enabler for improved collaboration with potential and existing preferred suppliers and partners.

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 regarding their supply of raw materials.

We conducted 41 supplier audits in 2022 compared with 50 in 2021. Supplier audits are scheduled and prioritized based on quality assurance, changes to or expansions of critical supplier processes, and risk of not meeting the applicable target criteria.

Concluding Key Supplier Agreements remains very important for the purchase of wire rod and other supply categories as they enable us to build effective partnerships in which sustainability, supply chain integration and innovation are explicit building blocks.

GRI 3-3, GRI 308-1, GRI 308-2, GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2



## Virtual Supplier Campaign - Cementing strong wire rod partnerships and expanding the approach to other key categories

In 2021 Bekaert launched a Virtual Supplier Campaign with key wire rod suppliers to make tangible steps towards reaching Bekaert's ambitious science-based GHG reduction targets which were approved, in 2022, by the Science Based Targets initiative (SBTi). One of the targets we have set ourselves is to reduce our Scope 3 emissions from purchased goods and services by 19.7% by 2035. Read more on Bekaert's decarbonization ambitions and 2022 performance in the next chapter: 'Planet' and in Part II: Environmental Statements of this report.

The campaign was successful and resulted in the start of carefully selected partnerships with suppliers across the globe in 2022. The selected partners were recognized for their sustainability awareness, clear roadmaps towards decarbonization & leadership in exploring new technologies for low CO<sub>2</sub> steel manufacturing. Together we can spearhead the development, introduction and roll-out of more sustainable steel and steel based solutions into our markets.

Following the success with wire rod suppliers, in 2022, we decided to expand the approach to additional categories key to our sustainability ambition: transportation, packaging and base metals. The campaign peaked with the "Bekaert Sustainability Days" during which members of our leadership team shared Bekaert's sustainability ambition in keynote sessions and our procurement team had one-to-one sustainability discussions with key suppliers. Through this exercise we identified opportunities for common ground initiatives with potential partners and embedded the knowledge into our category strategies. The initiatives, partnerships and knowledge will bring further progress towards our ambition in 2023.

## Establishing the new possible with partners

### Firm footing in hydrogen

In recent years, we have grown our presence in the entire value chain of green hydrogen production. Although we saw the opportunities very early and have built a track record of more than 20 years producing Currento® porous transport layers for proton exchange membrane electrolysis, the market developments have recently gained momentum.

As a result, we see increased and much needed collaboration across the full hydrogen value chain. The industry is still at an early development stage and requires significant R&D initiatives from different players working together.

That is why we have expanded our access to technology and partner networks. Through our existing relations with universities and research institutes and our participation in industry consortia and industry bodies we will be able to connect a wide area of expertise that will contribute to build the future of hydrogen and a decarbonized energy sector.

Apart from being a supplier to a number of market leading companies, we have joined the ECO2Fuel project, an EU project under Horizon2020 to convert CO<sub>2</sub> into sustainable fuel. We also acquired a stake in Pajarito Powder (Albuquerque, US), a leader in the development and commercialization of advanced electrocatalysts for electrolyzers that enable green hydrogen production.

GRI 2-6





# Be the leading partner for 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.

A great example of our focus on quality is our plant in Sardegna, Italy, that has not received a single customer complaint in over two years.

## Partners along the value chain enjoy more convenience thanks to e-portals

Last year, we opened up our North American fencing e-portal to more partners along the value chain. Before, the portal targeted fencing distributors, who are our direct customers, so they could easily check stock levels, order products and follow up the status. Now, also contractors who are further down the value chain can browse our product offering as well, fill their shopping cart and send a request for quotation to the distributors. This creates benefits for all partners involved: end-customers have an easy and convenient shopping experience via the website; distributors use Bekaert's portal and marketing tool to keep a close relation to their direct customers; and Bekaert gains valuable customer insights and creates a more streamlined ordering process.

At the same time, we launched new e-commerce portals for automotive and construction segments, and revamped our existing MyRope portal. We also further improved our customer relationship management (CRM) system which has become the backbone of our commercial processes, allowing sales teams to monitor the end-to-end commercial cycle in an efficient way.

## NPS Rubber Reinforcement

Bekaert is conducting a Net Promotor Score (NPS) survey across all businesses and on a global scale. The outcome is projected to be finalized in April 2023.

The one business unit with complete results so far is Rubber Reinforcement. Rubber Reinforcement's NPS score for 2022 was 73, which is an excellent result: much higher than the average for international B2B manufacturing companies (between 20 and 30), and another significant improvement compared with the previous score of 64 in 2020.



The survey gauged the loyalty of customer relationships by measuring the likelihood that customers would recommend Bekaert to other companies, colleagues or business partners. Profacts, an independent market research agency, handled the coordination and analysis of the survey.

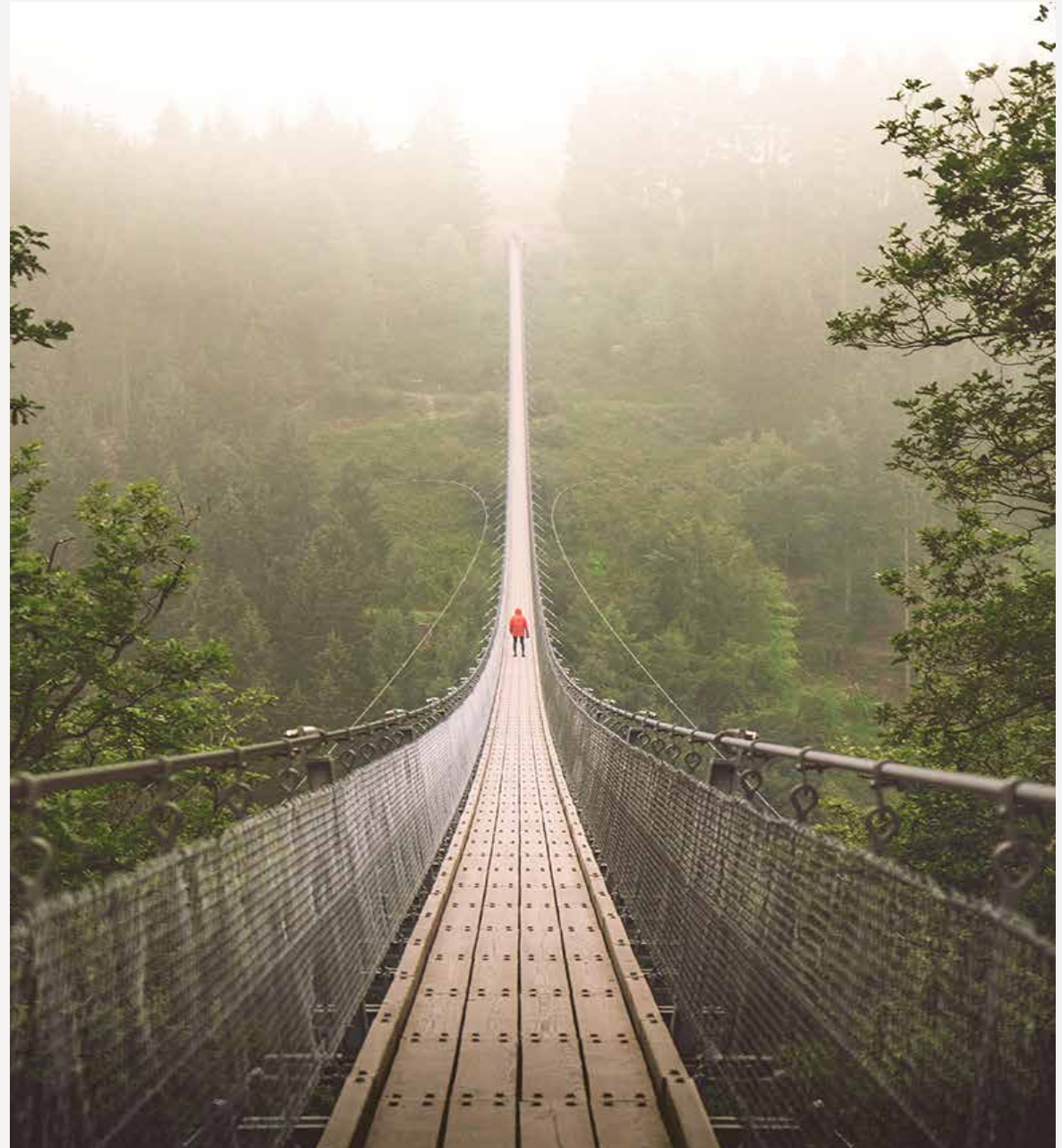




# Planet

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

- We continually implement actions to increase energy efficiency so that we reduce the energy used in our operations.
- We 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 to reduce waste and to limit our water consumption, especially in water-stressed regions.
- We develop sustainable solutions which contribute to a cleaner environment and aim to reduce the environmental footprint of our products over their entire life cycle.
- We are committed to reducing our carbon footprint and our emissions reduction targets have been validated by the Science Based Targets initiative (SBTi).





# Our strategy and ambitions

## INPUTS

**40%** of electricity used is from renewable sources<sup>1</sup>

**32%** of wire rod purchased is from recycled steel<sup>2</sup>

**-9%** water withdrawal compared to base year 2019<sup>1</sup>

Commitment to Business Ambition for **1.5°C** campaign, with science-based targets



## OUTPUTS

**-7.8%** decrease in Scope 1&2 GHG emissions compared to 2019<sup>1</sup>

**100%** of steel scrap is recycled

**-13.9%** steel scrap compared to 2019

Emission reduction targets approved by **SBTi**

<sup>1</sup> JVs included

<sup>2</sup> recycled steel purchased by the steel mills (27%) and recycled in their production processes (5%)

In 2022 we further stepped up our ambitions, capabilities and plans to make substantial progress towards achieving our environmental targets.

Our ambition for the environment is in line with the Paris Agreement to limit the global temperature rise to 1.5°C. We have set a target to reduce our Scope 1 & 2 Greenhouse Gas Emissions<sup>1</sup> - the majority of which comes from gas used within our factories and from the electricity we purchase - by 46.2% by 2030 (compared to 2019) and to reach Carbon Net Zero by 2050. We have also set a target to reduce our Scope 3 emissions associated with purchased goods and services by 19.7% by 2035 (compared to 2019).

By committing to these targets, 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.

We are determined to improve life and create value for all our stakeholders by making a positive impact with our sustainable solutions and practices.

With this in mind, we have established an ambitious plan that addresses the most pressing sustainability-related challenges and, at the same time, presents a wide range of opportunities, for Bekaert and for the environment.

GRI 2-22, GRI 3-3



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

<sup>1</sup> 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 actions in 2022<sup>1</sup>

## Race to zero

Following on from acceptance of our application to join the Business Ambition for 1.5°C campaign, which is an urgent call to action from a global coalition to limit global warming, our ambitious science-based GHG reduction targets have been independently validated by the Science Based Targets initiative (SBTi). By signing up and committing to targets in line with SBTi, we became part of the UN Climate Champions' Race to Zero and through this we aim to make a significant impact in the fight against climate change.

Another disclosure is related to EU Taxonomy, which 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. Building further on our initial evaluation in 2021, in 2022 we again mapped all of the manufacturing activities, investments and applicable expenses of the Bekaert consolidated entities and have matched them with the activities described in the EU Taxonomy to analyze their eligibility, i.e., their potential to be environmentally sustainable. While last year's exercise only covered the eligibility dimension, this is the first year that we also report on the alignment to two of the EU Taxonomy objectives: Climate Change Mitigation and Climate Change Adaptation. The outcome of this analysis is included in the detailed environmental statements in part II of this report.

GRI 3-3

## Using and investing in renewable energy sources

One of our key enablers to reduce greenhouse gas emissions is the use of renewable electricity, where available. In total, 40% of the electricity we consumed came from renewable energy sources in 2022. In Brazil, Canada, Colombia, Ecuador, Venezuela, Romania, the Netherlands and the UK, most of Bekaert's electricity already comes from renewable energy sources.

When it comes to renewable power generation, we are focusing 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 roof and ground-mounted solar panels. In 2022 we announced the investment in a solar farm at our manufacturing site in Burgos, Spain, and in two PPA's in the US and in India, which will drastically reduce our emissions of our manufacturing footprint in those countries.

GRI 3-3



## 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), a longstanding transformation program focused on manufacturing excellence, is centered around energy and emission reduction measures. Largely as a result of our efforts to improve energy efficiency, but also due to reduced output, our Scope 1 & 2 emissions (including JVs) reduced by 8.3% in 2022 compared to 2021 and were 7.8% lower than our reference base year 2019. However, our energy intensity increased by 5.3% in 2022 compared to 2021, primarily because of a reduced output in terms of volumes, which outweighed the energy efficiency improvements.

Additionally, we are analyzing different options to fully decarbonize our thermal energy from heat by 2050. One initiative is exploring the possibility of electrifying our heat treatment processes. In Burgos (Spain) we are running a pilot project on a small production line.

GRI 3-3

<sup>1</sup> More details on Bekaert's 2022 environmental performance and targets are included in Part II: Environmental Statements of this report.





## Contributing to a circular economy

True sustainability can only be achieved through circularity. That is why we are increasing our contribution to circular economy across the lifecycle of our products and our value chain.

In 2022, we organized a series of circular economy workshops facilitated by Sirris and Agoria (respectively the Collective Center and National Federation for technology-inspired companies in Belgium). The purpose was to establish a systematic approach to monitor and enhance circularity and to adopt a common language within the organization. 25 change leaders from different business units and functions brainstormed on various circular economy concepts and generated 50+ ideas. Additionally, we performed more than 60 Life Cycle Assessments (LCAs) that provided valuable information on the environmental footprint of our products throughout their entire lifecycles, emphasizing the focus on circular economy.

In 2022 we improved the overview of our upstream Scope 3 emissions, allowing us to assess our current wire rod performance and monitor future progress. As mentioned in the Value Chain chapter, steel wire rod is Bekaert's main raw material. Today most of the steel used by the steel mills to produce wire rod is made via the primary route, based on virgin iron ore with blast furnace technologies. Steel produced via the secondary route uses a high share of recycled steel and is made with electric arc furnace technologies.

In calculating the share of recycled steel in the wire rod we purchase, we use, wherever possible, granular data obtained directly from our suppliers. To complete our analysis we also consult internationally renowned databases and take into account generic values based on the steel making technology used. Data quality is important and therefore we are working closely with our strategic suppliers and international organizations to pave the way for more standardized and certified reporting.

To increase the content of recycled raw materials, we adopt techniques in our product and process design that support the use of scrap-based steel wire rod. Applying the ISO 14021 definition, the total of pre-consumer and post-consumer recycled content in wire rod was 27% in 2022, a slight increase over the past 2 years (26%). This ISO standard only takes into account the wire rod that was produced by the steel mills with scrap-based steel purchased. The use of steel recycled inside the steel mills' manufacturing process (adding 5% of recycled material) is not included in

the ISO-based ratio. Bekaert has an ambitious plan to significantly increase the recycled content in purchased wire rod by 2030. To realize this, new wire rod grades and sources are being developed while maintaining strict approval protocols.

Zinc is another key raw material for Bekaert with 24 000 tons purchased in 2022. We are currently working closely with our key zinc suppliers to better understand the proportion of recycled content and analyze how this share can be increased.

GRI 301-1, GRI 301-2

Scope 3 emissions from purchased goods & services<sup>1</sup> (including wire rod) reduced by 12.6% versus 2021 (consolidated entities). More information on our Scope 3 emissions are available in Part II - Environmental Statements of this report.

GRI 3-3

Procurement have also been working on material sustainability topics related to packaging, focusing on reuse, recycled content and reduction. Spools are an important type of packaging for Bekaert, as most of our products are wound around spools to be delivered to our customers. In 2022, we achieved high spool reuse with 97% of tire cord spools being reused. Bridon-Bekaert Ropes Group also focuses on spool reuse, both in the advanced cords business and in ropes, where wooden and steel reels are reused for almost all rope deliveries in North America and Australia. We have also worked on the reuse of wooden pallets, both with our customers and our suppliers. In 2022 we received the PRS green label for our Zwevegem, Belgium plant's engagement in pallet circularity.

GRI 2-6, GRI 301-2

100 % of the cardboard boxes we purchase and use in China and South East Asia are made from recycled paper. Bekaert is working toward achieving this result in EMEA in the course of 2023.

GRI 3-3, GRI 301-2

We design for high durability, less material use, recyclability, easy disassembly and adaptability of products manufactured. Our sustainable solutions ensure extended lifetime or achieve the same lifetime with less material, substantially reducing the overall GHG emissions compared to



the mainstream alternatives in the market. Additionally, we aim for leaner processing not only at our manufacturing but also at our customer side. We assist our customers to increase the processing efficiency of our products and decrease their waste generation.

We invest in waste management that prioritizes recycling over disposal. For instance, not only we take initiatives to reduce our freshwater intake, we also recycle and reuse water many times until it cannot be further recycled. Additionally, we partner with local recycling companies to recycle our waste. For example, 100% of all steel scrap is returned to the steel industry for recycling. We have initiatives to reduce waste from packaging. We also support local circular economy initiatives beyond the products that we deliver in the respective region, such as the partnership between Chaide and Bekaert Ideal Alambrec in Ecuador for recycling more than 1000 used mattresses in the Galapagos Islands.

By innovating, using materials and energy that don't cost the earth, we contribute to a low-carbon society and preserve our natural resources.

<sup>1</sup> Excluding joint ventures.  
GRI 3-3, GRI 306-2



### EMBEDDING A SUSTAINABILITY MINDSET AT THE HIGHEST LEVEL

Senior management members of Bekaert attended a comprehensive development program run by the Cambridge Institute on Sustainability Leadership. Following a period of self-study, the participants took to the virtual classroom to learn from Cambridge University experts about the various topics on our sustainability agenda and to debate case studies in facilitated discussions. The goal of this program was to boost sustainability thinking, establish a common language and embed it into daily tactical and strategic planning. As such, the course gave food for thought about the implications of sustainability in our business environment. Taking a holistic and long-term approach in our innovation and business models allows both the economy and society to thrive together. This course built a shared understanding of what being sustainable as a business means and provided inspiration for what that could mean for Bekaert. As a result of the program, now more than 60 of leaders put their learnings into practice as part of their day-to-day work with the aim to improve life and create value for all our stakeholders. To bring the sustainability agenda even deeper into the organization, all managerial employees took an e-learning course on sustainability to be fully aligned with Bekaert's ambitions.





# Focus on energy consumption and 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”.

## YOU KNOW WATT

Recognizing the significant carbon and wider environmental footprint associated with producing our products and solutions, our global program, “You Know Watt”, aims to further reduce our energy use, our water consumption and our waste generation in a structured way.

We believe in the ‘power’ of learning by doing. Therefore, based on several pilot projects, we have designed and implemented a dedicated & comprehensive improvement program covering energy, water and waste, which moves from plant to plant, following a structured process at each site over a two to three month period. We bring You Know Watt to local teams, evaluating findings, implementing efficiency improvements and sharing improvement ideas and best practice across the company.

“You Know Watt” focuses on:

- Measuring energy/water consumption and waste generation
- Building awareness of the importance of energy efficiency, water conservation and waste reduction
- Identifying potential improvement opportunities
- Evaluating each opportunity
- Implementing those which are technically and economically feasible, using standard solutions where possible

We kicked this program off in our Izmit plant in Turkey in October 2021 and have now completed You Know Watt waves at 7 large manufacturing sites in Europe & in China. The results have so far been very encouraging, with an overall identified energy intensity improvement potential of more than 15%, which is in line with our ambition and targets. Similarly, we have also identified potential opportunities to reduce our water consumption and our waste generation which are in line with, and in some areas exceed, our targets.

GRI 3-3, GRI 306-2





## 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 2022 was almost -9.0% below 2019 and -6.4% lower than in 2021.
- Steel scrap reduced by -13.9% compared to 2019 and by -5.8% compared to 2021.
- Protection against soil and groundwater contamination with physical primary and secondary containment as well as condition monitoring and preventative maintenance.
- At the end of 2022, based on the number of Bekaert manufacturing plants, 88% have ISO 9001 certification (quality) and 79% have ISO 14001 certification (environment), both under the umbrella of a corporate integrated management system.
- As a recognized automotive supplier, Bekaert chose to have its concerned manufacturing plants certified against IATF 16949 quality management requirements. At the end of 2022, 20 sites have been certified across all Business Units, also under a corporate audit scheme. In addition, 8 sites have now reached ISO 50001 certification, which demonstrates to stakeholders the firm ambition of Bekaert to be more efficient on energy consumption.
- We comply with the EU regulations on hazardous substances (RoHS) in products.
- In addition, a comprehensive assessment of physical climate change risks and related mitigating actions has been undertaken. More information is available in Part II section Control and ERM in the Corporate Governance Statement of this report.

GRI 3-3, GRI 303-1, GRI 303-2

## Sustainable products and solutions

We offer products and solutions that embed sustainable practices across their lifecycle and our value chain, contributing to making the world more sustainable. Read all about our products and solutions that contribute to a cleaner environment in the 'Knowledge' section in this Chapter and in Part II: Environmental Statements.

GRI 302-5

## Biodiversity

Along with the fight against climate change, the preservation of biodiversity is clearly one of the most important environmental challenges of the 21st century. At the current rate, half of all living species could disappear a century from now.

In response to this concern, we are in the process of assessing the potential impact of our operations on biodiversity. As a first step, we have screened all of our sites in relation to their proximity to, and their potential impact on, designated protected areas and/or areas of high biodiversity value. Whilst the vast majority (~95%) of Bekaert sites are located in industrial zones, 3 out of the 75 production plants are located close to protected or high biodiversity areas. With this in mind, in 2023 we will enhance our approach to ensure long-term protection, enhancement and restoration of biodiversity. In 2023 we will start to assess our impact on biodiversity throughout our value chains, from raw materials to production and will take action as appropriate for the protection, enhancement and restoration of biodiversity.

GRI 304-1



# Knowledge

- 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.





## Highlights in 2022

### INPUTS

- € 70 million gross R&D spend
- € 8 million R&D grants received
- 523 R&I staff and 276 Engineering staff
- € 15 million investments in digital assets



### OUTPUTS

- 19 first patent filings in 2022
- 2 100+ patent rights in portfolio<sup>1</sup>
- 1 850+ trademark registrations<sup>1</sup>
- 85%+ of our R&D programs target distinct sustainability benefits

<sup>1</sup> JVs included

Innovation is a key priority in the Bekaert strategy. In 2021, three ‘business engines’ were identified to create a balanced pipeline of incremental and disruptive innovations. The acceleration of our innovation program was fully deployed in 2022 and led to a strong innovation focus in each of the business units and at the corporate level where the focus lies on exploring opportunities beyond our current core.

The total investment in R&D in 2022 before deduction of grants & tax credits amounted to € 70 million, compared to € 67 million in 2021. The increase in R&D spend is fully allocated to the differentiated innovation agenda in line with our strategic innovation focus areas.

During 2022, the continued effort to accelerate innovation not only led to an increase in our R&D spend but also to shifts in our innovation portfolio toward a more differentiated solutions offering. We ensure a good balance with Bekaert’s other transformational priorities - digital and sustainability - in prioritizing innovation projects that enable an extended offering with advanced services that create value for our customers.

In support of realizing our sustainability ambition, we have made investments to boost our innovation pipeline of sustainable solutions. Our portfolio contains new projects where we work with partners to accelerate the energy transition toward green hydrogen and floating offshore wind, and we developed new applications that will enhance the electrification of mobility.

We continued the deployment of the agile & customer-centric innovation methodologies across the organization that was started in 2021. Each of the business units have installed innovation centers to ensure customer-centric innovations in line with their specific strategy and market needs. In addition, we have deployed innovation tools and are training the teams.



## DRIVING INNOVATION TO THE NEXT LEVEL

In order to further accelerate and strengthen the innovation agenda, Bekaert has appointed Ernst Lutz as Chief Innovation and Technology Officer. Dr. Lutz will join Bekaert on 3 April 2023. He holds a Mechanical Engineering degree from ETH Zürich, Switzerland, a PhD Engineering Science & Mechanics from Virginia Tech, US, and an executive MBA from the Graduate School of Business Administration in Zürich, Switzerland and State University of New York in Albany, US. Ernst joins Bekaert with 28 years of international experience in Technology, Innovation, Business Development, and Engineering. In his previous role he was the CTO and a member of the Group Executive Team of Gurit Services AG in Zürich, Switzerland.

## Providing solutions for customers

During 2022 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, Currento® PEM electrolyzer 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 2022, 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 ergonomics; and/or address the renewable energy market needs. More information on new products and solutions can be found below.

## Sustainable products and solutions

We offer products and solutions that embed sustainable practices across their lifecycle and our value chain, contributing to making the world more sustainable. 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<sub>2</sub> emissions of conventional-fueled vehicles by up to 5%. Based on actual data, generally accepted conversion models, and test results, the annual CO<sub>2</sub> savings attributable to Bekaert ST/UT cords amount to at least 2.3 million tons.

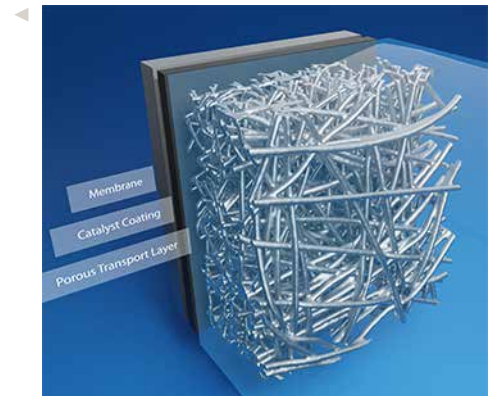
Our steel and synthetic mooring ropes connect anchors on the seabed to floating wind turbines and eliminate the need for extensive foundations. Furthermore, Bezinox®, Bekaert's new-generation cable armoring solution, is used in submarine power cables that transfer electricity from offshore wind farms 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 low-carbon concrete reinforcement use 50% less steel weight, compared to traditional steel solutions. This reduces CO<sub>2</sub> emissions of construction projects by 20 to 50%.

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

More information on our progress to accelerate the adoption of these low-carbon technologies and how they contribute to a reduction of the environmental footprint can be found in the Partnerships section at the end of this Chapter and in Part II: Environmental Statements.

GRI 2-6, GRI 3-3, GRI 302-5





### TODAY'S SOLUTIONS FOR FUTURE NEEDS

In the transition from fossil fuel to renewable energy, Bekaert also redesigns existing products to enable green energy applications.

- Bridon-Bekaert Ropes Group supplies Armoform® thermoplastic tapes for light-weight, non-metallic pipes in energy markets. These pipes save a significant amount of CO<sub>2</sub> due to their anti-corrosion characteristics, which ensures a much longer durability compared with traditional carbon steel pipes, and they are much easier to install. While initially developed and used as water injection pipes for oil extraction, they increasingly find their way in a broad range of energy transport projects, including green energy.
- Steel Wire Solutions' flat and shaped wires that reinforce and protect flexible pipes are another example of Bekaert's product offering that answers both the current (oil and gas) and future (renewable) energy needs.

## Engineering

Bekaert's in-house engineering department takes up a leading role in equipment technology development. To do that, it further increased the collaboration with other technology departments and external partners. At the same time, we are creating an ecosystem of knowledge clusters in engineering solutions and services with the purpose to support the plants in their journey toward world class manufacturing.

Engineering has aligned its roadmaps with the overall Bekaert ambition. Significant steps have been taken to address the growth plans of Bekaert in new or fast growing business areas. To name one, we enable the capacity expansion of the manufacturing activities that produce Currento® porous transport layers used in electrolyzer stacks for green hydrogen power. Our close proximity to customers combined with extensive market knowledge allow us to investigate opportunities quickly and be ready when the market requires solutions.

Bekaert Engineering intensified its focus on safety, sustainability, digitalization and automation efforts. We make our machines more energy efficient by developing and deploying standard technical solutions, while exploring new concepts for process or equipment breakthroughs. By adding intelligence to our machines and processes, we gain more insight into the performance of our machines and increase efficiency and quality. More automation also further increases the ease of running and monitoring our operations.

### ENGINEERED FOR SAFETY

Our heritage implies that several generations of equipment are being used in our manufacturing plants. The engineering and safety, health and environment departments have joined forces to upgrade old machines to the newest safety standards and make them less prone to human errors. The underlying principle is that human behavior, such as being distracted for whatever reason, should not cause life-altering injuries to anyone. As such, it represents an important facet in our 'no-harm-to-anyone' safety credo.





# 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. Furthermore, it ensures intellectual property rights are respected both through enforcement of Bekaert's rights and by checks concerning third parties rights, which leads to a strong stance in the market and secures an excellent track record with no infringement actions brought to court against Bekaert for years. At the end of 2022, the Bekaert Group had a portfolio of more than 2 100 patents and patent applications, including 19 new first patent filings in 2022, and more than 1 850 trademarks and trademark applications. The Bekaert Group thereby takes holistic approach to the protection of its intellectual property regarding new product and process technology developments, including digital assets and sustainable solutions.

GRI 2-27, GRI 3-3

## 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.

GRI 3-3, GRI 418-1

# Digital@Bekaert

Digital@Bekaert is dedicated to transforming our working methods to embrace holistic data intelligence platforms. Our focus since 2021 has been on driving progress through the integration of advanced technologies into our everyday products. Our efforts are concentrated on the following key areas: Digital@Operations, Digital@Customer, Digital@Enterprise Process, and Digital@Sustainability. These pillars prioritize maximizing business value while ensuring that the IT foundation, including data strategy, cyber defense, and IT infrastructure, provides a secure structure for value delivery. Our objective is to deliver quality and performance-driven products and solutions that contribute to creating value for our customers.

- Digital@Operations leverages the technological advancements in the operations process, such as connecting operational assets, digitalizing manufacturing and supply chain, and utilizing advanced analytics such as AI/Machine Learning to solve operational challenges.
- Digital@Customer prioritizes the customer experience, offering a first-class omnichannel experience through both online and offline channels.
- Digital@Enterprise Process optimizes our internal processes to improve user experience and efficiency in finance, HR, procurement, and legal, among others.
- Digital@Sustainability utilizes digital technology and data to position sustainability as a differentiator for our stakeholders.

In 2022, we made significant strides in our digital transformation efforts. We digitalized 10 Bekaert plants worldwide and progressed in our digital supply chain journey in 13 additional plants. Our manufacturing processes saw increased efficiency through the implementation of advanced analytics. Moreover, we introduced 7 additional digital customer interactive channels and equipped our commercial teams with real-time pricing tools and business intelligence platforms. We also started to see efficiency improvements from digital transformation programs in procurement and finance processes.



# Open innovation

To build a strong ecosystem that supports our innovation portfolio differentiation, Bekaert continued to grasp opportunities for cooperation with strategic customers, suppliers and academic research institutes and universities. In 2022, we made some investments in early-stage companies and explored the set-up of new ventures to create new attractive business models adjacent to Bekaert's current field-of-play. This strengthened open innovation was kicked off in 2021 and was continued with, among others, the BCG cup for sustainable solutions, and university collaborations where Bekaert cases were brought to academic training programs on innovation & entrepreneurship.



With the challenges that sustainability and digital transformation bring, it is key to maintain our 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. In 2022, we also strengthened our research partnerships in the domain of sustainable metallurgy and sustainable metal processing.

More information on Bekaert's research and academic partnerships is available at the end of this chapter.

## Memberships & associations

Bekaert has numerous corporate memberships, including various relevant bilateral chambers of commerce and general industry associations, such as Agoria and VOKA in Belgium, 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 2-28

### 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.

GRI 201-4



# Research & innovation partnerships

Our vision is to build partnerships within our ecosystems and for them to be a key pillar for Bekaert to:

- Develop sustainable business portfolio
- Explore and design new sustainable solutions with best-in-class science and innovation partners
- Anticipate trends and be a key player in climate change, energy transition and societal challenges
- Create value for all our stakeholders

Today at Bekaert we are working with more than 85 partners such as academics, institutions, universities, engineering schools, SMEs, and large industrial players to deploy our vision.

Herewith are examples of key partnerships that we are currently involved in and the domains, products, and innovations we are jointly working on:

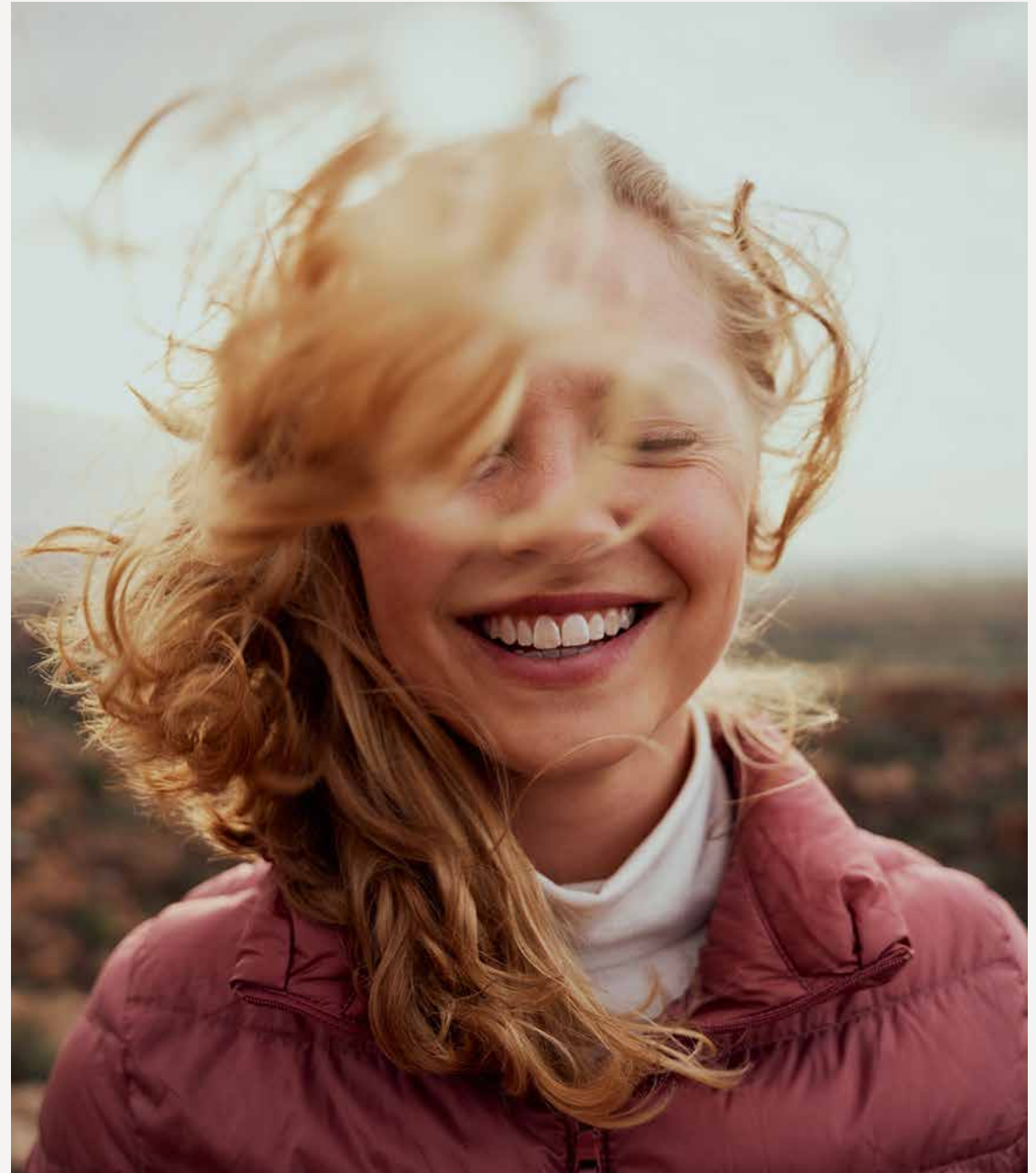
Partner	Innovation domain
Flanders' Make	Digital - Engineering
Centro Ricerche FIAT	Eco2Fuel
Consiglio Nazionale delle Ricerche (CNR)	Eco2Fuel
Technical University of Denmark (DTU)	Eco2Fuel
University Politecnica Valencia (UPV)	Eco2Fuel
Flemish Institute for Technological Research (VITO)	Hyve
IMEC	Hyve
VKI Von Karman Institute	Metallic coatings - hot dip
CRM (Centre de Recherches Metallurgie)	Metallic coatings
CEIT	Modeling
Ghent University	Modeling
Imperial College London	Modeling
PEM Institut RWtH Aachen	Modeling
UCD University College Dublin	Modeling
Zagreb University	Modeling
CTC (Fundacion Centro Tecnologico de Componentes)	MooringSense
SINTEF	MooringSense
TNO (Toegepast Natuurwetenschappelijk Onderzoek)	MooringSense
INSA Lyon	Physical metallurgy
OCAS	Physical metallurgy
Université de Lille (UMET)	Physical metallurgy
KU Leuven	

GRI 2-28



# People

- 'Dare to go beyond' is our employer value proposition to current employees and future talents.
- The leadership principles – the behaviors we expect from every member of our team – guide us in achieving our ambitious goals. These principles are: grow the business – inspire and engage – deliver results.
- We believe in working together to achieve better performance. That is why 'better together' is at the heart of our Culture Compass.
- 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 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 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.





## INPUTS

**26 980<sup>1</sup>** employees from 75 nationalities

**2 039** new hires in 2022

**34** average training hours per employee

Committed to increase gender equality ratio to **40%** by 2030



## OUTPUTS

**100%** of PC users formally commit to the Code of Conduct annually

Safety breakthrough: reduction in **TRIR by -26%** and **LTIFR by 20%**

Employee retention rate of **96%**

**28%** female managers and salaried professionals per YE 2022

<sup>1</sup> 23 615 in consolidated entities + 3 365 in joint ventures  
= 26 980 combined

# Our values

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 in realizing our ambition, and to do that in a way that reflects our company values and the highest standards of business ethics.

Our values bring us together as one global team: better together. They are the foundation of our culture and way of working. Integrity and Trust have always been at the heart of all our relationships. In 2022 we added two new values - Agility and Boldness - as we believe these are vital for our future. More than 500 employees from all geographic regions and business areas, and from all levels in the organization, participated in the workshops that were organized to define and validate our company values. This new set now forms an essential part of Bekaert's Culture Compass and guides us to "Dare to go beyond".

### Integrity

We are authentic, honest, and respectful. We protect the planet and care for our employees and communities. We always do what is right and speak up if we see something wrong.

### Trust

We believe in the ability, reliability, and strength of our colleagues, customers and partners. We build relationships with mutual understanding, openness, and respect.

### Agility

We embrace change and adapt with speed, enthusiasm, and resilience. We keep it simple and effective, with the customer at the center of our decision-making.

### Boldness

We are curious, creative, and courageous. We think outside of the box to establish the new possible. We empower each other to try new things, and accept that learning from failure is part of daring to go beyond. We take ownership, make decisions, and take action.

GRI 2-23



## 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 2-23

The Bekaert Code of Conduct describes how we put our Bekaert values into practice and which leadership principles or behaviors we expect from every Bekaert employee. Our Code of Conduct covers, among other elements, key areas regarding human rights, child labor and forced labor, and anti-bribery and anti-corruption policy and principles. All Bekaert policies related to responsible business conduct are available on the Bekaert website.

GRI 2-23, GRI 2-24, GRI 3-3, GRI 205-1, GRI 205-2, GRI 407-1, 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.

On average, each employee received 34 hours of training in 2022.

GRI 3-3, GRI 404-1, GRI 404-2

### NEW LEADERSHIP FRAMEWORK GUIDES OUR PEOPLE DEVELOPMENT, TALENT ACQUISITION AND PEOPLE ASSESSMENT

While defining our purpose, ambition, and employer value proposition as well as the other components of our Strategy Compass and Culture Compass, we also reflected on what behaviors will shape our success. These are leadership principles that apply to every member of our team: both to our current employees and in attracting future talents.

The leadership principles that will guide us in leading our business, our teams, and ourselves, are: to grow the business; to inspire and engage; and to deliver results.

Under the leadership of the CEO and the Group Executive team, and guided by the newly established Center of Expertise for Leadership, Learning, and Wellbeing, a new Leadership Framework for the company was developed and rolled out, which further specifies and deploys the leadership principles. This framework now clearly states what is expected of leaders at all levels of the company. It will serve as a foundation for our internal people development, guide our talent acquisition and selection, and will be an essential part of the performance and potential assessment of our management teams across Bekaert.



### **BEKAERT GLOBAL GRADUATE PROGRAM EDUCATES OUR FUTURE LEADERS**

In 2022 we launched the Bekaert Global Graduate program. It is a development program for fresh graduates, aiming to build a sustainable talent pipeline as well as developing the future leaders of Bekaert.

The program includes an induction and training plan that is spread over a period of 18 months and consists of three real job experiences designed to create impact from the start: shopfloor management, a cross-functional project, and an international assignment.

Throughout the program, the graduates are mentored, trained, and coached to take up challenges and go beyond the boundaries of their professional expertise and career.

This program also reflects a true sense of diversity and inclusion of the target group in terms of gender, nationality, ethnicity, religion, and socioeconomic status.

After the successful pilot in the business unit Rubber Reinforcement across Europe, India and China, we will continue with the global roll-out across all Bekaert business units and key locations.

### **ELEVATION PROGRAM FOR TEAM LEADERS**

In 2022 we continued developing the leadership skills of our young team leaders. 109 leaders from all over the world joined Elevation, our dedicated development program for first-time leaders. Designed as a blended program, Elevation consists of online self-study, virtual classes and group coaching, and is built in six modules around the employees' career path and the important role team leaders play in it.



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



# 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.

GRI 3-3, GRI 403-1

For the fifth year in a row, the safety-related key performance indicators LTIFR and TRIR showed continued good progress. Where 2022 marked a real breakthrough in the reduction of LTIFR (-20%) and TRIR (-26%), there was only a slight improvement in terms of SI rate (from 0.12 in 2021 to 0.11 in 2022). The number of serious incidents leading to life-altering injuries decreased from 8 cases in 2021 to seven in 2022. 6 of these related to hand and finger injuries, 1 to foot and toe injuries. Bekaert is reinforcing its safety program through awareness campaigns, trainings, and dedicated investments to secure safe working conditions for all employees.

GRI 403-9

*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)  
The numbers and progress include the safety data of both Bekaert employees and contractors on our sites, in consolidated entities as well as the joint ventures.*

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

## Safety champions

In 2022, 27 manufacturing plants achieved 1 year without any recordable safety incident. 3 plants were 2 years incident-free. 3 plants achieved 5 years without recordable safety incidents, and 2 plants have been incident-free for 9 or more years. They are Bekaert's safety champions and lead the way toward a no-harm, risk-free working environment for all.

## BeCare+: a safety and compliance learning journey

In 2022 we launched the BeCare+ development program for site managers and regional operations leaders. This safety, health & environmental training aims at building awareness, knowledge and understanding about SH&E related compliance and liabilities. The program is structured in four streams aligned with the BeCare Safety program: Leadership, Governance, People & Environment at Risk, and People Take Risks.

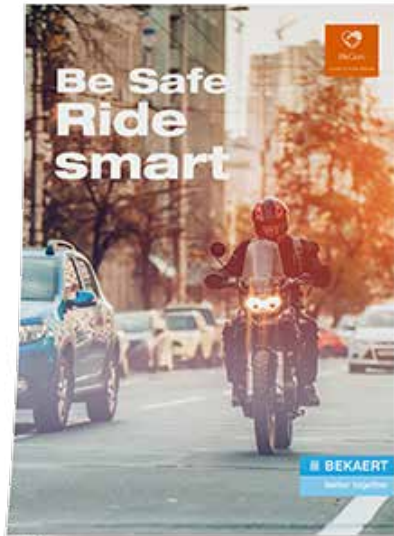
During the training, operational leaders learn to manage SH&E compliance in their plants while they become familiar with the tools that support them. In each online module, participants tackle a specific topic and bring a local SH&E challenge to the table to discuss it with their peers. This focus on action learning makes the theory tangible and lets leaders implement improvements immediately after the training. As a conclusion to the training, the participants gather for a very practical three-day workshop to further deepen their knowledge and work on concrete cases.

A further rollout is planned in 2023 for other operations roles.

GRI 3-3, GRI 403-2, GRI 403-5







## Be safe, travel smart: Health & Safety Week focused on road safety in 2022

Every year, we organize a global Health & Safety Week for all our employees. In 2022, we built it around the road safety theme, with focus on both public road and shop floor traffic.

Establishing the new possible, Bekaert's purpose, reflects very well what safety ambition we want to achieve on the road. We simply should not take road accidents as a given by reconciling ourselves that they are unavoidable. Safe behavior on the road should become the new standard.

To make it tangible, one of our colleagues shared his personal story in our employee podcast Bits & Bytes, about how he suffered a serious accident on the road. His testimony reinforced why "No harm to anyone" is so important, and how the accident has not only impacted the employee but also his entire family.

All sorts of events were organized during our Health & Safety Week 2022 and all were aimed to enhance road safety awareness and to share how we can reduce the chances of incidents. Apart from global webinars, our employees in Asia, Europe and the Americas ran local events, such as inviting local law enforcement to talk about the road hazards, letting employees experience what it's like to have an accident through simulators, by organizing defensive driving lessons, and by engaging local communities by voluntary class teaching about traffic safety in schools.

GRI 403-5

## 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 2022). We are committed to increase this share in support of gender equality. Our target is to achieve a ratio of 40% by 2030 through an annual improvement of +1.5% in the next coming seven years. This target has also been added in the short-term incentives targets for Executive Management in 2022. A diversity target has been retained as one of the 2023 short-term incentives criteria for the management.

Bekaert is a truly international organization and embraces the very rich cultural diversity within our team. We employ people from 75 nationalities in 43 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.

GRI 3-3



# Communities

- Taking care of people is fundamental to the success of our business.
- We support and develop initiatives that help improve the social and environmental conditions in the communities where we are active.
- We engage and support external stakeholders in our health & safety, diversity, and environmental programs.
- We believe that education is the backbone of society and therefore stimulate support programs that enhance access to school education or that develop the skills and empowerment of people living in underprivileged communities.
- Our attention for diversity & inclusion extends beyond our role and responsibility as an employer: we support programs that help break down the social and economic barriers of girls, women, people with a disability, and underserved population groups.
- United by our values, we support humanitarian initiatives that provide emergency relief to people in need.





## INPUTS<sup>1</sup>

~**100** programs in support of local communities and disaster relief

Stimulating employment and development in **43 countries**



## OUTPUTS

€ **81 million** in income tax payments relative to 2022 consolidated result

€ **800 000** funding for disaster relief and social & environmental support programs

<sup>1</sup> Consolidated entities

# Our commitment toward society

Bekaert strives to be a loyal and responsible partner in the communities where the company is active.

Our teams in more than 40 countries are proud to give back to the community. Our activities target improvement programs that enhance education, social conditions, and the environment, particularly in the communities where we are active.

## Supporting education and social development initiatives

In 2022 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.

We believe that everybody has the right to education and to social and financial safety – regardless of background, gender, or physical or mental ability. That is why many of our support programs have a focus on diversity and inclusion.

Three of the shining examples we support are the SHAKTI initiative in India, the Women's Entrepreneur Program in Ecuador and a school for disabled children in Turkey.

GRI 3-3, GRI 413-1



### SHAKTI initiative in India

Our team in India partners with a local NGO, Pradeept Bharat, to enhance the education and empowerment of girls in underprivileged communities, like the girls from the vulnerable Katkari tribe. During a 12-month program, the SHAKTI initiative helps girls develop art and craft skills like tie-dye printing, handmade quilting, and crocheted fabrics and objects.

Our team in India also gave the opportunity of a first selling experience by setting up a booth during the Diwali celebrations, allowing Bekaert colleagues to buy accessories and decoration produced by the 'Shakti' girls.

### Women's Entrepreneur Program in Ecuador

The Women's Entrepreneur Program, launched by Ideal Alambrec Bekaert in 2021, provides coaching and training to women in setting up a small business and developing it. The six-month program has two phases. In the first phase, we help women design a business plan and provide administration support. In the next phase, the participants learn about marketing and social networks.

Maribel Díaz, one of the program participants, is the mother of one of the Ideal Alambrec Bekaert employees. Maribel joined the program when her husband passed away in January 2021. Joining the program and establishing a small business has helped her to unlock new opportunities: step by step she expands the product offering in her small craft and stationery shop.

She also invested in a machine to design and craft wooden cutting boards and decoration products. Moreover, she develops her customer base by promoting her shop through social networks.



### Bekaert Group Executive participates in event organized by Bekaert Turkey at school for disabled children

In 2022, the Bekaert Group Executive (BGE) team held one of its meetings in our plants in Turkey. During their stay, the BGE members also visited a school supported by the Turkish plants as one of the main community engagement initiatives in the country. The school hosts 22 girls and 18 boys with a disability and Bekaert invested in a playground.





## Community engagement benefiting the environment

Another focus area in our community engagement programs is about creating a clean and green environment. In such programs we work together with various stakeholders in our communities and engage them to participate in the events we organize.

GRI 3-3, GRI 413-1

### Water is life

Every year 11 billion kilos of plastic end up in oceans due to a continuous inflow via rivers and canals. Every action to reduce the inflow is meaningful and creates awareness among participants.

Bekaert is a supporting partner of 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. The organization helps 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.

In 2022 we organized clean-up events in Bossuit, Belgium, and in Van Buren, Arkansas, US. In 2023 we will organize such events in Indonesia and Scotland.

27 June 2022 was a sunny day in Bossuit, Belgium. Our Bekaert colleagues gathered at the banks of the river Scheldt near Bekaert's Headquarters in Belgium.

They removed trash from the river and its banks with the support from River Cleanup, the local fire fighters and local nature ambassadors.

Fishing from the boat and walking the riverbanks, the team collected 71 kgs of trash in just one hour.

Our colleagues in Van Buren, Arkansas, held a similar clean-up event together with River Cleanup and with 'Keep Van Buren Beautiful', a local branche of a US nation-wide non-profit organization whose mission is to beautify and improve the community through voluntary partnerships with citizens, governments and business.

The cleanup event took place during Bekaert's International Health and Safety Week at Lake Lou Emma in Van Buren, Arkansas (US).

Lakes, though not connected to the sea, are also water areas where plastic and other trash pollution affect the water quality and biodiversity of fauna and flora - both in and alongside the basins and the connected creeks.

The team worked throughout the morning clearing brush and removing around 55 kgs of waste.

These two events have been a great start. We are already planning our next events and expect to reach many more communities with actions that reduce water pollution around the world.

GRI 303-1



## Planting trees to grow a forest

The Bekaert teams of Bohumín & Petrovice, Czech Republic, organized a tree planting event in the Beskydy mountains in November 2022.

This event was part of the kick-off of the You Know Watt program (one of the Bekaert energy consumption reduction initiatives: more information in the 'Planet' chapter) in the Czech plants. Bekaert colleagues and family members planted 1 100 trees and look forward to see the new mini-forest grow over the coming years and decades.



## Supporting social relief

The humanitarian impact of the war in Ukraine has changed the face of the world. As a company we have supported various humanitarian efforts through donations and by offering employment and accommodation at different locations where Ukrainian refugees try to rebuild their lives in a safe environment.

GRI 3-3, GRI 413-1

### Welcoming Ukrainian people to the Bekaert Sládkovičovo family

Many Ukrainian refugees crossed borders to Slovakia. Bekaert took the initiative to actively help refugees in their search for a safe place, a new home, and rewarding work.

At the end of 2022 we employed 77 Ukrainian colleagues, most of them female refugees, in our Sládkovičovo plant in Slovakia. We created a friendly and safe environment for them, helped with accommodation, and provided on the job training to make their adaptation and team integration process smooth.

All Ukrainian colleagues finalized their production certification and are officially trained to perform several tasks individually and independently.





## Our contribution to humanitarian help for people in and from Ukraine

As an international group headquartered in Belgium, we have donated € 337 800 to the Ukraine 12-12 action organized in Belgium in support of the victims of violence in Ukraine. The Consortium 12-12 allocates all funds raised to the Belgian branches of 7 organizations: Red Cross, Unicef, Plan International, Oxfam, Caritas, Doctors of the World, and Handicap International.

Moreover, we also donated € 87 200 to the Slovak branch of Red Cross and € 25 000 to the Romanian branch of Red Cross in support of first line help to refugees in the two countries.

As a result, a total of € 450 000 was donated, of which € 437 400 funded by the company and € 12 600 collected through employee initiatives.

## Other community support funding in 2022

Apart from our humanitarian help to people in and from Ukraine, Bekaert has contributed approximately € 350 000 to a wide variety of community support and engagement programs worldwide. Some of these initiatives are steered and coordinated at the Group level, like River Cleanup, while most of them are initiated and managed locally, and often form a combination of monetary support and voluntary work.

In 2022 Bekaert supported approximately 100 such programs or events, big and small, in all 25 countries where we run manufacturing facilities. More information can be found in Part II: Social Statements.

## Politically neutral position

Being active in many countries all over the world, we recognize and appreciate the existence of different values and cultural standards in the countries where we operate.

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. We do not offer donations or other forms of contributions to political parties, political campaigns and events, or organizations associated with political institutions.

We do condemn any act of violence and aggression against people. That is why we actively support humanitarian actions in Ukraine and for Ukrainian refugees.

GRI 415-1