D'Ieteren Group

Financial and Directors' Report 2020

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Content

Content of the Consolidated Directors' Report *

** The topics of Article 119 of the company code, defining the content of the management report, that are not applicable for D'Ieteren Group, have not been included in this summary.*

Declaration by Responsible Persons

Statement on the true and fair view of the consolidated financial statements and the fair overview of the management report. Nicolas D'Ieteren, Chairman of the of the Board of Directors, and Olivier Périer, Deputy Chairman of the Board of Directors, certify, on behalf and for the account of s.a. D'Ieteren n.v., that, to the best of their knowledge, the consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of s.a. D'Ieteren n.v. and the entities included in the consolidation as a whole, and the management report includes a fair overview of the development and performance of the business and the position of s.a. D'Ieteren n.v., and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

2020 Full-Year results

Solid results driven by a record year at Belron and a resilient Auto business

1. D'Ieteren Group

Full-year 2020 highlights

[All the figures mentioned in this press release are post-IFRS 16]

D'Ieteren Group's results grew in 2020 driven by Belron's excellent performance and by a good resilience at D'Ieteren Automotive. The Group's key performance indicator (KPI) – the *adjusted* consolidated profit before tax, Group's share[1] – rose by 11.2% to €332.7m on a comparable basis (53.75% stake in Belron in 2019 and 2020).

- **Belron** managed to contain the organic[5] sales decline to 7.5%. Its *adjusted* profit before tax, Group's share[1] improved significantly by 44.6% reflecting a positive mix effect, improved productivity, and stringent cost containment measures.
- **D'Ieteren Automotive**'s share[2] improved by 80bps to 23.6% in the Belgian new car market[2] (excluding registrations of less than 30 days) which was down 19.7%. The decline in sales (-11.5%) and in the *adjusted* profit before tax, Group's share[1] (-19.9%) mainly reflect lower import volumes, partly mitigated by a positive mix and cost containment.
- **Moleskine**'s performance was severely hit in 2020 by the Covid-19 crisis with sales decreasing by 37.6% and the *adjusted* profit before tax, Group's share[1] ending the year at -€13.5m.
- **Corporate & Unallocated** (including corporate and real estate activities) reported an *adjusted* profit before tax, Group's share[1] of -€4.8m in 2020 compared to -€10.3m in 2019. D'Ieteren Group ends 2020 with a net cash position of €1,455.1m (of which €456.5m inter-segment loans), slightly down from €1,516.4m at the end of 2019.
- Strong *adjusted* **free cash-flow[6]** generation reflects the emphasis put on cash preservation and working capital management during the crisis, with notably an impressive €428.7m generated at Belron (100%) and €171.6m generated by D'Ieteren Automotive.
- The Board of Directors proposes a **gross ordinary dividend** of €1.35 per share related to the financial year 2020 (versus €1.00 in 2019).

Outlook 2021

For 2021, while the timing of the end of the Covid-19 crisis is still unknown, based on the absence of renewed or more severe lockdowns in its main operating regions, D'Ieteren Group expects its *adjusted* consolidated profit before tax, Group's share[1] to grow by at least 25% compared to 2020 result (€332.7m). This improvement is expected to be driven by a recovery of all the activities, and assumes a 53.75% stake in Belron in 2020 and 2021 and average exchange rates that are in line with the rates that prevailed at the end of 2020.

Operationally, for the activities, we expect:

Belron

- Low double-digit organic sales growth driven by a progressive volume recovery, a positive mix, and the continuation of ADAS recalibration penetration and VAPS contribution, partially offset by a negative YoY FX development.
- *Adjusted* operating result growth above 20% (2020: €583.1m) driven by top-line development and further progress on the transformation plan.
- *Adjusted* free cash-flow[6] is expected to remain high, at the same level as 2020, with better operational results being offset by increased capital expenditures, namely in IT-related projects.

D'Ieteren Automotive

- Market share gain in a Belgian new car market marginally recovering to ~450,000 vehicles.
- *Adjusted* operating result growing by more than 15% (2020: €98.9m) primarily driven by the volume recovery, cost improvement following the 2020 restructuring and increased marketing costs to support the brands.
- VDFin is expected to increase its *adjusted* PBT.
- Negative free cash-flow development vs. 2020 due to increased working capital requirements (driven notably by the payment of the acceleration of the transformation plan) and capex returning to normalized levels. *Adjusted* free cash-flow[6], excluding adjusting items, should however remain positive.

Moleskine

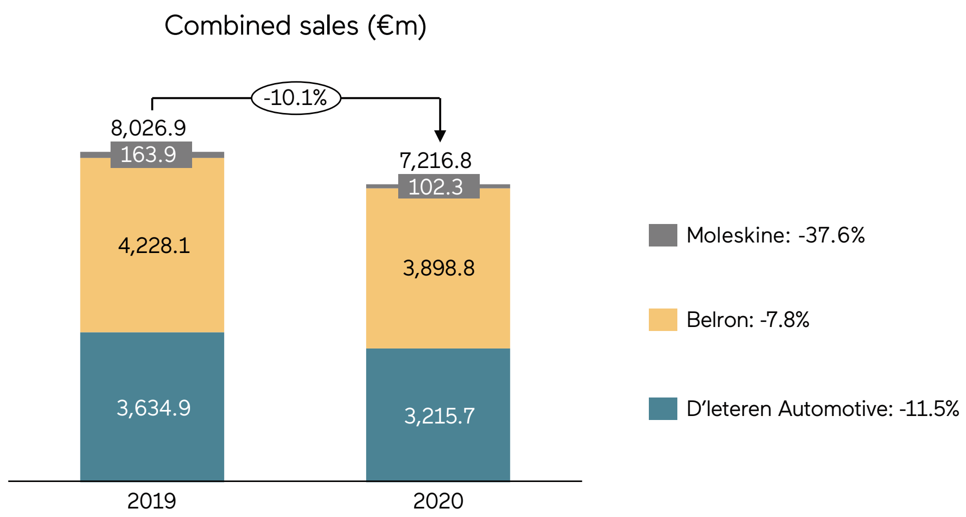
- Sales are expected to recover from depressed 2020 levels, although being still impacted, especially in the first half, by ongoing Covid-19 measures. We expect sales to grow by at least 20% YoY.
- *Adjusted* operating result is expected to be above €10m.

Key developments

- D'Ieteren Group and its activities rapidly took the measure of the Covid-19 crisis and decided to accelerate transformation programmes.
- A solidarity programme has been put in place in April 2020, aiming at helping D'Ieteren Group's employees who may suffer hardship following the crisis.
- Leadership teams have been strengthened at all the activities, with the arrival in 2020 of a new CEO at Moleskine, Daniela Riccardi, and new CFOs at D'Ieteren Automotive, Reginald Gillet, and Belron, Humphrey Singer.
- In October 2020, D'Ieteren Group became a signatory of the United Nations-supported Principles for Responsible Investment (PRI), reflecting its commitment to including environmental, social and governance (ESG) factors in its investment decision-making and active ownership policies. The UN PRI is the world-leading network of investors working together to put principles of responsible investing into practice. The Group will perform its first reporting on a voluntary basis in 2021.
- On the 1st of January 2021, D'Ieteren SA carved-out its car distribution arm D'Ieteren Automotive into a separate wholly owned subsidiary.

Group Summary

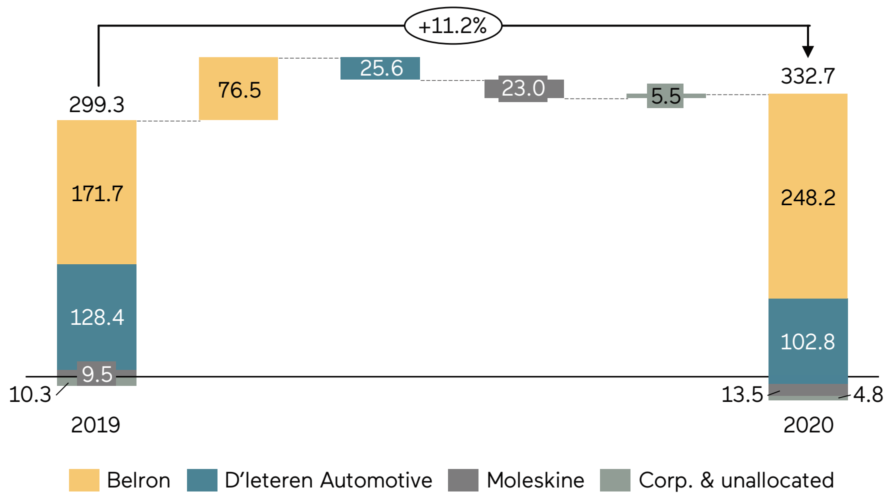
Consolidated sales under IFRS amounted to **€3,318.0m (-12.7%)**. This figure excludes Belron. Combined sales (including 100% of Belron) amounted to **€7,216.8m (-10.1%)**.



Consolidated IFRS operating result stood at €10.2m, down from €24.4m in 2019. Combined *adjusted* operating result, including 100% of Belron, stood at €661.5m, up from €539.1m in 2019.

The **consolidated profit before tax under IFRS** reached €158.2m (€94.8m in 2019). Our key performance indicator, the ***adjusted* consolidated profit before tax, Group's share**[1], amounted to €332.7m, up 11.2% on a comparable basis (53.75% stake in Belron).

Evolution of the *adjusted* consolidated profit before tax, Group's share[1] (€m)



The **Group's share**[1] in the net result equalled €141.9m (€66.1m in 2019). **The *adjusted* net profit, Group's share**[1], reached €231.9m (53.75% stake in Belron) compared to €211.6m (52.48% stake in Belron) in 2019.

The Board of Directors proposes a **gross ordinary dividend of €1.35** per share. If this dividend is approved by the General Meeting of Shareholders on 27 May 2021, it will be paid on 3 June 2021 (ex-date 1 June and record date 2 June).

The net cash position of "Corporate & Unallocated", which includes Corporate, amounted to €1,455.1m at the end of 2020 (including €456.5m inter-segment loan) compared to €1,516.4m at the end of 2019, mainly as a result of the purchase, in February 2020, of €150m of Belron's preference shares previously held by CD&R, the settlement of the financial contingent liability (€31.9m) towards CD&R, the purchase of treasury shares (€24.4m) and the payment in June 2020 of the dividend (€53.9m) to the shareholders of D'Ieteren, partially offset by the dividend received from D'Ieteren Automotive (€200m).

2. D'Ieteren Automotive

€m	2019			2020				
	APM (non-GAAP measures)[1]			APM (non-GAAP measures)[1]				
	Adjusted items	*Adjusting items*	Total	*Adjusted items*	*Adjusting items*	Total	*% change adjusted items*	*% change total*
New vehicles delivered (in units)	-	-	129,575	-	-	104,710	-	*-19.2%*
External sales	*3,634.9*	-	3,634.9	*3,215.7*	-	3,215.7	*-11.5%*	*-11.5%*
Operating result	*119.1*	*-2.5*	116.6	*98.9*	*-46.9*	52.0	*-17.0%*	*-55.4%*
Net finance costs	*-2.7*	-	-2.7	*-4.2*	-	-4.2	*55.6%*	*55.6%*
Result before tax (PBT)	*125.0*	*-2.5*	122.5	*100.0*	*-48.2*	51.8	*-20.0%*	*-57.7%*
Adjusted PBT, group's share[1]	*128.4*	-	-	*102.8*	-	-	*-19.9%*	-

Activities and results

MARKET AND DELIVERIES

The Belgian new car market was severely impacted by the Covid-19 crisis. Excluding registrations of less than 30 days[2], the number of Belgian new car registrations decreased by 19.7% to 413,373 units. Including registration of less than 30 days, the number reached 431,491 units (-21.6%). The 22.2% decline in demand in the business segment (55.5% of total new car registrations) was slightly higher than that of the private segment (-20.7%). The share of SUV's, aligned with Febiac's segmentation, increased from 39.3% in 2019 to 40.9% in 2020. D'Ieteren Automotive's brands saw a 11.2% decline in the number of SUV registrations which made up 34.9% of the mix. New energy share in the market mix more than doubled from 7.1% in 2019 to 15.3% in 2020. D'Ieteren Automotive is the leader in full electric vehicles in Belgium.

D'Ieteren Automotive's market share continued to increase to 23.6% (versus 22.8% in 2019) if one excludes registrations of less than 30 days. This was mainly driven by ŠKODA, Audi and Porsche, while VW, which remains the largest brand in Belgium, slightly declined.

Registrations of new light commercial vehicles (0 to 6 tonnes) declined by 12.2% to 71,800 units and D'Ieteren Automotive's market share remained stable at 10.7% (of net registrations).

The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Automotive in 2020 reached 104,710 units (-19.2%).

SALES

D'Ieteren Automotive's sales decreased by 11.5% to €3,215.7m in 2020 mainly reflecting volume decline partially mitigated by a positive mix due to the continued premiumization of the car park.

- New vehicles sales declined by 12.6% to €2,792.0m
- Used cars sales increased by 25.5% YoY, reaching €95.5m
- Spare parts and accessories sales dropped by 15.5% to €182.3m
- Revenues from after-sales activities of the owned dealerships amounted to €83.6m (-14.6% YoY)

RESULTS

The operating result reached €52.0m (-55.4%) and the *adjusted* operating result[1] (€98.9m) declined by 17.0%. This evolution was driven by the lower volumes (new vehicles and spare parts mainly) partially compensated by general cost containment (primarily marketing expenses) and a positive development in Retail also driven by cost rationalization.

Adjusting items include a provision of €41.0m related to the finalization of the project carried out in 2020 for the acceleration of the transformation in response to a rapidly changing automotive market, a charge of €3.2m (€2.5m in 2019) related to the Market Area network consolidation (optimization of the independent dealer network), and €1.7m costs linked to the carve-out of D'Ieteren Automotive from D'Ieteren SA.

The profit before tax reached €51.8m (-57.7%) or €100.0m (-20.0%) excluding *adjusting* items[1].

The *adjusted* profit before tax, Group's share[1], declined by 19.9% to €102.8m. The contribution of the equity accounted entities amounted to €8.1m (€12.0m in 2019).

Income tax expenses reached €15.8m (€36.7m in 2019). *Adjusted* tax expenses[1] equalled €27.5m (compared to €38.8m in 2019). The decline reflects the lower profit before taxes and the lower nominal tax rate (from 29.58% to 25%).

The result after tax, Group's share[1], amounted to €37.1m (€85.8m in 2019). The *adjusted* result after tax, Group's share[1], declined by €12.6m to €73.6m.

Net debt and free cash flow

D'Ieteren Automotive's net debt[3] increased by €34.0m to €167.7m at the end 2020. This is due to the €200.0m inter-segment loan from D'Ieteren Group partly offset by cash generation.

The *adjusted* free cash flow[6] (after tax) equalled €171.6m in 2020 versus -€38.9m in 2019. The change mainly reflects:
- A significant cash inflow from working capital driven by lower inventories and trade receivables;
- A lower cash outflow from investing activities with net capex down by €6.0m to -€21.2m and less cash spent on acquisitions;
- Less taxes paid on the back of lower operating results (-€28.3m in 2020 versus -€38.1m in 2019);
- These elements were partly offset by lower operating results.

3. Belron

€m	2019			2020				
	APM (non-GAAP measures)[1]			*APM (non-GAAP measures)*[1]				
	Adjusted items	*Adjusting items*	Total	*Adjusted items*	*Adjusting items*	Total	*% change adjusted items*	*% change total*
VGRR prime jobs (in million)	-	-	12.3	-	-	10.698	-	-12.9%
External sales	4,228.1	-	4,228.1	3,898.8	-	3,898.8	-7.8%	-7.8%
Operating result	416.4	-67.5	348.9	583.1	-94.2	488.9	40.0%	40.1%
Net finance costs	-97.1	-4.8	-101.9	-121.7	-1.9	-123.6	25.3%	-
Result before tax (PBT)	319.4	-72.3	247.1	461.7	-96.1	365.6	44.6%	48.8%
Adjusted PBT, group's share[1] (@ 53.75%)	171.7	-	-	248.2	-	-	44.6%	-

Sales and results

SALES

Belron's total sales (at 100%) declined by 7.8% to €3,898.8m in 2020. Sales from continuing operations declined by 7.7%, comprised of:

- organic[5] decline of 7.5%;
- a negative currency translation effect of 1.8% which is primarily due to the depreciation of the US dollar (average EUR/USD FX rate: 1.149 versus 1.118 in 2019);
- acquisition growth of 1.6%.

North America (55% of total) sales from continuing operations declined by 5.4%. Organic[5] decline of 5.5% reflects the impact of the pandemic on volumes, partially offset by a positive product mix and higher revenues from ADAS recalibration and VAPS (valued added products & services). There was an additional negative effect of 2.8% from adverse currency translation. Regional acquisitions, the largest of which was TruRoad in August 2019, contributed for 2.9% of growth.

Eurozone (31% of total) saw the greatest impact to trading as a result of the pandemic with significant branch closures before summer in France, Italy, Spain and Belgium as a result of governmental restrictions. Sales from continuing operations declined by 11.2% comprising 11.3% organic[5] decline, slightly compensated by 0.1% growth from minor acquisitions.

Rest of World (13% of total) sales from continuing operations declined by 8.3%, of which 6.1% organic[5] decline, 2.5% adverse currency translation, marginally compensated by acquisitions (+0.3%). The UK has been most impacted with sales in Australia and the Nordics holding up relatively well.

As trading recovered after the initial severe peaks of the pandemic the business recovered in volume and value across all regions and continued to generate higher revenues from ancillary products and recalibrations. North America, France and Germany performed particularly strongly at the end of 2020.

Consumers served in 2020 were 14.9 million (-17.8% YoY) of which 14.4 million were in Vehicle Glass Repair and Replacement (VGRR) and Claims Management. VGRR volumes declined by 12.9% versus 2019.

RESULTS

Operating result (at 100%) rose by 40.1% to €488.9m and the *adjusted* operating result[1] improved by 40.0% (or by €166.7m) to €583.1m. This was driven by a significant cost containment across the board, higher productivity and also by a net positive YoY delta of €63.1m related to the legacy long-term management incentive programme.

Adjusting items[1] at the level of the operating result totalled €94.2m, notably comprising of -€24.5m related to the amortisation of some customer contracts recognised as intangible in the framework of recent acquisitions (-€12.2m in 2019), -€18.6m impairment charge relating to the write-down of assets classified as held-for-sale and other software write offs, and -€46.7m other *adjusting* items relating to restructurings, integration and disposals-related costs (-€37.5m in 2019) (see pages 17-18 for further details).

Net financial costs increased by €21.7m in 2020 to €123.6m, reflecting the new term loan taken out in October 2019.

The profit before tax reached €365.6m in 2020 (€247.1m in 2019). The result after tax, Group's share[1], reached €145.9m (€84.6m in 2019).

The *adjusted* profit before tax, Group's share[1] increased by 44.6% to €248.2m on a comparable basis (assuming 53.75% stake in 2019 and 2020). *Adjusted* income tax expenses[1] equalled €130.7m (€97.4m in 2019).

The *adjusted* result after tax[1], Group's share, rose by 52.8% to €178.0m.

Net debt and free cash flow

Belron's net financial debt[3] reached €2,413.0m (100%) at the end of 2020 compared to €2,979.1m at the end of 2019. This reduction in net debt was driven by a strong cash generation. Belron's Senior Secured Net Leverage Ratio (Senior Secured indebtedess[3]/proforma EBITDA pre-IFRS 164 multiple) reached 2.36x at the end of 2020.

The *adjusted* free cash flow[6] (after tax and restructuring costs) amounted to €428.7m (€164.8m in 2019 post-acquisitions) or €518.4m (€183.8m in 2019) excluding the cash-outflow related to the legacy long-term management incentive programme.

The sharp increase is mainly due to:

- A higher *adjusted* EBITDA (€161.3m improvement)
- A significantly positive cash flow impact from changes in working capital (€136.1m compared to €28.1m in 2019)
- Lower capex (€32.6m compared to €65.8m in 2019)
- Lower spending on acquisitions
- These elements were partly offset by the payment related to the employee share plan, higher income tax payments, higher interests paid and increased capital paid on lease liabilities (-€20.2m YoY)

4. Moleskine

€m	2019			2020				
	APM (non-GAAP measures)[1]			APM (non-GAAP measures)[1]				
	Adjusted items	*Adjusting items*	Total	*Adjusted items*	*Adjusting items*	Total	*% change adjusted items*	*% change total*
External sales	*163.9*	-	163.9	*102.3*	-	102.3	*-37.6%*	*-37.6%*
Operating result	*18.9*	*-102.3*	-83.4	*-1.5*	*-22*	-23.5	-	-
Net finance costs	*-9.4*	-	-9.4	*-12.0*	*0.1*	-11.9	*27.7%*	*26.6%*
Result before tax (PBT)	*9.5*	*-102.3*	-92.8	*-13.5*	*-21.9*	-35.4	-	-
Adjusted PBT, group's share[1]	*9.5*	-	-	*-13.5*		-	-	-

Sales

Sales fell by €61.6m to €102.3m (-37.6%) mainly due to the Covid-19 pandemic, with a relative resilience from the core notebooks & planners categories.

Sales evolution by region:
- **EMEA** (42% of total): -42%. The region was heavily impacted by various local Covid-19 restrictions.
- **Americas** (36% of total): -39% also impacted by Covid-19 lockdowns, with however a better wholesale performance, mainly driven by online sales.
- **APAC** (22% of total): -23%. APAC was the best performing geography as it came out of the crisis faster than the rest of the world.

Sales evolution by channel:
- **Wholesale** (60% of total): -32%. The decline in offline was widely spread, and this was partially compensated by a very positive performance from online sales of our Wholesale clients.
- **B2B** (22% of total): -46%. The pandemic caused budget cuts and caution from businesses, leading to a reduction in demand. The drop was the most pronounced in the Americas.
- **E-Commerce** (10% of total): +16%. E-commerce benefited by the lockdowns, especially in EMEA, and by a positive end-of-year season.
- **Retail** (8% of total): -64%. Retail was severely down in all regions with closures throughout the year and traffic significantly reduced, especially in Americas. December however showed signs of recovery. The number of stores declined from 77 at the end of 2019 to 59 at the end of 2020.

RESULTS

Reported operating result went from -€83.4m in 2019 to -€23.5m in 2020. The *adjusted* operating result[1] came in at -€1.5m in 2020 compared to €18.9m in 2019. The decline is mainly due to the Covid-19 negative impact on sales and a €4.1m provision reversal in 2019 related to the long-term incentive program of 2016-2021. Significant efforts have been made on costs to contain the decline.

A €21.0m impairment charge ("a*djusting* item[1]") was booked on goodwill in H1-20 due to the impact of the Covid-19 pandemic on current and expected results. The formal impairment review performed at year-end showed headroom and did not lead to any additional impairment charge.

Net financial charges equalled €11.9m (€9.4m in 2019). The profit before tax amounted to -€35.4 million and the *adjusted* profit before tax[1] amounted to -€13.5 million (€9.5m in 2019). Income tax expenses equalled €0.7m versus €4.8m in 2019.

Net debt and free cash flow

Moleskine's net debt reached €300.8m - of which €253.9million intra-Group borrowing - at the end of 2020, stable compared to €297.0m at the end of 2019.

The *adjusted* free cash flow[6] amounted to €0.8m in 2020 compared to €21.0 million in 2019. The lower cash-flow generation mainly reflects the lower operational results resulting from the Covid-19 crisis and a lower working capital inflow YoY, partially compensated by lower capital expenditures.

5. Corporate and unallocated

€m	2019 APM (non-GAAP measures)[1] Adjusted items	2019 APM (non-GAAP measures)[1] Adjusting items	2019 Total	2020 APM (non-GAAP measures)[1] Adjusted items	2020 APM (non-GAAP measures)[1] Adjusting items	2020 Total	*% change adjusted items*	*% change total*
External sales	-	-	-	-	-	-	-	-
Operating result	*-15.3*	*6.5*	-8.8	*-19.0*	*0.7*	-18.3	-	-
Net finance costs	*5*	*-15.7*	-10.7	*14.2*	-	14.2	*184.0%*	-
Result before tax (PBT)	*-10.3*	*-9.2*	-19.5	*-4.8*	*0.7*	-4.1	-	-
Adjusted PBT, group's share[1]	*-10.3*	-	-	*-4.8*	-	-	-	-

RESULTS

The reportable operating segment "Corporate and Unallocated" mainly includes the Corporate and Real Estate activities (D'Ieteren Immo S.A.). The *adjusted* operating result[1] reached -€19.0m in 2020 compared to -€15.3m in 2019 mainly due to the solidarity programme put in place at the beginning of the pandemic outbreak.

Net finance income evolution was mainly due to inter-segment financing interests.

Adjusted profit before tax, group's share[1] reached -€4.8m (-€10.3m in 2019).

NET CASH

The net cash position slightly decreased (from €1,516.4m at the end of 2019 to €1,455.1m at the end of 2020 of which €456.5m inter-segment loan), mainly as a result of the purchase, in February 2020, of €150m of Belron's preference shares previously held by CD&R, the settlement of the financial contingent liability (€31.9m) towards CD&R, the purchase of treasury shares (€24.4m) and the payment in June 2020 of the dividend (€53.9m) to the shareholders of D'Ieteren, partially offset by the dividend received from D'Ieteren Automotive (€200m).

6. Research and Development

Research and Development costs incurred by the Group totaled EUR 15.75 million in 2020

- Through its Lab Box subsidiary, D'Ieteren Automotive explores, analyses and develops flexible and innovative mobility services including intermodality and MaaS (Mobility as a Service). Investments in Lab Box reached EUR 12.9 million in 2020 (incl. EUR 1.9 million for EDI which, from 2020, falls under Lab Box budget) compared to EUR 9.5 million in 2019.

- Belron has its own dedicated Research and Development division, Belron Technical. By developing technical standards and innovations that break new ground in vehicle glass repair and replacement, it enables the business to deliver a high-quality and safe service to all its customers, and to maintain the skills of its technicians. Belron's R&D budget amounted to circa EUR 2 million in 2020 versus EUR 1.8 million in 2019.

- The Digital Development and R&D department of Moleskine worked on solutions to bridge the analogue-digital continuum, creating a connection between digital and paper products. The Digital Innovation cell spent circa EUR 850,000 on R&D versus EUR 700,000 in 2019.

1 *In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, D'Ieteren uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definitions are not addressed by IFRS. D'Ieteren does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures. See page 13 for the definition of these performance indicators.*

2 *In order to provide an accurate picture of the car market, Febiac publishes market figures excluding registrations that have been cancelled within 30 days. Most of them relate to vehicles that are unlikely to have been put into circulation in Belgium by the end customer.*

3 *The net financial debt is not an IFRS indicator. D'Ieteren uses this Alternative Performance Measure to reflect its indebtedness. This non-GAAP indicator is defined as the sum of the borrowings minus cash, cash equivalents and investments in non-current and current financial assets. See page 20.*

4 *EBITDA is not an IFRS indicator. This APM (non-GAAP indicator) is defined as earnings before interest, taxes, depreciation and amortization. Since the method for calculating the EBITDA is not governed by IFRS, the method applied by the Group may not be the same as that adopted by others and therefore may not be comparable.*

5 *"Organic growth" is an Alternative Performance Measure used by the Group to measure the evolution of revenue between two consecutive periods, at constant currency and excluding the impact of change in perimeter of consolidation or business acquisitions.*

6 *Adjusted free cash-flow is not an IFRS indicator. This APM measure is defined as [Adjusted EBITDA - other non-cash items – change in working capital – capital expenditures – capital paid on lease liabilities – taxes paid – interest paid – acquisitions + disposals – employee share plans – cash-flow from adjusting items + other cash items]*

Alternative Performance Measurement (APM) – Non-Gaap Measurement

Framework and definitions

In order to better reflect its underlying performance and assist investors, securities analysts and other interested parties in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures ("APMs"). These alternative performance metrics are used internally for analysing the Group's results as well as its business units.

These APMs are non-GAAP measures, i.e. their definition is not addressed by IFRS. They are derived from the audited IFRS accounts. The APMs may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's performance or liquidity under IFRS. The Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures.

Each line of the statement of profit or loss (see below), and each subtotal of the segment statement of profit or loss (see below), is broken down in order to provide information on the *adjusted* result and on the *adjusting* items.

The *adjusting* items are identified by the Group in order to present comparable figures, giving to the investors a better view on the way the Group is measuring and managing its financial performance. They comprise the following items, but are not limited to:

(a) Recognised fair value gains and losses on financial instruments (i.e. change in fair value between the opening and the end of the period, excluding the accrued cash flows of the derivatives that occurred during the period), where hedge accounting may not be applied under IAS 39/IFRS 9 (in this case recognised fair value gains and losses being directly accounted for in the Consolidated Statement of Comprehensive Income);

(b) Exchange gains and losses arising upon the translation of foreign currency loans and borrowings at the closing rate;

(c) Impairment of goodwill and other non-current assets;

(d) Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation as defined by IFRS 3 of the cost of a business combination;

(e) Other material items that derive from events or transactions that fall within the ordinary activities of the Group, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

Adjusted result consists of the IFRS reported result, excluding *adjusting* items as listed above.

The Group uses as key performance indicator the *adjusted* consolidated result before tax, Group's share (*Adjusted* PBT, Group's share). This APM consists of the segment reported result before tax (PBT), taking into account the result before tax of the discontinued operations, and excluding *adjusting* items and the share of minority shareholders.

Presentation of APMs in the consolidated statement of profit or loss for the year ended 31 December

€m	2020			2019[1]		
		Of which			*Of which*	
	Total	*Adjusted result*	*Adjusting items*	Total	*Adjusted result*	*Adjusting items*
Revenue	**3,318.0**	*3,318.0*	-	**3,798.8**	*3,798.8*	-
Cost of sales	-2,877.4	*-2,877.3*	*-0.1*	-3,303.3	*-3,303.3*	-
Gross margin	**440.6**	*440.7*	*-0.1*	**495.5**	*495.5*	-
Commercial and administrative expenses	-370.0	*-364.4*	*-5.6*	-382.2	*-379.7*	*-2.5*
Other operating income	13.3	*13.0*	*0.3*	21.8	*15.3*	*6.5*
Other operating expenses	-73.7	*-10.9*	*-62.8*	-110.7	*-8.4*	*-102.3*
Operating result	**10.2**	*78.4*	*-68.2*	**24.4**	*122.7*	*-98.3*
Net finance costs	-1.9	*-2.0*	*0.1*	-22.8	*-7.1*	*-15.7*
Finance income	5.1	*5.0*	*0.1*	1.4	*1.4*	-
Finance costs	-7.0	*-7.0*	-	-24.2	*-8.5*	*-15.7*
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	149.9	*183.3*	*-33.4*	93.2	*125.1*	*-31.9*
Result before tax	**158.2**	*259.7*	*-101.5*	**94.8**	*240.7*	*-145.9*
Income tax expense	-17.4	*-28.9*	*11.5*	-28.7	*-29.1*	*0.4*
Result from continuing operations	**140.8**	*230.8*	*-90.0*	**66.1**	*211.6*	*-145.5*
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	**140.8**	*230.8*	*-90.0*	**66.1**	*211.6*	*-145.5*
Result attributable to:					-	-
Equity holders of the Company	**141.9**	*231.9*	*-90.0*	**66.1**	*211.6*	*-145.5*
Non-controlling interests	-1.1	*-1.1*	-	-	-	-
Earnings per share						
Basic (EUR)	2.62	*4.28*	*-1.66*	1.21	*3.88*	*-2.67*
Diluted (EUR)	2.60	*4.25*	*-1.65*	1.21	*3.86*	*-2.65*
Earnings per share -Continuing operations						
Basic (EUR)	2.62	*4.28*	*-1.66*	1.21	*3.88*	*-2.67*
Diluted (EUR)	2.60	*4.25*	*-1.65*	1.21	*3.86*	*-2.65*

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 of the 2020 full-year results press release for more information on the restatement of comparative information.

Presentation of APMs in the segment statement of profit or loss for the year ended 31 December

The Group's reportable operating segments are D'Ieteren Auto, Belron, Moleskine and Corporate & Unallocated (corporate and real estate activities). These operating segments are consistent with the Group's organisational and internal reporting structure, and with the requirements of IFRS 8 "Operating Segments".

Despite its classification as an equity-accounted investee, Belron remains a reportable operating segment, reflecting the Group's internal reporting structure.

The Group had initially adopted IFRS 16 at 1 January 2019 (using the modified retrospective approach). The Group currently presents in both periods the results of its operating segments on a post-IFRS 16 basis, reflecting the Group's internal reporting structure.

€m	Notes	2020					
		D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
External revenue		3,215.7	3,898.8	102.3	-	-3,898.8	3,318.0
Inter-segment revenue		-	-	-	-	-	-
Segment revenue		**3,215.7**	**3,898.8**	**102.3**	**-**	**-3,898.8**	**3,318.0**
Operating result (being segment result)		**52.0**	**488.9**	**-23.5**	**-18.3**	**-488.9**	**10.2**
Of which	*Adjusted result*	*98.9*	*583.1*	*-1.5*	*-19.0*	*-583.1*	*78.4*
	Adjusting items	*-46.9*	*-94.2*	*-22.0*	*0.7*	*94.2*	*-68.2*
Net finance costs		-4.2	-123.6	-11.9	14.2	123.6	-1.9
Finance income		0.2	3.2	0.9	4.0	-3.2	5.1
Finance costs		-1.9	-126.8	-4.9	-0.2	126.8	-7.0
Inter-segment financing interest		-2.5	-	-7.9	10.4	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax		4.0	0.3	-	-	145.6	149.9
Result before tax		**51.8**	**365.6**	**-35.4**	**-4.1**	**-219.7**	**158.2**
Of which	*Adjusted result*	*100.0*	*461.7*	*-13.5*	*-4.8*	*-283.7*	*259.7*
	Adjusting items	*-48.2*	*-96.1*	*-21.9*	*0.7*	*64.0*	*-101.5*
Income tax expense		-15.8	-94.2	-0.7	-0.9	94.2	-17.4
Result from continuing operations		**36.0**	**271.4**	**-36.1**	**-5.0**	**-125.5**	**140.8**
Of which	*Adjusted result*	*72.5*	*331.0*	*-14.1*	*-5.6*	*-153.0*	*230.8*
	Adjusting items	*-36.5*	*-59.6*	*-22.0*	*0.6*	*27.5*	*-90.0*
Discontinued operations		-	-	-	-	-	-
RESULT FOR THE PERIOD		**36.0**	**271.4**	**-36.1**	**-5.0**	**-125.5**	**140.8**

Attributable to:		D'Ieteren Auto	Belron(*)	Moleskine	Corp. & unallocated	Group
Equity holders of the Company(*)		**37.1**	**145.9**	**-36.1**	**-5.0**	**141.9**
Of which	*Adjusted result*	*73.6*	*178.0*	*-14.1*	*-5.6*	*231.9*
	Adjusting items	*-36.5*	*-32.1*	*-22.0*	*0.6*	*-90.0*
Non-controlling interests		-1.1	-	-	-	-1.1
RESULT FOR THE PERIOD		**36.0**	**145.9**	**-36.1**	**-5.0**	**140.8**

(*) Belron at 53.75% (weighted average percentage for the 2020 period – see note 6 of the 2020 full-year results press release).

Presentation of APMs in the segment statement of profit or loss for the year ended 31 December (continued)

€m		2019[1]					
		D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
External revenue		3,634.9	4,228.1	163.9	-	-4,228.1	3,798.8
Inter-segment revenue		-	-	-	-	-	-
Segment revenue		**3,634.9**	**4,228.1**	**163.9**	**-**	**-4,228.1**	**3,798.8**
Operating result (being segment result)		**116.6**	**348.9**	**-83.4**	**-8.8**	**-348.9**	**24.4**
Of which	*Adjusted result*	*119.1*	*416.4*	*18.9*	*-15.3*	*-416.4*	*122.7*
	Adjusting items	*-2.5*	*-67.5*	*-102.3*	*6.5*	*67.5*	*-98.3*
Net finance costs		-2.7	-101.9	-9.4	-10.7	101.9	-22.8
Finance income		0.2	7.1	0.8	0.4	-7.1	1.4
Finance costs		-2.9	-109.0	-5.3	-16.0	109.0	-24.2
Inter-segment financing interest		-	-	-4.9	4.9	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax		8.6	0.1	-	-	84.5	93.2
Result before tax		**122.5**	**247.1**	**-92.8**	**-19.5**	**-162.5**	**94.8**
Of which	*Adjusted result*	*125.0*	*319.4*	*9.5*	*-10.3*	*-202.9*	*240.7*
	Adjusting items	*-2.5*	*-72.3*	*-102.3*	*-9.2*	*40.4*	*-145.9*
Income tax expense		-36.7	-85.9	-4.8	12.8	85.9	-28.7
Result from continuing operations		**85.8**	**161.2**	**-97.6**	**-6.7**	**-76.6**	**66.1**
Of which	*Adjusted result*	*86.2*	*222.0*	*4.7*	*4.2*	*-105.5*	*211.6*
	Adjusting items	*-0.4*	*-60.8*	*-102.3*	*-10.9*	*28.9*	*-145.5*
Discontinued operations		-	-	-	-	-	-
RESULT FOR THE PERIOD		**85.8**	**161.2**	**-97.6**	**-6.7**	**-76.6**	**66.1**

Attributable to:		D'Ieteren Auto	Belron(*)	Moleskine	Corp. & unallocated		Group
Equity holders of the Company(*)		**85.8**	**84.6**	**-97.6**	**-6.7**		**66.1**
Of which	*Adjusted result*	*86.2*	*116.5*	*4.7*	*4.2*		*211.6*
	Adjusting items	*-0.4*	*-31.9*	*-102.3*	*-10.9*		*-145.5*
Non-controlling interests		-	-	-	-		-
RESULT FOR THE PERIOD		**85.8**	**84.6**	**-97.6**	**-6.7**		**66.1**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R and, in the Belron segment, to present the net interest on long-term employee benefit asset as finance income rather than to separately present the interest income on plan assets as finance income and the interest cost on the defined benefit obligation as finance costs – see note 1 of the 2020 full-year results press release for more information on the restatement of comparative information.

(*) Belron at 52.48% (weighted average percentage for the 2019 period – see note 6 of the 2020 full-year results press release).

In both periods, the column "Eliminations" reconciles the segment statement of profit or loss (with the 12-month result of Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax", representing the share of the Group in the 12-month net result of Belron).

Explanations and details of the figures presented as *adjusting* items

In 2020 and 2019, the Group identified the following items as *adjusting* items throughout the four operating segments:

€m	2020				
	D'Ieteren Auto	Belron	Moleskine	Corp. & unallocated	Total (segment)*
Adjusting items					
Included in operating result	***-46.9***	***-94.2***	***-22.0***	***0.7***	***-162.4***
Re-measurements of financial instruments	-	*-0.7 (c)*	*0.3 (i)*	-	*-0.4*
Amortisation of customer contracts	-	*-24.5 (d)*	-	-	*-24.5*
Amortisation of brands with finite useful life	-	*-3.7 (e)*	-	-	*-3.7*
Impairment of goodwill and of non-current assets	-	*-18.6 (f)*	*-21.0 (j)*	-	*-39.6*
Other adjusting items	*-46.9 (a)*	*-46.7 (g)*	*-1.3 (k)*	*0.7*	*-94.2*
Included in net finance costs	-	***-1.9***	***0.1***	-	***-1.8***
Re-measurements of financial instruments	-	-	*0.1 (i)*	-	*0.1*
Other adjusting items	-	*-1.9 (h)*	-	-	*-1.9*
Included in equity accounted result	***-1.3*** *(b)*	-	-	-	***-1.3***
Included in segment result before taxes (PBT)	***-48.2***	***-96.1***	***-21.9***	***0.7***	***-165.5***

* Total of the adjusting items at the level of each segment. The adjusting items presented in the Belron segment should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

€m	2019(1)				
	D'Ieteren Auto	Belron	Moleskine	Corp. & unallocated	Total (segment)*
Adjusting items					
Included in operating result	-2.5	-67.5	-102.3	6.5	-165.8
Re-measurements of financial instruments	-	*4.9 (c)*	-	-	*4.9*
Amortisation of customer contracts	-	*-12.2 (d)*	-	-	*-12.2*
Amortisation of brands with finite useful life	-	*-1.4 (e)*	-	-	*-1.4*
Impairment of goodwill and of non-current assets	-	*-21.3 (f)*	*-102.3 (j)*	-	*-123.6*
Other adjusting items	*-2.5 (a)*	*-37.5 (g)*	-	*6.5 (l)*	*-33.5*
Included in net finance costs	-	-4.8	-	-15.7	-20.5
Re-measurements of financial instruments	-	-	-	*-15.7 (m)*	*-15.7*
Other adjusting items	-	*-4.8 (h)*	-	-	*-4.8*
Included in equity accounted result	-	-	-	-	-
Included in segment result before taxes (PBT)	-2.5	-72.3	-102.3	-9.2	-186.3

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 of the 2020 full-year results press release for more information on the restatement of comparative information.

* Total of the adjusting items at the level of each segment. The adjusting items presented in the Belron segment should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

Explanations and details of the figures presented as *adjusting* items (continued)

D'Ieteren Auto

(a) In the current period, other *adjusting* items in operating result (-€46.9m) mainly includes a charge of -€3.2m (-€2.5m in the prior period) in the framework of the "Market Area" project (optimization of the independent dealer network), costs of -€1.7m incurred in relation to the carve-out of the automobile distribution activities (D'Ieteren Auto) into new fully owned subsidiaries (up to the end of December 2020 D'Ieteren Auto's activities were included at D'Ieteren SA's level) and a provision of €41.0m (mainly severance costs) related to the finalization of the project carried out in 2020 by D'Ieteren Auto for the acceleration of the transformation of its activities in response to a rapidly changing market. This project entailed measures to adapt internal structures and working methods to the new market realities and transformed or ceased those activities that no longer met the needs of dealers or customers.

(b) In the current period, *adjusting* items included in equity-accounted result relates to the share of the Group's in the provision related to the project for accelerating the transformation of D'Ieteren Auto's activities (see (a) above).

Belron

(c) Fair value of fuel hedge instruments amounts to -€0.7m (€4.9m in the prior period) and arises from changes in the "clean" fair value of derivatives. Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value (i.e. the change of value between the opening and the end of the period) excluding the accrued cash flows of the derivatives that occurred during the period.

(d) In the framework of the recent acquisitions (mainly TruRoad acquired in August 2019 in the United States), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to -€24.5m (-€12.2m in the prior period).

(e) The amortisation of brands with finite useful lives (certain brands are no longer considered to be intangibles with indefinite useful lives since there is now a limit to the period over which these assets are expected to generate cash inflows) amounts to -€3.7m (-€1.4m in the prior period).

(f) In the current period, a total impairment charge of -€18.6m is recognized and relates to the write-down of assets classified as held for sale at the year end to reflect the disposal fair value, and other software write offs. At year-end, Belron undertook a full impairment review of all cash generating units in accordance with the requirements of IAS 36 and no impairments were booked as a result of this review.

In the prior period, a total impairment charge of -€21.3m was recognized in Italy (-€21.0m on goodwill, brands and other intangible assets) and in the Netherlands (-€0.3m on other intangible assets).

(g) In the current period, other *adjusting* items of -€46.7m include -€16.0m in relation to restructurings and integrations (mostly resulting from integration of US TruRoad acquisition in 2019 and restructuring costs in the US, Canada and Italy), and -€30.6m in relation to the disposal of several "other services" businesses in France, Belgium, Italy, United Kingdom and Canada. These disposal-related costs comprise provisions for restructuring, costs to sell and obligations in signed sale agreements. There are also assets impairments in relation to these disposals (see f) above).

In the prior period, other *adjusting* items of -€37.5m included -€30.7m in relation to restructurings and integrations (the majority of which was spent on the integration of the US TruRoad acquisition with some costs on Eurozone projects and restructurings), -€3.7m for acquisition costs and -€3.0m due to disposal costs.

(h) In the period, other *adjusting* items in net finance costs are mainly costs incurred to increase the amount of the committed syndicated revolving credit facility.

In the prior period, other *adjusting* items in net finance costs were costs incurred in relation to the additional financing undertaken in Q4 2019 (new 7-year Term Loan B of $830m maturing in 2026 and "add-on-loan" to existing EUR Term Loan B of €100m maturing in 2024. Proceeds were used to pay a dividend to shareholders).

Moleskine

(i) In the period, a total amount of €0.4m (€0.3m in operating result and €0.1m in net finance costs) has been recognised to reflect the change in the fair value of a forward contract used to hedge transactional and financial exposure against the fluctuation of the USD.

(j) At half-year, an impairment charge of -€21.0m was recognized on the Moleskine cash-generating unit (fully allocated to goodwill) following the impairment calculation performed at half-year. The formal impairment review was performed at year-end in accordance with the requirements of IAS 36 and no additional impairment charge was booked as a result of this review. See specific information in note 4 of the financial highlights section. In the prior period, an impairment charge of -€102.3m was recognized and fully allocated to goodwill.

(k) In the period, other *adjusting* items of -€1.3m mainly include sunk costs and severance costs.

Corporate & Unallocated

(l) In the prior period, the €6.5m *adjusting* item in operating result related to the consolidated gain on the disposal of a property.

(m) In the prior period, the re-measurement of financial instruments represented the loss on the fair value of a contingent liability relating to the disposal of the 40% stake of Belron to CD&R. The re-measurement has been adjusted in the comparative information (refer to note 1 of the 2020 full-year results press release for more information).

Adjusted result before tax, Group's share (*adjusted* PBT, Group's share)

All results in both periods are on a post-IFRS 16 basis.

€m	2020					2019[1]				
	D'Ieteren Auto	Belron (53.75%)	Moleskine	Corp. & unallocated	Total (segment)	D'Ieteren Auto	Belron (52.48%)	Moleskine	Corp. & unallocated	Total (segment)
Segment reported PBT	**51.8**	**365.6**	**-35.4**	**-4.1**	**377.9**	**122.5**	**247.1**	**-92.8**	**-19.5**	**257.3**
Less: Adjusting items in PBT	48.2	96.1	21.9	-0.7	165.5	2.5	72.3	102.3	9.2	186.3
Segment adjusted PBT	**100.0**	**461.7**	**-13.5**	**-4.8**	**543.4**	**125.0**	**319.4**	**9.5**	**-10.3**	**443.6**
Share of the group in tax on adjusted results of equity-accounted investees	2.8	-	-	-	2.8	3.4	-	-	-	3.4
Share of non-controlling interests in adjusted PBT	-	-213.5	-	-	-213.5	-	-151.8	-	-	-151.8
Segment adjusted PBT, Group's share	**102.8**	**248.2**	**-13.5**	**-4.8**	**332.7**	**128.4**	**167.6**	**9.5**	**-10.3**	**295.2**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 of the 2020 full-year results press release for more information on the restatement of comparative information.

In the period, the weighted average percentage used for computing the segment *adjusted* PBT, Group's share of Belron amounts to 53.75% (52.48% in the prior period).

All results in both periods are on a post-IFRS 16 basis.

€m	2020					2019[1]				
	D'Ieteren Auto	Belron (53.75%)	Moleskine	Corp. & unallocated	Total (segment)	D'Ieteren Auto	Belron (53.75%)	Moleskine	Corp. & unallocated	Total (segment)
Segment adjusted PBT, Group's share	**102.8**	**248.2**	**-13.5**	**-4.8**	**332.7**	**128.4**	**167.6**	**9.5**	**-10.3**	**295.2**
Adjustment of the share of the Group (comparable basis with 2020)	-	-	-		-	-	4.1	-		4.1
Adjusted PBT, Group's share (key performance indicator)	**102.8**	**248.2**	**-13.5**	**-4.8**	**332.7**	**128.4**	**171.7**	**9.5**	**-10.3**	**299.3**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 of the 2020 full-year results press release for more information on the restatement of comparative information.
The column Belron has also been restated based on the weighted average percentage used for computing the segment adjusted PBT in 2020 (53.75% in 2020 vs 52.48% in 2019) to make both periods comparable.

Net debt

In order to better reflect its indebtedness, the Group uses the concept of net debt. This non-GAAP measure, i.e. its definition is not addressed by IFRS, is an Alternative Performance Measure ("APM") and is not presented as an alternative to financial measures determined in accordance with IFRS.

Net debt is based on loans and borrowings less cash, cash equivalents and non-current and current asset investments. It excludes the fair value of derivative debt instruments. The hedged loans and borrowings (i.e. those that are accounted for in accordance with the hedge accounting rules of IAS 39) are translated at the contractual foreign exchange rates of the related cross currency swaps. The other loans and borrowings are translated at closing foreign exchange rates.

€m	31 December 2020				31 December 2019 (1)			
	D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated
Non-current loans and borrowings	17.9	2,812.3	62.9	4.7	8.4	3,055.8	121.1	4.9
Current loans and borrowings	3.2	179.3	14.2	0.5	5.7	207.6	40.3	0.5
Inter-segment financing	202.6	-	253.9	-456.5	-	-	190.8	-190.8
Adjustment for hedged borrowings	-	26.9	-	-	-	-1.7	-	-
Gross debt	**223.7**	**3,018.5**	**331.0**	**-451.3**	**14.1**	**3,261.7**	**352.2**	**-185.4**
Less: Cash and cash equivalents	-56.0	-617.8	-30.2	-265.1	119.6	-282.6	-55.2	-731.9
Less: Current financial assets	-	-	-	-737.2	-	-	-	-597.8
Less: Other non-current receivables	-	-	-	-1.5	-	-	-	-1.3
Net debt from continuing activities excluding assets and liabilities classified as held for sale	**167.7**	**2,400.7**	**300.8**	**-1,455.1**	**133.7**	**2,979.1**	**297.0**	**-1,516.4**
Net debt in assets and liabilities classified as held for sale	-	12.3	-	-	-	-	-	-
Total net debt	**167.7**	**2,413.0**	**300.8**	**-1,455.1**	**133.7**	**2,979.1**	**297.0**	**-1,516.4**

(1) As restated, in the Corporate & unallocated segment, to reflect the reclassification of €54,4m from "Cash and cash equivalent" to "Current financial assets" in the framework of continuous improvement of the financial reporting presentation.

In both periods, the inter-segment loans comprise amounts lent by the Corporate department to the Moleskine segment (non-recourse loan, increased by €63.1m during the period – of which €55.2m are an increase of the nominal loan and €7.9m are capitalized interests) and, in the current period, to the D'Ieteren Auto segment, at arm's length conditions.

D'Ieteren Auto's net debt reached €167.7m at the end of December 2020 (€133.7m at the end of December 2019). The increase of €34.0m on the year-end net debt mainly reflects the new €200m inter-segment financing put in place during the first semester of the year, partially offset by the positive free cash flow generation during the period thanks to the cash inflow from working capital (€158.9m) despite reduction of the EBITDA. Under IFRS 16, €20.6m of lease liabilities are recognised on the balance sheet and therefore included in the net debt calculation (€13.5m at the end of December 2019).

Belron's net financial debt reached €2,413.0m at the end of December 2020. This compares with €2,979.1m at the end of December 2019. The decrease of €566.1m on the year-end net debt is primarily the result of strong cash generation during the year as a result of actions taken by Belron amid COVID-19 crisis and the strong recovery of the business.

Under IFRS 16, €580.6m of lease liabilities are recognised on the balance sheet and therefore included in the net debt calculation (€654.7m at the end of December 2019).

Moleskine's net debt reached €300.8m (of which €253.9m of inter-segment financing) at the end of December 2020 (€297.0m at the end of December 2019, of which €190.8m of inter-segment financing). Moleskine operated a refinancing of its existing debt at the end of December 2020 with a new €53m bank term loan maturing in December 2023 (with possible extension) and an additional €55m in shareholder loan. Under IFRS 16, €24.8m of lease liabilities are recognised on the balance sheet and therefore included in the net debt calculation (€29.5m at the end of December 2019).

The net cash position of the Corporate & unallocated segment decreased from €1,516.4m to €1,455.1m at 31 December 2020 mainly as a result of the purchase, in February 2020, of €150m of Belron's preference shares previously held by CD&R, the settlement of the financial contingent liability (€31.9m) towards CD&R, the purchase of treasury shares (€24.4m), the payment in June 2020 of the dividend (€53.9m) to the shareholders of D'Ieteren, partially offset by the dividend received from D'Ieteren Auto (€200m).

s.a. D'Ieteren n.v.

Consolidated Financial Statements 2020

Content

Consolidated Statement of Profit or Loss

Year ended 31 December

€m	Notes	2020	2019[1]
Revenue	5	**3,318.0**	**3,798.8**
Cost of sales	6	-2,877.4	-3,303.3
Gross margin		**440.6**	**495.5**
Commercial and administrative expenses	6	-370.0	-382.2
Other operating income	6	13.3	21.8
Other operating expenses	6	-73.7	-110.7
Operating result	6	**10.2**	**24.4**
Net finance costs	7	-1.9	-22.8
Finance income		5.1	1.4
Finance costs		-7.0	-24.2
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	149.9	93.2
Result before tax		**158.2**	**94.8**
Income tax expense	11	-17.4	-28.7
Result from continuing operations		**140.8**	**66.1**
Discontinued operations		-	-
RESULT FOR THE PERIOD		**140.8**	**66.1**
Result attributable to:			
Equity holders of the Company		**141.9**	**66.1**
Non-controlling interests ("NCI")		-1.1	-
Earnings per share			
Basic (in €)	8	2.62	1.21
Diluted (in €)	8	2.60	1.21
Earnings per share - Continuing operations			
Basic (in €)	8	2.62	1.21
Diluted (in €)	8	2.60	1.21

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 82 are an integral part of these consolidated financial statements.

The Group uses Alternative Performance Measures (non-GAAP measures) to reflect its financial performance – See consolidated management report and press release.

Consolidated Statement of Comprehensive Income

Year ended 31 December

€m	Notes	2020	2019(1)
Result for the period		140.8	66.1
Other comprehensive income			
Items that will never be reclassified to profit or loss (net of tax):		15.7	-4.0
Re-measurements of defined benefit liabilities/assets	*10*	*-*	*-5.0*
Equity-accounted investees - share of OCI	*17*	*15.7*	*1.0*
Items that may be reclassified subsequently to profit or loss (net of tax)		10.1	-0.4
Translation differences		*-0.7*	*1.2*
Cash flow hedges: fair value gains (losses) in equity		*0.3*	*-*
Equity-accounted investees - share of OCI	*17*	*10.5*	*-1.6*
Other comprehensive income, net of tax		25.8	-4.4
Total comprehensive income for the period		**166.6**	**61.7**
being: attributable to equity holders of the Company		***167.7***	***61.7***
attributable to non-controlling interests ("NCI")		***-1.1***	***-***

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 82 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December

€m	Notes	2020	2019(1)
Goodwill	12	76.2	97.1
Intangible assets	13	451.2	444.8
Property, plant & equipment	14	262.9	268.7
Investment property	15	31.7	28.9
Equity-accounted investees & long-term interests in equity-accounted investees	17	675.4	349.3
Deferred tax assets	11	39.2	41.3
Other receivables	20	4.4	4.6
Non-current assets		**1,541.0**	**1,234.7**
Inventories	16	457.4	492.8
Current financial investments	4/18	737.2	597.8
Derivative financial instruments		0.5	0.1
Current tax assets	11	18.2	10.5
Trade and other receivables	20	339.3	454.8
Cash & cash equivalents	19	351.3	667.5
Assets classified as held for sale	4	2.1	-
Current assets		**1,906.0**	**2,223.5**
TOTAL ASSETS		**3,447.0**	**3,458.2**
Capital & reserves attributable to equity holders		2,739.4	2,646.3
Non-controlling interests ("NCI")		3.5	0.6
Equity		**2,742.9**	**2,646.9**
Employee benefits	10	31.7	31.6
Provisions	22	11.6	14.7
Loans & borrowings	23	85.5	134.4
Deferred tax liabilities	11	131.1	132.8
Non-current liabilities		**259.9**	**313.5**
Provisions	22	6.5	2.5
Loans & borrowings	23	17.9	46.5
Derivative financial instruments	18	-	0.4
Other financial liabilities	18	-	31.9
Current tax liabilities	11	1.7	5.0
Trade & other payables	24	413.4	411.5
Liabilities directly associated with the assets held for sale	4	4.7	-
Current liabilities		**444.2**	**497.8**
TOTAL EQUITY AND LIABILITIES		**3,447.0**	**3,458.2**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R and to reflect the reclassification of financial investments at FVTPL from "Cash and cash equivalent" to "Current financial investments" in the framework of continuous improvement of the financial reporting presentation – see note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 82 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

At 31 December

€m	Capital and reserves attributable to equity holders						Total Group's share	Non-controlling interests	Equity
	Share capital	Share premium	Treasury shares reserve	Hedging reserve	Retained earnings	Cumulative translation differences			
At 1 January 2019	**160.0**	**24.4**	**-38.3**	**2.6**	**2,521.2**	**-14.8**	**2,655.1**	**0.3**	**2,655.4**
Adjustment on initial application of IFRS 16 (net of tax)	-	-	-	-	-6.7	-	-6.7	-	-6.7
Restatement[1]	-	-	-	-	4.0	-	4.0	-	4.0
At 1 January 2019 (adjusted and restated)	**160.0**	**24.4**	**-38.3**	**2.6**	**2,518.5**	**-14.8**	**2,652.4**	**0.3**	**2,652.7**
Profit for the period	-	-	-	-	66.1	-	66.1	-	66.1
Other comprehensive income	-	-	-	-10.3	-4.4	10.3	-4.4	-	-4.4
Total comprehensive income for the period	**-**	**-**	**-**	**-10.3**	**61.7**	**10.3**	**61.7**	**-**	**61.7**
Movement of treasury shares (see note 21)	-	-	-18.7	-	-	-	-18.7	-	-18.7
Dividends (see note 21)	-	-	-	-	-54.8	-	-54.8	-	-54.8
Other movements	-	-	-	-	5.7	-	5.7	0.3	6.0
Total contribution and distribution	**-**	**-**	**-18.7**	**-**	**-49.1**	**-**	**-67.8**	**0.3**	**-67.5**
Total change in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2019	**160.0**	**24.4**	**-57.0**	**-7.7**	**2,531.1**	**-4.5**	**2,646.3**	**0.6**	**2,646.9**
At 1 January 2020	**160.0**	**24.4**	**-57.0**	**-7.7**	**2,531.1**	**-4.5**	**2,646.3**	**0.6**	**2,646.9**
Profit for the period	-	-	-	-	141.9	-	141.9	-1.1	140.8
Other comprehensive income	-	-	-	-17.0	18.6	24.2	25.8	-	25.8
Total comprehensive income for the period	**-**	**-**	**-**	**-17.0**	**160.5**	**24.2**	**167.7**	**-1.1**	**166.6**
Movement of treasury shares (see note 21)	-	-	-24.4	-	-	-	-24.4	-	-24.4
Dividends (see note 21)	-	-	-	-	-53.9	-	-53.9	-	-53.9
Treasury shares - cancellation (buy-back programme - see note 21)	-	-	43.4	-	-43.4	-	-	-	-
Other movements	-	-	-	-	3.7	-	3.7	4.0	7.7
Total contribution and distribution	**-**	**-**	**19.0**	**-**	**-93.6**	**-**	**-74.6**	**4.0**	**-70.6**
Total change in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**160.0**	**24.4**	**-38.0**	**-24.7**	**2,598.0**	**19.7**	**2,739.4**	**3.5**	**2,742.9**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 82 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December

€m	Notes	2020	2019(1)
Cash flows from operating activities - Continuing			
Result for the period		140.8	66.1
Income tax expense	11	17.4	28.7
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	-149.9	-93.2
Net finance costs	7	1.9	22.8
Operating result from continuing operations		**10.2**	**24.4**
Depreciation	6/14/15	38.4	34.8
Amortisation of intangible assets	6/13	8.5	7.1
Impairment and write-offs on goodwill and other non-current assets	12	21.4	102.3
Other non-cash items		10.4	1.8
Employee benefits		-4.2	-4.2
Other cash items		0.2	-0.1
Change in net working capital		125.5	-74.9
Cash generated from operations		**210.4**	**91.2**
Income tax paid		-32.1	-42.0
Net cash from operating activities		**178.3**	**49.2**
Cash flows from investing activities - Continuing			
Purchase of property, plant and equipment and intangible assets		-35.0	-50.4
Sale of property, plant and equipment and intangible assets		1.9	8.2
Net capital expenditure		**-33.1**	**-42.2**
Acquisition of subsidiaries (net of cash acquired)	25	-0.4	-13.8
Acquisition of equity-accounted investees and long-term interests in equity-accounted investees	17	-150.0	-
Contribution of cash from / (to) joint ventures		-1.6	-20.7
Proceeds from the sale of / (investments in) financial assets	4	-139.4	-597.8
Interest received		4.3	1.6
Dividends and proceeds from capital reduction received from equity-accounted investees & long-term interests in equity accounted investees	4	-	460.7
Net investment in other financial assets		-0.1	19.1
Net cash from investing activities		**-320.3**	**-193.1**
Cash flows from financing activities - Continuing			
Acquisition (-)/Disposal (+) of non-controlling interests		6.0	0.1
Net disposal/(acquisition) of treasury shares		-24.4	-18.7
Repayment of lease liabilities	23	-15.8	-14.9
Net change in other loans and borrowings	23	-80.6	-27.1
Interest paid		-5.0	-6.5
Dividends paid by Company	21	-53.9	-54.8
Net cash from financing activities		**-173.7**	**-121.9**
Cash flows from continuing operations		**-315.7**	**-265.8**
Cash flows from discontinued operations		**-**	**-**
TOTAL CASH FLOW FOR THE PERIOD		**-315.7**	**-265.8**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R and to reflect the re-classification of financial investments at FVTPL from "Cash and cash equivalent" to "Current financial assets" in the framework of continuous improvement of the financial reporting presentation – see note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 82 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows (continued)

Year ended 31 December

€m	Notes	2020	2019[(1)]
Reconciliation with statement of financial position			
Cash at beginning of period	19	495.2	673.4
Cash equivalents at beginning of period	19	172.3	259.6
Cash and cash equivalents at beginning of period		**667.5**	**933.0**
Total cash flow for the period		-315.7	-265.8
Translation differences		-0.5	0.3
Cash and cash equivalents at end of period		**351.3**	**667.5**
Included within "Cash and cash equivalents"	*19*	*351.3*	*667.5*

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R and to reflect the reclassification of financial investments at FVTPL from "Cash and cash equivalent" to "Current financial assets" in the framework of continuous improvement of the financial reporting presentation – see note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 82 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Note 1: General information

s.a. D'Ieteren n.v. (the Company) is a public company incorporated and domiciled in Belgium, whose controlling shareholders are listed in note 21 of these consolidated financial statements. The address of the Company's registered office is: Rue du Mail 50, B-1050 Brussels.

In existence since 1805, and across family generations, the Company seeks growth and value creation by pursuing a strategy on the long term for its businesses and actively encouraging and supporting them to develop their position in their industry or in their geographies. The Company, its subsidiaries and its interests in associates and joint ventures (together the Group) form an international group, currently active in four activities:

- D'Ieteren Auto distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti and Porsche vehicles in Belgium. It has a market share of more than 23% and 1.2 million vehicles on the road. Its business model is evolving towards improving the lives of citizens with fluid, accessible and sustainable mobility;
- Belron (equity-accounted investee) has a clear purpose: "making a difference by solving people's problems with real care". It is the worldwide leader in vehicle glass repair and replacement and operates in 40 countries, through wholly owned businesses and franchises, with market leading brands – including Carglass®, Safelite® AutoGlass and Autoglass®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance customers;
- Moleskine is a premium aspirational lifestyle brand which develops and sells iconic branded notebooks and writing, travel and reading accessories through a global multichannel platform.
- D'Ieteren Immo groups together the Belgian real estate interests of D'Ieteren Group. It owns and manages approximately 30 properties. It also pursues investment projects and carries out studies into possible site renovations.

The Company is listed on Euronext Brussels.

These consolidated financial statements have been authorized for issue by the Board of Directors on 26 March 2021.

Restatement of comparative information

According to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and the consolidated statement of cash flows have been restated in 2019 to take into account the adjustment on the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R (a result of the correction of a past error identified in 2020). As a result, the fair value of the contingent liability in the statement of financial position (included in the line "other financial liabilities") has been reduced by €5.6m at the end of December 2019. Finance income increased by €1.6m for the year ended 31 December 2019. Opening retained earnings have been restated by €4.0m as of 1 January 2019. The contingent liability has been settled during the first semester of 2020 for a total amount of €31.9m.

The consolidated statement of financial position and the consolidated statement of cash flows have also been restated in 2019 in the Corporate & unallocated segment to reflect the reclassification of €54.4m from "Cash and cash equivalent" to "Current financial investments" in the framework of continuous improvement of the financial reporting presentation.

Alternative Performance Measurement – Non-GAAP measurement

In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definition is not addressed by IFRS. The Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures.

Note 2: Basis of preparation

These 2020 consolidated financial statements are for the 12 months ended 31 December 2020. They are presented in euro, which is the Group's functional currency. All amounts have been rounded to the nearest million, unless otherwise indicated. They have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the related International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued which have been adopted by the European Union ("EU") as at 31 December 2020 and are effective for the period ending 31 December 2020.

Note 2: Basis of preparation (continued)

These consolidated financial statements have been prepared under the historical cost convention, except for employee benefits, non-current assets and liabilities held for sale, business combination and financial assets and financial liabilities (including derivative instruments) that have been measured at fair value. On 31 December 2020, financial assets measured at fair value are limited to the portfolio of marketable securities held in the Corporate & unallocated segment (see note 18) and to derivative financial instruments (see note 18). Financial liabilities measured at fair value is limited to the liability in relation to the disposal of the 40% stake in Belron to CD&R in 2018 at 31 December 2019 (see note 18).

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of income, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change or prospectively. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are listed below. They are also disclosed in the relevant notes.

- Measurement of defined benefit obligations (key actuarial assumptions used). See note 10.
- Recognition of deferred tax assets (availability of future taxable profit against which deductible temporary differences and carried forward tax losses can be used). See note 11.
- Goodwill and brands with indefinite useful lives. See note 12.
- Impairment tests (key assumptions underlying recoverable amounts). See note 12.
- Recognition and measurement of provisions and contingencies (key assumptions about the likelihood and magnitude of an outflow of resources). See note 22.
- Measurement of expected credit loss (ECL) allowance for doubtful trade receivables (key assumptions in determining the weighted average loss rate). See note 20.
- Provision for inventory obsolescence. See note 16.
- Acquisition of subsidiary (fair value of the consideration transferred and of the assets acquired and liabilities assumed). See note 25.
- Lease term (whether the Group is reasonably certain to exercise extension or termination options). See note 31.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Further information is included in the relevant notes. The main areas are employee benefits (see note 10), share-based payments (see note 9), investment properties (see note 15), financial instruments (see note 18) and business combinations (see note 25). When measuring the fair value of an asset or a liability, the Group used observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

COVID-19

The coronavirus (COVID-19) pandemic has caused an unprecedented and sudden shock to the overall economy and has been affecting all Group's activities throughout the world. The Group's activities experienced underactivity during Q2 2020 and at the end of the year with related decline in sales due the temporary shutdowns of the vast majority of the Group's operations (at the level of D'Ieteren Auto, Belron and Moleskine).

Several measures were launched at the beginning of the pandemic by its activities to preserve cash by reducing costs, optimizing working capital, postponing payments of social expenses in some countries thanks to some national governments initiatives and delay certain non-strategic investments. D'Ieteren Auto, Belron, Moleskine and D'Ieteren Immo rapidly adjusted their capacity where needed in conformity with country specific legal framework and regulations. Taking into account local, regional and national sanitary and health recommendations, the Group implemented strict sanitary and social distancing measures for employees and clients in its locations, to ensure a COVID-proof work environment. Together with the strengthening of personal sanitary measures and other precautionary measures in reopened locations, the Group also expanded throughout its organizations its home-work protocol for its white collars.

A Solidarity Programme has been established to support and help employees of the Group who may suffer hardship as a consequence of the COVID-19 crisis. As announced on 27 April 2020, the Board of Directors of the Company has decided to allocate the initially planned dividend increase compared to last year of €0.15 per share to this Solidarity Programme, leading to an €8m of dedicated provision recognised on the balance sheet. Additional contributions from salary and fee from senior managers and Board members have been added to the programme during the second semester and an amount of approximately €3m has already been used to support the Group's activities and employees. At 31 December 2020, €5.1m remains available in the programme.

Note 2: Basis of preparation (continued)

The impact of government stimulus is not material to the income statement, except for support related to the temporary unemployment in Europe (ca. €24m at Belron level recognized in the income statement, together with a further €25m directly paid to employees, and ca. €10m of cost savings at D'Ieteren Auto level). The Group was exposed to additional credit risk arising from its customers (distress resulting from the sanitary crisis). Thanks to the intensified focus and tracking throughout the activities, there has been no significant increase in bad debt.

A review was undertaken during Q4 2020 to assess whether the consequences of COVID-19 crisis indicate that some assets could be impaired. Except for the €21m impairment charge already accounted for at Moleskine level at half-year 2020, this review confirmed that there was no other indication of impairment for some cash generating units. See note 12 for additional information on the impairment tests performed and the related consequences on the consolidated income statement.

As a consequence of the current environment, the Group also re-assessed the utilization of tax losses previously recognized as deferred tax assets, based on updated forecasts of taxable income. This review concluded that the recognised deferred tax assets are justified.

The Group also reviewed the valuation as at 31 December 2020 of the assets and liabilities considering the potential impacts of the current uncertainties and concluded that the carrying amounts are currently justified.

Despite the crisis and thanks to its adequate taken measures to preserve cash, the Group has a strong funding and liquidity structure in place as at 31 December 2020, with approximately €1.0bn of net cash (cash, cash equivalents and non-current and current asset investments less loans and borrowings) sitting on the consolidated balance sheet level and a well-balanced debt profile at Belron level with no near-term significant maturities before 2024. As of 31 December 2020, the Group complied with all requirements of the loan covenants. The Group continues to take measures to minimize the impact of the crisis on cash flows and is ensuring that it has the necessary liquidity structure in place for the foreseeable future. Taking this into account, the Board of Directors has a reasonable expectation that the Group is well placed to manage its business risks, has sufficient funds to continue to meet its liabilities as they fall due and to continue in operational existence for the foreseeable future. The consolidated financial statements have therefore been prepared on a going concern basis.

Brexit

The exit of the UK from the European Union (Brexit) could affect estimations or judgments made in the preparation of the financial statements, mostly for the entities with operations in the UK or Europe. Risks and potential exposures to the Brexit are however assessed as reasonable due to the limited exposure of the Group to the UK economic environment and to the measures taken by local management to mitigate the risks.

Note 3: Changes in accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in note 33. These policies have all been consistently applied to all the years presented, unless otherwise stated.

Note 4: Segment information

The Group's reportable operating segments are D'Ieteren Auto, Belron, Moleskine and "Corporate & unallocated". These operating segments are consistent with the Group's organisational and internal reporting structure, and with the requirements of IFRS 8 "Operating Segments".

D'Ieteren Auto comprises the automobile distribution activities of the Group. Belron comprises Belron Group s.a. and its subsidiaries. Despite its classification as an equity-accounted investee, Belron remains a reportable operating segment, reflecting the Group's internal reporting structure. The figures presented in the Belron segment are the consolidated financial statements of Belron Group s.a.. Moleskine includes Moleskine S.p.a. and its subsidiaries. The segment "Corporate & unallocated" comprises the corporate and the real estate activities of the Group.

These operating segments are consistent with the Group's organisational and internal reporting structure.

Note 4: Segment information (continued)

Segment Statement of Profit or Loss - Operating Segments (Year ended 31 December)

€m	Notes	2020					
		D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
External revenue	5	3,215.7	3,898.8	102.3	-	-3,898.8	3,318.0
Inter-segment revenue		-	-	-	-	-	-
Segment revenue		**3,215.7**	**3,898.8**	**102.3**	**-**	**-3,898.8**	**3,318.0**
Operating result (being segment result)	6	**52.0**	**488.9**	**-23.5**	**-18.3**	**-488.9**	**10.2**
Net finance costs	7	-4.2	-123.6	-11.9	14.2	123.6	-1.9
Finance income		0.2	3.2	0.9	4.0	-3.2	5.1
Finance costs		-1.9	-126.8	-4.9	-0.2	126.8	-7.0
Inter-segment financing interest		-2.5	-	-7.9	10.4	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	4.0	0.3	-	-	145.6	149.9
Result before tax		**51.8**	**365.6**	**-35.4**	**-4.1**	**-219.7**	**158.2**
Income tax expense	11	-15.8	-94.2	-0.7	-0.9	94.2	-17.4
Result from continuing operations		**36.0**	**271.4**	**-36.1**	**-5.0**	**-125.5**	**140.8**
Discontinued operations		-	-	-	-	-	-
RESULT FOR THE PERIOD		**36.0**	**271.4**	**-36.1**	**-5.0**	**-125.5**	**140.8**

Attributable to:	D'Ieteren Auto	Belron(*)	Moleskine	Corp. & unallocated	Group
Equity holders of the Company(*)	**37.1**	**145.9**	**-36.1**	**-5.0**	**141.9**
Non-controlling interests	-1.1	-	-	-	-1.1
RESULT FOR THE PERIOD	**36.0**	**145.9**	**-36.1**	**-5.0**	**140.8**

(*) Belron at 53.75% (weighted average percentage for the 2020 period – see note 17).

In 2020, in the Corporate & unallocated segment, the line "Operating result" includes, amongst other amounts, the provision (€8.2m) related to the decision of the Board of Directors, as announced on 27 April 2020, to allocate the initially planned dividend increase of €0.15 per share to a solidarity program that will help employees of D'Ieteren Group who may suffer hardship as a consequence of the Covid-19 crisis. From the initial provision, €3.1m has been used and expensed during the year and the remaining €5.1m is presented in the current provisions in the consolidated statement of financial position.

In 2020, in the D'Ieteren Auto segment, the line "Operating result" includes, amongst other amounts, the liability (€41.0m) related to the finalization of the project carried out in 2020 by D'Ieteren Auto for the acceleration of the transformation of its activities in response to a rapidly changing market (see press release dated 3rd June 2020). This project entailed measures to adapt internal structures and working methods to the new market realities and transformed or ceased those activities that no longer met the needs of dealers or customers. This charge (not paid as per 31 December 2020) is presented in the line "other operating expenses" in the consolidated statement of profit or loss.

In 2020, in the Moleskine segment, the line "Operating result" includes, amongst other amounts, the impairment charge recognised at half-year in the Moleskine segment (€21.0m). This non-cash charge is presented in the line "other operating expenses" in the consolidated statement of profit or loss. The formal impairment review was performed at year-end in accordance with the requirements of IAS 36 and no additional impairment charge was booked as a result of this review. See note 12 for additional information.

In 2020, in the Belron segment, the increase in net finance costs on the same period last year reflects the new term loan taken out in Q4 2019 (issuance of a new seven-year Term Loan B of $830m - which matures in October 2026 - and a €100m add-on-loan to the existing € Term Loan B which matures in November 2024).

Note 4: Segment information (continued)

Segment Statement of Profit or Loss – Operating Segments (Year ended 31 December)

€m	2019(1)					
	D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
External revenue	3,634.9	4,228.1	163.9	-	-4,228.1	3,798.8
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**3,634.9**	**4,228.1**	**163.9**	**-**	**-4,228.1**	**3,798.8**
Operating result (being segment result)	**116.6**	**348.9**	**-83.4**	**-8.8**	**-348.9**	**24.4**
Net finance costs	-2.7	-101.9	-9.4	-10.7	101.9	-22.8
Finance income	0.2	7.1	0.8	0.4	-7.1	1.4
Finance costs	-2.9	-109.0	-5.3	-16.0	109.0	-24.2
Inter-segment financing interest	-	-	-4.9	4.9	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	8.6	0.1	-	-	84.5	93.2
Result before tax	**122.5**	**247.1**	**-92.8**	**-19.5**	**-162.5**	**94.8**
Income tax expense	-36.7	-85.9	-4.8	12.8	85.9	-28.7
Result from continuing operations	**85.8**	**161.2**	**-97.6**	**-6.7**	**-76.6**	**66.1**
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	**85.8**	**161.2**	**-97.6**	**-6.7**	**-76.6**	**66.1**

Attributable to:	**D'Ieteren Auto**	**Belron(*)**	**Moleskine**	**Corp. & unallocated**		**Group**
Equity holders of the Company(*)	**85.8**	**84.6**	**-97.6**	**-6.7**		**66.1**
Non-controlling interests	-	-	-	-		-
RESULT FOR THE PERIOD	**85.8**	**84.6**	**-97.6**	**-6.7**		**66.1**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R and, in the Belron segment, to present the net interest on long-term employee benefit asset as finance income rather than to separately present the interest income on plan assets as finance income and the interest cost on the defined benefit obligation as finance costs – see note 1 for more information on the restatement of comparative information.
(*) Belron at 52.48% (weighted average percentage for the 2019 period – see note 17).

In 2019, in the Corporate & unallocated segment, the line "Operating result" included, among other amounts, the gain (€6.5m) realised on the disposal of a property (recognized in other operating income in the consolidated statement of profit or loss) and the line "net finance costs" mainly included the loss (-€15.7m – as restated; see note 1 for more information) on the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R. The line "income tax expenses" mainly included the deferred tax assets recognized on unused tax losses and credits.

In both periods, the column "Eliminations" reconciles the segment statement of profit or loss (with the 12-month result of Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax" representing the share of the Group – 53.75% in 2020; 52.48% in 2019 – in the net result of Belron).

Note 4: Segment information (continued)

Segment Statement of Financial Position - Operating Segment

€m	Notes	31 December 2020					
		D'Ieteren Auto	Belron	Moleskine	Corp. & unallocated	Eliminations	Group
Goodwill	12	27.4	577.7	48.8	-	-577.7	76.2
Intangible assets	13	38.8	505.2	411.7	0.7	-505.2	451.2
Property, plant & equipment	14	63.3	783.6	27.2	172.4	-783.6	262.9
Investment property	15	0.1	-	-	31.6	-	31.7
Equity-accounted investees & long-term interests in equity-accounted investees	17	88.8	-	-	-	586.6	675.4
Financial investments		-	1.4	-	-	-1.4	-
Employee benefits		-	152.4	-	-	-152.4	-
Deferred tax assets	11	11.1	63.8	7.1	21.0	-63.8	39.2
Other receivables	20	2.1	5.0	1.0	1.3	-5.0	4.4
Non-current assets		**231.6**	**2,089.1**	**495.8**	**227.0**	**-1,502.5**	**1,541.0**
Inventories	16	432.0	299.0	25.4	-	-299.0	457.4
Current financial investments	4/18	-	-	-	737.2	-	737.2
Derivative financial instruments		-	1.6	0.5	-	-1.6	0.5
Current tax assets	11	8.4	6.7	9.8	-	-6.7	18.2
Trade and other receivables	20	303.9	281.3	30.3	5.1	-281.3	339.3
Cash & cash equivalents	19	56.0	617.8	30.2	265.1	-617.8	351.3
Assets classified as held for sale	4	2.1	46.8	-	-	-46.8	2.1
Current assets		**802.4**	**1,253.2**	**96.2**	**1,007.4**	**-1,253.2**	**1,906.0**
TOTAL ASSETS		**1,034.0**	**3,342.3**	**592.0**	**1,234.4**	**-2,755.7**	**3,447.0**
Equity		**-**	**-**	**-**	**2,742.9**	**-**	**2,742.9**
Employee benefits	10	28.1	7.6	2.4	1.2	-7.6	31.7
Provisions	22	11.3	32.0	-	0.3	-32.0	11.6
Loans & borrowings	23	17.9	2,812.3	62.9	4.7	-2,812.3	85.5
Inter-segment loan		202.6	-	253.9	-456.5	-	-
Derivative financial instruments	18	-	73.2	-	-	-73.2	-
Other payables	24	-	0.8	-	-	-0.8	-
Deferred tax liabilities	11	0.6	95.5	110.4	20.1	-95.5	131.1
Non-current liabilities		**260.5**	**3,021.4**	**429.6**	**-430.2**	**-3,021.4**	**259.9**
Provisions	22	-	49.4	1.4	5.1	-49.4	6.5
Loans & borrowings	23	3.2	179.3	14.2	0.5	-179.3	17.9
Derivative financial instruments	18	-	8.3	-	-	-8.3	-
Current tax liabilities	11	0.8	56.0	0.7	0.2	-56.0	1.7
Trade & other payables	24	366.8	616.8	28.6	18.0	-616.8	413.4
Liabilities directly associated with the assets held for sale	4	4.7	30.7	-	-	-30.7	4.7
Current liabilities		**375.5**	**940.5**	**44.9**	**23.8**	**-940.5**	**444.2**
TOTAL EQUITY AND LIABILITIES		**636.0**	**3,961.9**	**474.5**	**2,336.5**	**-3,961.9**	**3,447.0**

Note 4: Segment information (continued)

Segment Statement of Financial Position – Operating Segments

€m	31 December 2019[1]					
	D'Ieteren Auto	Belron	Moleskine	Corp. & unallocated	Eliminations	Group
Goodwill	27.3	590.1	69.8	-	-590.1	97.1
Intangible assets	31.9	594.0	412.7	0.2	-594.0	444.8
Property, plant & equipment	54.9	938.2	37.7	176.1	-938.2	268.7
Investment property	-	-	-	28.9	-	28.9
Equity-accounted investees & long-term interests in equity-accounted investees	84.8	-	-	-	264.5	349.3
Financial investments	-	1.9	-	-	-1.9	-
Derivative financial instruments	-	0.1	-	-	-0.1	-
Employee benefits	-	105.1	-	-	-105.1	-
Deferred tax assets	11.6	53.1	8.5	21.2	-53.1	41.3
Other receivables	2.1	6.0	1.2	1.3	-6.0	4.6
Non-current assets	**212.6**	**2,288.5**	**529.9**	**227.7**	**-2,024.0**	**1,234.7**
Inventories	462.7	330.4	30.1	-	-330.4	492.8
Current financial investments	-	-	-	597.8	-	597.8
Derivative financial instruments	-	5.0	0.1	-	-5.0	0.1
Current tax assets	0.9	2.5	9.5	0.1	-2.5	10.5
Trade and other receivables	414.2	355.8	35.7	4.9	-355.8	454.8
Cash & cash equivalents	-119.6	282.6	55.2	731.9	-282.6	667.5
Current assets	**758.2**	**976.3**	**130.6**	**1,334.7**	**-976.3**	**2,223.5**
TOTAL ASSETS	**970.8**	**3,264.8**	**660.5**	**1,562.4**	**-3,000.3**	**3,458.2**
Equity	**-**	**-**	**-**	**2,646.9**	**-**	**2,646.9**
Employee benefits	28.4	7.9	2.1	1.1	-7.9	31.6
Provisions	14.2	26.8	-	0.5	-26.8	14.7
Loans & borrowings	8.4	3,055.8	121.1	4.9	-3,055.8	134.4
Inter-segment loan	-	-	190.8	-190.8	-	-
Derivative financial instruments	-	6.5	-	-	-6.5	-
Other payables	-	1.2	-	-	-1.2	-
Deferred tax liabilities	1.3	97.4	111.1	20.4	-97.4	132.8
Non-current liabilities	**52.3**	**3,195.6**	**425.1**	**-163.9**	**-3,195.6**	**313.5**
Provisions	-	138.4	2.5	-	-138.4	2.5
Loans & borrowings	5.7	207.6	40.3	0.5	-207.6	46.5
Derivative financial instruments	-	9.6	0.4	-	-9.6	0.4
Other financial liabilities	-	-	-	31.9	-	31.9
Current tax liabilities	4.3	33.7	0.6	0.1	-33.7	5.0
Trade & other payables	361.7	585.8	37.6	12.2	-585.8	411.5
Current liabilities	**371.7**	**975.1**	**81.4**	**44.7**	**-975.1**	**497.8**
TOTAL EQUITY AND LIABILITIES	**424.0**	**4,170.7**	**506.5**	**2,527.7**	**-4,170.7**	**3,458.2**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R and to reflect the reclassification of financial investments at FVTPL from "Cash and cash equivalent" to "Current financial assets" in the framework of continuous improvement of the financial reporting presentation - see note 1 for more information on the restatement of comparative information.

In 2019 and 2020, in the Corporate & unallocated segment, the line "Current financial Investments" comprises investments in a portfolio of marketable securities (mainly corporate bonds in Europe and equity instruments). These investments are accounted for at amortized costs (corporate bonds) and FVTPL (equity instruments). Related cash movement of -€139.4m is included in the line "proceeds from the sale of / (investment in) financial assets" in the consolidated statement of cash flows.

Note 4: Segment information (continued)

In 2020, the lines "Assets classified as held-for-sale" and "Liabilities directly associated with the assets held for sale" represent, in the D'Ieteren Auto segment, the fair value of the assets and liabilities of those activities that no longer met the needs of dealers or customers, as a result of the finalization of the project carried out for the acceleration of the transformation of activities in response to a rapidly changing market. These assets and liabilities are going to be ceased in 2021. In the Belron segment, these amounts include the fair value of the activities that are expected to be sold during 2021 (see note 17 for more information).

In 2019 and 2020, the inter-segment loans comprise amounts lent by the Corporate department to the Moleskine segment (non-recourse loan in the framework of the acquisition) and, in the current period, to the D'Ieteren Auto segment, at arm's length conditions.

In 2020, in the D'Ieteren Auto segment, the trade and other payables include the liability (€41.0m) related to the finalization of the project carried out in 2020 for the acceleration of the transformation of its activities in response to a rapidly changing market

In 2020, in the Corporate & unallocated segment, the current provisions include the €5.1m remaining provision related to the decision of the Board of Directors, as announced on 27 April 2020, to allocate the initially planned dividend increase of €0.15 per share to a solidarity program that will help employees of D'Ieteren Group who may suffer hardship as a consequence of the Covid-19 crisis (see note 2 for more information).

In 2019, the line "Other financial liabilities" of €31.9m represents the fair value of the financial contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R. This contingent liability has been settled in the first semester of 2020. The fair value of this contingent liability has been adjusted in the comparative periods (see note 1 for more information on the restatement of comparative information).

In 2020 and 2019, the column "Eliminations" reconciles the segment statement of financial position (including the assets and liabilities of Belron) to the IFRS consolidated statement of financial position (with Belron presented as an equity-accounted investee – see note 17).

In 2020 and 2019, right-of-use assets recognised under IFRS 16 are included in the line "Property, plant and equipment". The related lease liabilities are accounted for under "Loans and borrowings".

Note 4: Segment information (continued)

Segment Statement of Cash Flows - Operating Segments (Year ended 31 December)

€m	Notes	2020					
		D'Ieteren Auto	Belron	Moleskine	Corp. & unallocated	Eliminations	Group
Cash flows from operating activities - Continuing							
Result for the period		36.0	271.4	-36.1	-5.0	-125.5	140.8
Income tax expense	11	15.8	94.2	0.7	0.9	-94.2	17.4
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	-4.0	-0.3	-	-	-145.6	-149.9
Net finance costs	7	4.2	123.6	11.9	-14.2	-123.6	1.9
Operating result from continuing operations		**52.0**	**488.9**	**-23.5**	**-18.3**	**-488.9**	**10.2**
Depreciation	6/14/15	17.7	229.9	10.7	10.0	-229.9	38.4
Amortisation of intangible assets	6/13	5.2	65.7	3.3	-	-65.7	8.5
Impairment and write-offs on goodwill and other non-current assets	12	0.4	23.9	21.0	-	-23.9	21.4
Other non-cash items		3.1	29.6	0.4	6.9	-29.6	10.4
Employee benefits		-4.2	-	-	-	-	-4.2
Other cash items		-	-	0.2	-	-	0.2
Change in net working capital		158.9	34.1	1.5	-34.9	-34.1	125.5
Cash generated from operations		**233.1**	**872.1**	**13.6**	**-36.3**	**-872.1**	**210.4**
Income tax paid		-28.3	-98.4	-2.2	-1.6	98.4	-32.1
Net cash from operating activities		**204.8**	**773.7**	**11.4**	**-37.9**	**-773.7**	**178.3**
Cash flows from investing activities - Continuing							
Purchase of property, plant and equipment and intangible assets		-22.6	-38.1	-2.6	-9.8	38.1	-35.0
Sale of property, plant and equipment and intangible assets		1.4	5.5	-	0.5	-5.5	1.9
Net capital expenditure		**-21.2**	**-32.6**	**-2.6**	**-9.3**	**32.6**	**-33.1**
Acquisition of subsidiaries (net of cash acquired)	25	-0.4	-13.7	-	-	13.7	-0.4
Acquisition of equity-accounted investees and long-term interests in equity-accounted investees	17	-	-	-	-150.0	-	-150.0
Disposal of subsidiaries (net of cash disposed of)		-	-0.4	-	-	0.4	-
Contribution of cash from/(to) joint venture		-1.6	-	-	-	-	-1.6
Proceeds from the sale of / (investments in) financial assets	4	-	-	-	-139.4	-	-139.4
Interest received		0.3	1.6	-	4.0	-1.6	4.3
Dividends and proceeds from capital reduction received from /(paid by) equity-accounted investees & long-term interests in equity accounted investees		-	-8.8	-	-	8.8	-
Net investment in other financial assets		-0.1	-	-	-	-	-0.1
Net cash from investing activities		**-23.0**	**-53.9**	**-2.6**	**-294.7**	**53.9**	**-320.3**

Note 4: Segment information (continued)

Segment Statement of Cash Flows - Operating Segments (Year ended 31 December – continued)

€m	Notes	2020					
		D'Ieteren Auto	Belron	Moleskine	Corp. & unallocated	Eliminations	Group
Cash flows from financing activities - Continuing							
Acquisition (-)/Disposal (+) of non-controlling interests		6.0	-	-	-	-	6.0
Net disposal/(acquisition) of treasury shares		-	-	-	-24.4	-	-24.4
Purchase of own shares (buyback from MRP participants)		-	-39.9	-	-	39.9	-
Repayment of lease liabilities	23	-10.3	-172.8	-5.1	-0.4	172.8	-15.8
Net change in other loans and borrowings	23	-	-16.6	-80.5	-0.1	16.6	-80.6
Inter-segment loans		200.0	-	55.2	-255.2	-	-
Interest paid		-1.9	-127.2	-2.9	-0.2	127.2	-5.0
Dividends received from/(paid to) other segment		-200.0	-	-	200.0	-	-
Dividends paid by the Company	21	-	-	-	-53.9	-	-53.9
Net cash from financing activities		**-6.2**	**-356.5**	**-33.3**	**-134.2**	**356.5**	**-173.7**
Cash flows from continuing operations		**175.6**	**363.3**	**-24.5**	**-466.8**	**-363.3**	**-315.7**
Cash flows from discontinued operations		**-**	**-**	**-**	**-**	**-**	**-**
TOTAL CASH FLOW FOR THE PERIOD		**175.6**	**363.3**	**-24.5**	**-466.8**	**-363.3**	**-315.7**
Reconciliation with statement of financial position							
Cash at beginning of period	19	-190.9	282.6	55.2	630.9	-282.6	495.2
Cash equivalents at the beginning of the period	19	71.3	-	-	101.0	-	172.3
Cash and cash equivalents at beginning of period		**-119.6**	**282.6**	**55.2**	**731.9**	**-282.6**	**667.5**
Total cash flow for the period		175.6	363.3	-24.5	-466.8	-363.3	-315.7
Translation differences		-	-24.2	-0.5	-	24.2	-0.5
Cash and cash equivalents at end of period		**56.0**	**621.7**	**30.2**	**265.1**	**-621.7**	**351.3**
Included within "Cash and cash equivalents	*19*	*56.0*	*617.8*	*30.2*	*265.1*	*-617.8*	*351.3*
Included within "Non-current assets held for sale"		*-*	*3.9*	*-*	*-*	*-3.9*	*-*

The line "impairment and write-offs on goodwill and other non-current assets" includes the impairment charges recognized in the Belron segment (€23.9m – see note 17) and in the Moleskine segment (€21m, fully allocated to goodwill – see note 12).

In the Belron segment, the line "Other non-cash items" includes, among other amounts, the losses on disposal of businesses in 2020. The cash outflow (€93m) related to the settlement of long-term management incentive program is included in the change in net working capital.

In the D'Ieteren Auto segment, the line "Change in net working capital" mainly reflects the lower level of inventories and a significant cash inflow from trade receivables.

In the Corporate & unallocated segment, the line "Change in net working capital" mainly includes the settlement of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R.

In the Corporate & unallocated segment, the line "Acquisition of equity-accounted investees and long-term interests in equity-accounted investees" represents the non-voting preference shares acquired by the Group in February 2020, previously held by CD&R (see note 17 for more information).

The line "inter-segment loans" represents the additional amount lent by the Corporate department to the Moleskine and D'Ieteren Auto segments, at arm's length conditions.

Note 4: Segment information (continued)

The line "Dividends received from / (paid to) other segments" relates to the intra-group dividend paid by the D'Ieteren Auto segment to the Corporate & unallocated segment.

The line "Dividends paid by the Company" includes the distribution to shareholders of the ordinary dividend (€1.00 per share).

The column "Eliminations" reconciles the segment statement of cash flows (with Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of cash flows (with Belron consolidated under equity-accounting method).

Segment Statement of Cash Flows - Operating Segments (Year ended 31 December)

€m	2019(1)					
	D'Ieteren Auto	Belron	Moleskine	Corp. & unallocated	Eliminations	Group
Cash flows from operating activities - Continuing						
Result for the period	85.8	161.2	-97.6	-6.7	-76.6	66.1
Income tax expense	36.7	85.9	4.8	-12.8	-85.9	28.7
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	-8.6	-0.1	-	-	-84.5	-93.2
Net finance costs	2.7	101.9	9.4	10.7	-101.9	22.8
Operating result from continuing operations	**116.6**	**348.9**	**-83.4**	**-8.8**	**-348.9**	**24.4**
Depreciation	12.4	237.9	13.0	9.4	-237.9	34.8
Amortisation of intangible assets	3.7	49.9	3.4	-	-49.9	7.1
Impairment and write-offs on goodwill and other non-current assets	-	21.3	102.3	-	-21.3	102.3
Other non-cash items	9.2	57.9	-3.0	-4.4	-57.9	1.8
Employee benefits	-3.6	-	-0.6	-	-	-4.2
Other cash items	-	-	-	-0.1	-	-0.1
Change in net working capital	-83.7	14.5	9.9	-1.1	-14.5	-74.9
Cash generated from operations	**54.6**	**730.4**	**41.6**	**-5.0**	**-730.4**	**91.2**
Income tax paid	-38.1	-41.8	-2.1	-1.8	41.8	-42.0
Net cash from operating activities	**16.5**	**688.6**	**39.5**	**-6.8**	**-688.6**	**49.2**
Cash flows from investing activities - Continuing						
Purchase of property, plant and equipment and intangible assets	-28.1	-70.4	-7.5	-14.8	70.4	-50.4
Sale of property, plant and equipment and intangible assets	0.9	4.6	-	7.3	-4.6	8.2
Net capital expenditure	**-27.2**	**-65.8**	**-7.5**	**-7.5**	**65.8**	**-42.2**
Acquisition of subsidiaries (net of cash acquired)	-13.6	-199.9	-0.2	-	199.9	-13.8
Acquisition of equity-accounted investees and long-term interests in equity-accounted investees	-	-	-	-	-	-
Disposal of subsidiaries (net of cash disposed of)	-	-6.3	-	-	6.3	-
Contribution of cash from/(to) joint venture	-20.7	-	-	-	-	-20.7
Proceeds from the sale of / (investments in) financial assets	-	-	-	-597.8	-	-597.8
Interest received	1.1	4.2	0.1	0.4	-4.2	1.6
Dividends and proceeds from capital reduction received from /(paid by) equity-accounted investees & long-term interests in equity accounted investees	-	-839.9	-	460.7	839.9	460.7
Net investment in other financial assets	-0.9	-	-	20.0	-	19.1
Net cash from investing activities	**-61.3**	**-1,107.7**	**-7.6**	**-124.2**	**1,107.7**	**-193.1**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R and to reflect the reclassification of financial investments at FVTPL from "Cash and cash equivalent" to "Current financial assets" in the framework of continuous improvement of the financial reporting presentation – see note 1 for more information on the restatement of comparative information.

Note 4: Segment information (continued)

Segment Statement of Cash Flows - Operating Segments (Year ended 31 December – continued)

€m	2019(1)					
	D'Ieteren Auto	Belron	Moleskine	Corp. & unallocated	Eliminations	Group
Cash flows from financing activities - Continuing						
Acquisition (-)/Disposal (+) of non-controlling interests	0.1	-	-	-	-	0.1
Share capital increase	-	0.6	-	-	-0.6	-
Net disposal/(acquisition) of treasury shares	-	-	-	-18.7	-	-18.7
Repayment of lease liabilities	-6.2	-156.4	-8.3	-0.4	156.4	-14.9
Net change in other loans and borrowings	-7.8	826.5	-19.2	-0.1	-826.5	-27.1
Inter-segment loans	-	-	30.0	-30.0	-	-
Interest paid	-3.0	-99.1	-3.3	-0.2	99.1	-6.5
Dividends paid by the Company	-	-	-	-54.8	-	-54.8
Net cash from financing activities	**-16.9**	**571.6**	**-0.8**	**-104.2**	**-571.6**	**-121.9**
Cash flows from continuing operations	**-61.7**	**152.5**	**31.1**	**-235.2**	**-152.5**	**-265.8**
Cash flows from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL CASH FLOW FOR THE PERIOD	**-61.7**	**152.5**	**31.1**	**-235.2**	**-152.5**	**-265.8**
Reconciliation with statement of financial position						
Cash at beginning of period	-59.0	124.2	23.8	708.6	-124.2	673.4
Cash included in non-current assets held for sale	-	0.8	-	-	-0.8	-
Cash equivalents at the beginning of the period	1.1	-	-	258.5	-	259.6
Cash and cash equivalents at beginning of period	**-57.9**	**125.0**	**23.8**	**967.1**	**-125.0**	**933.0**
Total cash flow for the period	-61.7	152.5	31.1	-235.2	-152.5	-265.8
Translation differences	-	5.1	0.3	-	-5.1	0.3
Cash and cash equivalents at end of period	**-119.6**	**282.6**	**55.2**	**731.9**	**-282.6**	**667.5**
Included within "Cash and cash equivalents	*-119.6*	*282.6*	*55.2*	*731.9*	*-282.6*	*667.5*

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R and to reflect the reclassification of financial investments at FVTPL from "Cash and cash equivalent" to "Current financial assets" in the framework of continuous improvement of the financial reporting presentation – see note 1 for more information on the restatement of comparative information.

The line "impairment and write-offs on goodwill and other non-current assets" included the impairment charges recognized in the Belron segment (€21.3 m) and in the Moleskine segment (€102.3m fully allocated to goodwill) following the impairment exercise performed at the end of 2019.

In the Belron segment, the line "Other non-cash items" included, among other amounts, the provision for long-term management incentive program.

In the Belron segment, the line "acquisition of subsidiaries (net of cash acquired) included, among other amounts, the US TruRoad acquisition.

The line "Dividends and proceeds from capital reduction received from / (paid by) equity-accounted investees and long-term interests in equity-accounted investees" represented the share of the Group in the distribution of the dividend (€60.5m) and the share capital reduction (€400.2m) operated by the Belron segment in December 2019.

The inter-segment loans represented additional amount lent by the Corporate department to the Moleskine segment, at arm's length conditions.

The line "Dividends paid by the Company" included the distribution to shareholders of the ordinary dividend (€1.00 per share).

Note 4: Segment information (continued)

In the period, the column "Eliminations" reconciled the segment statement of cash flows (with Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of cash flows (with Belron consolidated under equity-accounting method).

Geographical Segment Information (Year ended 31 December)

The Group's operating segments (being D'Ieteren Auto, Moleskine and Corporate & unallocated) operate in three main geographical areas, being Belgium (main market for the D'Ieteren Auto segment), the rest of Europe and the rest of the world. Figures for Belron are not presented in the below table since it is an equity-accounted investee. Non-current assets and capital additions in 2019 presented below do not include the right-of-use assets recognised upon adoption of IFRS 16 at 1 January 2019.

€m	2020				2019			
	Belgium	Rest of Europe	Rest of the world	Group	Belgium	Rest of Europe	Rest of the world	Group
Segment revenue from external customers(1)	3,196.9	58.1	63.0	3,318.0	3,616.0	90.2	92.6	3,798.8
Non-current assets(2)	337.8	478.6	10.0	826.4	304.6	486.8	6.2	797.6
Capital additions(3)	50.5	1.9	1.7	54.1	63.7	5.2	3.2	72.1

(1) Based on the geographical location of the customers.
(2) Non-current assets (pre-IFRS 16 in 2019), as defined by IFRS 8, consists of goodwill, intangible assets, property, plant and equipment, investment property and non-current other receivables.
(3) Capital additions include both additions and acquisitions through business combinations including goodwill.

Note 5: Revenue

Disaggregation of revenue issued from contracts with customers for the year ended 31 December 2020 and 31 December 2019 is presented in the table below:

€m	2020	2019(1)
D'Ieteren Auto		
New vehicles	2,792.0	3,193.5
Used cars	95.5	76.1
Spare parts and accessories	182.3	215.7
After-sales activities by D'Ieteren Car Centers	83.6	97.9
D'Ieteren Sport	32.2	31.4
Other revenue	30.1	20.3
Subtotal D'Ieteren Auto	**3,215.7**	**3,634.9**
Moleskine		
Europe, Middle-East and Africa (EMEA)	43.6	74.9
America	37.0	60.9
Asia-Pacific (APAC)	21.7	28.1
Subtotal Moleskine	**102.3**	**163.9**
Total Revenue	**3,318.0**	**3,798.8**

(1) As restated in the framework of continuous improvement of the financial reporting presentation.

There was no material revenue recognised in the current reporting period that related to carried-forward contract liabilities (deferred income) or performance obligations satisfied in the previous year. There is no material revenue that is likely to arise in future periods from unsatisfied performance obligations at the Consolidated Statement of Financial Position date.

There is no material contract income or costs recognised on the Consolidated Statement of Financial Position as contract liabilities or contract assets.

Note 6: Operating result

Operating result is stated after charging:

€m	2020				2019			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Purchases and changes in inventories	-2,721.9	-20.7	-2.5	-2,745.1	-3,089.0	-37.5	-6.0	-3,132.5
Depreciation on PP&E & investment property	-17.7	-10.7	-10.0	-38.4	-12.4	-13.0	-9.4	-34.8
Amortisation	-5.2	-3.3	-	-8.5	-3.7	-3.4	-	-7.1
Impairment on goodwill & other non-current assets (see note 12)	-0.4	-21.0	-	-21.4	-	-102.3	-	-102.3
Write-down on inventories	1.4	-1.1	-	0.3	-2.8	-0.3	-	-3.1
Write down on receivables	-0.8	-0.1	-	-0.9	0.7	-0.1	-	0.6
Employee benefit expenses (see note 10)	-181.0	-24.3	-13.3	-218.6	-185.2	-25.8	-15.7	-226.7
Gain on sale of property, plant and equipment	0.2	-	0.1	0.3	0.6	-	6.6	7.2
Loss on sale of property, plant and equipment	-0.2	-	-	-0.2	-	-	-	-
Rental income from investment property (1)	-	-	3.6	3.6	-	-	2.8	2.8
Sundry (2)	-238.1	-44.6	3.8	-278.9	-226.5	-64.9	12.9	-278.5
NET OPERATING EXPENSES / INCOME	**-3,163.7**	**-125.8**	**-18.3**	**-3,307.8**	**-3,518.3**	**-247.3**	**-8.8**	**-3,774.4**

(1) The full amount is related to investment property that generated rental income.
(2) Mainly relates to marketing and IT costs, legal and consultancy fees and inter-segment rental income and expenses between the segment "Corporate & unallocated" and D'Ieteren Auto.

In 2019 and 2020, the line "depreciation on PP&E & investment property" includes the depreciation on right-of-use assets recognised in accordance with IFRS 16 (see note 31 for additional information on the right-of-use assets).

In 2019 and 2020, in the consolidated statement of profit or loss, the line "other operating expenses" include, among other amounts, the impairment charge recognised in the Moleskine segment (€102.3m in 2019 and €21.0m in 2020 – included in the line "Impairment on goodwill & other non-current assets" in the above table) and the provision related to the finalization of the project carried out in 2020 by D'Ieteren Auto for the acceleration of the transformation of its activities in response to a rapidly changing market (included in the line "Sundry" in the above table, partially compensated by general cost containment (primarily marketing expenses)).

In 2019, the line "other operating income" in the consolidated statement of profit or loss included, among other amounts, the consolidated gain on disposal of a property.

Note 7: Net finance costs

Net finance costs are broken down as follows:

€m	2020				2019(1)			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Finance costs:								
Interest expense	-0.9	-4.1	-0.1	-5.1	-1.3	-4.2	-0.1	-5.6
Interest costs on pension	-0.2	-	-	-0.2	-0.2	-0.1	-	-0.3
Other financial charges	-0.8	-0.8	-0.1	-1.7	-1.4	-1.0	-0.2	-2.6
Subtotal finance costs	-1.9	-4.9	-0.2	-7.0	-2.9	-5.3	-0.3	-8.5
Re-measurements of financial instruments:								
Measured at fair value upon initial recognition	-	-	-	-	-	-	-15.7	-15.7
Finance income	0.2	0.9	4.0	5.1	0.2	0.8	0.4	1.4
Inter-segment financing interest	-2.5	-7.9	10.4	-	-	-4.9	4.9	-
NET FINANCE COSTS	**-4.2**	**-11.9**	**14.2**	**-1.9**	**-2.7**	**-9.4**	**-10.7**	**-22.8**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

In 2019, the re-measurement of financial instruments in the segment "Corporate & unallocated" of -€15.7m (as restated – see note 1) related to the loss on the fair value of a financial liability relating to the disposal of the 40% stake of Belron to CD&R (see note 18).

In 2019 and 2020, the line "interest expense" includes the interest charge recognized on lease liabilities recognised in accordance with IFRS 16. Refer to note 23 for more information on the lease liabilities.

The increase in finance income in the period is mainly due to the additional interests generated by the current financial investments held in the Corporate & unallocated segment.

Note 8: Earnings per share

Earnings per share ("EPS") and earnings per share from continuing operations ("Continuing EPS") are shown on the face of the consolidated statement of profit or loss. Basic and diluted EPS are based on the result for the period attributable to equity holders of the Company (based on the result from continuing operations attributable to equity holders of the Company for the continuing EPS), after adjustment for participating shares (each participating share confers one voting right and gives right to a dividend equal to one eighth of the dividend of an ordinary share).

The weighted average number of ordinary shares in issue for the period is shown in the table below.

The Group has granted options to employees over ordinary shares of the Company. Such shares constitute the only category of potentially dilutive ordinary shares.

The options over ordinary shares of the Company increased the weighted average number of shares of the Company taken into account for diluted earnings per share in 2019 and 2020 as some option exercise prices were below the average market share price.

Note 8: Earnings per share (continued)

The computation of basic and diluted EPS is set out below:

		2020	2019(1)
Result for the period attributable to equity holders		141.9	66.1
Adjustment for participating shares		-1.6	-0.7
Numerator for EPS (€m)	(a)	140.3	65.4
Result from continuing operations		140.8	66.1
Share of non-controlling interests in result from continuing operations		1.1	-
Result from continuing operations attributable to equity holders		141.9	66.1
Adjustment for participating shares		-1.6	-0.7
Numerator for continuing EPS (€m)	(b)	140.3	65.4
Weighted average number of ordinary shares outstanding during the period	(c)	53,587,252	53,965,827
Adjustment for stock option plans		379,732	289,391
Weighted average number of ordinary shares taken into account for diluted EPS	(d)	53,966,984	54,255,218
Result for the period attributable to equity holders			
Basic EPS (in €)	**(a)/(c)**	**2.62**	**1.21**
Diluted EPS (€)	**(a)/(d)**	**2.60**	**1.21**
Result from continuing operations attributable to equity holders			
Basic continuing EPS (in €)	(b)/(c)	2.62	1.21
Diluted continuing EPS (in €)	(b)/(d)	2.60	1.21

(1) As restated – refer to note 1 for further information on the restatement of comparative information.

Note 9: Share-based payments

There is in the Group an equity-settled share-based payment scheme. Since 1999, share option schemes have been granted to officers and managers of the D'Ieteren Auto and "Corporate & unallocated" segments, in the framework of the Belgian law of 26 March 1999. The underlying share is the ordinary share of s.a. D'Ieteren n.v. Under these schemes, vesting conditions are three years' service from grant date and holders of vested options are entitled to purchase shares at the exercise price of the related scheme during the exercise period.

Note 9: Share-based payments (continued)

Options outstanding are as follows:

Date of grant	Number of options (in units)		Exercise price	Exercise period	
	2020	2019	(€)	From	To
2020	166,500	-	49.36	1/01/2024	7/06/2030
2019	185,000	185,000	33.19	1/01/2023	28/02/2029
2018	187,000	187,000	33.32	1/01/2022	5/06/2028
2017	173,853	173,853	38.47	1/01/2021	13/03/2027
2016	10,866	10,866	35.05	1/01/2020	13/03/2026
2016	73,177	146,689	29.18	1/01/2020	13/03/2026
2016	29,794	81,609	29.18	1/01/2020	13/03/2026
2016	33,685	106,486	26.62	1/01/2020	21/01/2026
2015	19,450	21,732	29.54	1/01/2019	12/03/2025
2015	14,222	20,475	29.54	1/01/2019	12/03/2025
2014	22,989	22,989	30.44	1/01/2018	10/03/2024
2013	11,410	17,152	32.20	1/01/2017	24/11/2023
2013	12,258	15,892	31.50	1/01/2017	7/03/2023
2012	12,062	19,560	33.35	1/01/2016	14/10/2022
2011	10,045	19,988	32.21	1/01/2015	22/12/2021
2010	-	8,837	36.44	1/01/2014	3/10/2020
2007	9,263	11,567	24.30	1/01/2011	2/12/2022
2006	4,188	5,216	24.48	1/01/2010	27/11/2021
2005	-	4,229	19.23	1/01/2009	6/11/2020
Total	**975,762**	**1,059,140**			

All outstanding options are covered by treasury shares (see note 21).

A reconciliation of the movements in the number of outstanding options during the year is as follows:

	Number (in units)		Weighted average exercise price (€)	
	2020	2019	2020	2019
Outstanding options at the beginning of the period	1,059,140	1,127,390	32.14	33.78
Granted during the period	166,500	185,000	49.36	33.19
Exercised during the period	-248,248	-311,233	28.88	30.54
Other movements during the period	-1,630	57,983	19.23	32.27
Outstanding options at the end of the period	**975,762**	**1,059,140**	**35.93**	**32.14**
of which: exercisable at the end of the period	263,409	167,637	29.55	30.47

In 2020, the options have mainly been exercised during the first, second and last quarter of the period. The average share price during the period was €52.35 (2019: €43.28). Other movements during the period relate to options that expired in 2020 and were not exercised. Other movements in 2019 mainly relate to adjustments of existing option plans and to options that expired in 2019 and were not exercised. The treasury shares underlying to these expired options are being kept for future plans.

For share options outstanding at the end of the period, the weighted average remaining contractual life is as follows:

	Number of years
31 December 2020	**6.8**
31 December 2019	6.8

IFRS 2 "Share-Based Payments" requires that the fair value of all share options issued after 7 November 2002 is charged to the income statement (€1.8m during the period). The fair value of the options must be assessed on the date of each issue. A simple Black & Scholes valuation model was used at each issue date re-assessing the input assumptions on each occasion. The assumptions for the 2020 and 2019 issues were as follows:

Note 9: Share-based payments (continued)

	2020	2019
Number of employees	13	11
Spot share price (in €)	47.6	36.2
Option exercise price (in €)	49.4	33.2
Vesting period (in years)	3.5	3.0
Expected life (in years)	6.0	6.5
Expected volatility (in %)	34%	28%
Risk free rate of return (in %)	0%	0%
Expected dividend (in €)	0.8	0.8
Probability of ceasing employment before vesting (in %)	7%	0%
Weighted average fair value per option (in €)	12.6	7.8

Expected volatility and expected dividends were provided by an independent expert. The risk-free rate of return is based upon EUR zero-coupon rates with an equivalent term to the options granted.

Note 10: Employee benefits

Note 10.1: Employee benefit expense

The employee benefit expense is analysed below:

€m	2020				2019			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Retirement benefit charges under Belgian defined contribution schemes considered as defined benefit schemes	*-4.2*	*-*	*-0.2*	*-4.4*	*-4.6*	*-*	*-0.2*	*-4.8*
Retirement benefit charges under defined benefit schemes	*-*	*-0.9*	*-*	*-0.9*	*-*	*-0.6*	*-*	*-0.6*
Total retirement benefit charge (see note 10.2)	-4.2	-0.9	-0.2	-5.3	-4.6	-0.6	-0.2	-5.4
Wages, salaries and social security costs	-176.8	-23.4	-11.3	-211.5	-180.3	-25.2	-13.5	-219.0
Share-based payments: equity-settled	-	-	-1.8	-1.8	-0.3	-	-2.0	-2.3
Total employee benefit expense	**-181.0**	**-24.3**	**-13.3**	**-218.6**	**-185.2**	**-25.8**	**-15.7**	**-226.7**

Note 10.2: Post-employment and long-term employee benefits

Long-term employee benefits include post-employment employee benefits and other long-term employee benefits. Post-employment employee benefits are analysed below. Other long-term employee benefits are presented among non-current provisions or non-current other payables, and, if material, separately disclosed in the relevant note.

Post-employment benefits are limited to retirement benefit schemes. Certain Group entities operate schemes which provide retirement benefits, including those of the defined benefit type, which are in most cases funded by investments held outside the Group.

The Group has established pension schemes for its employees in various locations. The major schemes are located in Belgium and in Italy. Since Belron is an equity-accounted investee, the schemes in place in the Belron segment are not separately disclosed. The schemes in Belgium relate to the D'Ieteren Auto and "Corporate & unallocated" segments and are funded and unfunded. The main scheme in Italy relates to the Moleskine segment. Independent actuarial valuations for the plans in these countries are performed as required. The Group is and has always been fully compliant with all local governance and funding requirements.

The overall investment policy and strategy for the Group's defined benefit schemes is guided by the objective of achieving an investment return, which together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risks of the plans. The investment strategies for the plans are managed under local laws and regulations in each jurisdiction.

Note 10: Employee benefits (continued)

Note 10.2: Post-employment and long-term employee benefits (continued)

The actual asset allocation is determined by the current and expected economic and market conditions and in consideration of specific asset class risk and risk profile. In addition, consideration is given to the maturity profile of scheme liabilities.

The Group operates one defined benefit scheme in Belgium that was closed to new members in 2005. The retirement capital plan accrues a percentage of annual salary inflated to the point of retirement with an annual average of 2,5% (and a maximum of 4,0%). A full actuarial valuation of the plan was carried out in December 2019 by a qualified independent actuary. Full IAS19 measurements are carried out every three years and roll-forwards are performed in the meantime. The Group also operates defined contribution plans with a minimal interest guarantee borne by the employer under the Belgian Legislation.

The Group recognises all actuarial gains and losses directly in the Consolidated Statement of Comprehensive Income.

The main actuarial assumptions are as follows (the assumptions on life expectancy are provided for the D'Ieteren Auto segment only). Given the amounts of net position of unfunded schemes recognised in the consolidated statement of financial position which are not considered material to the Group, the assumptions related to the unfunded schemes are not provided anymore.

	Funded schemes			
	2020		**2019**	
	Min.	**Max.**	**Min.**	**Max.**
Inflation rate	0.8%	1.8%	1.2%	2.0%
Discount rate	0.1%	0.1%	0.4%	0.8%
Rate of salary increases	2.0%	2.0%	2.0%	3.2%
Rate of pension increases	0.0%	0.0%	0.0%	0.0%
Life expectancy of male pensioner	18.6	18.6	18.6	18.6
Life expectancy of female pensioner	22.0	22.0	22.0	22.0
Life expectancy of male non-pensioner	18.6	18.6	18.6	18.6
Life expectancy of female non-pensioner	22.0	22.0	22.0	22.0

The weighted average duration of the liabilities across the plans ranges from 8 to 11 years.

The amounts recognised in the statement of financial position are summarised as follows, depending on the net position of each pension scheme:

€m	**2020**	**2019**
Long-term employee benefit assets	-	-
Long-term employee benefit obligations	-31.7	-31.6
Recognised net deficit (-) / surplus (+) in the schemes	**-31.7**	**-31.6**
of which: amount expected to be settled within 12 months	*-0.1*	*-0.2*
of which: amount expected to be settled in more than 12 months	*-31.6*	*-31.4*

For all schemes, the amounts recognised in the statement of financial position are analysed as follows:

€m	**2020**			**2019**		
	Funded schemes	**Unfunded schemes**	**Total**	**Funded schemes**	**Unfunded schemes**	**Total**
Present value of defined benefit obligations	-90.0	-3.8	-93.8	-100.5	-2.9	-103.4
Fair value of scheme assets	62.1	-	62.1	71.8	-	71.8
Net deficit (-) / surplus (+) in the schemes	**-27.9**	**-3.8**	**-31.7**	**-28.7**	**-2.9**	**-31.6**

Note 10: Employee benefits (continued)

Note 10.2: Post-employment and long-term employee benefits (continued)

The amounts recognised through the statement of comprehensive income are as follows. They do not include the Belron segment from 2018 onwards, Belron being an equity-accounted investee.

€m	2020			2019		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Actual return less interest return on pension assets net of asset management charges	3.3	-	3.3	1.8	-	1.8
Experience gain (+) / loss (-) on liabilities	0.4	-	0.4	-	-	-
Gain (+) / Loss (-) on change of financial assumptions	-3.3	-	-3.3	-8.3	0.1	-8.2
Gain (+) / Loss (-) on change of demographic assumptions	-	-	-	-	-	-
Actuarial gains (+) / losses (-)	**0.4**	**-**	**0.4**	**-6.5**	**0.1**	**-6.4**

Changes to financial assumptions during 2020, all of which were prepared on a consistent basis to prior period, impacted the total actuarial gains (+) / losses (-) by -€3.3m (2019: -€8.2m). The actuarial loss of the current period is primarily the result of a decrease of the discount rate in 2020 compared to 2019.

The cumulative amount of actuarial gains and losses (group's share, before tax and including Belron despite its presentation as equity-accounted investee) recognised in the consolidated statement of comprehensive income is a loss of €10m (in 2019 a loss of €35m).

The fair value of scheme assets includes the following items:

€m	2020			2019(1)		
	Quoted in an active market	Other	Total	Quoted in an active market	Other	Total
Other assets	-	62.1	62.1	-	71.8	71.8
Fair value of scheme assets	**-**	**62.1**	**62.1**	**-**	**71.8**	**71.8**

(1) As restated to reflect the correct presentation of Other assets.

The fair value of scheme assets does not comprise any property or other assets used by the Group, nor any financial instruments of the Group. Other assets are mainly composed of cash.

The movements in the fair value of plan assets are as follows:

€m	2020			2019		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Scheme assets at 1 January before restatement	71.8	-	71.8	70.4	-	70.4
Restatement(1)	2.1	-	2.1	-	-	-
Scheme assets at 1 January	**73.9**	**-**	**73.9**	**70.4**	**-**	**70.4**
Employer contribution	4.6	-	4.6	3.6	-	3.6
Interest on pension assets	0.4	-	0.4	1.1	-	1.1
Contributions paid by employees	1.5	-	1.5	1.5	-	1.5
Benefits paid	-21.4	-	-21.4	-6.6	-	-6.6
Actual return less interest return on pension assets	3.3	-	3.3	1.8	-	1.8
Group changes	-0.2	-	-0.2	-	-	-
Scheme assets at 31 December	**62.1**	**-**	**62.1**	**71.8**	**-**	**71.8**

(1) As restated to reflect the correct presentation of the gross defined benefit obligation and the plan assets.

Note 10: Employee benefits (continued)

Note 10.2: Post-employment and long-term employee benefits (continued)

The actual return on scheme assets is as follows:

€m	2020	2019
Interest return on pension assets	0.4	1.1
Actual return less interest return on pension assets	3.3	1.8
Actual net return on pension assets	**3.7**	**2.9**

The movements in the present value of defined benefit obligations are as follows:

€m	2020			2019		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Defined benefit obligations at 1 January before restatement	-100.5	-2.9	-103.4	-91.2	-3.1	-94.3
Restatement(1)	-2.1	-	-2.1	-	-	-
Defined benefit obligations at 1 January	**-102.6**	**-2.9**	**-105.5**	**-91.2**	**-3.1**	**-94.3**
Current service cost	-7.1	-1.1	-8.2	-5.3	-0.1	-5.4
Interest payable on pension liabilities	-0.6	-	-0.6	-1.4	-	-1.4
Benefits paid	21.8	0.2	22.0	7.2	0.2	7.4
Contribution paid by employees	-1.4	-	-1.4	-1.5	-	-1.5
Experience gain (+) / loss (-) on liabilities	0.4	-	0.4	-	-	-
Gain (+) / Loss (-) arising from changes to financial assumptions	-3.3	-	-3.3	-8.3	0.1	-8.2
Curtailment and settlements(2)	2.9	-	2.9	-	-	-
Group change	-0.1	-	-0.1	-	-	-
Defined benefit obligations at 31 December	**-90.0**	**-3.8**	**-93.8**	**-100.5**	**-2.9**	**-103.4**

(1) As restated to reflect the correct presentation of the gross defined benefit obligation and the plan assets
(2) Impact of the measures taken to accelerate the transformation of D'Ieteren Auto as described in Note 4.

The amounts recognised in the statement of profit or loss are as follows:

€m	2020			2019		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Current service cost	-7.1	-1.1	-8.2	-5.3	-0.1	-5.4
Effect of curtailment or settlement	2.9	-	2.9	-	-	-
Pension costs within the operating result	**-4.2**	**-1.1**	**-5.3**	**-5.3**	**-0.1**	**-5.4**
Interest payable on pension liabilities	-0.6	-	-0.6	-1.4	-	-1.4
Interest return on pension assets	0.4	-	0.4	1.1	-	1.1
Net pension interest cost	**-0.2**	**-**	**-0.2**	**-0.3**	**-**	**-0.3**
Expense recognised in the statement of profit or loss	**-4.4**	**-1.1**	**-5.5**	**-5.6**	**-0.1**	**-5.7**

The best estimate of normal contributions expected to be paid to the schemes during the 2021 annual period is ca. €4m.

The obligation of defined benefit schemes is calculated on the basis of a set of actuarial assumptions (including among others: mortality, discount rate of future payments, salary increases, personnel turnover, etc.). Should these assumptions change in the future, the obligation may increase. The defined benefit scheme assets are invested in a diversified portfolio, with a return that is likely to experience volatility in the future. Should the return of these assets be insufficient, the deficit might increase (the surplus might decrease).

In 2020 and 2019, the net deficit (€31.7m in 2020; €31.6m in 2019) recognised in the consolidated statement of financial position does not include Belron's net surplus since Belron is an equity-accounted investee.

Note 10: Employee benefits (continued)

Note 10.2: Post-employment and long-term employee benefits (continued)

The following table presents a sensitivity analysis for the discount rate and the inflation rate, showing how the defined benefit obligation at 31 December 2020 would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date. The sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension liability in its entirety, the measurement of which is driven by a number of factors including, in addition to the assumptions below, the fair value of plan assets.

€m	(Increase) / decrease in defined benefit obligation at 31 December 2020	(Increase) / decrease in defined benefit obligation at 31 December 2019
Discount rate		
Increase by 50 basis points	6.6	8.0
Decrease by 50 basis points	-7.1	-8.4
Inflation rate		
Increase by 50 basis points	-2.4	-2.5
Decrease by 50 basis points	2.3	2.4

There is a pension plan in Belgium legally structured as defined contribution plan. Because of the Belgian social legislation applicable, all Belgian defined contribution plans are considered under IFRS as defined benefit plan because the employer must guarantee a minimum return on employee and employer contributions. The Group is therefore exposed to a financial risk (legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits). Disclosures in tables above include those Belgian defined contribution plans.

The plan is insured at an insurance company. The insurance company guarantees a minimum rate of return on the contributions paid. However, the minimum guaranteed rates have dropped significantly the last years and are currently below the social minimum return borne by the employer on the contributions (according to article 24 of the Law of 28 April 2003 on occupational pensions, the Group has to guarantee an average minimum return of 3.75% on employee contributions and of 3.25% on employer contributions paid up to 31 December 2015). The financial risk has therefore increased. The Belgian law of 18 December 2015 entered into effect on 1 January 2016 and amended, inter alia, the calculation of the minimum return guaranteed by law (minimum of 1.75% and maximum of 3.75%).

The IFRS valuation and accounting of this kind of plan with contribution-based promises are not envisaged by IAS 19. Taking into account the change in the pension law and the current consensus on this specific matter, and after analysis of the pension plan, the Group now considers that a method based on the IAS 19 methodology ("Projected unit credit" method used for defined benefit plan) is appropriate to measure the liability in the Belgian context as from 2016 onwards. The present value of the defined benefit obligation amounts to €80.6m (2019: €94.3m, as restated to reflect the correct presentation of the gross defined benefit obligation and the plan assets). The calculation is based on the "Projected unit credit" method with projection of the future contributions and services pro-rate for the employer contract and without projection of the future contributions for the employee contract. The fair value of the scheme assets amounts to €57.9m (2019: €70.1m, as restated to reflect the correct presentation of the gross defined benefit obligation and the plan assets) and is set equal to the contractual assets held by the insurance company (no application of paragraph 115 of IAS 19). The net deficit amounts to €21.8m (2019: €23.4m), recognized in the consolidated statement of financial position.

Note 11: Current and deferred income taxes

Note 11.1: Income tax expenses

Income tax expense is broken down as follows:

€m	2020	2019
Current year income tax	-17.8	-41.1
Prior year income tax	0.1	1.0
Movement in deferred taxes	0.3	11.4
Income tax expense	**-17.4**	**-28.7**

Note 11: Current and deferred income taxes (continued)

Note 11.1: Income tax expenses (continued)

The relationship between income tax expense and accounting profit is explained below:

€m	2020	2019[1]
Result before taxes	158.2	94.8
Tax at the Belgian corporation tax rate of 25.00% (29.58% in 2019)	-39.6	-27.5
Reconciling items (see below)	22.2	-1.2
Actual tax on result before taxes	**-17.4**	**-28.7**

(1) As restated – refer to note 1 for additional information on the restatement of comparative information.

The reconciling items are provided below:

€m	2020	2019[1]
Result before taxes	158.2	94.8
Tax at the Belgian corporation tax rate of 25.00% (29.58% in 2019)	-39.6	-27.5
Rate differential	-0.3	0.3
Permanent differences	-10.6	-41.4
Other temporary differences	-	0.5
Deferred tax assets not recognised	-2.8	-2.8
Recognition of previously unrecognised deferred tax assets	0.5	14.2
Derecognition of previously recognised deferred tax assets	-1.2	-
Joint venture and associate	37.5	27.5
Other	-0.9	0.5
Actual income tax on PBT	**-17.4**	**-28.7**

(1) As restated – refer to note 1 for additional information on the restatement of comparative information.

The Group's consolidated effective tax rate for the twelve months ended 31 December 2020 is 11.0% (twelve months ended 31 December 2019: 30.3% - as restated, see note 1). The decrease in effective tax rate is primarily the result of the lower impairment charge in the Moleskine segment (€21.0m in 2020 versus €102.3m in 2019) for which no tax relief is available.

In 2020 and 2019, the line "Permanent differences" mainly includes the tax impact of the impairment charge (€102.3m in 2019 and €21.0m in 2020) recognised in the Moleskine segment (no tax relief available).

The line "Joint venture and associate" mainly includes the tax impact on the profit before tax of equity-accounted investees.

The Group is subject to several factors which may affect future tax charges, principally the levels and mix of profitability in different jurisdictions and tax rates imposed.

The Group operates in multiple jurisdictions with often complex legal and tax regulatory environments. The income tax positions taken are considered by the Group to be supportable and are intended to withstand challenge from tax authorities. However, it is acknowledged that some of the positions are uncertain and include interpretations of complex tax laws which could be disputed by tax authorities. The Group judges these positions on their technical merits and this on a regular basis using all the information available (legislation, case law, regulations, established practice, authoritative doctrine as well as certain third-party tax opinions issued by Belgian and foreign tax lawyers). These positions are based on facts and circumstances existing at the end of the reporting period and will be reviewed at each reporting date.

A liability is recorded for each item that is not probable of being sustained on examination by the tax authorities and after using all legal remedies of defending the position before Court, based on all relevant information.

Note 11.2: Current tax assets and liabilities

Current tax assets (liabilities) are largely expected to be recovered (settled) within 12 months.

Note 11.3: Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Note 11: Current and deferred income taxes (continued)

Note 11.3: Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the period and the prior period is as follows:

€m	Revaluations	Depreciation amortisation write-downs	Provisions	Tax losses available for offset	Financial	Other	Total
Deferred tax liabilities (negative amounts)							
At 1 January 2019	**-111.7**	**-19.6**	**1.3**	**-**	**-1.5**	**0.1**	**-131.4**
Credited (charged) to income statement	-	-1.5	-	-	0.6	-0.3	-1.2
Other variations	-	-0.2	-	-	-	-	-0.2
At 31 December 2019	**-111.7**	**-21.3**	**1.3**	**-**	**-0.9**	**-0.2**	**-132.8**
Credited (charged) to income statement	-	0.5	-0.1	-	-	-	0.4
Credited (charged) to equity	-	-	-	-	0.7	-	0.7
Other variation	-	-	-	-	-	0.5	0.5
Exchange differences	-	-	-	-	-	0.1	0.1
At 31 December 2020	**-111.7**	**-20.8**	**1.2**	**-**	**-0.2**	**0.4**	**-131.1**
Deferred tax assets (positive amounts)							
At 1 January 2019	**-**	**-2.2**	**6.6**	**9.2**	**-**	**12.7**	**26.3**
Credited (charged) to income statement	-	0.3	-0.9	13.1	0.7	-0.6	12.6
Credited (charged) to equity	-	-	1.5	-	-	0.8	2.3
Exchange differences	-	-	-	-	-	0.1	0.1
At 31 December 2019	**-**	**-1.9**	**7.2**	**22.3**	**0.7**	**13.0**	**41.3**
Credited (charged) to income statement	-	0.2	1.4	-1.2	-	-0.5	-0.1
Credited (charged) to equity	-	-	-	-	-0.7	-0.1	-0.8
Exchange differences	-	-	-0.3	-	-	-0.3	-0.6
At 31 December 2020	**-**	**-1.7**	**8.3**	**21.1**	**-**	**11.5**	**39.2**
Net deferred tax assets (liabilities) after offsetting recognised in the consolidated statement of financial position:							
31 December 2019	-111.7	-23.2	8.5	22.3	-0.2	12.8	-91.5
31 December 2020	**-111.7**	**-22.5**	**9.5**	**21.1**	**-0.2**	**11.9**	**-91.9**

The deferred tax liability of €111.7m presented in the column « revaluations » relates to the deferred tax recognized on the Moleskine brand with indefinite useful life.

The net deferred tax balance includes net deferred tax assets amounting to €10.8m (2019: €15.6m) that are expected to be reversed in the following year. However, given the low predictability of deferred tax movements, this net amount might not be reversed as originally foreseen.

At the balance sheet date, the Group has unused tax losses and credits of €42.9m (2019: €30.8m) available for offset against future profits, for which no deferred tax asset has been recognised, due to the unpredictability of future profit streams. This includes unused tax losses of €7.3m (2019: €5.4m) that will expire in the period 2021-2029 (2019: 2020-2029). Other losses may be carried forward indefinitely.

At the balance sheet date, the aggregate amount of temporary differences associated with the investments in subsidiaries, branches, associates and interests in joint ventures (being mainly the accumulated positive consolidated reserves of these entities) for which deferred tax liabilities have not been recognised is €419m (2019: €1,250m). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. It should also be noted that the reversal of these temporary differences, for example by way of distribution of dividends by the subsidiaries to the Company, would generate no (or a marginal) current tax effect.

Note 11: Current and deferred income taxes (continued)

Note 11.3: Deferred income taxes (continued)

Deferred tax assets are recognised provided that there is a sufficient probability that they will be recovered in the foreseeable future. Recoverability has been conservatively assessed. However, should the conditions for this recovery not be met in the future, the current carrying amount of the deferred tax assets may be reduced.

Note 12: Goodwill

The reconciliation of the carrying amount of goodwill is set out below:

€m	2020	2019
Gross amount at 1 January	199.4	190.7
Accumulated impairment losses at 1 January	-102.3	-
Carrying amount at 1 January	**97.1**	**190.7**
Additions (see note 25)	0.1	8.7
Impairment losses	-21.0	-102.3
Carrying amount at 31 December	**76.2**	**97.1**
of which: gross amount	*199.5*	*199.4*
of which: accumulated impairment losses	*-123.3*	-102.3

In accordance with the requirements of IAS 36 "Impairment of Assets", the Group completed a review of the carrying value of goodwill and of the intangible assets with indefinite useful lives (disclosed in note 13). The impairment review is based on the value in use calculation and is carried out to ensure that the carrying value of the assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use.

For the purpose of impairment testing, goodwill has been allocated to the Group's CGUs (being the Group's operating segments) as follows:

€m	2020	2019
D'Ieteren Auto	27.4	27.3
Moleskine	48.8	69.8
GROUP	**76.2**	**97.1**

As a result of its classification as an equity-accounted investee, information on the impairment tests performed in the Belron segment are provided in note 17.

The Group completed the annual impairment test for goodwill and intangible assets with indefinite useful lives and concluded that, based on the assumptions described below, no additional impairment charge was required. Impairment testing relies on a number of critical judgments, estimates and assumptions. Management believes that all of its estimates are reasonable since they are consistent with the Group's internal reporting and reflect management best estimates. Projected revenue growth rates, competitive and consumer trends, operating margins, discount rates and terminal growth rates are assumptions and estimates that may be revised in future periods. Should these vary adversely in the future, the value in use of goodwill and intangible assets with indefinite useful lives may reduce below their carrying amounts.

Moleskine's operations were affected by the Covid-19 pandemic and the measures taken to contain it. These measures, which included lockdown periods imposed by local governments, constituted a triggering event leading to an impairment test in the interim condensed financial statements for the six months ended 30 June 2020, The interim impairment test resulted in an impairment charge of €21.0m, fully allocated to the goodwill of the Moleskine segment, and included in the other operating expenses in the consolidated statement of profit or loss. The calculation was based on a revised version of the Moleskine's five-year business plan (over the period H2-2020 to 2023) taking into account the expected impacts over the years of the Covid-19 crisis.

Despite the level of uncertainty inherent to the duration and full extent of the Covid-19 pandemic's impact on Moleskine's operation, the Group chose not to consider a scenario-based approach in estimating the future cash flows. To calculate the recoverable amount of the CGU, the Group used a single cash flow scenario that appropriately considers the uncertainty surrounding the Covid-19 pandemic on the projected cash flows of the CGU.

At year-end 2020 the Board of Directors of the Company reviewed the carrying amount of the Moleskine cash-generating unit.

Note 12: Goodwill (continued)

In determining the value in use of the CGU, the Company calculated the present value of the estimated future cash flows, based on Moleskine's new five-year strategic plan (2021 – 2025) prepared by management in the second half of the year, reviewed and approved by the Board of Directors. This strategic plan has been prepared under the assumptions that the Covid-19 pandemic will continue to adversely impact the performance in 2021 and part of 2022, reflected in the revenue growth rates and margins. As from 2023 and beyond, the revenue growth rates and underlying margins have been estimated based on historical values achieved during the pre-crisis situation. The terminal growth rate applied to the model is 1.5% (2019: 2%). The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. The pre-tax discount rate applied amounts to 7.0% (2019: 7.9%; 30 June 2020: 7.9%) and is based upon the weighted average cost of capital of the Moleskine segment, considering appropriate adjustments for the relevant risks associated with investing in equities, with the business and with the underlying country (country risk premium).

The Board of Directors of the Company is satisfied that the carrying amount of the Moleskine cash-generating unit is stated at no more than its value in use. Sensitivity analyses prepared by management revealed that an individual 1% adverse movement in either the terminal growth rate or the discount rate would not lead to further impairment. The individual change required for carrying amount to equal recoverable amount is 2.8% for the discount rate or -3.8% for the terminal growth rate. At 31 December 2019 and 30 June 2020, the recoverable amount of the CGU was equal to its carrying amount (taking respectively into account the €102.3m and the €21.0m impairment charges accounted for).

Note 13: Intangible assets

Goodwill is analysed in note 12. All intangible assets have finite useful lives, unless otherwise specified.

€m	Brands (finite and indefinite useful lives)	Other	Total
Gross amount at 1 January 2020	402.8	79.9	482.7
Accumulated amortisation and impairment losses at 1 January 2020	-	-37.9	-37.9
Carrying amount at 1 January 2020	**402.8**	**42.0**	**444.8**
Additions:			
Items separately acquired	-	16.6	16.6
Disposals	-	-1.1	-1.1
Amortisation	-	-8.5	-8.5
Carrying amount at 31 December 2020	**402.8**	**48.4**	**451.2**
of which: gross amount	*402.8*	*95.2*	*498.0*
of which:accumulated amortisation and impairment losses	-	*-46.8*	*-46.8*
Gross amount at 1 January 2019	402.8	60.7	463.5
Accumulated amortisation and impairment losses at 1 January 2019	-	-30.8	-30.8
Carrying amount at 1 January 2019	**402.8**	**29.9**	**432.7**
Additions:			
Items separately acquired	-	19.4	19.4
Disposals	-	-0.2	-0.2
Amortisation	-	-7.1	-7.1
Carrying amount at 31 December 2019	**402.8**	**42.0**	**444.8**
of which: gross amount	*402.8*	*79.9*	*482.7*
of which:accumulated amortisation and impairment losses	-	*-37.9*	*-37.9*

The Moleskine brand (€402.8m; acquired in November 2016) has an indefinite useful life, since, given the absence of factors that could cause its obsolescence and in light of the life cycles of the products to which the trademark relates, there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Group.

The caption "Other" mainly includes computer software, other licences and similar rights, and intangibles under development.

The other disclosures required by IAS 36 for intangible assets with indefinite useful lives are provided in note 12.

Note 14: Property, plant and equipment

€m	Property	Plant and equipment	Assets under construction	Total
Gross amount at 1 January 2020	391.8	157.3	6.5	555.6
Accumulated depreciation and impairment losses at 1 January 2020	-181.5	-105.4	-	-286.9
Carrying amount at 1 January 2020	**210.3**	**51.9**	**6.5**	**268.7**
Additions	13.9	17.8	4.7	36.4
Disposals	-	-1.4	-0.4	-1.8
Depreciation	-12.2	-25.1	-	-37.3
Transfer from (to) another caption	-0.6	-	-2.6	-3.2
Items acquired through business combinations (see note 25)	0.3	-	-	0.3
Translation differences	-	-	-0.3	-0.3
Carrying amount at 31 December 2020	**211.7**	**43.2**	**7.9**	**262.9**
of which: gross amount	*405.4*	*173.7*	*7.9*	*587.1*
of which: accumulated depreciation and impairment losses	*-193.7*	*-130.5*	*-*	*-324.2*
Gross amount at 1 January 2019	332.7	130.4	11.7	474.8
Accumulated depreciation and impairment losses at 1 January 2019	-158.2	-94.6	-	-252.8
Carrying amount at 1 January 2019	**174.5**	**35.8**	**11.7**	**222.0**
Recognition of right-of-use assets on initial application of IFRS 16	44.5	12.8	-	57.3
Adjusted carrying amount at 1 January 2019	**219.0**	**48.6**	**11.7**	**279.3**
Additions	9.8	13.5	11.8	35.1
Disposals	-	-0.8	-	-0.8
Depreciation	-23.3	-10.8	-	-34.1
Transfer from (to) another caption	0.6	0.7	-17.0	-15.7
Items acquired through business combinations	4.2	0.5	-	4.7
Translation differences	-	0.2	-	-
Carrying amount at 31 December 2019	**210.3**	**51.9**	**6.5**	**268.7**
of which: gross amount	*391.8*	*157.3*	*6.5*	*555.6*
of which: accumulated depreciation and impairment losses	*-181.5*	*-105.4*	*-*	*-286.9*

At 31 December 2020 and at 31 December 2019, assets under construction mainly included property under construction in the segment "Corporate & unallocated", as part of the real estate activities of the Group.

The right-of-use assets, including those previously held under finance lease under IAS 17, are included in the above at the following amounts (see note 31):

€m	Property	Plant and equipment	Assets under construction	Total
31 December 2020	**-**	**50.4**	**-**	**50.4**
31 December 2019	-	50.2	-	50.2

Note 15: Investment property

€m	2020	2019
Gross amount at 1 January	37.5	21.8
Accumulated depreciation at 1 January	-8.6	-7.9
Carrying amount at 1 January	**28.9**	**13.9**
Additions	0.7	-
Depreciation	-1.1	-0.7
Transfer from (to) another caption	3.2	15.7
Carrying amount at 31 December	**31.7**	**28.9**
of which: gross amount	41.4	37.5
of which: accumulated depreciation	-9.7	-8.6
Fair value	47.1	44.3

The fair value is supported by market evidence and is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification, and who has recent experience in the location and category of the investment property held by the Group. The latest valuations were performed in July 2019. The fair value of €47.1m at 31 December 2020 is based on the fair value estimated by the independent valuer in July 2019, increased by the change in net book value during the period.

All items of investment property are located in Belgium and are held by the segment "Corporate & unallocated". The line "transfer from (to) another caption" in 2019 and 2020 relates to the transfer of assets from assets under construction (see note 14).

See also note 31 for other disclosures on investment property.

Note 16: Inventories

€m	2020	2019
D'Ieteren Auto		
Vehicles	398.0	428.7
Spare parts and accessories	33.1	33.8
Other	0.9	0.2
Subtotal	**432.0**	**462.7**
Moleskine	**25.4**	**30.1**
GROUP	**457.4**	**492.8**

The accumulated write-down on inventories amounts to €12.6m (2019: €13.2m). The amount of write down of inventories recognised in the cost of sales (see note 6) is an income of €0.3m (2019: a net charge of ca €3m).

The inventories are expected to be recovered within 12 months and are mainly composed of merchandises.

Note 17: Equity-accounted investees

In 2020 and 2019, two group entities are accounted for using the equity method.

€m	2020			2019		
	D'Ieteren Auto	Belron	Group	D'Ieteren Auto	Belron	Group
Interests in joint ventures	88.8	586.6	675.4	84.8	264.5	349.3
Total of equity-accounted investees and long-term interests in equity-accounted investees	**88.8**	**586.6**	**675.4**	**84.8**	**264.5**	**349.3**
Share of profit in joint ventures	4.0	145.9	149.9	8.6	84.6	93.2
Total of share of result after tax of equity-accounted investees and long-term interests in equity-accounted investees	**4.0**	**145.9**	**149.9**	**8.6**	**84.6**	**93.2**

Note 17: Equity-accounted investees (continued)

Belron

In 2020 and in 2019, the largest equity-accounted investee is Belron Group s.a. ("BGSA"), being the joint venture holding the Belron activities (see note 1 for more information), owned 54.85% in voting rights by the Group. The Group has joint control over BGSA as a result of some reserved matters being shared with Clayton, Dubilier & Rice ("CD&R").

At inception (February 2018), the capital structure of BGSA was composed of voting ordinary shares (ca. 3 % of total equity) and non-voting preference shares (ca. 97% of total equity), in the same proportion between shareholders (the Group, CD&R, and the family holding company of Belron's CEO). For the year 2020, preference shares bear a fixed annual compounding dividend rate of 10% (any distribution being first allocated to the preference shares in order to satisfy the accumulated dividend and to redeem the subscription amount of preference shares).

A new Management Reward Plan (MRP) involving about 250 key employees was set up on 15 June 2018. The participants of the MRP acquired non-voting equity instruments in BGSA (representing the fair value of various classes of equity instruments, being all treated as equity under IFRS). Part of the issued equity consists of "ratchet shares" which will allow management to enjoy additional returns if certain performance hurdles (IRR and Cash on Cash) are satisfied at exit, which will result in additional dilution for existing shareholders. Note that the MRP does not impact the Group's percentage voting rights (54.85%).

The detailed statement of financial position of Belron as included in its own financial statements is disclosed in note 4 "Segment information".

Belron carried out a full impairment review for each of its cash generating units (being the different countries where it operates). There was no impairment recognised as part of the review carried out. However, a total impairment charge of €11m is recognised and relates to the write-down of assets classified as held for sale at the year-end to reflect the disposal fair value. In addition, Belron recognised other disposal-related costs of €30.6m (of which €12.9m of write-off of non-current assets). These costs relate to the Italy ADRR business, which was sold during the reporting period, and certain Group businesses (France, Belgium and UK) classified as held for sale at 31 December 2020. These costs in the Belron segment however have no impact on the Group operating result since Belron is an equity-accounted investee (the share of the Group in the impairment charge and disposal costs of Belron is included in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of tax").

In 2020, based on IAS28, the Board of Directors of the Company did not identify any indication of possible impairment (a triggering event) on its investment in Belron (equity-accounted investee) and therefore did not perform an impairment test.

A shareholders' agreement was signed in May 2018 between the Group and the family holding company of the Belron's CEO, including put options (with related call options) related to the interest held by the family holding company of the Belron's CEO. Based on IFRS requirements, the (financial) obligation to buy the equity instruments in an equity-accounted investee does not give rise to a financial liability in the consolidated statement of financial position (because equity-accounted investees are not part of the Group). This contract is a derivative that is in the scope of IFRS 9 "Financial Instruments", measured at fair value through profit or loss and categorised within the fair value hierarchy as level 3. The fair value of this derivative amounts to nil as at 31 December 2020; the value of the Belron's share based on the put formula being equal to the recent fair market value of Belron (recent MRP valuation).

In the consolidated statement of comprehensive income, the lines "Equity-accounted investees – share of OCI" mainly relate to the remeasurements of defined benefit assets/liabilities (primarily due to the UK pension scheme recording an actuarial gain with return on scheme assets less than offset by an actuarial loss due to a decrease in the discount rate), to the cash flow hedges (interest rate swaps and cross currency interest rate swaps used to partially hedge the debt) and translation differences of Belron.

The table below presents the revenue, profit before tax, the net result, and the other comprehensive income for the year ended 31 December 2020 and 31 December 2019. The Group's share in net result is computed based on a weighted average percentage of 53.75% in 2020 and 52.48% in 2019.

Note 17: Equity-accounted investees (continued)

€m	2020	2019
Revenue	3,898.8	4,228.1
Profit before tax	365.6	247.1
Result for the period (100%)	271.4	161.2
Other comprehensive income (100%)	54.8	-0.8
Profit (or loss) and total comprehensive income (100%)	326.2	160.4
Group's share of profit (or loss) and comprehensive income	**172.1**	**84.2**
Group's share of profit (or loss)	*145.9*	*84.6*
Group's share of comprehensive income	*26.2*	*-0.4*

Given the equity structure described above, the Group's share in the net result of Belron for period ended 31 December 2020 and 31 December 2019 was determined based on the Group's percentage of ownership in the preference shares (for the fixed annual compounding dividend rate of 10% which benefits to preference shares) and based on the Group's percentage of ownership in the ordinary shares (for the net result in surplus, after deduction of the fixed dividend of the preference shares). This calculation resulted in a Group's share in the net result of Belron computed based on a weighted average percentage of 53.75% (52.48% in 2019), corresponding to a Group's share in the profit of Belron of €145.9m (out of which €42.6m relate to preference shares and €103.3m relate to ordinary shares). The 2020 calculation took into account the €150m non-voting preference shares acquired by the Group in February 2020 (these shares were previously held by CD&R).

The reconciliation of the Group's share in the net assets of BGSA from 31 December 2019 to 31 December 2020 is presented below:

€m	
Group's share of net assets at 31 December 2019	**264.5**
Group's share of profit (or loss) and comprehensive income	172.1
Other movements, Group's share	150.0
Group's share of net assets at 31 December 2020	**586.6**

As at 31 December 2020, BGSA owns €39.9m of its own shares previously held by MRP participants. As the repurchase transaction took place at fair value (the fair value of the own shares repurchased corresponds to the cash-out made to acquire these shares at transaction date), the transaction did not impact the carrying amount of the equity-accounted investee that the Group owns in BGSA as at 31 December 2020. These shares will be re-purchased in the future by existing and new participants of the MRP.

D'Ieteren Auto

In 2020 and 2019, the second largest equity-accounted investee is the joint venture Volkswagen D'Ieteren Finance (VDFin), owned 50% minus one share by the Group and 50% plus one share by Volkswagen Financial Services (a subsidiary of the Volkswagen group), active in a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market.

The following table summarises the financial information of VDFin as included in its own financial statements, adjusted for differences in accounting policies, and also reconciles this summarised financial information to the carrying amount of the Group's interest in VDFin.

€m	2020	2019
Non-current assets	1,607.3	1,556.3
Current assets (excluding cash and cash equivalents)	966.9	927.9
Cash and cash equivalents	54.8	66.0
Non-current liabilities (excluding financial liabilities)	-8.5	-10.2
Non-current financial liabilities	-954.9	-886.2
Current liabilities (excluding financial liabilities)	-147.5	-170.0
Current financial liabilities	-1,340.5	-1,314.2
Net assets (100%)	177.6	169.6
Group's share of net assets (49.99%) and carrying amount of interest in joint venture	**88.8**	**84.8**

Note 17: Equity-accounted investees (continued)

€m	2020	2019
Revenue	658.6	636.3
Depreciation and amortization	-120.3	-117.9
Net finance costs	26.1	24.9
Profit before tax	12.7	24.0
Tax expense	-4.7	-6.8
Result for the period (100%)	8.0	17.2
Other comprehensive income (100%)	-	-0.8
Profit (or loss) and total comprehensive income (100%)	8.0	16.4
Group's share of profit (or loss) and comprehensive income (49.99%)	**4.0**	**8.2**

Note 18: Financial instruments – fair value and risk management

Financial instruments - measurement

Financial assets held by the Group at 31 December 2020 are limited to trade and other receivables (see note 20), cash and cash equivalents (see note 19) and financial investments (in the Corporate & unallocated segment – see note 4). Trade and other receivables and cash and cash equivalents are measured at amortised costs under IFRS 9. Short-term financial investments are measured both at amortised costs under IFRS 9 (corporate bonds) and at FVTPL (equity instruments).

Financial liabilities held by the Group at 31 December 2020 consist in loans and borrowings (see note 23) and trade and other payables (see note 24), both classified as liabilities at amortised costs under IFRS 9. As at 31 December 2019, the financial liability relating to the disposal of the 40% stake of Belron was measured at FVTPL and amounted to €31.9m (as restated, see note 1). This financial liability has been settled in 2020.

In the current period (see note 4 segment information), the financial instruments held in the Belron segment (equity-accounted investee) are carried out at fair value using a level 2 valuation method (see below) and consist in cross-currency and interest rate swaps to hedge against changes in market interest rates, forward exchange contracts used to hedge the cost of future purchases where those payables are denominated in a currency other than the functional currency of the purchasing company (both measured as hedging instruments), fuel derivatives used to hedge the price of fuel purchase (measured at FVTPL) and other forward exchange contracts used to swap foreign currency cash balances to reduce borrowings and minimise interest expense (measured at FVTPL).

At 31 December 2020, in the Moleskine segment, the €0.5m derivative hedging instrument (measured at FVTPL) relates to forward exchange contracts used to hedge transactional and financial exposure against the fluctuation of the USD. At 31 December 2019, the €0.4m derivative hedging instrument related to interest rate swaps used to hedge future loan reimbursements against fluctuation in interest rates. This contract has been closed in the period.

All Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted market prices in an active market (that are unadjusted) for identical assets and liabilities;
- Level 2: valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable);
- Level 3: valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

In 2020 and 2019, all Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are classified in level 2 except, in 2019, the financial liability (€31.9m; as restated see note 1) classified in level 3 and in 2019 and 2020, the money-market assets (€346.1m) classified in "Current financial assets" classified in level 1.

Valuation techniques

The fair values of derivative hedging instruments and derivatives held for trading are determined using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions at the balance sheet date. The fair value of cross currency interest rate swaps and interest rate swaps is calculated as the present value of future estimated cash flows. The fair value of interest rate caps and collars is valued using option valuation techniques. The fair value of forward exchange contracts is determined using forward exchange market rates at the date of the consolidated statement of financial position.

Note 18: Financial instruments – fair value and risk management (continued)

The fair value of fuel hedge instruments is determined using market valuations prepared by the respective banks that executed the initial transactions at the statement of financial position date based on the present value of the monthly futures forward curve for gasoline given the volume hedged and the contract period. The fair value of foreign exchange swap contracts is determined using forward foreign exchange market rate at the date of the consolidated statement of financial position.

The main risks managed by the Group under policies approved by the Board of Directors, are liquidity and re-financing risk, market risk, credit risk, counterparty risk and price risk. The Board periodically reviews the Group's treasury activities, policies and procedures. Treasury policies aim to ensure permanent access to sufficient liquidity, and to monitor and limit interest and currency exchange risks. These are summarised below.

Liquidity and re-financing risk

Liquidity risk is associated with the Group's ability to meet its obligations. Each business unit of the Group manages liquidity risk by maintaining sufficient cash and funding available through an adequate amount of committed credit facilities to cover its anticipated medium-term commitments at all times. To minimise liquidity risk, the Group ensures, on the basis of its long-term financial projections, that it has a core level of committed long-term funding in place, with maturities spread over a wide range of dates, supplemented by various shorter-term facilities, and various funding sources.

Cash pooling schemes are sought and implemented each time when appropriate in order to minimise gross financing needs and costs of liquidity.

The following is an analysis of the contractual undiscounted cash flows payable under financial liabilities.

€m	Due within one year		Due between one and five years		Due after five years		Total	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
At 31 December 2020								
Loans and borrowings								
Lease liabilities	9.5	0.4	24.7	0.8	17.5	0.2	51.7	1.4
Other borrowings and private bonds	8.4	1.4	44.6	1.7	-	-	53.0	3.1
Total	17.9	1.8	69.3	2.5	17.5	0.2	104.7	4.5
Trade and other payables	413.4	-	-	-	-	-	413.4	-
Total	**431.3**	**1.8**	**69.3**	**2.5**	**17.5**	**0.2**	**518.1**	**4.5**
At 31 December 2019								
Loans and borrowings								
Obligations under finance leases	12.9	0.2	29.4	0.5	7.7	0.1	50.0	0.8
Other borrowings and private bonds	33.7	2.3	99.2	2.5	0.1	-	133.0	4.8
Total	46.6	2.5	128.6	3.0	7.8	0.1	183.0	5.6
Trade and other payables	411.5	-	-	-	-	-	411.5	-
Total	**458.1**	**2.5**	**128.6**	**3.0**	**7.8**	**0.1**	**594.5**	**5.6**

The settlement of the financial liability of €31.9m recognised at 31 December 2019 occurred in the first semester of 2020.

Interest Rate Risk

The Group's interest rate risk arises from changes in interest rates on interest-bearing assets and from loans and borrowings.

The Group seeks to cap the impact of adverse interest rates movements on its financial results, particularly in relation to the next 12 months. To manage its interest rate exposures, the Group primarily uses forward rate agreements, interest rate swaps, caps and floors. Each business unit determines its own minimum hedge percentages, which, for the period up to 12 months, are comprised between 50% and 100%, and thereafter sets them gradually lower over time. The overall hedge horizon is typically 3 years. Hedges, or fixed rate indebtedness, beyond 5 years are unusual.

The interest rate and currency profiles of loans and borrowings are disclosed in note 23.

A change of 100 basis points in interest rate at the reporting date would have increased/decreased the result from continuing operations by the amounts shown below. This analysis assumes that all other variables remain constant.

€m	Result from continuing operations	
	1% increase	1% decrease
31 December 2020	**-3.1**	**3.1**
31 December 2019	-2.5	2.5

Note 18: Financial instruments – fair value and risk management (continued)

Currency Risk

The Group's objective is to protect its cash flows, commercial transactions and net investments in foreign operations from the potentially high volatility of the foreign exchange markets by hedging any material net foreign currency exposure.

The Group has certain investments in foreign operations whose net assets and related goodwill are exposed to foreign currency translation risk. Group policy is to hedge the economic value of material foreign currency investments (limited to the net book value of the asset) in a particular currency with financial instruments including debt in the currency of the investment. The proportion to which an investment is hedged is individually determined having regard to the economic and accounting exposures and the currency of the investment. To complement these natural hedges, the Group uses instruments such as forwards, swaps, plain-vanilla foreign exchange options and, when appropriate, cross currency swaps. The hedging levels are reviewed periodically, in light of the market conditions and each time a material asset is added or removed.

The significant exchange rates applied in 2020 and in 2019 are disclosed in note 29.

A 10 percent strengthening/weakening of the euro against the following currencies at 31 December would have increased/decreased result from continuing operations by the amounts shown below. This analysis assumes that all other variables remain constant.

€m	Result from continuing operations	
	10% strenghtening	10% weakening
31 December 2020		
EUR vs GBP	-0.2	0.3
EUR vs USD	-3.6	4.4
EUR vs HKD	-0.9	1.1
31 December 2019		
EUR vs GBP	-0.3	0.2
EUR vs USD	-2.7	3.3
EUR vs CHF	-0.5	0.6

Price Risk

Price risk is related to oscillations in the prices of raw materials, semi-finished and finished goods purchased. Specifically, the price risk mainly arises from the presence of a limited number of supplier of goods and the need to guarantee procurement volumes. The Group limits price risk through its procurement policy.

Counterparty risk

Exposure limits to financial counterparties in respect of both amount and duration are set in respect of derivatives and cash deposits. Such transactions are entered into with a limited number of pre-designated banks on the basis of their publicly available credit ratings, which are checked at least once a year. Limits on length of exposure per category of transaction are in place to protect liquidity and mitigate counterparty default risks. The instruments and their documentation must be authorized before entering the contemplated transactions.

Note 19: Cash and cash equivalents

Cash and cash equivalents are analysed below:

€m	2020				2019(1)			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Cash at bank and in hand	-41.0	30.2	265.1	254.3	-121.4	55.2	630.9	564.7
Short-term deposits	97.0	-	-	97.0	-	-	101.0	101.0
Money Market Assets	-	-	-	-	1.8	-	-	1.8
Cash and cash equivalents	**56.0**	**30.2**	**265.1**	**351.3**	**-119.6**	**55.2**	**731.9**	**667.5**

(1) As restated to reflect the reclassification of financial investments at FVTPL from "Cash and cash equivalent" to "Current financial assets" in the framework of continuous improvement of the financial reporting presentation - see note 1 for more information on the restatement of comparative information.

Note 19: Cash and cash equivalents (continued)

Cash and cash equivalents are mainly floating rate assets which earn interest at various rates set with reference to the prevailing EONIA, LIBID or equivalent. Their carrying amount is equal to their fair value.

At 31 December 2019 and 31 December 2020, the negative balance of "Cash at bank and in hand" in the D'Ieteren Auto segment is due to the intragroup balances with the "Corporate & unallocated" segment.

Note 20: Trade and other receivables

€m	2020				2019			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Non-current receivables	**2.1**	**1.0**	**1.3**	**4.4**	**2.1**	**1.2**	**1.3**	**4.6**
Trade receivables - net	279.6	29.0	0.5	309.1	339.2	33.4	0.8	373.4
Current receivables from equity-accounted investees	10.9	-	-	10.9	52.3	-	-	52.3
Other current receivables	13.4	1.3	4.6	19.3	22.7	2.3	4.1	29.1
Trade and other receivables	**303.9**	**30.3**	**5.1**	**339.3**	**414.2**	**35.7**	**4.9**	**454.8**

The trade and other receivables are expected to be recovered within 12 months. Their carrying amount approximates their fair value, and they generate no interest income.

The Group is exposed to credit risk arising from its operating activities (potential losses arising from the non-fulfilment of obligations assumed by trade and financial counterparties). Such risks are mitigated by selecting clients and other business partners on the basis of their credit quality and by avoiding as far as possible concentration on a few large counterparties. Credit quality of large counterparties is assessed systematically, and credit limits are set prior to taking exposure. Payment terms are on average less than one month except where local practices are otherwise. Receivables from sales involving credit are closely tracked and collected mostly centrally in the D'Ieteren Auto segment, and at the country level in the Belron segment (equity-accounted investee). In the Moleskine segment, the risk of insolvency is monitored centrally with review of the credit exposure. The credit risk is differentiated by sales channel and the acceptance of new customers is monitored by conducting qualitative and quantitative corporate rating services.

In the D'Ieteren Auto segment, concentration on top ten customers (excluding trade receivables from VW Group), based on the gross receivables, is 8.0% (2019: 23.5%) and no customer is above 5% (2020: 2.9%; 2019: 4%). Certain receivables are also credit insured. In the Belron segment (equity-accounted investee), concentrations of risk with respect to receivables are limited due to the diversity of Belron's customer base. In the Moleskine segment, trade receivables are concentrated due to the distribution model. However, there were no specific concentration risks since the counterparties do not present solvency risk and in any event could be replaced, if required, which would not entail operational difficulties. The credit position of certain customers is also partly guaranteed by letters of credit.

Statement of financial position amounts are stated net of provisions for doubtful debts, and accordingly, the maximum credit risk exposure is the carrying amount of the receivables in the statement of financial position.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historic payment profiles and the corresponding historical credit losses experienced. The historical loss rates are adjusted where relevant to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

As at 31 December 2020, the provisions for bad and doubtful debt amount to €5.1m (2019: €4.9m).

The ageing analysis of trade and other receivables past due but not impaired is as follows:

€m	2020	2019
Up to three months past due	25.7	52.4
Over three months past due	7.4	16.2
Total	**33.1**	**68.6**

The charge in 2020 for bad and doubtful debts amounts to €0.9m (2019: income of €0.6m). See note 6.

Note 21: Capital and reserves

A reconciliation of share capital and reserves are set out in the consolidated statement of changes in equity.

Share capital

The change in ordinary share capital is set out below:

€m, except number of shares stated in units	Number of ordinary shares	Ordinary share capital
At 1 January 2019	**55,302,620**	**160.0**
Change	-	-
At 31 December 2019	**55,302,620**	**160.0**
Change	-934,692	-
At 31 December 2020	**54,367,928**	**160.0**

The 5,000,000 nominative participating shares do not represent share capital. Each participating share confers one voting right and gives the right to a dividend equal to one eighth of the dividend of an ordinary share.

The decrease in the number of ordinary shares is the result of the cancellation, in May 2020, of 934,692 treasury shares held by the Company as part of the program approved by the Board on 28 August 2019 to repurchase the Company's own shares.

Treasury shares reserve

Treasury shares are held by the Company and by subsidiaries as set out below:

€m, except number of shares stated in units	31 December 2020		31 December 2019	
	Number	Amount	Number	Amount
Treasury shares held by the Company	987,392	38.0	1,508,653	57.0
Treasury shares held by subsidiaries	-	-	-	-
Treasury shares held	**987,392**	**38.0**	**1,508,653**	**57.0**

Treasury shares are held to cover the stock option plans set up by the Company since 1999 (see note 9).

Share-based payment reserve

The share-based payment reserve relates to the employee stock option plans (equity-settled) granted to officers and managers of the D'Ieteren Auto and "Corporate & unallocated" segments (see note 9).

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of financial instruments that hedge the Group's net investment in a foreign subsidiary.

Registered shares not fully paid-up may not be transferred except by virtue of a special authorisation from the Board of Directors for each assignment and in favour of an assignee appointed by the Board (art. 7 of the Articles). Participating shares may not be transferred except by the agreement of a majority of members of the Board of Directors, in which case they must be transferred to an assignee appointed by said members (art. 8 of the Articles).

The Group's objectives when managing capital are to safeguard each of its activities ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors the capital adequacy at the level of each of its activities through a set of ratios relevant to their specific business. In order to maintain or adjust the capital structure, each activity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, taking into account the existence of non-controlling shareholders.

Note 21: Capital and reserves (continued)

The controlling shareholders are listed here below:

Shareholders with controlling interest according to the declaration of transparency dated 2 November 2011, and to further communications to the company (of which the latest on 26 March 2021).	Capital shares		Participating shares		Total voting rights	
	Number	%	Number	%	Number	%
s.a. de Participations et de Gestion, Brussels	12,246,827	22.53%	-	-	12,246,827	20.63%
Reptid Commercial Corporation, Dover, Delaware	1,943,500	3.57%	-	-	1,943,500	3.27%
Mrs Catheline Périer-D'Ieteren	0	0.00%	1,250,000	25.00%	1,250,000	2.11%
Mr Olivier Périer	10,000	0.02%	-	-	10,000	0.02%
The four abovementioned shareholders (collectively "SPDG Group") are associated.	**14,200,327**	**26.12%**	**1,250,000**	**25.00%**	**15,450,327**	**26.02%**
Nayarit Participations s.c.a., Brussels	17,684,020	32.53%	-	-	17,684,020	29.79%
Mr Nicolas D'Ieteren	10,000	0.02%	3,750,000	75.00%	3,760,000	6.33%
The two abovementioned shareholders (collectively "Nayarit Group") are associated.	**17,694,020**	**32.54%**	**3,750,000**	**75.00%**	**21,444,020**	**36.12%**
The shareholders referred to as SPDG Group and Nayarit Group act in concert.						

The Board of Directors proposed the distribution of a gross dividend amounting to €1.35 per share (2019: an ordinary dividend of €1.00 per share), or €72.9m in aggregate (2019: €54.4m).

Note 22: Provisions

Liabilities for post-retirement benefit schemes are analysed in note 10. The other provisions, either current or non-current, are analysed below.

The major classes of provisions are the following ones:

€m	2020				2019			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Non-current provisions								
Dealer-related	6.9	-	-	6.9	9.2	-	-	9.2
Other non-current items	4.4	-	0.3	4.7	5.0	-	0.5	5.5
Subtotal	**11.3**	**-**	**0.3**	**11.6**	**14.2**	**-**	**0.5**	**14.7**
Current provisions								
Other current items	-	1.4	5.1	6.5	-	2.5	-	2.5
Subtotal	**-**	**1.4**	**5.1**	**6.5**	**-**	**2.5**	**-**	**2.5**
Total provisions	**11.3**	**1.4**	**5.4**	**18.1**	**14.2**	**2.5**	**0.5**	**17.2**

The changes in provisions are set out below for the year ended 31 December 2020:

€m	Dealer-related	Other non-current items	Other current items	Total
At 1 January 2020	**9.2**	**5.5**	**2.5**	**17.2**
Charged in the year	3.4	5.5	-	8.9
Utilised in the year	-3.2	-0.7	-1.1	-5.0
Reversed in the year	-0.2	-0.1	-	-0.3
Transferred during the year	-2.3	-5.5	5.1	-2.7
At 31 December 2020	**6.9**	**4.7**	**6.5**	**18.1**

The timing of the outflows being largely uncertain, most of the provisions are considered as non-current items. The non-current provisions are not discounted since the impact is not considered material to the Group. Current provisions are expected to be settled within 12 months.

Note 22: Provisions (continued)

In the D'Ieteren Auto segment, the dealer-related provisions arise from the ongoing improvement of the distribution networks.

Other non-current provisions also comprise:
- Dilapidation and environmental provisions to cover the costs of the remediation of certain properties held under leases;
- Provision against legal claims that arise in the normal course of business, that are expected to crystallise in the next couple of years. After taking appropriate legal advice, the outcome of these legal claims should not give rise to any significant loss beyond amounts provided at 31 December 2020.

Note 23: Loans and borrowings

Loans and borrowings are presented as follows:

€m	2020				2019			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Non-current loans and borrowings								
Lease liabilities	17.9	18.8	4.2	40.9	8.4	22.8	4.3	35.5
Bank and other loans	-	44.1	0.5	44.6	-	98.3	0.6	98.9
Inter-segment loan	202.6	253.9	-456.5	-	-	190.8	-190.8	-
Subtotal non-current loans and borrowings	**220.5**	**316.8**	**-451.8**	**85.5**	**8.4**	**311.9**	**-185.9**	**134.4**
Current loans and borrowings								
Lease liabilities	3.1	6.0	0.4	9.5	5.6	6.7	0.4	12.7
Bank and other loans	0.1	8.2	0.1	8.4	0.1	33.6	0.1	33.8
Subtotal current loans and borrowings	**3.2**	**14.2**	**0.5**	**17.9**	**5.7**	**40.3**	**0.5**	**46.5**
TOTAL LOANS AND BORROWINGS	**223.7**	**331.0**	**-451.3**	**103.4**	**14.1**	**352.2**	**-185.4**	**180.9**

Obligations under lease contracts are analysed below:

€m	2020		2019	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	9.5	9.5	12.7	12.7
Between one and five years	24.7	24.9	29.6	29.5
More than five years	17.5	16.0	7.9	6.0
Subtotal	51.7	50.4	50.2	48.2
Present value of lease obligations	**50.4**		**48.2**	

In 2019 and 2020, the inter-segment loans comprise amounts lent by the Corporate department to the Moleskine segment (non-recourse loan, increased by €63.1m during the period – of which €55.2m are an increase of the nominal loan and €7.9m are capitalized interests) and, in the current period, to the D'Ieteren Auto segment, at arm's length conditions.

Moleskine operated a refinancing of its existing debt at the end of December 2020 with a new €53m bank term loan maturing in December 2023 (with possible extension) and an additional €55m in shareholder loan.

Note 23: Loans and borrowings (continued)

Non-current loans and borrowings are due for settlement after more than one year, in accordance with the maturity profile set out below:

€m	2020	2019
Between one and five years	69.4	128.4
After more than five years	16.1	6.0
Non-current loans and borrowings	**85.5**	**134.4**

The exposure of the Group's loans and borrowings to interest rate changes and the repricing dates (before the effect of the debt derivatives) at the balance sheet date is as follows:

€m	2020	2019
Less than one year	17.9	46.5
Between one and five years	69.4	128.4
After more than five years	16.1	6.0
Loans and borrowings	**103.4**	**180.9**

The interest rate and currency profiles of loans and borrowings are as follows (including the effects of debt derivatives and excluding the lease liabilities accounted for in accordance with IFRS 16 in 2020 and 2019):

€m	2020			2019		
Currency	**Fixed rate**	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**
EUR	1.3	52.3	53.6	93.8	33.9	127.7
USD	-	-	-	-	1.0	1.0
HKD	-	-	-	-	4.6	4.6
Total	**1.3**	**52.3**	**53.6**	**93.8**	**39.5**	**133.3**

EUR borrowings are stated after deduction of deferred financing costs of €0.6m (2019: €0.7m).

The floating rate borrowings bear interest at various rates set with reference to the prevailing EURIBOR or equivalent. The range of interest rates applicable for fixed rate borrowings outstanding is as follows:

	2020		2019	
Currency	**Min.**	**Max.**	**Min.**	**Max.**
EUR	3.4%	4.2%	0.5%	3.1%

The fair value of loans and borrowings (both current and non-current) approximates their carrying amount. Certain of the borrowings in the Group have covenants attached. At year-end, there is no breach of covenants.

The table below provides information about the changes in liabilities arising from financing activities:

€m	At 1 January 2020	Cash flows	Non-cash movements: Additions/ Terminations IFRS16	Non-cash movements: Transfer	Non-cash movements: Other	Sub-total	At 31 December 2020
Long-term loans and borrowings	98.9	-54.8	-	-	0.5	44.6	44.6
Short-term loans and borrowings	33.8	-25.8	-	-	0.4	8.4	8.4
Lease liabilities	48.2	-15.8	18.0	-	-	50.4	50.4
Total liabilities arising from financing activities	**180.9**	**-96.4**	**18.0**	**-**	**0.9**	**103.4**	**103.4**

Note 23: Loans and borrowings (continued)

€m	At 1 January 2019	Cash flows	Non-cash movements: IFRS 16 adoptions	Non-cash movements: Transfer	Non-cash movements: Other	Sub-total	At 31 December 2019
Long-term loans and borrowings	115.7	-1.5	-	-16.7	1.4	98.9	98.9
Short-term loans and borrowings	39.3	-25.6	-	16.7	3.4	33.8	33.8
Lease liabilities	0.7	-14.9	58.3	-	4.1	48.2	48.2
Total liabilities arising from financing activities	**155.7**	**-42.0**	**58.3**	**-**	**8.9**	**180.9**	**180.9**

In both periods, the other non-cash movements include, among other amounts, the amortization of deferred financing costs in the Moleskine segment and in 2019 only, the lease contracts additions and terminations during the period.

Note 24: Trade and other payables

Trade and other payables are described below:

€m	2020				2019			
	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group	D'Ieteren Auto	Moleskine	Corp. & unallocated	Group
Non-current payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Trade payables	226.4	23.0	3.4	252.8	258.0	29.9	3.2	291.1
Accrued charges and deferred income	51.1	1.2	1.9	54.2	42.2	1.0	1.5	44.7
Non-income taxes	0.8	0.3	-	1.1	-2.0	1.0	-	-1.0
Other current creditors	88.5	4.1	12.7	105.3	63.5	5.7	7.5	76.7
Trade and other payables	**366.8**	**28.6**	**18.0**	**413.4**	**361.7**	**37.6**	**12.2**	**411.5**

Trade and other current payables are expected to be settled within 12 months. The carrying value of trade and other current payables approximates their fair value.

At 31 December 2020, in the D'Ieteren Auto segment, the other current creditors include, among other amounts, the liability (€41.0m) related to the finalization of the project carried out in 2020 by D'Ieteren Auto for the acceleration of the transformation of its activities in response to a rapidly changing market.

Note 25: Business combinations

During the period, the D'Ieteren Auto segment finalized the acquisition of F.A.I.D. n.v., a company that holds a building located next to a dealership. The net assets acquired amount to €0.3m and are related to property, plant & equipment. The acquisition led to the recognition of a goodwill for €0.1m.

The goodwill recognised reflects the expected synergies and other benefits resulting from the combination of the acquired activities with those of the D'Ieteren Auto segment. As permitted by IFRS 3 "Business Combinations" (maximum period of 12 months to finalize the acquisition accounting), the above provisional allocation will be reviewed and if necessary reallocated to brands and intangible assets.

The additional revenue and result arising subsequent to this acquisition are not considered material to the Group and accordingly are not disclosed separately.

Note 26: List of subsidiaries, associates and joint ventures

The full list of companies concerned by articles 3:104 and 3:156 of the Royal Decree of 29 April 2019 implementing the Company Code will be lodged with the Central Balance Sheet department of the National Bank of Belgium. It is also available on request from the Company head office (see note 1).

Note 26: List of subsidiaries, associates and joint ventures (continued)

The main subsidiaries, associates and joint ventures of the Company are listed below:

Name	Country of incorporation	% of share capital owned at 31 December 2020	% of share capital owned at 31 December 2019
D'Ieteren Auto			
D'Ieteren Automotive s.a.	Belgium	100%	100%
P.C. Mechelen n.v.	Belgium	100%	100%
Kronos Automobiles s.a.	Belgium	100%	100%
Garage Rietje n.v.	Belgium	100%	100%
Carrosserie Rietje n.v.	Belgium	100%	100%
Rietje Waasland n.v.	Belgium	100%	100%
Garage Clissen n.v.	Belgium	100%	100%
J&J n.v.	Belgium	100%	100%
Garage Bruynseels n.v.	Belgium	100%	100%
Carrosserie Bruynseels n.v.	Belgium		100%
Garage Dielis n.v.	Belgium	100%	100%
Auto Center Kontich b.v.b.a.	Belgium	100%	100%
Automobiel Center Puurs n.v.	Belgium	100%	100%
Sopadis Wommelgem n.v.	Belgium	100%	100%
Don Bosco b.v.b.a.	Belgium	100%	100%
Autonatie n.v.	Belgium	100%	100%
Overijse Automotive n.v.	Belgium	100%	100%
Autobedrijf Y&N Claessens b.v.b.a.	Belgium	100%	100%
Sopadis Knokke n.v.	Belgium	100%	100%
Automobile Center Mechelen 2 b.v.b.a.	Belgium	100%	100%
Garage Thuy Wommelgem n.v.	Belgium	100%	100%
Garage Thuy Kontich b.v.b.a.	Belgium	100%	100%
RUMA003 b.v.b.a.	Belgium	100%	100%
P.C. Liège s.a.	Belgium	100%	100%
Sopadis s.a.	Belgium	100%	100%
P.C. Paal-Beringen n.v.	Belgium	100%	100%
s.a. D'Ieteren Services n.v.	Belgium	100%	100%
s.a. Volkswagen D'Ieteren Finance n.v.	Belgium	49.99%	49.99%
s.a. D'Ieteren Sport n.v.	Belgium	100%	100%
s.a. D'Ieteren Treasury n.v.	Belgium		100%
s.a. Wondercar n.v.	Belgium	100%	100%
Lab Box s.a.	Belgium	100%	100%
Poppy Mobility n.v.	Belgium	100%	100%
Skipr n.v.	Belgium	61.97%	100%
CarASAP s.a.	Belgium	100%	100%
Electric By D'Ieteren (EDI)	Belgium	100%	100%
Lizy n.v.	Belgium	52.64%	
F.A.I.D n.v.	Belgium	100%	
PC Brussels s.a.	Belgium	100%	
PC Antwerp n.v.	Belgium	100%	
D'Ieteren Centers s.a.	Belgium	100%	
Belron			
Belron Group s.a. (in voting rights)	Luxembourg	54.85%	54.85%
Moleskine			
Moleskine SpA	Italy	100.00%	100.00%
Corp. & unallocated			
s.a. D'Ieteren Immo n.v.	Belgium	100.00%	100.00%
D'IM s.a.	Luxembourg	100.00%	100.00%
D'Ieteren Vehicle Glass s.a.	Luxembourg	100.00%	100.00%
D Participation Management s.a.	Belgium	100.00%	100.00%

The Group's average stake (used for the income statement) in Belron equalled 53.75% in 2020 (52.48% in 2019). See note 17.

Note 26: List of subsidiaries, associates and joint ventures (continued)

The main entities accounted for using the equity method are the joint venture Belron Group s.a. and Volkswagen D'Ieteren Finance s.a. See note 17 for adequate disclosures.

Note 27: Contingencies and commitments

€m	2020	2019
Commitments to acquisition of non-current assets	0.8	2.8
Other important commitments:		
Commitments given	9.9	2.8
Commitments received	0.8	-

In 2019 and 2020, the commitments to acquisition of non-current assets mainly concerned property, plant and equipment in the segment "Corporate & unallocated".

In 2020, Other important commitments given mainly relate to guarantees given on behalf of subsidiaries.

Further to the carve-out of D'Ieteren Auto into a fully owned subsidiary as of the 1rst of January 2021, D'Ieteren SA has granted a parental guarantee to the VW group in relation D'Ieteren Auto's obligations under the importers contracts. This parental guarantee is limited to three years and to an amount of €80m.

Note 28: Related party transactions

€m	2020	2019
With entities with joint control or significant influence over the Group:		
Amount of the transactions entered into during the period	1.3	1.1
With joint ventures in which the Group is a venturer:		
Sales	257.1	362.1
Purchases	-15.5	-13.4
Trade receivables outstanding at 31 December	13.1	52.3
With key management personnel:		
Compensation:		
Short-term employee benefits	3.7	3.6
Post-employment benefits	0.2	0.3
Termination benefits	-	1.9
Total compensation	3.9	5.8
Amount of the other transactions entered into during the period	-	0.5
Outstanding creditor balance at 31 December	0.8	-
With other related parties:		
Amount of the transactions entered into during the period	0.1	0.2

Shareholders and other related parties

The Nayarit group (Nayarit Participations S.c.a., Roland D'Ieteren and Nicolas D'Ieteren) and the SPDG group (s.a. de Participations et de Gestion, Reptid Commercial Corporation, Catheline D'Ieteren and Olivier Périer), acting in concert following an agreement pertaining to the exercise of their voting rights with a view to leading a sustainable joint strategy, together hold 62.15% of the voting rights of the Company (see note 21).

In 2020, some of these shareholders and/or entities related to them carried out commercial transactions with the Company. These transactions (total of €1.4m) can be outlined as follows:

- Automobile repair, supply of spare parts and sale of a vehicule carried out by the Company and invoiced to these parties for a total amount of €1.3m;
- Architecture fees invoiced by one of these parties to the Company for a total amount of €0.01m.
- The rental by one of these parties of a property belonging to a subsidiary of the Company which led to the payment of a rent for a total amount of €0.05m.

Note 28: Related party transactions (continued)

Joint Ventures

In 2020, the Group was venturer in two joint ventures, the main one being Belron Group s.a. (BGSA). The second one is Volkswagen D'Ieteren Finance (VDFin). See note 17 for more information related to the joint ventures.

In 2020, sales of €257.1m to joint ventures mainly consist in sales of new vehicles by the D'Ieteren Auto segment to VDFin. Purchases of €15.5m mainly relate to used cars purchased by the D'Ieteren Auto segment from VDFin (former fleet vehicles). The outstanding trade receivables (€13.1m) are mainly related to VDFin.

Key management personnel

The key managers comprise the members of the Company's Board of Directors and its Executive Committee (see the Corporate Governance Statement).

In 2020, a total of 95,000 options were issued to key managers (at an exercise price of EUR 49,36 per option). The total fair value of all share options granted to key management personnel charged to the 2020 income statement amounted to €1.2m. For more information on the remuneration of key managers, reference is made to the remuneration report that can be found in the Corporate Governance Statement.

In 2020, loans granted by the Company and one of its subsidiaries to the members of the Executive Committee were outstanding for a total amount of €0.8m. These loans were granted in the context of the stock option plans in order to enable those concerned to pay the taxes due at the moment the options were accepted. The loans granted in 2020 were granted for periods of 10 or 5 years with interest rates of respectively 1.39% and 1.295%.

Note 29: Exchange rates

Monthly income statements of foreign operations are translated at the relevant rate of exchange for that month. Except for the statement of financial position which is translated at the closing rate, each line item in these consolidated financial statements represents a weighted average rate.

The main exchange rates used for the translations were as follows:

Number of euros for one unit of foreign currency	2020	2019
Closing rate		
CAD	0.64	0.69
GBP	1.11	1.18
USD	0.81	0.89
HKD	0.11	0.11
CNY	0.12	0.13
JPY	0.01	0.01
SGD	0.62	0.65
Average rate (1)		
CAD	0.65	0.67
GBP	1.12	1.14
USD	0.88	0.89
HKD	0.11	0.11
CNY	0.13	0.13
JPY	0.01	0.01
SGD	0.64	0.65

(1) Effective average rate for the profit or loss attributable to equity holders.

Note 30: Services provided by the statutory auditor

The external audit is conducted by KPMG Réviseurs d'Entreprises, represented by Axel Jorion, whose audit mandate expires at the General Meeting of 2023.

€m	2020	2019
Audit services	**3.9**	**3.5**
KPMG in Belgium	0.9	0.6
Other firms in the KPMG network	3.0	2.9
Non-audit services	**0.5**	**0.7**
KPMG in Belgium	0.1	0.2
Other firms in the KPMG network	0.4	0.5
Services provided by the Statutory Auditor and its network	**4.4**	**4.2**

Note 31: Leases

Leases as lessee

The Group leases buildings, stores, non-fleet vehicles and items of property, plant and equipment. The Group also leases IT equipment for which no right-of-use assets and lease liabilities have been recognised since these leases are short-term and/or leases of low-value items.

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

€m	Land and buildings	Plant and equipment	Total
Balance at 1 January 2020	**13.9**	**36.3**	**50.2**
Depreciation charge for the year	-2.0	-15.2	-17.2
Additions to right-of-use assets	6.6	18.9	25.5
Derecognition of right-of-use assets	-0.3	-7.8	-8.1
Balance at 31 December 2020	**18.2**	**32.2**	**50.4**

Some property leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control. The impact on the lease liability resulting from the exercise of extension options is not considered material to the Group.

Leases as lessor

The Group leases out its investment property (held in the "Corporate & unallocated" segment). All leases are classified as operating leases from a lessor perspective because they do not transfer substantially of the risks and rewards incidental to the ownership of the assets. Rental income recognised by the Group during 2020 equals €3.6m (2019: €2.8m).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

€m	2020			2019		
	Investment property	Other property, plant and equipment	Total	Investment property	Other property, plant and equipment	Total
Within one year	2.7	-	2.7	2.2	-	2.2
Later than one year and less than five years	9.4	-	9.4	8.0	-	8.0
After five years	0.6	-	0.6	1.2	-	1.2
Total	**12.7**	**-**	**12.7**	**11.4**	**-**	**11.4**

The revenue, expenses, rights and obligations arising from leasing arrangements regarding investment property are not considered material to the Group, and accordingly a general description of these leasing arrangements is not disclosed.

Note 31: Leases (continued)

The Group is not acting as a lessor under finance leases.

Note 32: Subsequent events

As per 22 March 2021, Belron announced that it launches a syndication of €1,575m equivalent USD/EUR 7-year of new Term Loan to refinance part of existing loans and upstream cash to shareholders. The proceeds of the debt issuance will be used to refinance the Term Loan of €525m maturing in 2024 and be upstreamed to the shareholders, together with €412m of cash on the balance sheet (out of €618m on 31 December 2020).

No other significant transactions out of the ordinary course of business occurred between the closing date and the date these consolidated financial statements were authorised for issue.

Note 33: Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The new standards and amendments to standards that are mandatory for the first time for the Group's accounting period beginning on 1 January 2020 are listed below.

- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020 – endorsed by the EU);
- Amendments to IFRS 3 "Definition of a Business" (effective 1 January 2020 – endorsed by the EU);
- Amendments to IAS 1 and IAS 8 "Definition of Material" (effective 1 January 2020 – endorsed by the EU);
- Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform" (effective 1 January 2020 – endorsed by the EU)
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective 1 June 2020 – endorsed by the EU).

These new standards do not have a significant impact on the Group's financial statements.

The standards, amendments and interpretations to existing standards issued by the IASB but not yet effective in 2020 have not been early adopted by the Group. They are listed below.

- Amendments to IAS 1 Presentation of Financial statements: Classification of Liabilities as Current or Non-current (effective 1 January 2023 – subject to endorsement by the EU);
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual improvements to IFRS Standards 2018-2020 (effective 1 January 2022 – subject to endorsement by the EU);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021 – subject to endorsement by the EU);
- IFRS 17 "Insurance Contracts" (effective 1 January 2023 – subject to endorsement by the EU);
- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (effective date to be determined at future date – subject to endorsement by the EU);

The above standards, amendments and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries, which are those entities in which the Group has, directly or indirectly, an interest of more than half of the voting rights or otherwise has the power to exercise control over the operations, are consolidated. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date that control is transferred to the Group and are no longer consolidated from the date that control ceases. All inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated upon consolidation.

Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired in their interests in the subsidiary's equity is recorded in equity. Gains or losses on disposals to non-controlling interest (that do not result in loss of control) are also recorded in equity.

Note 33: Accounting policies (continued)

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date where control is lost, with the change in carrying amount recognised in profit or loss as part of the gain or loss recognized upon loss of control. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income are reclassified to profit or loss if required by IFRS standards.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method. The investment is initially recognised at cost (including transaction costs), and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and OCI of the investee after the date of acquisition, until the date on which significant influence ceases. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of profit from the associate represents the Group's share of the associate's profit after tax. Profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised gains on transactions between the Group and its associate are also eliminated based on the same principle; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

Interests in joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are recognised using the equity method. The above principles regarding associates are also applicable to joint ventures.

Impairment of associates and joint ventures

The Group determines at each reporting date whether there is any objective evidence that the investment in the equity-accounted investee is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount (being the higher of the value in use or fair value less costs to sell) of the associate or joint venture and its carrying value and recognises the amount adjacent to "share of result of equity-accounted investees, net of income tax" in the income statement.

FOREIGN CURRENCY TRANSLATION

The Group consolidation is prepared in euro. Income statements of foreign operations are translated into euro at the weighted average exchange rates for the period and statements of financial positions are translated into euro at the exchange rate at the reporting date (except for each component of equity, translated once at the exchange rates at the dates of the relevant transactions). Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate. The translation reserve, which is recorded in other comprehensive income (except to the extent that the translation difference is allocated to NCI) includes both the difference generated by translating income statement items at a different exchange rate from the period-end rate and the differences generated by translating opening shareholders' equity amounts at a different exchange rate from the period-end rate.

Foreign currency transactions are accounted for at the exchange rate prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised within the income statement (or within OCI if it relates to equity instruments designated at FVOCI).

On disposal of a foreign operation, gains and losses accumulated in other comprehensive income are included in the income statement.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Note 33: Accounting policies (continued)

The excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed constitutes goodwill and is recognised as an asset. In case this excess is negative, it is recognised immediately in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Acquisition-related costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's or groups of CGU's that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level for business combinations performed by the Company.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

INTANGIBLE ASSETS

An item of intangible assets is valued at its cost less any accumulated amortisation and any accumulated impairment losses. Customer contracts and brands acquired in a business combination are recognised at fair value at the acquisition date. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred when the capitalization criteria are not met. However, costs that are directly associated with identifiable and unique software products controlled by the Group which have probable economic benefits exceeding the cost beyond one year are recognised as intangible assets.

The amortisation method used reflects the pattern in which the assets' future economic benefits are expected to be consumed. Intangible assets with a finite useful life are generally amortised over their useful life on a straight-line basis. The estimated useful lives are between 2 and 10 years.

Brands for which there is a limit to the period over which these assets are expected to generate cash inflows will be amortised on a straight-line basis over their remaining useful lives which are estimated to be up to 5 years. Amortisation periods are reassessed annually.

Brands that have indefinite useful lives are those, thanks to the marketing spend, the advertising made and the absence of factors that could cause their obsolescence, where there is no foreseeable limit to the period over which these assets are expected to generate net cash inflows for the Group. They are therefore not amortised but tested for impairment annually.

For any intangible asset with a finite or indefinite useful life, where an indication of impairment exists, its carrying amount is assessed and written down immediately to its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Expenditure on internally generated intangible assets which does not meet the capitalization conditions under IFRS is recognised in the consolidated income statement as an expense as incurred. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then, to reduce the carrying amount of the other assets in the unit, on a pro rata basis.

RESEARCH AND DEVELOPMENT

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) the Group has the intention to complete the intangible asset and use or sell it;
(c) the Group has ability to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits;

Note 33: Accounting policies (continued)

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

(f) the Group has the ability to measure reliably the expenditure attributable to the intangible asset during its development.

PROPERTY, PLANT AND EQUIPMENT

An item of property, plant and equipment is initially measured at cost. This cost comprises its purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates), plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating. If applicable, the initial estimate of the cost of dismantling and removing the item and restoring the site is also included in the cost of the item.

After initial recognition, the item is carried at its cost less any accumulated depreciation and any accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads if directly attributable. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The depreciable amount of the item is allocated according to the straight-line method over its useful life. Land is not depreciated. The main depreciation periods are the following:

- Buildings: 40 to 50 years;
- Plant and equipment: 3 to 15 years;
- IT equipment: 2 to 7 years;

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

LEASES

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2019.

Lessee

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into or changed on or after 1 January 2019.

As a lessee, the Group recognizes right-of-use assets and lease liabilities at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate at that date. Generally, the Group uses its incremental borrowing rate as the discount rate.

Note 33: Accounting policies (continued)

The Group determines its incremental borrowing rate by reference to the interest rate it would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the initial measurement of the lease liability comprise fixed payments, and in some cases, variable lease payments (being those depending on an index or a rate, initially measured using the index or rate as at the commencement date), the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise the extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate the lease earlier. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognized.

The lease liability is measured at amortised cost using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

In case the lease liability is remeasured, corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets that do not meet the definition of investment property are presented in "property, plant and equipment" in the statement of financial position, under the same line item than the assets of the same nature that it owns. Lease liabilities are presented in "loans and borrowings" in the statement of financial position.

Consideration on transition:
For the leases previously classified as finance leases under IAS 17, the carrying amount of the right-of-use assets and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

The Group applied the practical expedient whereby short-term leases (less than or equal to 12 months) and leases of low-value assets are not recognized as right-of-use assets and lease liabilities and to recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lessor

Lessor accounting remained substantially unchanged compared to previous guidance. At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

In rare situations in which the Group acts as an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. Under IAS 17, the head lease and sub-lease contracts were classified as operating leases.

INVESTMENT PROPERTIES

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. These items are amortised over their useful life on a straight-line basis method. The estimated useful lives are between 40 and 50 years.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Items that are not interchangeable, like new vehicles and second-hand vehicles, are valued using specific identification of their individual costs. Other items are valued using the first in, first out or weighted average cost formula. When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. Losses and write-downs of inventories are recognised in the period in which they occur. Reversal of a write-down is recognised as a credit to cost of sales in the period in which the reversal occurs.

Note 33: Accounting policies (continued)

PROVISIONS

A provision is recognised when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognised. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. On amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service and net interest for the period and the effect of the asset ceiling is disregarded when calculating the gain or loss of any settlement of the plan and is dealt with separately in other comprehensive income.

The Group has various defined benefit pension plans and defined contribution pension plans. Most of these plans are funded schemes, i.e. they are financed through a pension fund or an external insurance policy. The minimum funding level of these schemes is defined by national rules (see note 10).

Obligations for contributions to *defined contribution pension plans* are charged as an expense as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group's commitments under *defined benefit pension plans*, and the related costs, are valued using the "projected unit credit method", with independent actuaries carrying out the valuations at least on a yearly basis. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised in other comprehensive income. Past service cost is recognised as an expense at the earlier of the following dates: a) when the plan amendment or curtailment occurs; and b) when the entity recognizes related restructuring costs or termination benefits. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. The long-term employee benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligations as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of any refunds and reductions in future contributions to the plan.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

OTHER LONG-TERM INCENTIVES

The group recognises a provision for long-term incentives where they are contractually obliged or where there is a past practice that has created a constructive obligation. This provision is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Note 33: Accounting policies (continued)

FINANCIAL INSTRUMENTS EXCLUDING DERIVATIVES

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and liabilities are initially recognised when the entity becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, expire, or are substantially modified.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies its financial assets in the following categories on initial recognition: at amortised cost; at fair value through other comprehensive income (FVOCI) – debt; at FVOCI – equity investment; or fair value through profit or loss (FVTPL). Management determines the classification of its financial assets at initial recognition based on a) the business model in which the financial asset is held; and 2) on the assessment whether contractual cash flows are solely payments of principal and interests (see below). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Business model assessment

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basis lending risks and costs, as well as profit margin.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL, including all derivative financial assets.

Note 33: Accounting policies (continued)

Subsequent measurement of financial assets:

- Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, except for derivatives designated as hedging instruments.
- Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Debt investment at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits, excluding any blocked or restricted cash held by the Group. Cash equivalents are short-term (maximum 3 months), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are classified and measured at amortised cost.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL (except hedging instruments) are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effect(s).

Where the Company (or its subsidiaries) reacquires its own equity instruments, those instruments are deducted from equity as treasury shares. Where such equity instruments are subsequently sold, any consideration received is recognised in equity.

Dividends to holders of equity instruments proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date; it is presented in equity.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are used as hedges in the financing and financial risk management of the Group.

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts, interest rate swaps, cross currency interest rate swaps, and options to hedge these exposures. The Group does not use derivatives for speculative purposes. However, certain financial derivative transactions, while constituting effective economic hedges, do not qualify for hedge accounting under the specific rules in IAS 39.

Despite the introduction of IFRS 9, the Group still applies hedge accounting for Moleskine under IAS 39 (which is an option under IFRS 9).

Derivatives are recorded initially and subsequently at fair value. Any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent changes in fair value are generally recognised in profit or loss.

Cash flow hedge

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and any ineffective portion is recognised immediately in the income statement. If the cash flow hedge is a firm commitment or the forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in other comprehensive income are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in other comprehensive income are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

Fair value hedge

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with a corresponding entry in profit or loss. Gains or losses from re-measuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are recognised in profit or loss.

Note 33: Accounting policies (continued)

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In the case of a cash flow hedge, any cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss when profit or loss is impacted by the hedged item. If the forecast transaction is no longer expected to occur, the cumulative gain or loss is reclassified in the profit or loss immediately.

PUT OPTIONS GRANTED TO NON-CONTROLLING INTERESTS

Until the loss of exclusive control of Belron as at 7 February 2018, the Group was committed to acquiring the non-controlling interests owned by third parties in Belron, should these third parties have wished to exercise their put options. The exercise price of such options granted to non-controlling interests was reflected as a financial liability in the consolidated statement of financial position per 31 December 2017. For put options granted to non-controlling interests prior to 1 January 2010, the goodwill was adjusted at period end to reflect the change in the exercise price of the options and the carrying value of non-controlling interest to which they relate.

Due to the introduction of the revised version of IFRS 3 (effective date 1 January 2010), for put options granted to non-controlling interests as from 1 January 2010, at inception, the difference between the consideration received and the exercise price of the options granted was recognised against the group's share of equity. At each period end, the re-measurement of the financial liability resulting from these options were recognised in the consolidated income statement (net finance costs).

NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups comprising assets and liabilities) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

A discontinued operation is a component of the Group's business that represents a separate major line of the business or geographical area of operations that either has been disposed of or is classified as held for sale and is disclosed as a single line item in the income statement. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

In the D'Ieteren Auto segment, the Group generates revenue primarily from the sale of new vehicles to independent dealers and to final customers, the sale of used vehicles to final customers, the sale of spare parts and accessories and the rendering of after-sale services. Upon selling vehicles or spare parts to independent dealers or final customers, the Group satisfies its performance obligations and recognizes revenue at a point in time, when control of the goods transfers to the customers. Since the Group issues invoices to customers upon satisfying its performance obligations, rights to financial consideration immediately become unconditional and are therefore recognized as receivables. A legal warranty of 2 years applies to the sale of new vehicles to customers, which in turn corresponds to the legal warranty that the factory grants to the D'Ieteren Auto segment. This warranty does therefore not represent a separate performance obligation.

The Group offers to customers the possibility to purchase maintenance contracts together with the sale of a new vehicle. The duration of these contracts ranges from 3 to 12 years. This type of contract represents a separate performance obligation and should not be combined with the sale of a new vehicle. Under such arrangements, the Group transfers the benefit of the maintenance services to the customers as it performs and therefore satisfies its performance obligation over time. The Group recognizes revenue over time by estimating the occurrence of performance obligations using historical data and projected revenue. Revenue recognized according to the percentage of completion method is therefore reasonably estimated using cost curves and historical data.

The difference between the consideration received from the final customers and the costs incurred over time to satisfy the performance obligation represent contract liabilities under IFRS 15. Since the amount of contract liabilities are not considered significant to the Group compared to total revenue, they have not been presented in a separate line item in the consolidated statement of financial position.

When rendering other repair or maintenance services to final customers, the Group recognizes revenue over time if deemed significant. The revenue to be recognized over time for other repair and maintenance was not significant as at 31 December 2020.

Across all sales channels of the Moleskine segment, revenue is recognized at a point in time, as soon as control of the goods transfers to the customers (i.e. when the good is physically delivered to the final customer).

Note 33: Accounting policies (continued)

Disaggregation of revenue from contracts with customers

In selecting the categories to use to disaggregate revenue from contracts with customers, management considered how the information about the Group's revenue is presented for other purpose, including press releases and information presented to the chief operating decision maker, as well as how the nature, amount, timing and uncertainties of revenue and cash flows are affected by economic factors. See note 5 for additional information on disaggregation of revenue.

FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs include interest income, interest expenses, dividend income, and net gains and losses on financial assets and financial liabilities measured at fair value through profit or loss. Interest income and expenses are recognized using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

SHARE-BASED PAYMENTS

Share-based payments are exclusively made in connection with employee stock option plans ("ESOP").

Equity-settled ESOP granted after 7 November 2002 are accounted for in accordance with IFRS 2, such that their cost is recognised in the income statement, with a corresponding increase in equity, over the vesting period of the awards.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

GOVERNMENT GRANTS

Government grants related to assets are presented in liabilities as deferred income and amortised over the useful life of the related assets.

INCOME TAXES

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Current taxes relating to current and prior periods are, to the extent unpaid, recognised as a liability. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current taxes are measured using tax rates enacted or substantially enacted at the reporting date. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Current tax assets and liabilities are offset only if the following criteria are met:

- the entity has a legally enforceable right to set off the recognised amounts； and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxes are provided using the balance sheet liability method, on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (such as unused tax losses carried forward).

Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Note 33: Accounting policies (continued)

The amount of deferred tax recognized is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

IMPAIRMENT OF NON-DERIVATIVE FINANCIAL ASSETS

The Group recognizes loss allowances for ECLs (expected credit losses) on financial assets measured at amortized cost, debt investments measured at FVOCI and contract assets. The Group measures loss allowances at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) at the reporting date and other debt securities and bank balances for which the credit risk has not increased significantly since initial recognition which are measured at 12-month ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. A financial asset is considered in default, when the debtor is unlikely to pay its credit obligation in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses, measured as the present value of all cash shortfalls (the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized costs and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- breach of contract such as default;
- probability that the debtor will enter bankruptcy or other financial reorganization;
- disappearance of an active market for security because of financial difficulties.

Loss allowances for financial assets measured at amortized costs are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amount of its non-financial assets (other than investment property recognized at fair value - if any -, inventories, and deferred tax assets) to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

Note 33: Accounting policies (continued)

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of other assets in the unit, on a pro-rata basis.

An impairment loss in respect of goodwill is never reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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Statutory auditor's report to the general meeting of D'Ieteren SA on the consolidated financial statements as of and for the year ended 31 December 2020

In the context of the statutory audit of the consolidated financial statements of D'Ieteren SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended 31 December 2020, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 28 May 2020 in accordance with the proposal of the board of directors issued on the recommendation of the audit committee and as presented by the workers' council. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the consolidated financial statements of the Group for 7 consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2020 prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 3.447,0 million and the consolidated statement of profit or loss shows a profit for the year of EUR 140,8 million.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

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BTW - TVA BE 0419.122.548
RPR Brussel - RPM Bruxelles
IBAN : BE 95 0018 4771 0358
BIC : GEBABEBB

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill and intangible assets with indefinite useful lives of the cash-generating unit Moleskine

We refer to note 12 "Goodwill" and note 13 "Intangible Assets" of the consolidated financial statements.

— *Description*

In accordance with the requirements of IAS 36 "Impairment of Assets", the Group completed an impairment test of its cash-generating unit Moleskine (the "CGU"), which includes goodwill and intangible assets with indefinite useful lives. The impairment review, based on the value in use calculation, was carried out to ensure that the carrying value of the CGU's assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use.

As a result of the impairment test carried out in the context of the preparation of the Group's condensed consolidated interim financial information as at 30 June 2020 and for the 6-month period then ended, an impairment charge of EUR 21 million was recognized during the first semester of the year and fully allocated to goodwill. Based on the results of the impairment test carried out for the year ended 31 December 2020, no additional impairment charge was recognized during the second semester of the year.

We identified the valuation of the cash-generating unit "Moleskine" as a Key Audit Matter due to the significance of the acquisition value of the goodwill and intangible assets with indefinite useful lives and also because of the significant management judgement and estimation required in assessing potential impairment which could be subject to error and potential management bias. In addition, changes in the key assumptions may have a significant financial impact.

— *Our audit procedures*

With the involvement of our valuation specialists, our procedures included, amongst others:

- inquiring with management about the key assumptions used for the impairment test (future cash flow projections, discount rate and perpetual growth rate) and assessing the reasonableness of these assumptions;

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Statutory auditor's report to the general meeting of D'Ieteren SA on the consolidated financial statements as of and for the year ended 31 December 2020

- comparing the future cash flow forecasts used by management for the impairment test with the budget approved by the Board of Directors;
- challenging the reasonableness of current forecasts by comparing key assumptions and parameters (in particular the discount rate, forecasted period growth rate and inflation rate) to historical results, economic and industry forecasts and internal planning data;
- evaluating the methodology adopted by management in its impairment test, with reference to the requirements of the prevailing accounting standard (*IAS 36 Impairment of Assets*);
- testing the mathematical accuracy of the discounted cash flow model;
- performing a sensitivity analysis to both the discount rate and forecasted cash flows used by the Group to assess what change thereto would result in a different conclusion being reached, and assessing whether there were any indications of management bias in the selection of these assumptions;
- assessing the disclosures in the consolidated financial statements.

Measurement of D'Ieteren Group's share of result of Belron Group SA ("Belron" or "the Component")

We refer to note 17 "Equity-accounted Investees" of the Consolidated Financial Statements.

— *Description*

Since 2018, Belron is accounted for using the equity method as a result of the joint control shared between the Company and a third-party investor.

One of the matters of most significance in our audit of the Consolidated Financial Statements of D'Ieteren Group for the year ended 31 December 2020 has been the measurement of D'Ieteren Group's share of result of Belron.

D'Ieteren Group's share of result of Belron can be significantly impacted by Belron's estimate of its uncertain tax positions and by any impairment loss incurred at the level of Belron.

These matters ("the Matters") have been considered as a Key Audit Matter for the year ended 31 December 2020 for the following reasons:

- Misinterpretation of country specific tax laws and regulations could give rise to additional tax liabilities, interests and penalties resulting in material outflows in subsequent years. Further assessment of the likely outcome of Belron's uncertain tax positions involved a high degree of judgment and potential estimation bias by the board of directors of Belron.
- There is a high degree of judgment and potential bias by the board of directors of Belron in assessing potential impairment. In addition, changes in the key assumptions may have a significant financial impact on the Consolidated Financial Statements of D'Ieteren Group through its share in the result of Belron.

— *Our audit procedures*

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Statutory auditor's report to the general meeting of D'Ieteren SA on the consolidated financial statements as of and for the year ended 31 December 2020

Our procedures included, amongst others:

- requesting from the auditor of Belron (the "Component Auditor") to perform an audit on the financial information of Belron for the year ended 31 December 2020 in accordance with our instructions;
- performing risk assessment procedures with the assistance of the Component Auditor and reviewing the Component Auditor's overall audit strategy and audit plan;
- reviewing the Component Auditor's documentation and assessing whether the Component Auditor has designed and implemented appropriate audit responses to address the identified Matters. In particular, we assessed the adequacy of the audit procedures performed, audit evidence obtained and conclusions reached by the Component auditor with respect to:
    - the significant assumptions used by Belron's board of directors in the performance of its impairment testing at the level of Belron, the reliability of Belron's cash flow projections and any indications of estimation bias;
    - the process in place at Belron to identify, assess and measure the potential financial impact of uncertain tax positions, and any identification of estimation bias therein.
- evaluating D'Ieteren Group's assessment of the absence of impairment indicator of its equity-accounted investee in Belron;
- assessing the correctness of the determination and recording of D'Ieteren's Group's share of result of Belron and the disclosures included in the consolidated financial statements.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material

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Statutory auditor's report to the general meeting of D'Ieteren SA on the consolidated financial statements as of and for the year ended 31 December 2020

misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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Statutory auditor's report to the general meeting of D'Ieteren SA on the consolidated financial statements as of and for the year ended 31 December 2020

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements, and the other information included in the annual report.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, and the other information included in the annual report, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report:

— the "Key Figures" and the "Key indicators" included in the section "Integrated Report"; and

Statutory auditor's report to the general meeting of D'Ieteren SA on the consolidated financial statements as of and for the year ended 31 December 2020

— the "2020 Full-Year Results" and the "Summarized Statutory Financial Statements" included in the section "Financial and Directors' report 2020"

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

The non-financial information required by article 3:32 §2 of the Companies' and Associations' Code has been included in the board of directors' annual report on the consolidated financial statements, which is part of section "Financial and Directors' report 2020" of the annual report. The Company has prepared this non-financial information based on the GRI ("Global Reporting Initiative") and the SASB ("Sustainability Accounting Standards Board") frameworks. In accordance with art 3:80 §1, 1st paragraph, 5° of the Companies' and Associations' Code, we do not comment on whether this non-financial information has been prepared in accordance with the mentioned GRI and SASB frameworks.

Information about the independence

— Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.

— The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

Other aspect

— This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, April 6, 2021

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Axel Jorion
Bedrijfsrevisor / Réviseur d'Entreprises

s.a. D'Ieteren n.v.

Summarised Statutory Financial Statements 2020

CONTENT

The statutory financial statements of s.a. D'Ieteren n.v. are summarised below in accordance with article 3:17 of the Company Code. The unabridged version of the statutory financial statements of s.a. D'Ieteren n.v., the related management report and Statutory Auditor's report shall be deposited at the National Bank of Belgium within the legal deadline and may be obtained free of charge from the internet site www.dieterengroup.com or on request from:

s.a. D'Ieteren n.v.
Rue du Mail 50
B-1050 Brussels

Summarised Balance Sheet

At 31 December

€m	2020	2019
ASSETS		
Fixed assets	**2,859.5**	**3,951.5**
II. Intangible assets	33.3	28.1
III. Tangible assets	23.4	21.6
IV. Financial assets	2,802.8	3,901.8
Current assets	**1,644.3**	**1,240.8**
V. Non-current receivables	1.3	0.3
VI. Stocks	338.0	383.5
VII. Amounts receivable within one year	404.8	362.1
VIII. Current financial investments	765.4	470.6
IX. Cash at bank and in hand	128.3	15.0
X. Deferred charges and accrued income	6.5	9.3
TOTAL ASSETS	**4,503.8**	**5,192.3**

€m	2020	2019
LIABILITIES		-
Capital and reserves	**3,812.2**	**3,340.3**
I.A. Issued capital	160.0	160.0
II. Share premium account	24.4	24.4
IV. Reserves	3,613.3	3,141.4
V. Accumulated profits	14.5	14.5
Provisions and deferred taxes	**19.7**	14.5
Creditors	**671.9**	**1,837.5**
VIII. Amounts payable after one year	240.0	178.6
IX. Amounts payable within one year	389.1	1,621.8
X. Accrued charges and deferred income	42.8	37.1
TOTAL LIABILITIES	**4,503.8**	**5,192.3**

Summarised Income Statement

Year ended 31 December

€m		2020	2019
I.	Operating income	3,055.2	3,495.2
II.	Operating charges	3,024.8	3,409.2
III.	Operating profit	30.4	86.0
IV.	Financial income	611.3	1,996.2
V.	Financial charges	42.2	202.8
IX.	Result for the period before taxes	599.5	1,879.4
IXbis.	Deferred taxes	0.2	0.4
X.	Income taxes	-12.1	-25.4
XI.	Result for the period	587.6	1,854.4
XII.	Variation of untaxed reserves (1)	0.6	0.5
XIII.	Result for the period available for appropriation	588.2	1,854.9

(1) Transfers from untaxed reserves (+) / Transfers to untaxed reserves (-).

Summarised Appropriation

Year ended 31 December

€m	2020	2019
APPROPRIATION ACCOUNT		
Profit (loss) to be appropriated	602.7	1,869.4
Gain (loss) of the period available for appropriation	588.2	1,854.9
Profit (loss) brought forward	14.5	14.5
Withdrawals from capital and reserves	1.5	1.7
from capital and share premium account		
from reserves	1.5	1.7
Transfer to capital and reserves	516.8	1,802.2
to capital and share premium account	-	-
to legal reserve	-	-
to other reserves	516.8	1,802.2
Profit (loss) to be carried forward	14.5	14.5
Profit to be distributed	72.9	54.4
Dividends (see note 21)	72.9	54.4

This proposed appropriation is subject to approval by the Annual General Meeting of 27 May 2021.

Summary of Accounting Policies

The **capitalised costs for the development of information technology projects (intangible assets)** are amortised on a straight-line basis over their useful life. The amortisation period cannot be less than 2 years nor higher than 7 years.

Tangible Fixed Assets are recognised at their acquisition value; this value does not include borrowing costs. Assets held by virtue of long-term leases ("emphytéose"), finance leases or similar rights are entered at their capital reconstitution cost. The rates of depreciation for fixed assets depend on the probable economic lifetime for the assets concerned. As from 1 January 2003, tangible fixed assets acquired or constructed after this date shall be depreciated pro rata temporis and the ancillary costs shall be depreciated at the same rate as the tangible fixed assets to which they relate.

The main depreciation rates are the following:

	Rate	Method
Buildings	5%	L/D
Building improvements	10%	L/D
Warehouse and garage	15%	L/D
Network identification equipment	20%	L/D
Furniture	10%	L/D
Office equipment	20%	L/D
Rolling stock	25%	L
Heating system	10%	L/D
EDP hardware	20%-33%	L/D

L: straight line.
D: declining balance (at a rate twice as high as the equivalent straight-line rate).

Tangible fixed assets are revalued if they represent a definite, long-term capital gain. Depreciation of any revaluation surplus is calculated linearly over the remaining lifetime in terms of the depreciation period of the asset concerned.

Financial Fixed Assets are entered either at their acquisition price, after deduction of the uncalled amounts (in the case of shareholdings), or at their nominal value (amounts receivable). They can be revalued and are written down if they suffer a capital loss or a justifiable long-term loss in value. The ancillary costs are charged to the income statement during the financial year.

Amounts Receivable within one year and those receivable after one year are recorded at their nominal value. Write-downs are applied if repayment by the due date is uncertain or compromised in whole or in part, or if the repayment value at the closing date is less than the book value.

Stocks of new vehicles are valued at their individual acquisition price. Other categories of stocks are valued at their acquisition price according to the fifo method, the weighted average price or the individual acquisition price. Write-downs are applied as appropriate, according to the selling price or the market value.

Treasury Investments and Cash at Bank and in Hand are recorded at their acquisition value. They are written down if their realisation value on the closing date of the financial year is less than their acquisition value.

When these treasury investments consist of own shares held for hedging share options, additional write-downs are applied if the exercise price is less than the book value resulting from the above paragraph.

Provisions for Liabilities and Charges are subject to individual valuation, taking into account any foreseeable risks. They are written back by the appropriate amount at the end of the financial year if they exceed the current assessment of the risks which they were set aside to cover.

Amounts Payables are recorded at their nominal value.

Valuation of assets and liabilities in foreign currencies

Financial fixed assets are valued in accordance with recommendation 152/4 by the Accounting Standards Commission. Stocks are valued at their historical cost. However, the market value (as defined by the average rate on the closing date of the balance sheet) is applied if this is less than the historical cost. Monetary items and commitments are valued at the official rate on the closing date, or at the contractual rate in the case of specific hedging operations. Only negative differences for each currency are entered in the income statement.

Corporate governance statement

In 2020, the Company adhered to the principles laid out in the 2020 Belgian Code on Corporate Governance ("2020 Code"), which is available at www.corporategovernancecommittee.be. The Company's board of directors has approved a new corporate governance charter on February 28, 2019 (the "Corporate Governance Charter"), which is available at www.dieterengroup.com. The Company takes its specific shareholder structure into account, i.e. the stable majority shareholding by the Company's founding family, when applying the principles of the 2020 Code. Page 99 lists which principles of the 2020 Code the Company does not comply with and the relevant explanations.

1. Composition and Functioning of the Board of Directors and Executive Management Bodies

1.1. BOARD OF DIRECTORS

1.1.1. Composition

Throughout 2020, the Board of Directors was comprised of:

- six non-executive Directors, appointed upon proposal of the family shareholders; and
- five non-executive Directors, four of whom are independent, chosen on the basis of their experience.

The Chairman and Deputy Chairman of the Board of Directors are selected among the Directors appointed upon proposal of the family shareholders. Four female directors sit on the Board of Directors.

1.1.2. Roles and activities

Without prejudice to its legal powers, its powers under the articles of association and the legal powers of the General Meeting, the role of the Board of Directors is to:

- determine the Company's strategy and values;
- approve its plans and budgets;
- decide on material financial transactions, acquisitions and divestments concerning the Group and its key subsidiaries;
- ensure that appropriate organizational structures, processes and controls are in place to achieve the Company's objectives and manage the associated risks;
- appoint the directors proposed by the Company to the boards of directors of the key subsidiaries;
- appoint and dismiss the CEO and, based on a proposal by the CEO, the other members of the Executive Committee and the CEOs of the Group's activities, and set the remuneration of such persons;
- monitor and review the performance of the daily management;
- monitor communications with the Company's shareholders and other stakeholders;
- approve the Company's statutory and consolidated accounts, as well as set the dividend which will be proposed to the General Meeting. In that context, the Board of Directors intends to maintain its permanent policy of self-financing to the largest extent possible, which has supported the Group's development, and which aims to strengthen the Company's own funds and maintain qualitative financial ratios. In the absence of material unforeseen events, the Board of Directors will ensure a stable and, if results permit, steadily growing dividend.

Composition of the Board of Directors on 31 December 2020		Joined Board in	end of mandate
Nicolas D'Ieteren (45)[1]	**Chairman of the D'Ieteren Group Board of Directors, Chairman of Belron Group SA** BSc Finance & Management (University of London); Asia Int'l Executive Program and Human Resources Management in Asia Program (INSEAD). Led projects at Bentley Germany and Porsche Austria. From 2003 to 2005, Finance Director of a division of Total UK. Since 2005, managing director of a private equity firm investing in young companies.	2005	June 2024
Olivier Périer (49)[1]	**Deputy Chairman of the Board of Directors and Chairman of the Strategic Committee** Master's degree in architecture and urban planning (ULB). Executive Programme for the Automotive Industry (Solvay Business School). International Executive, Business Strategy Asia Pacific and International Directors Programmes; Certificate in Global Management (INSEAD). Founding partner of the architectural firm Urban Platform. Managing director of SPDG, a private holding company, since 2010. Chairman, member of advisory or supervisory boards of various venture capital companies and foundations.	2005	June 2023
Christine Blondel (62)	**Independent Director** Ecole Polytechnique (France), MBA (INSEAD). Management Consultant from 1981 to 1984. Marketing and finance manager at Procter & Gamble from 1984 to 1993. Executive Director of the Wendel International Centre for Family Enterprise at INSEAD (until 2007), Teacher at INSEAD and in international Business Schools. Advisor to family businesses.	2009	June 2021
CB Management SARL unipersonelle	**Independent Director– Permanent representative: Cécile Bonnefond (65)** MBA European Business School & Senior Executive Program IMD Lausanne. Danone (1979-1984), Kellogg's (1984-1994), Diageo-Foods/Sara Lee (1995-2001). LVMH: CEO of Veuve Clicquot (2001-2008), Bon Marché (2009-2010). President and co-investor at Piper & Charles Heidsieck champagnes and General Manager EPI Group (2011-2015). Since 2015, sits on boards of international listed and family-run companies. Consultant for BPI France.	2018	June 2022
Sophie Gasperment (56)	**Independent Director** Graduate of ESSEC and Insead. Joined L'Oréal in 1986. Became General Manager at L'Oreal UK in 2000 and then Executive Chairman and CEO of The Body Shop International. International Trade Advisor from 2005 to 2013. In 2014, became Group General Manager of Financial Communication & Strategic Prospective for the L'Oréal Group. Since 2019, Independent Director (other mandates: Accor, Cimpress, Givaudan SA and Kingfisher plc), Senior advisor to BCG, and Angel investor.	2018	June 2022
GEMA SPRL[1]	**Non-executive Director – Permanent representative: Michel Allé (70)** Civil engineer and economist (ULB). Joined Cobepa in 1987, member of its Executive Committee (1995-2000). CFO of Brussels Airport (2001-2005). CFO of SNCB Holding (2005-2013). CFO of SNCB (2013-2015). Director of Elia and Chairman of the Boards of EPICS Therapeutics and Pharmafluidics. Honorary Professor at ULB.	2014	June 2022
Pascal Minne (†)	**Non-Executive Director** Law degree (ULB), Master in Economics (Oxford). Former partner and Chairman of PwC Belgium (until 2001). Director of the Petercam group until 2015. Various Directorships. Emeritus Professor at ULB.	2001	N/A
Nayarit Participations SCA[1]	**Non-Executive Director – Permanent representative: Frédéric de Vuyst (47)** Bachelor of Law (Université de Namur), BA Business & BSc Finance (London Metropolitan, School of Business). Managing Director Corporate & Investment Banking at BNP Paribas Belgium until 2008. Head of Business Development Investment Banking and member of the Management Board Corporate Banking at BNP Paribas Fortis until 2012. Since then, CEO at Nayarit Participations and various directorships.	2001	June 2022

Composition of the Board of Directors on 31 December 2020		Joined Board in	end of mandate
Pierre-Olivier Beckers SPRL	**Independent Director – Permanent representative: Pierre-Olivier Beckers (60)** Master in Management Sciences (LSM), Louvain-la-Neuve. MBA Harvard Business School. Career at Delhaize Group (1983-2013). Chairman of the Executive Committee and Managing Director of Delhaize Group (1999-2013). Chairman of the Belgian Olympic and Interfederal Committee since 2004. Member of the International Olympic Committee (IOC) and Chairman of its Audit Committee. Chairman of the Coordinating Committee for the 2024 Paris Olympics. Various Directorships. Advisor to and investor in various recently-formed companies.	2014	June 2022
Société Anonyme de Participation et de Gestion SA (SPDG)[1]	**Non-executive Director – Permanent representative: Denis Pettiaux (52)** Civil engineer in physics and Executive Master in Management (ULB). Member of SPDG executive committee, in charge of finance and a non-executive member of various Boards of Directors, advisory boards and investment committees. Joined Coopers & Lybrand in 1997. Until 2008, Director of PricewaterhouseCoopers Advisory in Belgium. Until 2011, Director of PricewaterhouseCoopers Corporate Finance in Paris.	2001	June 2022
Michèle Sioen (55)[1]	**Non-Executive Director** Degree in economics. CEO of Sioen Industries, a listed company specialised in technical textiles. Honorary Chairman of the FEB. Various Directorships of Belgian companies, notably Immobel, Sofina and Fedustria.	2011	June 2023

[1] Director appointed upon proposal of family shareholders.
(†) Pascal Minne passed away on January 17, 2021.

The Board of Directors meets at least six times a year. Additional meetings are held occasionally if necessary. The Board of Directors' decisions are taken by a majority of the votes, the Chairman having a casting vote in case of a tie. In 2020, the Board met nine times. All Directors attended the meetings that were fixed in advance, as well as the more occasional meetings with the exception of: Ms Michèle Sioen and Mr Pascal Minne who were both excused for one meeting.

1.1.3. Tenure of Directors

None of the Directors' mandates expired in 2020 and no new Directors were appointed in 2020.

1.1.4. Committees of the Board of Directors

Composition (at 31/12/2020)	Audit Committee[1]	Nominations and Remuneration Committee [1]
Chairman	Pascal Minne	Nicolas D'Ieteren
Members	Christine Blondel[2]	Pierre-Olivier Beckers[3]
	Frédéric de Vuyst[4]	Christine Blondel[2]
	Denis Pettiaux[5]	Sophie Gasperment[2]
		Olivier Périer

1 *The members of the Audit Committee and the members of the Nominations and Remuneration Committee have the expertise required by law in accounting and audit matters and in remuneration policy respectively in view of their respective education and management experience in industrial and financial companies.*
2 *Independent Director*
3 *Permanent representative of Pierre-Olivier Beckers SPRL. Independent Director*
4 *Permanent representative of Nayarit Participations SCA*
5 *Permanent representative of SPDG SA*

The Audit Committee met four times in 2020. All but one meetings were held in the presence of the Statutory Auditor.
All of its members attended all of the meetings.

The Nominations and Remuneration Committee met four times in 2020. All of its members attended all of the meetings.
The Strategic Committee met 17 times in 2020.
Each Committee reported on its activities to the Board of Directors.

1.1.5. Functioning of the Committees

Audit Committee

On 31 December 2020, the Audit Committee was comprised of four non-executive Directors, one of which was an independent Director. The Audit Committee's primary role is to monitor the Company's financial information and supervise the risk management and internal controls systems of the Company and its key subsidiaries. The Audit Committee reviews the Statutory Auditor's reports on the half-year and annual financial statements of the Company, of Belron and of Moleskine. The Audit Committee meets at least four times a year, including at least once every six months in the presence of the Statutory Auditor, and reports on its activities to the Board of Directors. At least one specific meeting is dedicated to the supervision of the risk management and internal controls systems. The Statutory Auditor, KPMG, reappointed by the Ordinary General Meeting of May 28, 2020, has outlined the methodology for auditing the statutory and consolidated accounts as well as the applicable materiality and reporting thresholds. The Audit Committee's charter adopted by the Board of Directors is set out in Appendix I of the Governance Charter published on the Company's website.

Nominations and Remuneration Committee

On 31 December 2020, the Nominations and Remuneration Committee was comprised of five Directors, including the Chairman of the Board of Directors, who presides over the meetings, the Deputy Chairman of the Board of Directors and three independent Directors.

The role of the Nominations and Remuneration Committee is as follows:

- To make proposals to the Board of Directors relating to appointments of non-executive Directors, the CEO, and based on a proposal by the CEO, the other members of the Executive Committee and the CEOs of the Group's key subsidiaries, and ensure that the Company has formal, rigorous and transparent procedures to support these decisions.

- To make proposals to the Board of Directors relating to the remuneration of the non-executive Directors, the CEO, and, based on a proposal by the CEO, the other members of the Executive Committee and the CEOs of the Group's key subsidiaries, and ensure that the company has formal, rigorous and transparent procedures to support these decisions.

- To regularly review the procedures, principles and policies relating to the appointment and remuneration of managers in the Group's key activities and the Corporate team, and to coordinate with the Nominations and Remuneration Committees that already exist within the Group's key subsidiaries.

- To prepare the remuneration report and comment on it during the Annual General Meeting.

The Nominations and Remuneration Committee meets at least four times a year and reports on its work to the Board of Directors. The Committee's Charter adopted by the Board of Directors is set out in Appendix II of the Governance Charter available on the Company's website.

Strategic Committee

The Strategic Committee, which became a specialised Committee of the Board of Directors on February 28, 2019, meets at least once a month and brings together the Chairman and Deputy Chairman of the Board of Directors, two Directors representing the family shareholders and the Group CEO. The other members of the Executive Committee are permanent guests. At the level of the Group and its subsidiaries, the Strategic Committee's role is to consider the Group's development priorities, to analyse the long-term strategies and objectives of the Group, to examine the progress of strategic projects, to analyse future investments and divestments, to monitor progress of the Group's businesses, and to prepare strategic points for discussion at Board of Directors meetings. The Strategic Committee's Charter, adopted by the Board of Directors, is set out in Appendix III of the Company's Governance Charter available on the Company's website.

Policy for transactions and other contractual relationships not covered by the legal provisions on conflicts of interest

Directors and managers are not authorised to provide paid services or to purchase or sell goods, directly or indirectly, to or from the Company or its group companies within the framework of transactions not covered by their roles, mandates or duties, without the specific consent of the Board of Directors, except for transactions realised in the normal course of business of the Company. They must consult the Chairman of the Board of Directors or the Group CEO, who shall decide whether a request for an exception can be submitted to the Board of Directors. If so, they will notify the details of the transaction to the company secretary, who will ensure that the applicable rules are complied with. Such transactions shall only be authorised if carried out at market conditions.

Evaluation of the Board of Directors and its Committees

The Board of Directors and its Committees assess on a regular basis, and at least once every three years, their size, composition, procedures, performance and their relationships with management, as well as the individual contribution of each Director to their overall functioning in order to constantly improve the effectiveness of their actions and the contribution of those actions to the Group's proper governance.

The Board of Directors and its Committees carried out an assessment exerciseduring the first quarter of 2019. This process was conducted with the help of an outside professional who interviewed all Directors and members of the Executive Committee. A summary of the interviews was presented to the Board of Directors along with clear recommendations for the Board of Directors' consideration.

1.2. GROUP EXECUTIVE MANAGEMENT

The members of the Executive Committee are responsible for the day-to-day management of the Company. On 31 December 2020, the Group Executive Committee was comprised of the Group CEO (Chairman of the Group Executive Committee) and the Group CFO.

Composition of the Executive Committee on 31 December 2020		Start of mandate
Francis Deprez (55)	**Chairman of the Executive Committee and CEO** Degree in Applied Economic Sciences (UFSIA Anvers) and Master's in Business Administration (Harvard Business School). Associate (1991-1998) and Partner (1998-2006) at McKinsey & Company Belgium. In the Deutsche Telekom Group, served as Managing Director of the Center for Strategic Projects (2006-2011), Chief Strategy and Policy Officer of Deutsche Telekom AG (2007–2011), member of the Supervisory Boards of T-Mobile International (2007-2009) and of T-Systems International (2008-2011), Chief Executive Officer of Detecon International Gmbh (2011-2016). Director at Belron, Moleskine and D'Ieteren Immo.	2019 (CEO) 2016 (as a member of the Executive Committee)
Arnaud Laviolette (59)	**Member of the Executive Committee – Chief Financial Officer** Master in Economic Sciences (UCL). Worked in banking for almost 25 years. Head of Corporate Finance, Corporate Clients and Board member at ING Belgium until 2013. Investment manager at GBL from 2013 to June 2015. Director at Belron, Moleskine and D'Ieteren Immo. External Director at Rossel.	2015

The members of the Group Executive Committee act as a board. At the Group level, they are in charge of origination, monitoring and developing the Group's activities, human resources, finance, financial communication, investor relations, accounting, consolidation, treasury, M&A, sustainability and legal and tax matters.

1.3. EXECUTIVE MANAGEMENT OF THE FOUR BUSINESSES

The D'Ieteren Group owns four businesses which each have their own executive management structure: automobile vehicle distribution in Belgium (D'Ieteren Automotive), Belron, Moleskine and D'Ieteren Immo.

D'Ieteren Automotive, which has become a separate, wholly-owned subsidiary of the Company as from January 1, 2021, was managed in 2020 by the CEO of D'Ieteren Auto, who acted under the authority of the Group CEO. A new board of directors has been put in place since January 1, 2021, comprised of six directors: five appointed by the Company and the CEO of D'Ieteren Automotive.

Belron, of which D'Ieteren owned 54.85% of the voting rights on December 31, 2020, has a Board of Directors comprised of six directors: three who are appointed by the Company, two appointed by CD&R (minority shareholder in Belron) and the CEO of Belron. The Belron Board of Directors is chaired by the Chairman of the Company's Board of Directors.

Moleskine, a wholly-owned subsidiary of the Company, is governed by a Board of Directors comprised of seven directors: five appointed by the Company and the Moleskine CEO and CFO.

D'Ieteren Immo, a wholly-owned subsidiary of the Company, is managed by a Board of Directors comprised of four Directors: three appointed by the Company and the CEO of D'Ieteren Immo.

1.4. EXTERNAL AUDIT

The external audit is conducted by KPMG Réviseurs d'Entreprises, represented by Axel Jorion, whose mandate to audit the statutory and consolidated accounts for 2020, 2021 and 2022 was renewed at the Ordinary General Meeting of May 28, 2020.

The total fees charged by the Statutory Auditor and linked companies for the work carried out in 2020 on behalf of D'Ieteren SA/NV and linked companies amounted to EUR 4.4 million, excluding VAT. Details of the fees are included in the appendix of the 2020 Consolidated Financial Statements (page 70).

DEVIATIONS FROM THE 2020 BELGIAN CODE ON CORPORATE GOVERNANCE

The Company deviates from the following provisions of the 2020 Code:

> DEVIATION FROM PROVISION 3.7.

The group of Directors appointed upon proposal of the family shareholders is in a position to dominate decisions taken by the Board of Directors. In companies where family shareholders hold a majority of the share capital, the family shareholders do not have, as do other shareholders, the opportunity to sell their shares if they do not agree with the orientations defined by the Board of Directors. Their joint or majority representation on the Board of Directors enables them to influence these orientations, thereby ensuring the shareholding stability necessary for the profitable and sustainable growth of the Company. The potential risks for corporate governance resulting from the existence of a high degree of control by the majority shareholder on the activities of the Board of Directors is mitigated, on the one hand, by the appropriate use of these powers by the Directors concerned in respect of the legitimate interests of the Company and of its minority shareholders and, on the other hand, by the long-term presence of several non-executive Directors not representative of the family shareholding, which ensures genuine dialogue on the Board of Directors.

> DEVIATION FROM PROVISION 7.6.

The Directors only receive fixed remuneration, without any grant of shares. This is justified by the fact that the investment policies of the Company adequately foster a long-term perspective. In addition, several Directors already have a large exposure to the evolution of the Company's value, considering the number of shares they own directly or indirectly.

> DEVIATION FROM PROVISION 7.9.

There is no requirement for the members of the Executive Committee to hold a minimum number of shares in the Company. This is justified by the fact that the investment policies of the Company adequately foster a long-term perspective. In addition, the grant of stock options adequately ensures the alignment of interests between the members of the Executive Committee and all shareholders.

2. Diversity

D'Ieteren Group aims to put diversity at the heart of its Board of Directors and Executive Committee. This means having Directors who differ in terms not only of their background, education, age and gender, but also in their independence, experience and professional expertise. Such diversity will ensure a range of perspectives, insights and the critical thinking that are essential to enabling efficient decision-making and good governance. Enhancing diversity at the Board of Directors and Executive Committee levels also increases the pool of potential candidates and helps to attract and retain talent.

The Nomination and Remuneration Committee reviews and assesses the composition of the Board of Directors and the Executive Committee, and advises the Board of Directors on the appointment of new Board members and Executive Committee members, as well as the the renewal of any existing mandates. During this process, the Nomination and Remuneration Committee considers candidates on merit, without losing sight of the need for diversity (including criteria such as background, education, age, gender, independence (for potential Board members), professional skills, length of service and differing professional and personal experience).

In terms of gender diversity, the Board of Directors aims to comply with legal requirements by having at least one third of the underrepresented gender on the Board[1]. This target was achieved on May 31, 2018 with the nomination of two new female directors. As at December 31, 2020, the Board of Directors had 11 members, four of whom were women.

Reference is made to section 1 of the Corporate Governance Statement regarding other diversity criteria (age, length of service, education and professional experience) in relation to the members of the Board of Directors and the Executive Committee as of December 31, 2020.

1 The required number is rounded up to the nearest whole number.

3. Remuneration report

The remuneration of the Directors and the members of the Executive Committee for 2020, is detailed in this report. Such remuneration is in accordance with the remuneration policy contained in the remuneration report published in 2020, which was approved by a majority of 95.75% of the votes cast and without any specific comments made by shareholders.

3.1. REMUNERATION OF NON-EXECUTIVE DIRECTORS

A total of EUR 992,250 was paid to the Directors in 2020, broken down as indicated in the table below. No other remuneration or benefit, loan or guarantee was granted to them by the Company. All Directors qualify as non-executive Directors. In the framework of the Covid-19 crisis, certain Directors waived their right to part of their remuneration and requested the Company to contribute the corresponding amounts to a a solidarity program that helped employees of the D'Ieteren Group who suffered hardship as a consequence of the Covid-19 crisis. Some Directors waived part of their remuneration in 2020 and part in 2021. The aggregate amount contributed to the fund for 2020 amounted to EUR 357,750.

2020 (in EUR)	Base remuneration	Specialised Committees	Total remuneration	Total remuneration paid (after covid remuneration waivers)
D'Ieteren N.	250,000	All in	250,000	125,000*
Périer O.	200,000	All in	200,000	100,000*
P.-O. Beckers sprl	70,000	35,000	105,000	93,000
Bonnefond C.	70,000	N/A	70,000	59,500
Blondel C.	70,000	70,000	140,000	119,000
Gasperment S.	70,000	35,000	105,000	94,500
Gema (M. Allé)	70,000	N/A	70,000	59,500
Minne P.	70,000	60,000	130,000	130,000
Nayarit (de Vuyst)	70,000	35,000	105,000	52,500*
Sioen M.	70,000	N/A	70,000	70,000
SPDG (D. Pettiaux)	70,000	35,000	105,000	89,250
Total	**1,080,000**	**270,000**	**1,350,000**	**992,250**

** the same amounts have been waived for 2021 as well.*

3.2. REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

The remuneration granted to the members of the Executive Committee in 2020 was reviewed by the Board of Directors on 5 March 2020. The components of their remuneration are detailed below.
As regards the variable remuneration, the Board of Directors, on the basis of the recommendations from the Nominations and Remuneration Committee, approved on 8 March 2021 the relevant amounts in light of the achieved targets, as also detailed below.

3.2.1. Annual fixed base remuneration

In 2020, the Chief Executive Officer earned an annual fixed base remuneration of EUR 700,000 and the Chief Financial Officer earned an annual fixed base remuneration of EUR 517,916.67[1].

1 These amounts have been reduced by the portion of the fixed compensation foregone to contribute to various solidarity initiatives set up by the Company in the context of the COVID-19 crisis.

3.2.2. Variable remuneration

- **Annual bonus**

  For 2020, the Chief Executive Officer earned an annual bonus of EUR 539,000, corresponding to approximately 77% of his 2020 fixed base remuneration. The Chief Financial Officer earned an annual bonus of EUR 393,310, corresponding to approximately 70% of his 2020 fixed base remuneration. These amounts were paid in March 2021.

  The 2020 annual bonuses were based on the levels of achievement in 2020 of two financial criteria (profit before tax and free cash flow) compared to budget, as well as three non-financial criteria (people, corporate development and customers) as qualitatively assessed by the Board of Directors.

  For 2019, the Chief Executive Officer earned an annual bonus of EUR 503,000 and the Chief Financial Officer earned an annual bonus of EUR 390,000. These amounts were paid in March 2020. Please refer to the remuneration report published in 2020 for more information.

- **Cash LTI**

  The target Cash LTI relating to 2020 amounts to EUR 350,000 for the Chief Executive Officer and EUR 150,000 for the Chief Financial Officer. The corresponding amounts will be paid, if the targets are met, at the end of the year 2022.

- **Stock Option LTI**[1]

  In 2020, 55,000 stock options were granted to the Chief Executive Officer and 40,000 stock options were granted to the Chief Financial Officer.

  The exercise price is EUR 49.36. In principle, the options may be exercised from 1 January of the 4th year following the date they were granted and up until the end of the tenth year following their grant.

  Additional details on the Stock Option LTI are provided in note 9 of the consolidated financial statements.

- **Pension and other benefits**

  In 2020, the Company covered the contributions to disability insurance, life insurance and pension schemes with respect to the Chief Executive Officer for an amount of EUR 115,000 and with respect to the Chief Financial Officer for an amount of EUR 126,000.

3.2.3. Stock options granted, exercised and expired in 2020

	Transactions in 2020		
Name position	**Options granted**	**Options exercised**	**Options expired**
Chief Executive Officer	55,000	0	0
Chief Financial Officer	40,000	0	0

3.2.4. General overview of the remuneration

2020 (in EUR)	CEO	Other members of Executive Committee	Total
Annual Fixed base remuneration	700,000	517,916.67	1,217,916.67
Annual bonus	539,000	393,310	932,310
Cash LTI (target 31/12/2022)	350,000	150,000	500,000
Contribution to disability, pension and life insurance	115,000	126,000	241,000

1 Of these, 5,000 stock options had been granted as compensation for the 2019 fiscal year (related to the 6 months he served as CEO starting in July 2019).

3.3. ANNUAL CHANGE OF THE REMUNERATION AND PAY RATIO

The table below provides an overview of the annual change of remuneration for the Directors, the Executive Committee members and the employees (average on a full-time equivalent basis). It also provides an overview of the annual change of performance of the Company.

Annual change in %	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019
> Remuneration of the (non-executive) Directors (total)					
	+2%	+1.2%	+13.4	+5.5%	-26.5%
> Remuneration of the Executive Committee (total)[1]					
Type of remuneration					
All remuneration excluding stock options[2]	+/-0%	+91.8%	-50.6%	+14%	+3.7%
Stock options[3]	+/-0%	+/-0%	+14.3%	+/-0%	+18.8%
> Company's performance					
Adjusted consolidated result before tax[4]	+12.1%[5], [6]	+2.6%[5], [6], [7]	+15.8%[5]	+39.8%[5]	+11.2%[8]
> Average remuneration on a full-time equivalent basis of employees[9]					
Employees of the Company	-0.9%	-2.5%	+31.3%	-21.0%	-5.8%

Explanatory notes

1 *This includes the current members of the Executive Committee only. The current CEO joined the Company in 2016 as member of the Executive Committee and was promoted to CEO in July 2019.*

2 *This includes the (i) annual fixed base remuneration, (ii) annual bonus paid, (iii) paid-out cash LTI (iv) contribution to disability, pension and life insurance and (v) exceptional payments linked to strategic projects.*

3 *In terms of number of stock options.*

4 *Numbers on a comparable basis in function of the Company's shareholding in Belron.*

5 *On a pre IFRS16 basis.*

6 *2016 excludes the results of Moleskine.*

7 *Moleskine is included at 100% as from 2017.*

8 *On a post IFRS16 basis.*

9 *The average employee remuneration is calculated on the basis of the Company's employees as of 1 January 2021.*

The pay ratio 2020 between the highest person and the lowest person at the Company is 50.4.

4. Internal controls and risk management systems

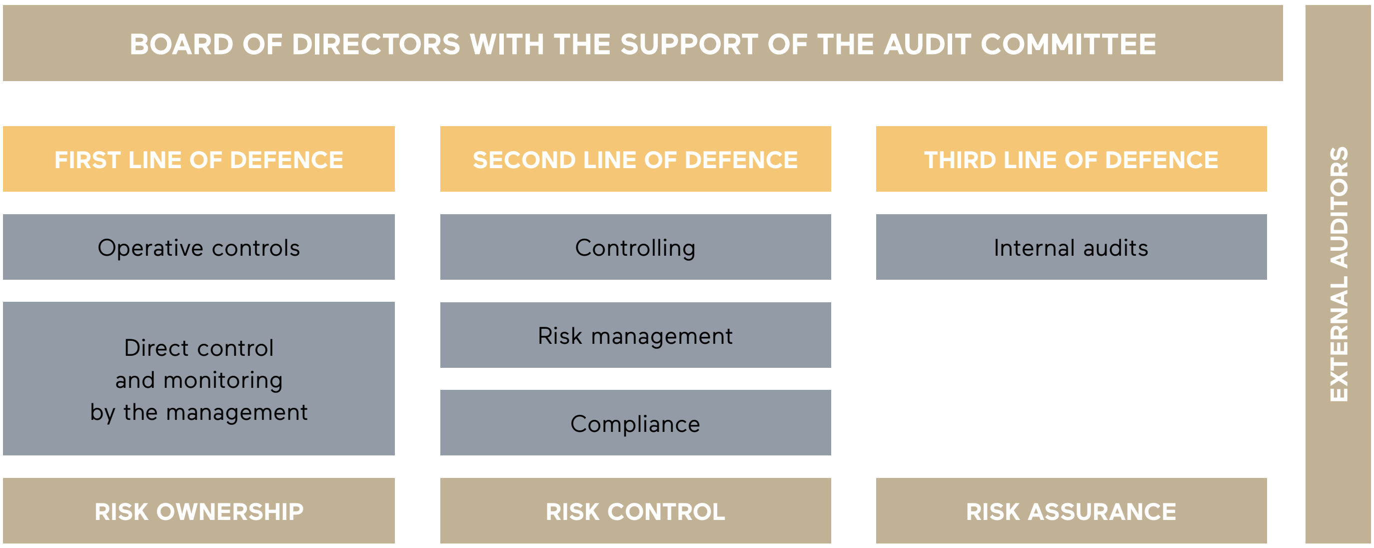
D'Ieteren Group and its activities operate in a constantly changing environment which exposes them to multiple risks, that can be classified in four main categories: legal / compliance, strategic, operational, and financial.

In order to protect their reputation while ensuring sustainable success and the achievement of corporate targets, D'Ieteren Group and its activities have in place comprehensive risk management and internal control systems. These systems have three main goals:

- Identify risks at an early stage;
- Assess the probability and potential impact of the risks;
- Put adequate mitigating measures in place.

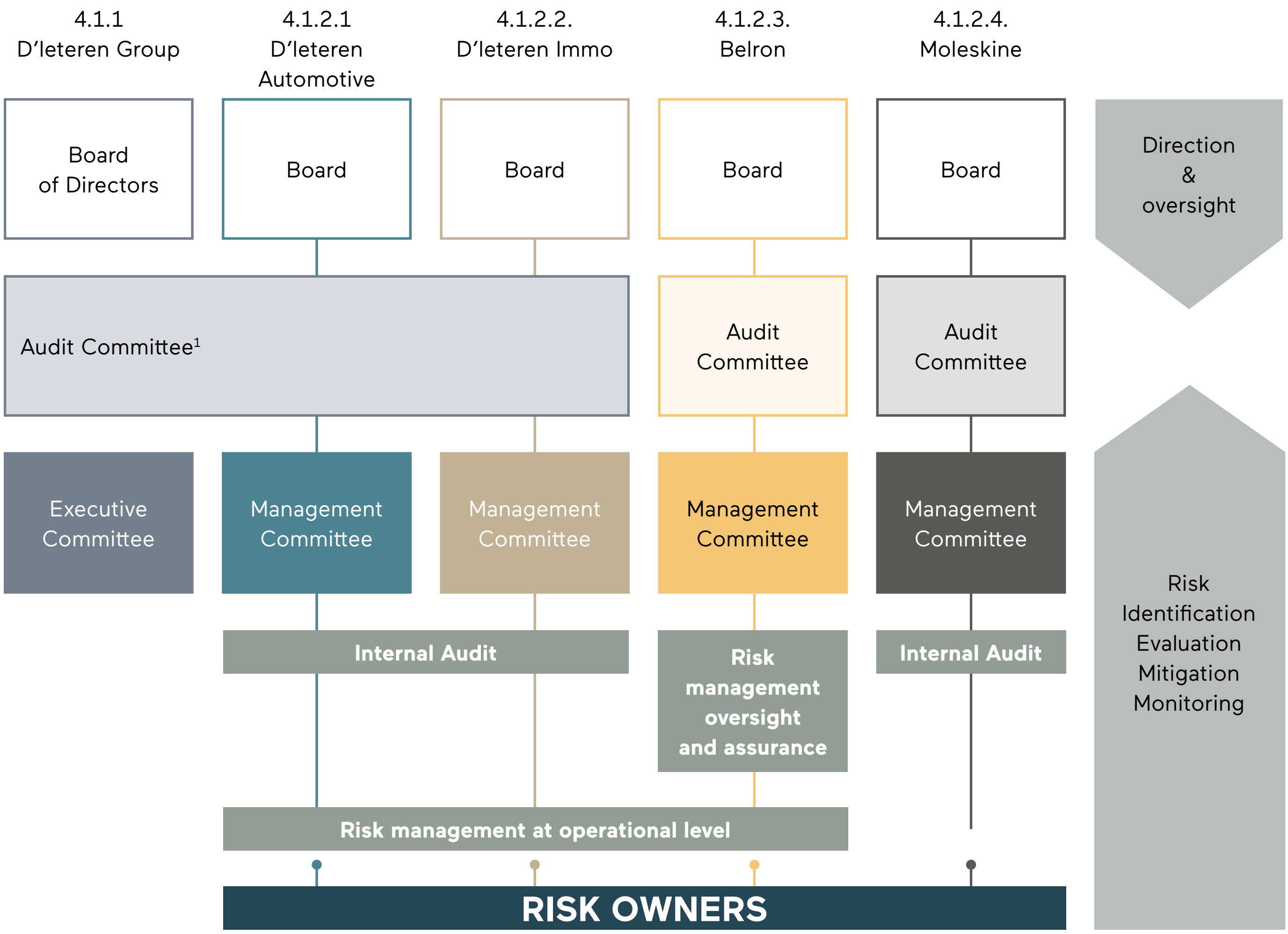
D'Ieteren Group manages the risks following the principle of three lines of defence:

- At the operational level of each activity;
- At risk management, compliance & legal levels;
- As part of Internal Audit.



4.1. RISK MANAGEMENT GOVERNANCE STRUCTURE AND RESPONSIBILITIES

The organizational structure at the level of D'Ieteren Group and the activities ensures the appropriate delegation of authorities to management and a separation of duties. Governance structure is composed of three bodies that are operating independently: the Board of Directors, the Audit Committee, and the Executive/Management Committees.



4.1.1. D'Ieteren Group

4.1.1.1. Board of Directors

The Board performs its control duties by:

(i) ensuring that D'Ieteren Group's activities correctly perform their own control duties and that Committees entrusted with special survey and control tasks (such as the Audit Committee and Remuneration Committee) are put in place and function properly, and

(ii) ensuring that reporting procedures are implemented to allow the Board to follow up the entities' activities at regular intervals, notably regarding the risks they face.

[1] *As from January 1, 2021, D'Ieteren Automotive has been carved-out as a separate legal entity from that of D'Ieteren SA and has its own Audit Committee*

4.1.1.2. Audit Committee

The Board of Directors is assisted by the Audit Committee in the exercise of its control responsibilities for the company's entities. This control focuses in particular on the financial information distributed to shareholders and to third parties and the monitoring of the different risk management and internal control mechanisms.

The Group Audit Committee receives regular reports on the work carried out by the Audit Committees of each activity before itself reporting to the Board.

The independence of the head of Internal Audit is ensured by direct reporting to the Audit Committee and CEO.

4.1.1.3. Executive Committee

The members of the Group Executive Committee act collegially and are responsible for, amongst other, monitoring of the Group's businesses, strategy, human resources, financial communication, investor relations, accounts consolidation, management information systems, treasury, M&A, legal, ESG and tax matters.

4.1.2. At the level of the activities

4.1.2.1. D'Ieteren Automotive

D'Ieteren SA is the legal entity of D'Ieteren Group and D'Ieteren Automotive. D'Ieteren Automotive's Board of Directors meets at least quarterly. The members of the Audit Committee, which is the same for D'Ieteren Group and D'Ieteren Automotive convenes every quarter. Divisional directors are responsible for risk management on a day-to-day operational level.

4.1.2.2. D'Ieteren Immo

The real estate assets and operations of D'Ieteren Automotive are grouped under a single legal entity (D'Ieteren Immo SA). It has its own Board of Directors and Management Committee. The Audit Committee is the same as those of D'Ieteren Group and D'Ieteren Automotive.

4.1.2.3. Belron

Risks are monitored by the Audit Committee, which met five times in 2020. The committee is chaired by D'Ieteren Group's CFO and includes a representative from CD&R. Other (invited) participants include Belron's CFO, and Head of risk notably.

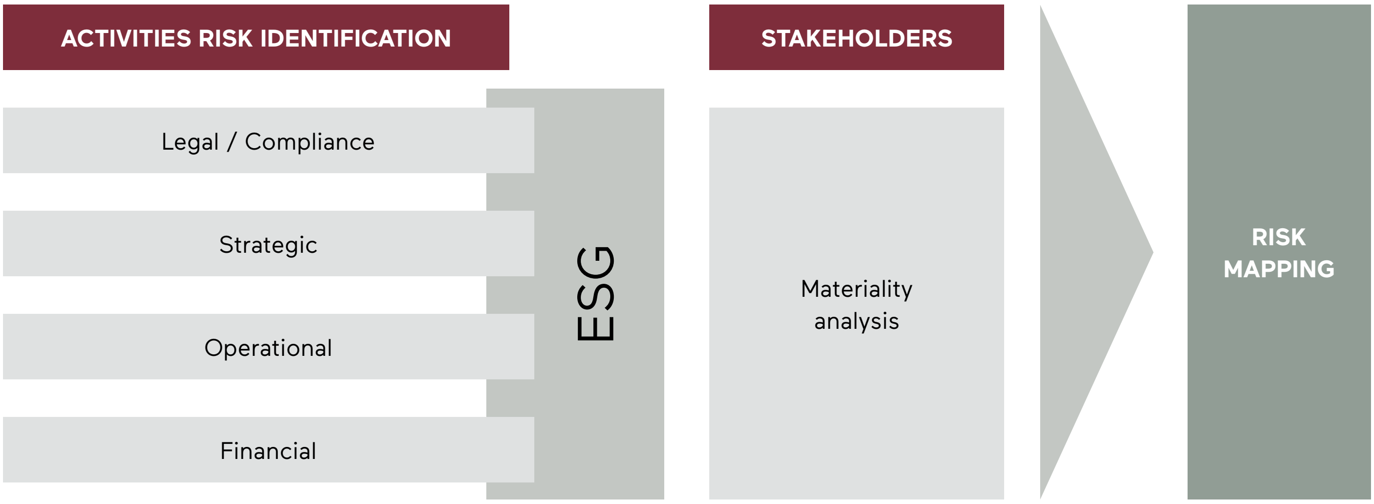
4.1.2.4. Moleskine

Risks are monitored by the Audit Committee, which met four times in 2020. The Audit Committee is chaired by D'Ieteren Group's CFO and it includes Moleskine's CFO, other ad-hoc members (both from Moleskine and from D'Ieteren Group) and Moleskine's Internal Audit Manager as permanent observer. The Committee approves the Risk Map prepared by the Internal Audit Manager after having gathered inputs from the leadership and the shareholder's representatives.

In addition to the internal model, Moleskine has also an external Supervisory Body that oversees the functioning of and the compliance with the "Organizational, Management and Control Model" adopted to prevent crimes provided for in the Legislative Decree no. 231/2001. The outcome of the Supervisory Body's activities is summarized every six months in a report sent to Moleskine's Board of Directors. The Supervisory Body is composed of an external member.

4.2 RISK MANAGEMENT PROCESS

4.2.1 Risk identification/mapping



Each activity identifies its key business and financial risks by assessing factors risks that could have an impact on the future operations and financial returns of the business and by dressing a comprehensive risk analysis. Consequently, environmental, social and governance (ESG) risks takes an important place in risk identification.

External and operational risk factors are assessed in terms of the scale of their impact and the probability of their occurrence, with particular attention given to the most important ones. Risks are categorised as Legal/Compliance, Strategic, Operational or Financial. ESG aspects are taken into consideration transversally across these four categories.

Each activity conducts an annual risk review and updates its risk register to reflect the impact of each risk and the measures proposed to mitigate them. This approach forms the cornerstone of D'Ieteren Group's risk management activities, which aims to ensure that the major risks faced by the Group have been identified and assessed, and that there are controls either in place or planned to manage them.

With regards to financial risks, the process includes the review of internal and external Audit plans (including IT Audit missions and fraud risks), strategic plans, annual budgets and monthly financial results and key performance indicators. The adoption of accounting procedures ensures the consistency, integrity and accuracy of the company's financial records.

In order to identify the most relevant non-financial risks, each business has conducted a materiality analysis in dialogue with its stakeholders. This materiality analysis highlights topics that significantly influence the organisation as well as topics on which the organisation has a significant influence.

Furthermore, D'Ieteren Group is aware of the impact climate change can have on their businesses. Due to the diverse nature of its activities, D'Ieteren Group is facing risks related to the transition to a lower-carbon economy as well as risks related to the physical impacts of climate change. For that matter, D'Ieteren Group is working to commit to the Task Force on Climate-related Disclosures (TCFD) and to bring its reporting in line with their recommendations. Accordingly, different climate-related risks are integrated in the existing overall risk management process.

4.2.2 Review and execution of mitigating plans

Following the annual risk review process, measures implemented to mitigate the identified risks and control missions are prioritized based on their risk profile. The execution of the plans is supervised by the Internal Audit teams.

Mitigating actions include for instance the introduction of strict procedures and frameworks, regular reporting and review of all significant treasury transactions and financing activities, procedures for the authorisation of capital expenditure, country visits and discussions with local management. Some risks are also mitigated by environmental and social actions initiated by the activities as each business is working on its sustainability strategy and monitors its performance on some ESG materials topics.

Concerning TCFD-related risks, D'Ieteren Group has initiated the integration process of these risks in its risk management. D'Ieteren Group and its activities will work on mitigating plans responding to these climate related-risk in the years to come.

4.2.3 Reporting

The Internal Audit Managers of Moleskine, D'Ieteren Automotive and Immo report regularly to their respective Audit Committees. At Belron, the outcome of the work carried out to assess the effectiveness and efficiency of risk management practices across the company is reported to both local and regional management and to the Belron Audit Committee, which meet regularly during the year.

Reporting includes an assessment of the mitigating actions and recommendations. The Chairmen of the Audit Committees present the risk management report to their Board. Control issues that arise from internal and external audits together with any additional matters are brought to the attention of the Audit Committees.
At the Group level, the Head of Internal Audit reports on a quarterly basis to the Audit Committee.

4.3. MAIN RISKS / 4.3.1. D'Ieteren Group

› LEGAL / COMPLIANCE

CORPORATE GOVERNANCE

Risk of deficient governance (composition and functioning of corporate bodies, decision-making process and/or risk management).

POTENTIAL IMPACT

- A governance default could lead to a failure to achieve long-term strategic objectives. A deficient governance might lead to an imbalance of the interests of all relevant stakeholders (shareholders, management, employees, clients, suppliers, etc.).
- If D'Ieteren Group fails to comply with applicable laws and regulations it could lead to claims and fines. It could have adverse financial and reputational impact.

MITIGATING ACTIONS

As a listed company, D'Ieteren Group complies with the corporate governance regulations which aim to provide the adequate checks and balances in the decision-making-processes of the company. D'Ieteren Group has approved a Corporate Governance Charter which provides clear guidelines for the functioning of the corporate bodies at group level. A corporate governance statement is also included each year in D'Ieteren Group's annual report where a detailed review is provided of all corporate governance aspects of the company.

D'Ieteren Group adheres to the 2020 Belgian Code of Corporate Governance, and reports every year on any deviation from the recommendations of the Code.

LISTED COMPANIES REGULATIONS

Risk that laws and regulations governing listed companies are breached. D'Ieteren Group is subject to regulations related to communication, financial reporting, transparency, insider trading, market abuse regulation and corporate governance (see previous risk).

POTENTIAL IMPACT

- D'Ieteren Group's share price and market capitalization could be affected.
- D'Ieteren Group could face significant fines if laws or regulations are breached. That could lead to a loss of confidence from investors and analysts.
- D'Ieteren Group could fail to attract capital under the form of equity or debt if needed.

MITIGATING ACTIONS

- The various activities have monthly business reviews where financial performance is assessed.
- The consolidation process is based on a centralized accounting software to ensure consistency across the participations. D'Ieteren Group's Consolidation team checks that the financial figures of its activities present a complete, accurate and reliable reflection of their financial performance and position. The Executive Committee checks that the consolidated results are aligned with the guidance provided to the market (if any).
- The financial reports and press releases related to the full year, half-year results or other intermediary periods are reviewed by Executive Committee members, the Audit Committee, the external auditor and the Board of Directors prior to publication.

› **STRATEGIC**

CAPITAL ALLOCATION

Risks related to capital allocation decisions (investments in existing operations, acquisitions/ disposals, dividend policy, share buybacks).

Risks related to the timing of those decisions. The availability of investment/ divestment opportunities is subject to macroeconomic and market conditions.

These conditions can be influenced by environmental, social or economic threats and opportunities. Climate change will typically have a significant influence in the years to come.

POTENTIAL IMPACT

- Poor capital allocation decisions could impact shareholder value creation and lead to share price underperformance.
- Investors and analysts could lose their confidence in D'Ieteren Group.
- This risk could also lead to write-downs and impairment losses.

MITIGATING ACTIONS

- D'Ieteren is a family of businesses with a long-term focus. D'Ieteren Group aims at full control, a majority stake or the option to gain a majority stake in its participations.
- D'Ieteren Group reviews on an annual basis the strategy of its different activities and then decide on investment or divestment opportunities.
- For new activities, an in-depth due diligence is reviewed by an Investment Committee, the Strategic Committee and the Board. D'Ieteren Group's Executive Committee members are board members at the level of the participations.
- Every material investment is subject to an in-depth due diligence process including an ESG analysis. The ESG due diligence takes into account the possible impact of climate change on the potential investment.

› OPERATIONAL

GLOBAL HEALTH CRISIS

Risks related to a pandemic outbreak (e.g. Covid-19).

POTENTIAL IMPACT

- A pandemic outbreak could lead to several operational disruptions at the level of the businesses, notably on the fronts of absenteeism, potential lockdowns and additional costs.
- These could in turn lead to an inability to operate and have severe financial impacts at the Group level

MITIGATING ACTIONS

- D'Ieteren Group complies with all regulations and recommendations issued by governmental or regulatory bodies in terms of health and safety related to a pandemic outbreak.
- Our IT systems allow for efficient home-working to avoid working disruptions. We check that our sites have enough space in order to maintain the right distances between people and we equip and train adequately our personnel in order to have the safest performance possible on site. We have financial systems and controls allowing to focus on costs mitigation measures and strict working capital, capex and financing policies securing and preserving ample liquidity positions.

TALENT & LEADERSHIP

Risk that D'Ieteren Group fails to attract, motivate and retain skilled people.

POTENTIAL IMPACT

The departure of key personnel or the failure to attract new talents could have an impact on D'Ieteren Group's monitoring of existing activities and positioning with regards to new acquisitions/divestments.

MITIGATING ACTIONS

Employee satisfaction surveys are conducted on a regular basis, which are followed by concrete actions. Development opportunities and trainings are offered to personnel, as well as competitive compensation (short- and long-term) packages vs market.

› **FINANCIAL**

LIQUIDITY AND TAXES

Risks arising from a lack of financial resources. Risks related to fiscal regulations.

POTENTIAL IMPACT

- Insufficient financial resources may hamper the implementation of D'Ieteren Group's investment strategy.
- Failure to comply with, or significant changes in fiscal regulations could have significant financial impacts.

MITIGATING ACTIONS

- D'Ieteren Group invests in activities while maintaining a solid financial structure. D'Ieteren Group's activities are generally financed independently through non-recourse debt.
- At the end of 2020, D'Ieteren Group's net cash position amounted to EUR 1,455 million (post IFRS 16).
- Financial flexibility is ensured through a prudent cash management policy.
- Control processes for tax regulation compliance include internal reviews and external audits.

4.3. MAIN RISKS / 4.3.2. D'Ieteren Automotive

› LEGAL / COMPLIANCE

CORPORATE GOVERNANCE

Risks related to deficient governance (e.g. corporate organization, functioning of the corporate bodies, decision-making process and risk management).

POTENTIAL IMPACT

D'Ieteren Automotive could fail to achieve targets if decisions are taken without being adequately challenged/authorized. A governance default could lead to adverse reputational and financial impact including claims and fines.

MITIGATING ACTIONS

A clear allocation of responsibilities and decision-making power is established through adequate corporate bodies and delegations of power. Since January 1st 2021, D'Ieteren Automotive has set up an audit committee as well as a nomination and remuneration committee. These committees assist the Board of directors in matters relating to financial statements, internal control, risk management, appointments and remuneration.

ETHICS

Risk that unethical behaviour (inside or outside the company) may harm the company and/or third parties.

POTENTIAL IMPACT

A breach of legal provisions and unethical behaviour (e.g. disrespect for human rights, discrimination, corruption, fraud and conflicts of interest) could seriously damage D'Ieteren Automotive's reputation and results. Disrespectful and inappropriate behaviour may also have a negative impact on the working atmosphere.

MITIGATING ACTIONS

- D'Ieteren Autmotive's code of conduct ("The Way We Work") covers amongst other the behaviour in the workplace, health and safety, conflicts of interest, communication with the public, confidentiality, gifts/entertainment and the relationship with suppliers.
- Preventive measures are in place including psychosocial risk detection and reporting as well as the effective setting up of an efficient whistleblowing system.
- The first phase of 'Leading the D'Ieteren Auto Way', which aims to reinforce the corporate values, has been launched in 2019 at the level of the management committees. It has been delayed due to Covid-19 but will be implemented throughout the organisation in 2021-2022.

COMPETITION LAW

Risks related to breaches of European and Belgian competition laws which prohibit anti-competitive practices (e.g. collusion) and the abuse of dominance. Anti-competitive practices include vertical agreements (factories-importer-dealer) and horizontal agreements (between competitors).

POTENTIAL IMPACT

An infringement of competition law could result in legal proceedings, fines up to 10% of consolidated revenues and damages to affected competitors. It may also severely harm D'Ieteren Automotive's reputation and result in the loss of distribution contracts.

MITIGATING ACTIONS

The Legal Department informs, advises and monitors. A document with guidelines lists the potential risks and appropriate behaviour to mitigate them.

› STRATEGIC

MARKET SHIFTS AND CONDITIONS

Risks due to unfavourable changes in automotive or mobility policies (regarding energy, climate, environment, taxation, etc.) at regional, national and/or European level.

Risks related to four megatrends: automated, connected, electric and shared mobility.

Risks related to changing customer behaviour and the rising success of multimodality. Customers compare the total cost of vehicle ownership versus the total cost of mobility.

Changes in policy and possible market shifts are largely climate change-related. Aware of that, D'Ieteren Automotive has identified them as transition risks following the TCFD recommendations.

POTENTIAL IMPACT

Changes in regulations and market trends may impact the volume of vehicles sold and/or leased and/or the models and hence price of the vehicles sold on the Belgian market. These changes can lead to negative impact on margins.

The growing penetration of alternative powertrains (e.g. electric vehicles) and advanced driver assistance systems may have a negative impact on the sales of spare parts and revenues from bodywork and maintenance.

MITIGATING ACTIONS

- D'Ieteren Automotive's vision aims at building seamless and sustainable mobility for everyone with the ambition of being the natural choice in Belgium for mobility. Lab Box, a 100% subsidiary of D'Ieteren Automotive, explores and tests new mobility solutions (e.g. Poppy, an environmentally friendly shared mobility service in Brussels and Antwerp, and Skipr, a Mobility as a Service application).
- The rising penetration of electric vehicles and new digital products create new opportunities. Electric by D'Ieteren (EDI), for example, offers charging solutions for electric vehicles at home or at work and gives access to the largest European network of charging stations. D'Ieteren Automotive's hybrid and full electric vehicle offer is also set to expand significantly as Volkswagen Group aims at over 40 new electric models including 25 pure electric models by 2025 and remuneration committee. These committees assist the Board of directors in matters relating to financial statements, internal control, risk management, appointments and remuneration.

RELATIONSHIP WITH VOLKSWAGEN GROUP

Risks related to the loss of one or more distribution contracts with Volkswagen Group. Risk that Volkswagen Group might take strategic decisions (e.g. pricing, design, type of engines) that are detrimental to D'Ieteren Automotive's competitive position. Risk that Volkswagen will bypass D'Ieteren Automotive.

POTENTIAL IMPACT

A change in the relationship D'Ieteren Automotive has with Volkswagen Group could have a negative financial impact, and lead to redundancies and reputational damage.

MITIGATING ACTIONS

The relationship with key suppliers is based on D'Ieteren Automotive's ability to demonstrate its added value through state-of-the-art logistics, the professionalization of the Belgian dealer network and in-depth knowledge of the Belgian market. A transparent and trust-based relationship allows D'Ieteren Auto to always keep an open dialogue with Volkswagen Group.

› STRATEGIC

MAJOR PROJECTS

Risks related to the implementation of the strategy aiming to prepare D'Ieteren Automotive for the future of mobility. It includes the acceleration of the transformation of existing activities, the development of new activities and the expansion into adjacent activities.

POTENTIAL IMPACT

The above-mentioned projects entail significant operational, financial and reputational risks.

MITIGATING ACTIONS

The governance related to projects has been defined and a Transformation Office has been put in place in order to assure the follow-up and implementation of the initiatives. Division program managers are responsible for overseeing projects in every departments and have been trained in project management.

OPERATIONAL

TALENT & LEADERSHIP

Risk that D'Ieteren Automotive fails to attract, motivate and retain skilled people.

POTENTIAL IMPACT

The loss of know-how due to the departure of key personnel could lead to a loss of revenues and additional costs. D'Ieteren Automotive's competitive position may suffer if it fails to attract and retain talents, that are needed to prepare itself for the changes in the mobility sector, and ensure their well-being.

MITIGATING ACTIONS

- D'Ieteren Automotive aims to be an attractive employer brand to attract and retain best talent. Personal and professional development is encouraged through feedback and coaching, as essential components of the performance appraisal process. The CaReer Model increases transparency in terms of competencies and expected deliverables while offering career opportunities across the business. Talent profiling exercises and Talent Review discussions enable effective Succession Plans for key positions.
- MySkillCamp, the Learning & Content Management platform, allows employees to learn autonomously. The development of a learning culture is also supported by the creation of the D'Ieteren Academy. As part of the Employee Value Proposition initiative, a concrete action plan has been defined in order to promote inclusion and diversity within D'Ieteren Automotive, with gender diversity as primary focus. This includes reviewing the way we attract, select and develop diverse talent in the organisation.
- Finally, 'Leading the D'Ieteren Way' program aims at developing self-leadership and collaboration based on corporate values.
- D'Ieteren Automotive continuously invests in creating the learning mindset that is key to build its future.

OPERATIONAL

IT INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risks related to failure or interruption of critical IT services and applications.

Cyber-attacks (e.g. phishing, malware). Loss of confidentiality and integrity (e.g. customer, employee and cost price data). Data leaks (e.g. customer data). Non-compliance with GDPR or other regulatory obligations. Unintentional internal user actions.

POTENTIAL IMPACT

A failure in IT systems and protocols can lead to business disruption or interruption. This could in turn have a negative impact on sales and financial results. Data leaks or non-compliance to privacy regulations may lead to reputational damage, loss of trust of customers, factories and employees. Fines for non-GDPR compliance can amount to up to 4% of the annual turnover.

MITIGATING ACTIONS

- Technical/software controls (e.g. firewalls, antivirus) are installed. Physical controls (e.g. security doors for computer rooms, badge readers) are implemented. A Data Protection Officer and a Chief Information Security Officer have been appointed. The CISO reporting directly to the CIO, has now the responsibility of Business Resilience (previously Business Continuity Plan). It includes for instance the capacity to anticipate major problems and risks and to put in place the right action plans. A new strategy is being developed, relying on a robust, performant and resilient IT infrastructure.
- Risks and protocols are widely communicated to improve employee awareness, and trainings are organized for high risk profile employees who have access to personal data. Actions to protect data and ensure compliance with GDPR including assessment, an implementation program and data cartography have been put in place. A cyber roadmap to enforce controls that protect against cyber threats and prevent compliance breaches has been defined and is being implemented.

EMPLOYEES' HEALTH, SAFETY & WELL-BEING

Health and safety risks related to the use of potentially dangerous machinery and chemicals, the work environment, the handling of goods and psychological issues (e.g. stress and undesirable behaviour).

POTENTIAL IMPACT

Non-compliance with safety regulations and internal policies could lead to injuries, penalties, fines, reputational damage and disruption of the activities. Health & safety issues could result in an increase in absenteeism.

MITIGATING ACTIONS

D'Ieteren Automotive has a zero-tolerance policy regarding breaches of safety standards. The H&S department carries out risk assessments and monitors protection measures (e.g. the use of safe tools and machinery and protective equipment). The H&S department also organizes workshops on fire prevention, health and safety issues such as ergonomics, first aid, the safe use of chemicals and electrical risks and wellbeing topics such as stress reduction, the quality of sleep, introduction of mindfulness. Employees can count on help from an external prevention advisor in the case of psychological issues. The company complies with national health and safety requirements.

OPERATIONAL

GLOBAL HEALTH CRISIS

Risks related to a pandemic outbreak (e.g. Covid-19).

POTENTIAL IMPACT

A pandemic outbreak and the potential resulting restrictions taken from the authorities (lockdowns, closure of showrooms, etc.) can lead to the inability to deliver ordered vehicles or provide after-sales services and to other supply chain disruptions, and have a severe financial impact.

It can also lead to increased employee absenteeism and an increase of psychological issues.

MITIGATING ACTIONS

- D'Ieteren Automotive complies at any time with governmental and regulatory bodies' instructions and recommendations and puts emphasis on protecting its employees, customers and suppliers.
- IT systems allow for homeworking and new orders through an online platform, which mitigates the risk.

CLIMATE CHANGE

Risk related to acute or chronic natural events such as the raise of sea-level, extreme temperatures, or other climate-related natural disasters. D'Ieteren Automotive has highlighted this physical risk of climate change during his work on TCFD recommendation. Transition risk is mostly addressed in "Market shift and conditions".

POTENTIAL IMPACT

D'Ieteren Automotive could see its infrastructure or inventories damaged by climate change events (flooding, storm, hail etc.). The damages caused would affect the operations and potentially create financial loss.

Natural events could hurt the supply chain of D'Ieteren Automotive (water shortages, extreme temperature, flooding, food security for employees).

MITIGATING ACTIONS

- Management is aware of TCFD recommendations regarding physical and transition climate change risk and will further work on it in the years to come.
- As to mitigate climate change, D'Ieteren Automotive has the ambition to be a major player in sustainability namely through the upcoming attractive electric/hybrid product offering by Volkswagen. It is also taking the following measures in its own operations: working from home and environmentally friendly solutions are offered to employees, and employees are trained to correctly sort and collect waste. Site visits occur regularly by a project coordinator of the main waste collector for the optimization of the on-site waste management. Waste container parks are present on several sites.

CUSTOMER SATISFACTION

Risk related to customer's experience.

POTENTIAL IMPACT

A failure to satisfy customer needs or dissatisfied clients can lead to a negative reputational impact.

MITIGATING ACTIONS

- Customer satisfaction measurement currently relies solely on factory implemented process, but describes imperfectly customer experience across all touchpoints in the customer journey. As from 2021, customer satisfaction will be measured through a new tool (NPS) and we will accelerate customer experience monitoring through a new Voice of Customer (VOC) platform and translate it into consecutive actions.

FINANCIAL

FINANCIAL INFORMATION AND CONTROLS

Risks related to the preparation of financial information. Risks related to incorrect financial information and/or non-compliance with relevant standards.

POTENTIAL IMPACT

Misrepresentation of D'Ieteren Automotive's financial performance to investors and other stakeholders can lead to regulatory scrutiny, loss of confidence from stakeholders and reputational damage.

MITIGATING ACTIONS

The financial statements are prepared by D'Ieteren Automotive's accounting department in accordance with the International Financial Reporting Standards (IFRS). The consolidation is performed on a centralized accounting IT system to ensure consistency and adequacy of accounting policies with those of D'Ieteren Group. The financial information processes are covered by specific procedures, follow-up checks and rules of validation. The application of IFRS is discussed with the Statutory Auditor and in the Audit Committee.

RESIDUAL VALUES (D'IETEREN LEASE)

Risks related to the residual value of leasing vehicles at D'Ieteren Lease (100% owned by VDFin). D'Ieteren Lease is exposed to fluctuations in selling prices at the end of the leasing contract. Residual values reflect changes in demand (e.g. shift away from diesel engines, rising popularity of SUV's), regulations, taxation and macroeconomic factors.

POTENTIAL IMPACT

Leasing contracts may turn out to be unprofitable if residual values drops and lead to negative financial impacts.

MITIGATING ACTIONS

D'Ieteren Lease continuously monitors the second-hand vehicle market. Residual values are analysed on a quarterly basis to take into account recent sales results and new model launches. Provisions are also reviewed and adjusted if necessary on a quarterly basis.

LIQUIDITY AND INTEREST RATES (VDFIN)

Risks related to the financing of D'Ieteren Automotive and Volkswagen D'Ieteren Finance (VDFin), a provider of retail finance, operating leases and financial leases. VDFin also provides financing to the dealer network. As a new stand-alone entity D'Ieteren Automotive has to secure its own financing.
Note: VDFin is a joint venture between D'Ieteren Automotive (50% stake minus one share) and Volkswagen Financial Services (a subsidiary of Volkswagen group).

POTENTIAL IMPACT

Insufficient financing at competitive interest rates would be detrimental to D'Ieteren Automotive and VDFin's competitive positions and financial performances.

MITIGATING ACTIONS

At the beginning of 2021, D'Ieteren Automotive is relying on an intragroup loan of D'Ieteren Group. This loan will be refinanced in the course of 2021 through, inter alia, bank loans and revolver credit facility with the adequate maturity and liquidity.

Volkswagen Financial Services, a subsidiary of Volkswagen group, has diversified sources of financing and provides financing to VDFin at market conditions while ensuring permanent access to liquidity. Standard & Poor's gives Volkswagen Financial Services AG a credit rating of A-2 on commercial paper and a BBB+ rating on senior unsecured loans. The Controlling & Treasury department of VDFin closely monitors the cost of financing in order to minimize the risk related to market conditions and the asset and liability management (ALM) policy ensures that the interest rate is well managed.

4.3. MAIN RISKS / 4.3.3. D'Ieteren Immo

› LEGAL / COMPLIANCE

GOVERNANCE

Risks related to deficient governance (e.g. functioning of the corporate bodies, decision-making process and risk management).

POTENTIAL IMPACT

D'Ieteren Immo could fail to achieve targets if decisions are taken without being adequately challenged/authorized. A governance default could lead to adverse reputational and financial impact including claims and fines.

MITIGATING ACTIONS

A clear allocation of responsibilities and decision-making power is established through adequate corporate bodies (Board of directors and Executive Committee).

ENVIRONMENTAL REGULATIONS

Risks related to increasingly stringent environmental regulations.

Risks related to environmental permits and the operations of its tenants.

These risks are reflecting transition risks from the TCFD recommendations.

POTENTIAL IMPACT

A failure of D'Ieteren Immo to comply with evolving real estate environmental regulations could lead to financial and reputational damage, claims and fines. A non-timely adaptation of D'Ieteren Immo to fast changing environmental requirements might create higher costs to satisfy regulatory requirements in the future.

MITIGATING ACTIONS

D'Ieteren Immo is committed to a reduction of its environmental footprint. T his reduction is executed through different channels:

- **Climate positive building:** Over recent years, various measures have been implemented aimed at using energy more efficiently while integrating alternative energy sources such as solar panels and cogeneration.

- **Natural environment:** D'Ieteren Immo is working to increase biodiversity on sites. In order to do so, the respect of the natural environment is taken into account in designing, building and maintaining the infrastructures.

- **Efficient material management:** D'Ieteren Immo works to contribute to a circular economy by reducing waste and encouraging reuse throughout the life cycle of its projects. Furthermore, the choice of materials is done in the most eco-friendly way possible.

- **Smart water management**: D'Ieteren Immo ensures a smart water management system and a reduction of its water consumption by using rainwater, encouraging water recycling and limiting rainwater run-off.

- **Environmental care plan**:
  A partner (Arcadis) has been chosen to set up an environmental care plan for D'Ieteren Immo and its tenants in order to monitor and manage the risk of environmental regulations and take actions where requested.
  D'Ieteren Immo allocates 10% of its FTEs on monitoring innovative methods and technologies in order to constantly improve sustainable performances.

› OPERATIONAL

CONSTRUCTION PROJECTS

Risks related to the financial health of the builders and contractors.

Risks related to safety on the building sites.

Risks related to cost overruns.

POTENTIAL IMPACT

- Bankruptcy of a builder or contractor may result in stoppage or interruption of the construction process, delayed rental income, lawsuits and additional costs. It is difficult to find contractors who are willing to take over a project from an insolvent peer.
- An accident occurring on a building site can lead to reputational damage.
- Cost overruns have a negative impact on a project's return on investment.

MITIGATING ACTIONS

- The financial situation of the contractors is thoroughly screened. For example, credit reports are consulted when large projects are undertaken and insurance coverage is taken.
- A safety coordinator is assigned by D'Ieteren Immo. During site meetings contractors are repeatedly reminded of the safety requirements.
- Projects are carefully scrutinized before being approved. D'Ieteren Immo has not only expertise in dealership real estate but also in other segments (e.g. offices, retail and residential).
- Warranties are requested from the contractor in order to ensure the risk of responsibilities during construction phases.

OCCUPANCY RATE

Risks related to occupancy rates. D'Ieteren Automotive is by far the main tenant (84% of total rental income) of D'Ieteren Immo's real estate.

POTENTIAL IMPACT

A loss of revenues and extra costs could occur if the occupancy rate declines.

MITIGATING ACTIONS

D'Ieteren Immo's real estate assets are increasingly diversified (e.g. residential, commercial, workshops, offices), and a focus is set on multifunctional sites that can be developed for various purposes. Unoccupied space is rented out to other tenants besides D'Ieteren Automotive. Some dealership sites that are no longer used by D'Ieteren Automotive are reused, transformed, reinvested or sold.

TALENT & LEADERSHIP

Risk that D'Ieteren Immo fails to attract, motivate and retain skilled people.

POTENTIAL IMPACT

The departure of key personnel or the failure to attract new talents could have an impact on D'Ieteren Immo's ability to pursue its strategy and ongoing projects and have a negative financial impact.

MITIGATING ACTIONS

D'Ieteren Immo invests in its employees' development by offering trainings and development opportunities. Employee satisfaction is measured regularly and concrete actions are taken according to these surveys. D'Ieteren Immo strives for an openminded and purposeful communication and offers competitive compensation packages.

› OPERATIONAL

CLIMATE CHANGE

Risks related to more frequent and severe extreme weather events such as the rise of sea level, extreme temperatures, or climate-related natural disasters. D'Ieteren Immo has highlighted these physical risks of climate change during his work on TCFD recommendations. These are long-term risks but which can be highly material.

The transition risk is treated in "Environmental regulations".

POTENTIAL IMPACT

Severe extreme natural disasters such as floods caused by heavy rainfall or long-term shift in weather such as sea level rise could severely damage buildings, decrease their value or even lead to assets being rendered unusable and have significant financial consequences.

MITIGATING ACTIONS

- The main mitigating action at this stage relates to the diversification of the locations of the buildings.
- Management is aware of the TCFD recommendations and of the risks and at this stage, within D'Ieteren Immo's portfolio, no such physical relevant risk has been detected.

GLOBAL HEALTH CRISIS

Risks related to the outbreak of a pandemic (e.g. Covid-19).

POTENTIAL IMPACT

The outbreak of a pandemic such as Covid-19 could lead to tenants' financial distress and have negative financial consequences for D'Ieteren Immo.

MITIGATING ACTIONS

- At any point, the utmost priority is to protect employees, customers and all visitors on D'Ieteren Immo's locations; notably by following strictly the governmental and regulatory recommendations.
- D'Ieteren Automotive is D'Ieteren Immo's main tenant, and the financial risk is mitigated at D'Ieteren Automotive because it remained largely active and profitable during the pandemic.
- For the rest, D'Ieteren Immo looks after the ability of its tenants to face potential crises with regards to their financial resources. Other tenants are mainly active in vital industries (e.g. food retailers) and are therefore unaffected by the crisis.
- On a long-term perspective, D'Ieteren Immo analyses its portfolio to ensure the value of the locations and look at the possible shifts from a tenant to another or at selling the asset.

› FINANCIAL

FINANCIAL INFORMATION AND CONTROLS

Risks related to the preparation of financial information. Risks related to incorrect financial information and/or non-compliance with relevant standards.

POTENTIAL IMPACT

Misrepresentation of D'Ieteren Immo's financial performance to stakeholders can lead to regulatory scrutiny, loss of confidence from stakeholders and reputational damage.

MITIGATING ACTIONS

The financial statements are prepared by D'Ieteren Immo's accounting department in accordance with the International Financial Reporting Standards (IFRS). The consolidation is performed on a centralized accounting IT system to ensure consistency and adequacy of accounting policies with those of D'Ieteren Group. The financial information processes are covered by specific procedures, follow-up checks and rules of validation. The application of IFRS is discussed with the Statutory Auditor and in the Audit Committee.

4.3. MAIN RISKS / 4.3.4. Belron

› LEGAL / COMPLIANCE

CORPORATE GOVERNANCE

Risks related to deficient governance (functioning of corporate bodies, delegation of powers, risk management).

POTENTIAL IMPACT

- Belron could fail to achieve targets if decisions are taken without being adequately challenged/authorized.

MITIGATING ACTIONS

- A clear allocation of responsibilities and decision-making process is established through adequate corporate bodies and delegations of power. Belron has an audit committee as well as a remuneration committee, which assist the Board of directors in matters relating to financial statements, internal control, risk management and remuneration.

COMPETITION LAW, DATA PROTECTION LAW & ANTI-BRIBERY & CORRUPTION

Risks related to a breach of laws and regulations typically governing consumer-facing businesses of the type, size and scope of Belron, in particular laws relating to Competition, Data Protection (e.g. customer and employee data), and Anti-bribery & Corruption.

POTENTIAL IMPACT

- An infringement could result in legal proceedings, fines, and damages to affected parties.
- It may also harm the reputation and operations of Belron.

MITIGATING ACTIONS

- Established policies, procedures, and guidance/training related to such risks are in place as appropriate and are updated as necessary.
- The Legal Team reviews contracts and advises on key business activities supported, where appropriate, by Competition law audits/assessments.
- The Legal team works closely with the Group Information Security (CISO) team in relation to data protection.
- Outcomes arising from this assurance work are separately reported to the Audit Committee and/or the Board.
- Advice and opinions are also sought from specialist external counsel, as and where thought appropriate.

VEHICLE GLASS INDUSTRY REGULATION

Risks related to the introduction, or increase, in industry regulation, such as licensing, additional qualification requirements for performing a recalibration job, and risks related to there not being open access for the aftermarket to in-vehicle data.

POTENTIAL IMPACT

- Changes in regulation can impact job volumes and may increase costs.
- Non-compliance could have an impact on customer safety.
- Secured gateway or similar technology introduced by vehicle manufacturers for in-vehicle data access could make recalibration work more costly and complex.

MITIGATING ACTIONS

- ADAS is recognized as a major safety feature.
- Belron monitors the potential introduction, or changes, to industry regulation, and determines appropriate responses and actions.
- Belron seeks and lobbies for open access to vehicle systems (including, where appropriate, challenging the introduction of secure gateway type technology) to allow for a healthier competitive environment.

› STRATEGIC

MAJOR PROJECTS

Risks related to major projects, including the Fit for Growth project.

POTENTIAL IMPACT

- The Fit for Growth project is focused on boosting the overall performance of Belron and includes multiple work streams focusing on growth, profitability, and ways of working. The ability of Belron to achieve its growth and profit ambition is fundamentally dependent on the success of this project.

MITIGATING ACTIONS

- Belron has established a comprehensive Programme Management approach for the Fit for Growth project. Each work stream has an executive responsible for its success, with overall co-ordination of the project being controlled by a member of the Group Executive committee.
- Financial and non-financial performance metrics have been developed for each work stream which are collected, reviewed, and acted upon monthly.
- Additional capability is being introduced where necessary, notably in the fields of HR and IT.

VEHICLE TECHNOLOGY

Risks related to new and emerging technologies. The technological complexity of vehicles (and vehicle glass) continues to gather pace, typified by the growing popularity of Advanced Driver Assistance Systems (ADAS) and the need to recalibrate the ADAS sensors/cameras.

Risks related to the ability of Belron to access vehicle repair and maintenance information (RMI), including from in-vehicle data systems, for example, in order to recalibrate ADAS.

Risks related to the development of reliable self-recalibrating ADAS.

POTENTIAL IMPACT

- Failure to adapt to technological advancements and developments, any inability to access new or technologically complex vehicle parts or repair and maintenance information for any vehicle may impact the ability of Belron to service all vehicles, and have an adverse impact on Belron operations.
- An inability to access the necessary RMI may impact the ability of Belron to perform certain jobs/ADAS recalibrations.
- The development of reliable self-recalibrating ADAS technology may affect the volume of recalibration work able to be performed by Belron.

MITIGATING ACTIONS

- In addition to its broad geographical spread and its cross-national operating platforms, Belron is a world leader in assessing and understanding the everchanging technological advancements in vehicles, vehicle glass and ADAS recalibration.
- The central Belron Technical team comprises individuals with expertise in Advanced Driver Assistance Systems, and their recalibration.
- Through lobbying and other activities, Belron seeks to ensure continued aftermarket access to necessary RMI and parts/technology, including through participation on working groups/lobbying the European Commission on the current Motor Vehicle Block Exemption renewal.

› STRATEGIC

MARKET SHIFTS AND CONDITIONS

Risks related to the vehicle glass repair, replacement, and recalibration market including industry, macro-economic, technological, and competitive factors. As with any business, Belron may be impacted by external factors, including general economic conditions, climate, changes in government policy, and consumer and competition behaviours.

In particular, VGRR volumes can be impacted by governmental policies related to infrastructure projects with an impact on road conditions, as well as related to speed limits. Changes in consumer behavior (including car sharing and homeworking) can have an impact on miles driven.

Risks related to the market structure, notably the emergence of new market places, intermediaries, or changes in the mix of Belron clients, with potentially less private cars and more fleet, leasing, and rent-a-car operators.

POTENTIAL IMPACT

- Unforeseen changes in market trends can have a negative impact on market shares, growth, pricing, sales, and financial results.
- Governmental policies regarding infrastructure and speed limits could impact incident rate and hence VGRR volumes.
- Fleet, leasing, and rent-a-car operators organize tenders for their volumes with lower prices.

MITIGATING ACTIONS

- Global and local country developments are actively monitored and fed into a planning process. This process allows early anticipation of these trends or swift reactions to sudden events, for example climatic conditions, providing management with a base for making decisions regarding the range of products and services offered, their pricing and the optimum size of the operational platform.
- The workforce at Belron is highly skilled and competent and, through its inspiring leadership, the business is well positioned to recognise change, and adapt to optimise the resulting opportunities.

GLOBAL HEALTH CRISIS

Risks related to the continuation of the COVID-19 pandemic.

POTENTIAL IMPACT

- Potential related government and regulatory restrictions could lead to temporary sites closures, and consequently lower volumes.
- It could also lead to increased absenteeism.

MITIGATING ACTIONS

- The priority is to protect the health and safety of all employees and customers. National and local governmental and regulatory recommendations are strictly followed. Actions to introduce large-scale remote working and/or the temporary closure of certain sites are taken where appropriate.
- VGRR fitting practices are regularly reviewed and adapted to ensure the safety of our personnel and our customers, for example the use of personal protective equipment, social distancing protocols, and vehicle sanitization.
- If necessary, State support is used, namely in the form of furloughing or temporary unemployment.
- Significant focus is also put on protecting the company’s financial resources and liquidity namely through cost and capex containment and working capital management.

› STRATEGIC

CLIMATE CHANGE

Risk related to potential physical effects of climate change, such as extreme temperatures or any other climate-related natural disasters.

Risks related to climate-change driven regulations, notably on waste management.

POTENTIAL IMPACT

- Belron operations could be impacted by change in weather and extreme temperatures, and by site damages following natural disasters. The latter could also lead to supply chain disruptions. The impact is hard to predict, as extreme temperatures can also lead to a higher incidence of glass breakage.
- A failure to comply with stringent environmental laws, such as future waste management regulations or taxes, could lead to fines and harm Belron's reputation.

MITIGATING ACTIONS

- Being highly geographically diversified, the physical risk is naturally mitigated. Management is aware of the potential impacts of climate change and will work on further mitigating actions in the years to come.
- Belron works hard to moderate its impact on the environment. Its main actions are to ensure a reduction of its climate impact (CO_2 emissions), an efficient waste management programme ('repair first' strategy, recycling, etc.), and a sustainable procurement approach for all its business units.
- The performance of the business on these aspects is included in the Ecovadis assessment.

› OPERATIONAL

TALENT & LEADERSHIP

Risks related to employee hiring, engagement, development, well-being, and staff-turnover.

POTENTIAL IMPACT

The inability to continue to identify, attract, and retain the best people, and the failure to ensure employee well-being, could have a negative impact on the continued success of the Belron business, its reputation, its service levels, and its financial performance.

MITIGATING ACTIONS

- The business has introduced a new Global Employee Engagement survey that annually, and at key points throughout the year, monitors their employee's levels of engagement and their experience working for the company. This is followed up by sharing the results with the employees and creating robust action plans.
- The business focuses on the development and growth of its people through specific initiatives focused on reviewing talent, succession planning, leadership development and ongoing training.
- Employee retention is managed through the offer of a competitive compensation package that is regularly benchmarked against market practices, good career prospects, regular feedback, and employee satisfaction surveys.

› OPERATIONAL

IT INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risks related to information security (including payment card processing, data purge, and data discovery, VPN and firewalls, and legislative compliance).

Evolving threat of cyber-crime, including attacks on systems and infrastructure, or those of key third parties.

Risks related to IT implementations.

POTENTIAL IMPACT

Failure or protracted loss of IT functionality, denial of service, or an inability to access data could significantly impair customer service levels, adversely impact financial results, and damage reputation.

MITIGATING ACTIONS

- Appointment of dedicated Global CISO to oversee global cybersecurity programme and establish industry standard capability and maturity targets.
- Belron conducts annual internal and external assessments of general IT controls, measured against industry recognized security, risk and compliance frameworks for control effectiveness and continued relevance. Remedial actions are captured, risk assessed, and appropriate actions are taken by business units as required.
- Annual, third-party, comprehensive penetration testing is conducted against all areas of the business (internally and externally). Remedial actions are prioritised and tracked by global cybersecurity programme, with management oversight.
- The Belron Global Transformation Programme includes significant IT investments in next generation technologies, specifically in the areas of IT infrastructure, IT security, and enterprise system/applications.

KEY ACCOUNTS AND CUSTOMER SATISFACTION

Risks related to the loss of a major account. The Belron business model is based upon constantly achieving high customer satisfaction levels and the highest safety standards, which also reflect mutually beneficial results for both Belron and its Key Account partners.

POTENTIAL IMPACT

Loss of a key account could impact sales and utilisation of resources in the short-term.

MITIGATING ACTIONS

- Belron maintains a close relationship with its insurance, fleet, and lease Key Account partners, and is committed to delivering mutually beneficial results for both parties.
- To achieve this, each Key Account has an ‘owner’ from the Sales team who builds, executes, and monitors plans to ensure results are being achieved. These plans are overseen by the Sales Director within each country. For the largest Key Accounts, these plans are overseen by the Belron Sales team.
- Customer satisfaction is measured on a weekly basis in every business unit through Net Promoter Score.

› OPERATIONAL

EMPLOYEES HEALTH, SAFETY AND WELL-BEING

Risks related to safety and health of the employees and members of the public through the established, day to day business operations (including glass repair, replacement and recalibration, through its service centers or mobile fleets, its supply chain sites, or driving at work).

POTENTIAL IMPACT

Non-compliance with safety regulations and internal policies, processes, and procedures could lead to serious injury to our employees or to third parties.

MITIGATING ACTIONS

- The key fitting steps are codified within the Belron 'Way of Fitting' processes. Safety standards are embedded in this 'Way of Fitting' through its 'Quality starts with Safety' procedures. These methods, specialist tools, training courses, and assessments are developed and implemented across all locations.
- Extensive training programmes for all its technicians are delivered through locally based technical teams.
- Each business unit is responsible for implementing measures to comply with national safety requirements and standards.
- Any customer complaints are thoroughly followed-up. Actions to rectify any issues are captured and are fed-back into the content of global training programmes.
- Employees well-being is key to Belron's success. Employee engagement is measured regularly, and if necessary followed by adequate actions and measures.

SUPPLY CHAIN AND SERVICE DELIVERY

Risks related to the sourcing of vehicle glass, polyurethane, repair resin and other products through strategic (primary) suppliers. Risks in the operational supply chain to deliver consistent availability of product from any of the Belron distribution centers, responses to customers' contacts through its call centers, and execution of vehicle glass repair, replacement, or recalibration services.

In addition, risks arising from trade tariffs between the US and China, and the possible impact of border controls in Europe post-Brexit.

POTENTIAL IMPACT

A temporary loss of one of the distribution centers, or call centers, or the loss of a key supplier, or the potential scarcity of raw material, could result in business disruption. This could damage established customer service levels and impact financial performance.

MITIGATING ACTIONS

- The Belron Supplier Code of Conduct was updated and enhanced during the year. In addition to setting out the underlying principles on which supply chain relationships at Belron are based, it now includes environmental considerations, responsible sourcing, and sustainability.
- A Supplier Sustainable Procurement programme monitors suppliers' adherence to the Code of Conduct.
- A strategy to de-risk sourcing from glass, repair resin, and accessory manufacturers and suppliers is in place. This is regularly monitored, including through an extensive programme of Supplier Audits.
- As part of the service delivery, Business Continuity Plans are designed to ensure resilience of operations should a significant adverse event occur. Belron places property damage/business interruption insurance to cover the loss of any of its major distribution centers or call centers, and its property insurers perform regular, routine inspections of key sites.
- The impact of trade tariffs between the US and China is being partially mitigated through leveraging global supplies, including the optimisation of supply across, and within, geographical regions. The business has specifically identified the risks associated with the post-Brexit period and has developed contingency plans.

› FINANCIAL

FINANCIAL INFORMATION AND CONTROLS

The risk of a breakdown of fundamental financial and treasury processes, and controls.

POTENTIAL IMPACT

A failure in financial control processes could have a negative impact on results, lead to a lack of financial resources to execute the strategy, and have a detrimental impact upon the reputation of the business.

MITIGATING ACTIONS

- Financial performance is regularly monitored. Business units implement internal financial controls, including segregation of duties and delegation of authorities over all key financial processes.
- Treasury policies are communicated, with the Belron Group Treasury function overseeing activity.
- Internal financial controls protect business assets and ensure effective stewardship (including internal and external reporting). In addition to annual assessments of financial controls conducted by both Belron and its business units, the external auditors review the key financial controls.

FOREIGN EXCHANGE RATES, INTEREST RATES AND LIQUIDITY

Risks related to fluctuations in foreign exchange rates.

Risks related to funding, liquidity, and changes in interest rates.

POTENTIAL IMPACT

Adverse foreign exchange rate fluctuations could have a negative impact on sales and results. Funding may prove difficult to renew in adverse financial markets. These could imply a lack of financial resources to execute the strategy, which in turn may have a detrimental impact on the reputation of the business.

MITIGATING ACTIONS

- In each country where Belron has operations, revenues and costs incurred are primarily denominated in the relevant local currency, and mainly in USD, EUR, and GBP, thereby providing a natural currency hedge.
- The currency mix of the financial debt vastly reflects the EBITDA contribution per currency.
- Belron aims to generate a strong free cash flow, and manages liquidity risk by maintaining sufficient cash and funding available. In that respect, the RCF has been extended from € 280m to € 400m in 2020.
- The financing strategy relies on a maximum leverage and Belron has a credit rating of BB with S&P and Ba3 with Moody's. The maturity of the financial debt is long-dated and spread across various terms to avoid a main refinancing risk.
- The exposure to variable interest rates arising on the Term Loan facilities are hedged through a series of interest rate swaps.

4.3. MAIN RISKS / 4.3.5. Moleskine

› LEGAL / COMPLIANCE

CORPORATE GOVERNANCE

Risks related to deficient governance (functioning of corporate bodies, delegation of powers, risk management).

Compliance risk related to relevant regulations and laws.

POTENTIAL IMPACT

- Moleskine could fail to achieve targets if decisions are taken without being adequately challenged/authorized.
- Breach of laws and regulations can result in lawsuits, fines and reputational damage.

MITIGATING ACTIONS

- A clear allocation of responsibilities and decision-making process is established through adequate corporate bodies and delegations of power. Moleskine has an audit committee which assists the Board of directors in matters relating to financial statements, internal control and risk management.
- The legal department oversees legal risks with regulatory assessment and implementation of remediations. HR Department is responsible to manage and monitor labor law issues, with the support of external labor law advisors.

DATA PRIVACY

Risks related to data leaks (e.g. customer data), non-compliancy with GDPR or other regulatory obligations related to the treatment of personal data and unintentional internal user actions.

POTENTIAL IMPACT

A breach in the data privacy could affect the reputation of Moleskine, lead to a loss of trust of customers, factories and employees. A failure to comply with GDPR could lead to fines.

MITIGATING ACTIONS

Actions to protect data and to be compliant with GDPR are in place. These include policies, procedures and training especially for high-risk profile employees who have access to personal data. An external Data Protection Officer monitors the compliance of the Moleskine Data treatment processes.

› **STRATEGY**

MARKET SHIFTS AND CONDITIONS

Risks related to economic downturns. Risk related to business concentration, in particular in the Wholesale channel where Moleskine supplies "bricks-and-mortar" retailers who are under pressure from online retailers and changing consumer behaviour.

A shift in the consumer behaviour could be linked to a shift to more environmentally-friendly consumption patterns. This risk is aligned with the TCFD-disclosure recommendations and represents a transition risk.

POTENTIAL IMPACT

An economic downturn or a market shift could have a negative impact on demand for discretionary consumer goods and put large distributors and retailers under pressure. This would impact financial results negatively.

MITIGATING ACTIONS

- Moleskine is continuously monitoring emerging trends and mindstyle changes, including potential shift to environmentally-friendly product offering. Novelties mitigate the impact from economic downturns. Macro-economic risks are also mitigated through geographic diversification given Moleskine's global presence.
- In 2020, risks related to customer concentration has been impacted by Covid: sales in "brick-and-mortar" both wholesale and proprietary have significantly decreased partly mitigated by an increase of online sales both in market places and our own e-commerce platform (+16%).
- In 2020, the top 5 customers represented 23% of total company sales.
- Moleskine's multi-channel strategy, including wholesale, B2B, retail and e-commerce also ensures diversification which mitigates the risks.

MAJOR PROJECTS

Risks related to the implementation of the strategy, namely "Fewer – Bigger – Better".

POTENTIAL IMPACT

Poor execution of the strategy could lead to reputational damage and financial losses.

MITIGATING ACTIONS

- Moleskine has put in place a 5-year plan with objectives, goals, strategies and measurement of the execution of each strategic action, through project management platform and processes.

› **OPERATIONAL**

SUPPLY CHAIN AND INVENTORY MANAGEMENT

Risks related to the supply chain and outsourced production.

Risk related to unethical supply chain.

Risks related to trade barriers and tariffs.

Risk related to high inventory levels.

POTENTIAL IMPACT

- Revenues and results could suffer if manufacturers fail to fulfil their contractual obligations in terms of timing.
- A failure to assure ethical supply chains would be highly harmful to Moleskine's reputation.
- Trade barriers and tariffs could also have a negative impact on results.
- Excess or obsolete inventories might lead to negative financial and ecological impact.

MITIGATING ACTIONS

- New suppliers are currently under evaluation to secure suppliers back up, to reduce the risk related to trade tariffs, business continuity and ethical processes (social audits and Sedex registration required).
- Moleskine has undertaken mitigating actions to reduce inventory: selective buying strategy according to commercial catalogues clusterization and de-stocking initiatives of old inventory are established.

OPERATIONAL PROCESSES AND CONTROLS

The risk of a breakdown of the fundamental processes and controls: quality standard settings, product development, marketing and communication and procurement for services.

Fraud risk related to the retail processes.

POTENTIAL IMPACT

A failure in processes and controls could be detrimental to the reputation of the business.

MITIGATING ACTIONS

- Internal policies and procedures are implemented and published on an intranet portal, the most relevant being: quality control and products quality complaints procedure, suppliers of goods evaluation and selection, credit policy and contract procedure. The internal delegation of authorities grid is set and published.
- Release strategies in the ERP is constantly reviewed according to organizational changes.

TALENT & LEADERSHIP

Risks related to Moleskine's capacity to attract, motivate and retain skilled people.

Risks related to a lack of employee diversity.

POTENTIAL IMPACT

The inability to continue to identify, attract and retain the best people or to ensure employee well-being could lead to a high turnover, have a negative impact on strategy execution, and in turn might have a negative financial impact.

MITIGATING ACTIONS

- In 2020, Moleskine's People Strategy followed 2 different approaches:
  - All along the year it enhanced all internal activities to reinforce one of the Moleskine Culture Pillars, "Care", much needed during the Covid-19 pandemic.
  - Moreover, it started building the right conditions to become a "better place to work", through a reinforcement of our corporate unique culture and 2 main drivers "People Experience" and "People Growth and Development". To get there, a People System, which is a structured set of activities, processes and tools fully integrated and a new Organization (Org 2.0) have been developed.

› OPERATIONAL

IT INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risks related to failure or interruption of critical IT services and applications.

Risks related to cyber-attacks (e.g. phishing, malware).

POTENTIAL IMPACT

- Failure of IT systems or cyber-attacks could lead to severe business disruptions which would negatively impact sales and financial results.
- It could also cause reputational damage.

MITIGATING ACTIONS

- Technical/software controls (e.g. firewalls, antivirus) are put in place.
- Moleskine security remediation plan has been launched: build a strong password policy, enhance internal infrastructure, introduce multi-factor authentication for Microsoft 365 suite, introduce a Security Incident Management procedure, design an ad-hoc MSK solution based on SANS Institute model, keep updated the IT Security register to track detection of data breach, risk assessment and remediation actions, created a dedicated email used for security warning and tips.

CLIMATE CHANGE

Risks related to the environmental impact of Moleskine's operations and products.

Risks related to environmental regulations.

Risks related to potential physical effects of climate change, such floods, forest-fires, or other climate-related natural disasters.

These risks are aligned with the TCFD-disclosure recommendations and represent risks coming from the transition to a lower-carbon economy (transition risk) and physical risk.

POTENTIAL IMPACT

- A breach of environmental laws could lead to fines and have negative reputational impact.
- Moleskine operations and supply chain could be disrupted by natural disasters.

MITIGATING ACTIONS

- Most of Moleskine's environmental impact is related to its supply chain. The company mitigates the impact of its products through various measures. For example, the Moleskine notebooks are made of acid- and chlorine free paper and Forest Stewardship Council (FSC)-certification ensures that 100% of Moleskine's paper products are made of paper that comes from responsibly-managed forests. Moleskine develops products that are designed to be reused and wasteful packaging is kept to a minimum. In 2020, Moleskine completed the Lifecycle Assessment for one of its main products (the classical notebook) in order to better understand the roots of its environmental impact and how to tackle them. Moleskine is working on its energy consumption by investing in renewable energy and by promoting sustainable mobility for its employees.
- Moleskine's diversification (geographies and distribution channels) provides a natural mitigation towards the physical risk.

› OPERATIONAL

GLOBAL HEALTH CRISIS

Risks related to a pandemic outbreak (e.g. Covid-19).

POTENTIAL IMPACT

The outbreak of a pandemic such as Covid-19 can seriously impact Moleskine's operations through regulatory bodies restrictions and customer behaviour (shop closures, increased e-commerce demand, reduced footfall, etc.). These could impact financial results.

MITIGATING ACTIONS

- In the event of a pandemic, Moleskine's priority is to ensure employees and customers safety and comply at any time with regulatory/(local) government recommendations.
- Use could be made of government support to mitigate the risk and a focus will be put on financial liquidity preservation.
- Moleskine formed a Covid Committee to keep control on the respect to global measures and local impacts and needs.

› FINANCIAL

FOREIGN EXCHANGE RATES

Risk related to fluctuation in foreign exchange rates

POTENTIAL IMPACT

Adverse foreign exchange rate fluctuations could have a negative impact on sales and results.

MITIGATING ACTIONS

Price lists are updated to reflect foreign exchange rate fluctuations. Moleskine has adopted a system that makes it possible to monitor exposure to foreign exchange rate fluctuations, in particular with regards to trade receivables and payables. It has the objective to hedge major exposure through forward currency purchase and sale contracts.

FINANCIAL INFORMATION AND CONTROLS

Risks related to the preparation of financial information.

Risks related to delays in the financial closing.

POTENTIAL IMPACT

Misrepresentation of Moleskine's financial performance to its stakeholders could have a negative impact on the decision-making process because of inadequate and/or delayed information and lead to reputational and confidence damages.

MITIGATING ACTIONS

The financial statements are prepared by Moleskine's finance department in accordance with the International Financial Reporting Standards (IFRS) and D'Ieteren Group's accounting policies. The financial information processes include specific procedures, follow-up checks and rules of validation. The application of IFRS is discussed with the Statutory Auditor and in the Audit Committee.

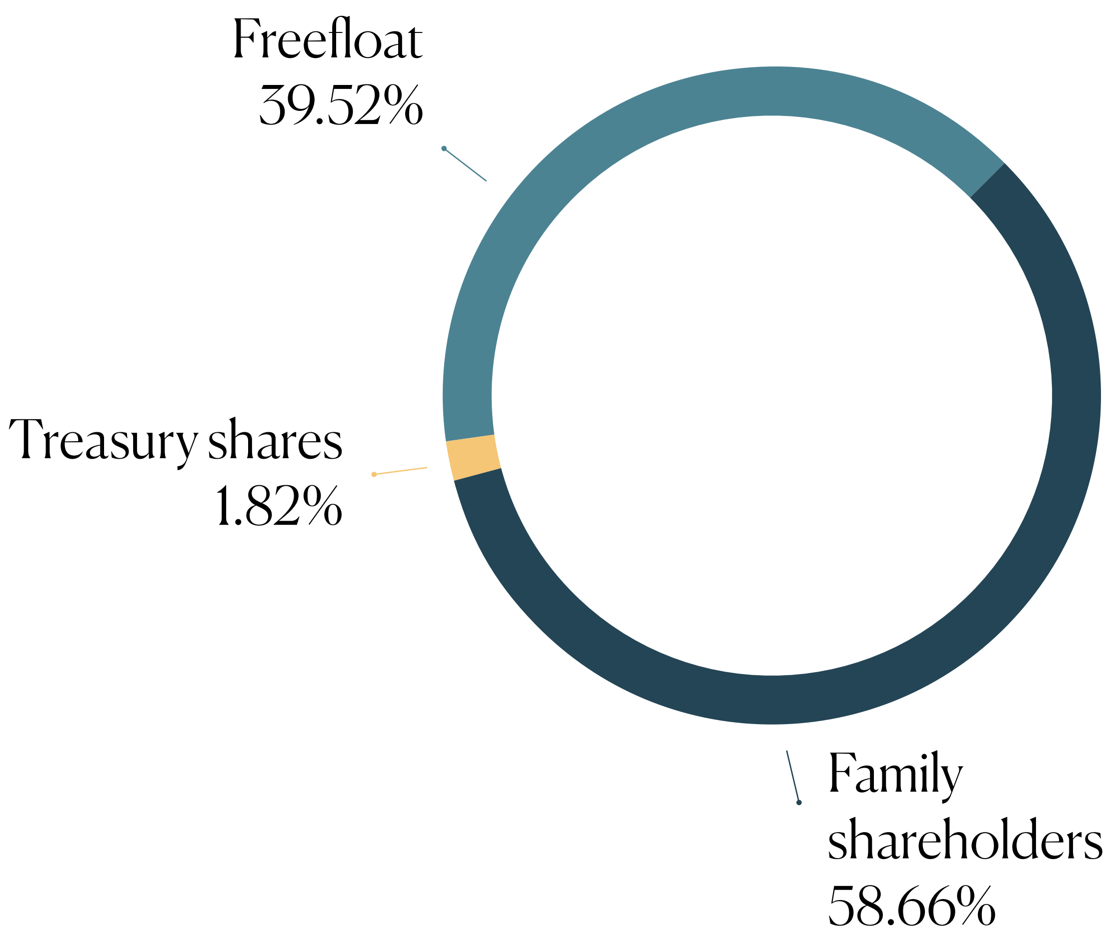
5. Capital information

5.1. DENOMINATOR

At 31 December 2020	Number	Related voting rights
Ordinary shares	54,367,928	54,367,928
Participating shares	5,000,000	5,000,000
TOTAL		**59,367,928**

5.2. SHAREHOLDER STRUCTURE

At 31 December 2020	In share capital	In voting rights
Family shareholders	**58.66%**	**62.15%**
of which Nayarit Group	*32.54%*	*36.12%*
of which SPDG Group	*26.12%*	*26.02%*
Treasury shares	**1.82%**	**1.66%**
Freefloat	**39.52%**	**36.19%**



5.3. DISCLOSURE OF SIGNIFICANT SHAREHOLDINGS (TRANSPARENCY LAW)

In compliance with article 14, paragraph 4 of the law of 2 May 2007 on the disclosure of significant shareholdings, the Company's shareholding structure as at 31 December 2020, on the basis of notifications received by the Company, is presented in Note 21 of the financial statement (page 63).

(The Company is not aware of any subsequent notification modifying the information presented in Note 21.)

5.4. ELEMENTS THAT CAN HAVE AN INFLUENCE IN CASE OF A TAKEOVER BID ON THE SHARES OF THE COMPANY

In accordance with Article 74 § 7 of the Law of 1 April 2007 on takeover bids, the Company received on 20 February 2008 a notification from the Nayarit group (whose members are listed in Note 21 of the Consolidated Financial Statements, page 63), which mentions that, either separately or acting in concert with other people, on 30 September 2007, this group held more than 30% of the voting shares issued by the Company. This notification remains relevant at the date of this report.

The Extraordinary General Meeting of 6 June 2019 renewed the authority of the Board:

- To increase the share capital once or several times by no more than EUR 60 million. The capital increases to be decided upon in the framework of the authorised capital can be made either in cash or in kind within the limits set by Belgium's Companies and Associations Code, or by incorporation of available as well as non-available reserves or a share premium account, with or without the creation of new shares, either preference or other shares, with or without voting rights and with or without subscription rights. The Board of Directors may limit or waive, in the Company's best interest and in accordance with the conditions determined by the law, the preferential subscription rights to the capital increases it decides upon, including in favour of one or more determined persons;

- To issue, within the framework of the authorised capital, convertible bonds, subscription rights or financial instruments, which may grant rights to Company shares, under the conditions defined by the Companies and Associations Code, up to a maximum, such that the amount of the capital increases that might result from the exercise of the above-mentioned rights and financial instruments does not exceed the limit of the remaining authorised capital, as the case may be without taking into account the preferential subscription rights of bondholders.

Without prejudice to the authorisations given to the Board of Directors described in the preceding paragraphs, the Extraordinary General Meeting of 28 May 2020 also renewed the authority of the Board of Directors, for a renewable 3-year period, to proceed – in the event of takeover bids on the Company's shares and provided the required notification has been made by the FSMA within 3 years of the decision of the General Meeting – with capital increases by contribution in kind or in cash, as the case may be without taking into account the preferential subscription rights of shareholders;

The Extraordinary General Meeting of 31 May 2018 also approved the renewal of the 5-year authorization granted to the Board concerning the acquisition, transfer or cancellation of own shares under legal conditions, notably to cover stock option plans for managers of the Company, and to carry out the share buyback programmes decided by the Board of directors.

In the event of a risk of serious and imminent harm occurring to the Company, the Board of Directors has the authority to transfer treasury shares either on the market or through a sale under the same conditions to all shareholders in compliance with the applicable legal conditions. This authorisation applies, under the same conditions, to the purchase or transfer of shares held in the Company by its subsidiaries as stated in articles 7:221 to 7:225 of the Companies and Associations Code.

The rules governing the appointment and replacement of Board members and the amendment of the Company's articles of association are those provided for by the Companies and Associations Code.

Disclosure of non-financial Information

1. D'Ieteren Group

As the parent company, the impact of D'Ieteren Group is most visible in its investment decisions and the support it provides to its different activities.

The Group is investing in businesses which have the potential to become leaders in their markets. It currently has four activities: D'Ieteren Automotive (100% owned), Belron (54.85% of voting rights), Moleskine (100% owned) and D'Ieteren Immo (100% owned).

As reflected in its values of respect and care, sustainability has always been part of D'Ieteren Group's value creation approach. By the same token, its activities have been deploying CSR strategies for many years. However, in 2019 and 2020, a new impetus was given to the Group's Environmental, Social and Governance (ESG) approach.

In 2019, the Group formalized its mission to build a family of businesses that reinvent industries in search of excellence and meaningful impact. By doing so, the Group reaffirmed the positive impact that it aims to have by investing in purposeful companies and by supporting their development.

In addition to its mission statement, the Group also emphasizes its desire to create value for people, customers, society and for shareholders. This precision underpins the three non-financial aspects measured for each existing and future business: Employee satisfaction, Customer satisfaction, and – as a first KPI used to measure value for society – Carbon emissions (scope 1 and 2).

D'IETEREN GROUP'S 2020 NON-FINANCIAL REPORTING: STRUCTURE AND METHODOLOGY

The non-financial report of the D'Ieteren Group consists of five distinct disclosures. The first disclosure covers D'Ieteren Group, its responsible approach as an investment firm, and the way it integrates ESG aspects in its operating model.

This chapter is followed, like previous years, by a dedicated chapter for each of the Group's business disclosures. This year however, the structure of each disclosure has been adapted to match the businesses' new sustainability strategic framework. These strategic frameworks have all been built on the outcomes of the materiality assessment conducted by the activities in 2019-2020. For each strategic axis, the activities disclosed their ambitions and the way they intend to achieve these. However, the specificity of some strategic areas, as well as the decision to challenge some measurement processes, have led activities in certain cases to perform further analyses before setting ambitions and quantitative targets.

In terms of non-financial reporting framework, D'Ieteren Group aligned itself with the Global Reporting Initiative (GRI) Standards – Option Core. The GRI standards have been developed over the last 20 years and represent global best practice for reporting on economic, environmental and social issues. The GRI Content Index is available on p. 192.

This year, D'Ieteren Group also complemented its non-financial reporting with a separate table of ESG quantitative metrics (see ESG statement p. 185). As opposed to the metrics published in the disclosures (which are key indicators used by the businesses to assess their progress against a specific target, be they gross or relative KPIs), these metrics consist of generic ESG data aimed at further informing our stakeholders.

These metrics - the same for all businesses – cover three different ESG areas:
- **Environmental aspects** : greenhouse gas emissions, energy consumption and waste
- **Social aspects** : community engagement, employee turnover, health & safety data, and headcount of employees by type of contract, region, gender
- **Governance** : diversity in management, anti-corruption and ethics

In 2020, a first limited assurance has been obtained on a selected number of KPIs from three activities (see PwC assurance report p. 190). KPIs that obtained a limited assurance are indicated with a checkmark (✓) in the activities' disclosure and in the non-financial statement. This process was a first step towards D'Ieteren Group's wider ambition to obtain assurance for – at least – all business-specific KPIs and all Group non-financial KPIs (customer satisfaction, employee engagement and CO_2 emissions scope 1 and 2) by 2025. In 2021, the assurance scope will therefore be expanded to a broader set of KPIs as well as to D'Ieteren Immo which was not involved in the first round of external assurance.

D'IETEREN GROUP'S RESPONSIBLE INVESTMENT APPROACH

The responsible investment approach of D'Ieteren Group covers the whole investment cycle, from screening investment opportunities and formulating investment theses to the phases of due diligence, deal completion and ownership. Considering the specificities of D'Ieteren Group's investment strategy (value creation over the long term with no exit horizon), the general approach of the Group mainly consists of two phases:

- Origination and pre-ownership phase
- Active ownership

Origination and pre-ownership

The Group's investment team, which consists of seven investment professionals, is supported by internal expert teams, including in the field of sustainability and ESG. The investment and sustainability teams work hand-in-hand to make sure that sustainability is considered in all relevant phases of the investment cycle in the most appropriate way.

The Group became a signatory of the UN Principles for Responsible investment in October 2020 and will perform its first reporting, on a voluntary basis, in April 2021. As first outcome of this commitment and reporting exercise, the Group is preparing a Responsible Investment Policy which will be published on the Group's website in the second semester of 2021.

Active ownership

As mentioned in the introduction, D'Ieteren Group gave a new impetus to its ESG approach in 2019-2020, starting with its active ownership practice. In particular, the Group decided to help its businesses revisit their sustainability approach by challenging the aspects on which their approach was focusing, through the facilitation of a materiality assessment. These new, in-depth and personalized analyses were based among others on market studies and on the standards of the Sustainability Accounting Standards Boards (SASB). The SASB has defined a set of 77 standards that identify a range of material sustainability themes for specific industries. These desktop researches were followed by a dialogue with the activities' main stakeholder groups, which enabled activities to set up a list of aspects specific to their own business and ecosystem. The material assessment was completed by a "maturity assessment". The latter consisted of discussions with activities' management to assess to which extent the material aspects were already well integrated in their current approach.

In 2020, building on the outcomes of the materiality and maturity assessments, the activities have developed or challenged their sustainability strategy. In particular, they set a limited number of strategic axes for which they defined, or started to define, ambitions and quantitative targets. Where appropriate, they also developed new measurement processes aimed to follow the progress towards achieving these targets.

Aside from the business-specific sustainability strategy, the Group continued to support its businesses in becoming or remaining top-performers regarding its three non-financial aspects (customer satisfaction, employee engagement, carbon emissions) and therefore supported them in implementing a strong measurement process in each of these fields.

OUR ESG APPROACH AS A GROUP

Environment

D'Ieteren Group's main environmental impact occurs as a result of the strategy it pursues with its activities. D'Ieteren Group makes sure that each activity takes care of its environmental footprint through responsible use of natural resources, production and consumption of renewable energy, and sustainable waste management, according to the materiality of these aspects.

Considering the emergency of finding solutions to limit climate change, D'Ieteren Group has made sure that all its activities initiate in 2021 a program of carbon emission reduction aimed to set science based targets (i.e. target aimed to contribute to holding temperature rise to 1.5°C above pre-industrial levels). The reduction programs will be based on the carbon emission reporting that has been performed by all activities over the last years.

Social

D'Ieteren Group sees it as essential to offer to all its people a safe and fulfilling work environment which enables them to reach their full potential. In this perspective, the Group encourages its activities to build tools and mechanisms to support their employees welfare and development and is monitoring employee satisfaction rate as a Group KPI.

The Group also supports its activities in developing strong management approach for their most material social aspects, be they linked to Health and Safety, diversity and inclusion, or talent development. These aspects are further detailed in the disclosure of each activity.

Ethics and Corporate Governance

D'Ieteren Group complies with the 2020 Belgian Code of Corporate Governance. This code is structured under ten principles, considered as essential pillars of good governance (governance structure, board and committee compositions, remuneration, etc.). In case of deviation from the principles in the code, D'Ieteren Group provides an explanation in its Corporate Governance Declaration (available on page 94).

D'Ieteren Group also attaches great importance in sharing with its activities a deep sense of ethics and integrity. It makes sure that employee's right to decent working conditions are fulfilled (minimum wages, working hours, health and safety and right to collective bargaining) and that human rights are respected throughout the value chains. The Group also ensures that businesses implement a policy against corruption and that no sort of discrimination is tolerated within their operations.

More information about the businesses' approaches or policies related to diversity & inclusion, fight against corruption and respect for human rights is to be found in their own disclosure.

PHILANTHROPY

D'Ieteren Group has at heart to contribute to meaningful non-profit projects. Next to joining its businesses' fund raising initiatives (like the yearly Spirit of Belron Challenge or the D'Ieteren Automotive Give and Gain Challenge), D'Ieteren Group initiated in 2019 a new philanthropic approach. This approach is aimed at streamlining the philanthropic initiatives occurring at the Group level, by bringing together the energies of its people around a common purpose.

A variety of projects was supported in 2020 in order to support people in need. In addition, an extraordinary budget funded by personal donations from Group staff members was dedicated to helping entrepreneurs and artists whose activities had been impacted by the first lock-down.

A Solidarity Programme to help employees in the context of the Covid-19 crisis

In April 2020, the Board of Directors of D'Ieteren SA decided to build a solidarity programme to help employees of D'Ieteren Group suffering hardship as a consequence of the Covid-19 crisis. To that effect, the Board of Directors decided to modify its profit distribution proposal and to propose to the General Meeting a stable gross dividend per share compared to the previous year in order to allocate the initially planned dividend increase to the programme. The programme was also open to personal contributions from Board members, managers and employees of the Group, which brought the total amount to approximately EUR 8.8m.

STAKEHOLDER DIALOGUE

We aim to create value for all our stakeholders and we are therefore keen to learn about their expectations and needs. Keeping an honest and open dialogue with them is paramount in our quest for excellence.

As a majority stakeholder of large companies, we are conscious that our main impact occurs as a result of our active ownership approach. This is the reason why we decided to, first and foremost, support our activities in performing a formal approach of dialogue with their own stakeholders. In 2019-2020, this dialogue took the form of materiality and maturity assessment for each of our activities. The results of these dialogues underpinned the main axes of their sustainability strategy.

When it comes to the Group's stakeholders, as a family-controlled listed company, engaging with our shareholders and investors, and answering their questions is part of our day-to-day business (investor calls, roadshows, general assemblies, ...). A new approach to this dialogue was however taken in 2020. We started performing more specific talks on ESG topics with investors and analysts, as well as with authorities and civil society representatives (including by sending a questionnaire, standardizing the interviews, and analyzing the answers). This new comprehensive approach of dialogue is aimed at challenging our non-financial focus areas and at ensuring that the expectations of our stakeholders are not taken for granted. In this perspective, any new or emerging concerns are escalated to the executive team.

The outcomes of this dialogue enabled the Group to list the following UN Sustainable Development Goals, as the Global challenges on which the Group can have a significant impact according to its stakeholders.

DECENT WORK AND ECONOMIC GROWTH
Fostering long-term growth and providing a fair work environment

INDUSTRY INNOVATION AND INFRASTRUCTURE
Encouraging and supporting innovation within our businesses in the interest of their stakeholders

RESPONSIBLE CONSUMPTION AND PRODUCTION
Helping our businesses in the production of responsible products and services

CLIMATE ACTION
Helping our businesses to monitor and reduce their environmental footprint

PEACE, JUSTICE AND STRONG INSTITUTION
Applying responsible governance, and providing transparent and reliable information to our stakeholders

2. D’Ieteren Automotive

For a better comfort of reading, the commercial name of D’Ieteren Automotive, “D’Ieteren”, will be used throughout this disclosure.

BUSINESS DESCRIPTION

D’Ieteren distributes, markets and provides after-sales service in Belgium for Volkswagen, Audi, SEAT, ŠKODA, Cupra, Bentley, Lamborghini, Bugatti and Porsche vehicles. The company operates through a network of independent dealerships throughout Belgium, as well as around 30 company-owned dealerships located mainly on the Brussels-Mechelen-Antwerp axis. D’Ieteren has a market share of more than 23% in the new car market and a fleet of 1.2 million vehicles on the road. The company is also active on the second-hand vehicle market via, among others, MyWay and Audi Approved Plus authorised centres and distributors. In addition, D’Ieteren offers long-term leasing and a full range of financing services through a joint subsidiary between D’Ieteren and Volkswagen Financial Services. D’Ieteren also invests in mobility services through its Lab Box subsidiary, and now offers a range of solutions from shared cars to the provision of autonomous vehicles, including the marketing of electric charging stations, mobility advice and the development of a multimodal application. D’Ieteren has also created the Wondercar franchise, which offers an innovative vehicle repair concept combining smart repair and classic bodywork that reduces the ecological footprint of this activity and lowers the average cost of vehicle repair and immobilisation.

APPROACH TO SUSTAINABILITY

D’Ieteren places a premium on the social, environmental and governance impacts of its operations. On top of that, D’Ieteren emphasises the long-term nature of the relationship with its customers, which it considers vital. Accordingly, a strategy aimed at developing a more sustainable company has been implemented on the basis of 4 strategic axes.

- Building seamless and sustainable mobility for everyone
- Improving the life of our customers
- Managing the environmental impact of our operations
- Playing a determining role in the well-being of our employees

In 2021, D’Ieteren will pursue the development of its ambitious ESG roadmap, including the definition of precise objectives for each strategic axis.

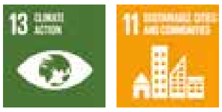
MATERIALITY

D'Ieteren carried out a materiality analysis in 2020 with the help of an external partner. A dialogue with stakeholders, preceded by an online survey, was set up. This analysis made it possible to identify and prioritise the most critical non-financial (so-called "material") aspects of the business. These aspects served as a basis for the development of the 4 strategic axes outlined in the table below that will form the backbone of D'Ieteren's non-financial reporting from this year on.

STRATEGIC AMBITIONS	MATERIAL TOPICS	GRI
Building seamless and sustainable mobility for everyone	Alternative and flexible mobility solutions	N/A
	Sustainable mobility thought leadership	
Improving the life of our customers	Customer care	N/A
	Fair and transparent customer information	
Managing the environmental impact of our operations	Emissions from operations and sold & leased fleet	305 EMISSIONS (2016), 306 WASTE (2020)
Playing a determining role in the well-being of our employees	Employee development and well-being	403 OCCUPATIONAL HEALTH AND SAFETY (2018) 404 TRAINING AND EDUCATION (2016) 405 DIVERSITY AND EQUAL OPPORTUNITY (2016) 413 LOCAL COMMUNITIES (2016)
	Community engagement	

OUR IMPACT

Although mobility is a vector for prosperity and integration, it also faces challenges related to environmental, social and security issues. D'Ieteren is well aware of this and accepts its share of responsibility. Working towards building seamless and sustainable mobility for everyone has become its flagship commitment.



By offering and developing alternative mobility solutions, D'Ieteren contributes to the UN SDG 13 (Climate action). The business also contributes to SDG 11 (Sustainable cities and communities), by looking for solutions for sustainable mobility services.

STRATEGIC AXES

> Building seamless and sustainable mobility for everyone

TOPIC DESCRIPTION

D'Ieteren's main impact on the environment comes from its activity of distributing polluting combustion vehicles. This impact poses new challenges for the continuity of the company's activities, such as stricter legislation, new forms of transport taxation and new company vehicle policies. The car of the future is shaped by technological advances, such as electrification, but also by developments in connectivity and automation and the introduction of intelligent, multi-purpose features. Societal and economic changes are also leading to a change in the concept of mobility (including stricter restrictions on cars, new forms of taxation and the transition to a shared economy).

AMBITION

D'Ieteren aims to become the mobility provider of first choice by 2025. In 2021, it will carry out a detailed survey of society's desires and needs in terms of mobility. The outcomes of the survey will be analysed and lay the foundations to dedicated actions and to the setting of precise targets.

D'Ieteren will also continue to expand its offer of electric cars and related infrastructure, notably by taking advantage of the Volkswagen group's ambitious e-mobility offensive. For its part, EDI (Electric by D'Ieteren) aims to be a partner of choice for the marketing of charging stations. Lab Box will continue to develop its initiatives related to new mobility, namely Poppy, MyMove, Husk, Lizy, Ush, Skpir and Mbrella. With reference to Poppy in particular, it aims to increase its daily journeys by more than 50% during 2021 and by 2025, wishes to further increase its fleet of vehicles - with a target of 10 vehicles per km2 - in order to be able to exploit the full potential of this mode of travel.

MANAGEMENT APPROACH

To achieve its ambition, D'Ieteren has drawn up a transformation plan, aimed on the one hand at excellence in its core businesses and on the other at innovation in ancillary or new activities, all related to mobility. This transformation plan has also been accelerated by the impact of the health crisis resulting in a sharp drop in its markets and a change in customers' mobility habits. This acceleration of its transformation is aimed at preserving the company's investment capacity to carry out its mission.

D'Ieteren is also working on the construction of a wide range of mobility services that will allow citizens to move seamlessly and sustainably. To proceed, the company relies on its subsidiary Lab Box, which is strongly linked to the creation of innovative and flexible mobility services, as well as on its core businesses, in particular by developing its services related to the use of electric cars or by seizing the opportunities offered by the digitalisation of services.

LATEST DEVELOPMENTS

As being the natural choice for mobility in Belgium is the company's major strategic objective, many initiatives have been taken to achieve this. Below are some important examples that illustrate the company's desire to move forward in this field.

- At the end of 2020, D'Ieteren had almost 25% of the electric vehicle segment, with ranges that continue to develop, notably at Volkswagen with the ID.3 and ID.4, at ŠKODA and its latest Enyaq model, at Audi with the Q4 and the e-Tron GT, the CUPRA el-Born and at Porsche with the Taycan.

- EDI has taken advantage of the trend towards the electrification of vehicles with 1,805 charging stations installed.

- Lab Box, D'Ieteren's start-up incubator dedicated to mobility, has launched Mob Box, a consulting service for companies to enable them to more easily implement flexible and multimodal mobility for the benefit of their employees. These services enable centralised management at company level, while providing staff with a personalised hub where they can monitor and manage their personal mobility. This initiative contributes to building a more fluid and environmentally friendly mobility for a target customer base in Belgium.

- Poppy's car-sharing activities have seen some ups and downs, linked to the lockdown period, but have recovered somewhat to the levels reached before the health crisis. Poppy renewed its entire fleet in 2020 with 500 vehicles in circulation in Brussels, Antwerp and now in the Charleroi Airport area and some 1,200 daily journeys.

- Skipr is, as a mobile application, a one-stop shop for planning and paying for everyday business trips, with a wide range of alternative mobility options such as the NMBS, STIB, De Lijn, TEC, Bird, Uber, Poppy, Billy, Dott and many others instantly available. 2020 will have been a key year for Skipr, which raised EUR 7 million from Belfius - which has become its reference shareholder - to validate its leading position on the Belgian market and to develop internationally, particularly in France.

- Bike-Moby is a bicycle leasing formula developed by Volkswagen D'Ieteren Finance. It offers a level of service and assistance comparable to that of company cars.

KPIs

In 2020, D'Ieteren was the leader in full electric vehicles in Belgium, with 3,670 registered vehicles.

Funds invested by D'Ieteren Automotive in its subsidiary Lab Box:

- 2017 : +/- 2.3 millions EUR
- 2018 : +/- 6.5 millions EUR
- 2019 : +/- 9.5 millions EUR
- 2020 : 12.9 millions EUR (incl. 1.9 million EUR for EDI which, from 2020, falls under Lab Box budget).

> Improving the life of our customers

TOPIC DESCRIPTION AND AMBITION
Improving the life of its customers by aiming for excellence in the services provided throughout their journey is one of the 4 strategic axes on which D'Ieteren wants to work on in order to achieve its objective of leadership in the mobility market.

MANAGEMENT APPROACH
In the current health situation and in view of changes in customer behaviour, D'Ieteren is investing heavily in the development of a more digital customer approach. Online sales, digital media investments, virtual show rooms ... are some of the initiatives that have been intensified in 2020.

In its management of the Covid crisis, D'Ieteren took the necessary measures from the outset to protect its customers, employees and partners from any risk of contamination. This was an absolute priority for the company's management. In addition to the appropriate installations on its sites, D'Ieteren quickly implemented digital solutions to provide its customers with the best possible information and to limit contact between people. In particular, for the delivery of new vehicles, tutorials were developed for optimal handling of the vehicles to the great satisfaction of the customers.

LATEST DEVELOPMENTS
In 2021, the company is carrying out an in-depth analysis of its customers' expectations and needs in order to develop services that are perfectly aligned.

At the beginning of 2021, D'Ieteren also sat up a new customer satisfaction measurement system in order to take corrective measures or reinforce certain initiatives as necessary. The results from these surveys will help the teams in the development of their services.

KPI
NPS has been implemented in 2021. The score will be published in the next reporting exercise.

> Managing environmental impact of our operations

TOPIC DESCRIPTION

In addition to the products that D'Ieteren distributes, its activities and processes also have an environmental impact. In this respect, D'Ieteren is striving to reduce the CO_2 emissions linked to its direct and indirect activities, to increase the share of renewable energy in its overall energy consumption and to reduce the footprint linked to the waste generated by its operations. These actions should have a positive financial and reputational effect, but also lead to better employee engagement and greater compliance with corporate customer requirements.

AMBITION

In order to increase its contribution to environmental protection, D'Ieteren has set itself the objective of reducing the carbon footprint of its activities by 50% by 2025 and to reach net-zero emissions by 2040. From 2021 on, the CO_2 emissions of its activities will be offset by reforestation and environmental conservation programmes. This offsetting programme will be reduced in line with the measures taken to reduce CO_2 emissions.

MANAGEMENT APPROACH

In line with its mission to build seamless and sustainable mobility for everyone, D'Ieteren wants to promote sustainable mobility within the organisation and make each of its employees ambassadors of its commercial offer. In addition to offering multimodality, favouring video conferencing and teleworking, D'Ieteren aims to develop a car policy that includes an increasing number of alternative motorisations.

In terms of (renewable) energy management, the company embraces D'Ieteren Immo's approach, which reduces the energy consumption of its buildings while increasing the share of self-produced renewable energy.

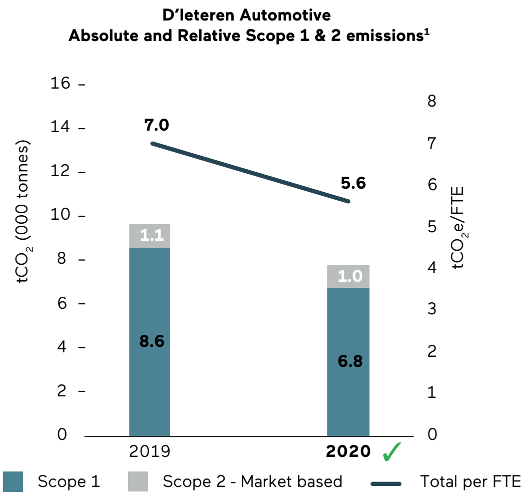
LATEST DEVELOPMENTS

At the end of 2020, D'Ieteren laid the foundations for an emission reduction plan aligned with the Science Based Targets methodology. The project, carried out with partner CO_2Logic, initially aims to identify what actions could be taken per emission source, and to set intermediate targets, in order to reduce emissions by 50% by 2025.

In line with this programme, D'Ieteren Immo - which manages the properties owned by D'Ieteren - has put in place various measures to use energy more efficiently and to integrate alternative energy sources (see D'Ieteren Immo reporting).

The responsibility for waste recycling has been transferred from D'Ieteren Immo to the different business units of D'Ieteren; this will enable a more tailored approach to the priorities of the business.

KPIs



1) CO_2 emissions are calculated by the external party CO_2Logic. The data 2019 have been restated as to align to the scope of CO_2 emissions 2020, which excludes Sopadis, WonderCar, LabBox, D'Ieteren Sport and VDFin. The branches will be included as from 2021 in the scope of the emission reduction plan. The further details of the methodology can be found in the ESG statement section (p. 185).

WASTE MANAGEMENT

D'Ieteren has also implemented a waste management policy. Employees have been given the information to correctly sort and collect waste (including paper, residual waste, scrap metal, wood, tyres and glass) in its offices, workshops, shops and garages, as well as to store harmful materials. Operational waste management is carried out by a dedicated person at each major D'Ieteren site. For the disposal and recycling of its waste, D'Ieteren collaborates with waste management companies responsible to collect and monitor waste related data such as Suez (for all waste), Oilco (used oil), Dechamps (scrap metal) and RecupBat (used batteries). A project coordinator from the main waste collection company (Suez) makes regular site visits to monitor and optimise waste management on site.

To prevent waste downstream in the value chain, D'Ieteren also facilitates the recycling of used vehicles, in particular by offering an additional allowance to customers and non-customers who offer their vehicles for recycling. D'Ieteren works with Febelauto for this; their mission is to organise and monitor the management of end-of-life vehicles in accordance with the European directive in force. At present, Febelauto manages to recycle around 95% of the weight of these vehicles in an approved and controlled way, making Belgium one of the best examples in Europe.

> Playing a determining role in the well-being of our employees

EMPLOYEE DEVELOPMENT AND WELL-BEING

TOPIC DESCRIPTION

In a rapidly changing sector, staff must be readied to meet the challenges of the future. Preparing D'Ieteren for these challenges starts by developing a mind-set that is conducive to the development of its staff, and by providing the necessary infrastructure for learning. In addition to helping employees develop their skills, D'Ieteren ensures that they are happy at work. The company's performance depends on its employees and their involvement in improving their personal and collective performance.

AMBITION

D'Ieteren has started implementing an employee engagement survey and set quantitative targets in terms of participation rate and score:

- Participation in employee engagement survey of 66%
- Employee engagement score of 75%

MANAGEMENT APPROACH

D'Ieteren encourages the personal and professional development of its employees through assessment and coaching sessions. As jobs in the automotive sector depend on very specific technical skills, the company encourages participation in training sessions and specialised workshops.

The company also adheres to clear governance principles in terms of fairness, transparency and dialogue. In particular, the CaReer Model has been developed to increase transparency about expectations, competencies and results while providing career opportunities within the company. A succession plan also exists to ensure a pool of potential successors for all key positions.

In terms of stress and burn-out, employees can count on the help of an external prevention advisor, as well as training programmes (burn-out prevention, time management, breathing and relaxation techniques, etc.). Individual coaching is provided to help employees deal with possible psycho-social problems.

In order to reduce the rate of absenteeism, close monitoring of long-term sufferers has been set up. D'Ieteren facilitates the reintegration of people absent due to illness or accident by taking individually adapted measures.

In terms of well-being, in addition to workshops on digital detox, healthy eating and good practices in teleworking, hospitalisation and outpatient insurance, D'Ieteren has, from 2018 on, been offering a free medical check-up every three years for all employees aged 50 and over.

LATEST DEVELOPMENTS

In a context where teleworking and measures taken to deal with the economic crisis are widespread, D'Ieteren has conducted several surveys among its staff to determine their current emotions and ensure that they are supervised if necessary. An independent psycho-social support service has been set up. Managers are regularly asked to check what's going on within their teams and to establish very regular communication with their colleagues.

Finally, the company is working on a project to redevelop its offices on the Erps-Kwerps site, so that it becomes a real place for exchange, collaboration and inspiration, in line with the new habits of teleworking and flexible working hours.

KPIs

Employee satisfaction[1] :
- Average Participation 2020: 40.5%
- Average Score 2020: 63.26%

Hours of training:

TRAINING HOURS HR	2019	2020
Face-to-Face	44,120	10,812[2]
E-Learning	344	2,573

1) The employee satisfaction was measured four times in the period 2020 - early 2021 via a pulse survey. The satisfaction score is derived from the average score of the Engagement dimension from the four editions of the pulse survey.
2) Due to the Covid crisis, the opportunities to provide face-to-face training were very limited in 2020.

EMPLOYEE SAFETY

TOPIC DESCRIPTION

D'Ieteren operates in the worlds of car and spare parts distribution and car maintenance, so naturally the majority of the work involves the use of potentially dangerous tools, machinery and chemicals, and the handling of loads. Ensuring the protection of employees against the risks associated with their daily work is a priority for D'Ieteren. Moreover, by promoting employee safety, D'Ieteren avoids costs arising from injuries and absenteeism.

AMBITION

D'Ieteren wants to get as close as possible to the "zero incident" objective. Even knowing that it is impossible to eliminate all risks, the company's ambition is to remain below the frequency rate and the overall severity rate of the automotive sector. The company also wants to reduce absenteeism as much as possible and remain below the absenteeism rate for the private sector as a whole.

MANAGEMENT APPROACH

The company has zero tolerance for non-compliance with safety standards for staff members but also for external companies that carry out work on D'Ieteren's installations.

D'Ieteren has no standards-based health and safety management system in place, but rather favours a dynamic risk management system: avoiding the introduction of risks at source by analysing the risks at the time of purchase and seeking safer alternatives. Preference is given to collective rather than individual safety measures. Risk analyses are carried out when new workshops or work processes are put into operation, when technical installations are periodically inspected by an external service and during analyses of accidents at work, etc. This is in line with the legislation applicable to D'Ieteren's activities.

The prevention service, which consists of an H&S manager, a prevention advisor, a Social & Ability manager and an (external) occupational physician, carries out risk assessments, proposes prevention measures and organises workshops on fire prevention and safety. In addition, three Prevention & Protection committees (Logistics, Garages, General Services) enable discussions on health & safety aspects between union representatives and management. These meetings take place on a monthly basis.

LATEST DEVELOPMENTS

New initiatives have been taken in 2020 (such as risk analyses of electrical installations, training of maintenance workshop staff in the prevention of risks related to high-voltage batteries in electric vehicles, etc.). However, the health crisis has been a major part of the efforts to preserve the health of employees, customers and partners. Teleworking was imposed from the start of the crisis wherever possible and very strict health measures were taken in showrooms, workshops and workspaces.

KPIs

Frequency rate: 14.23 (rate for the sector in 2019: 13.38)
Severity rate: 0.38 (rate for the sector in 2019: 0.33)

In order to support healthcare personnel during the health crisis, D'Ieteren Automotive has provided them with vehicles enabling them to manage their journeys more efficiently and avoid the risks of contamination on public transport.

DIVERSITY AND INCLUSION

TOPIC DESCRIPTION

One of the company's priorities is to promote inclusive growth, equal opportunities and diversity within the company. Diversity in all its forms, whether in terms of gender, origin, age, etc., is a source of creativity because it multiplies points of view and contributes to innovation. It also contributes contributes to the motivation and well-being of employees and allows for a broader understanding of the customer base, which is itself quite diverse. Together with the initiatives taken in terms of professional development or regular measurements of staff satisfaction, this objective reinforces D'Ieteren's constant efforts to be an attractive employer.

AMBITION

D'Ieteren will start identifying new targets in terms of diversity in 2021. The first targets to be set will relate to gender diversity.

MANAGEMENT APPROACH

As clearly stated in its code of ethics, D'Ieteren promotes equal opportunities at work. While it does not support the introduction of quotas, skills and performance will more than ever be the only criteria taken into account when making decisions associated with hiring, promotion or internal rotation. Numerous initiatives will be carried out from 2021 onwards, in order to be an attractive employer, to promote the integration of new employees through mentoring and to carry out recurrent awareness-raising actions in favour of internal diversity.

KPI

A new KPI is currently being developed and will be available in the 2021 reporting.

COMMITMENT TO THE COMMUNITY

TOPIC DESCRIPTION
D'Ieteren's community engagement policy is mainly related to socially responsible mobility. Combining business and solidarity enables the company to maximise the impact of its philanthropic initiatives.

AMBITION
In 2021, D'Ieteren will launch a new call for projects related to mobility among associations, in partnership with its staff.

MANAGEMENT APPROACH
D'Ieteren supports associations in their projects related to mobility and ensures, through its expertise, that it can bring them a real added value. It involves its staff in its charitable approach by enabling them to propose projects that need support or to become involved in the implementation of these projects.

LATEST DEVELOPMENTS
In response to the health crisis, several vehicles were made available to healthcare staff to meet their specific mobility needs. Repairs and maintenance on their personal or professional vehicles were carried out during lockdown periods to guarantee their mobility and thus support them in the fight against Covid-19. Vehicles have also been made available, in particular to the CPAS in Ixelles, to ensure the distribution of food parcels to people in the face of an increase in the level of precariousness, due to the health crisis.

At the same time, in order to reduce the isolation levels of underprivileged children, D'Ieteren offered and contributed to the logistical costs of 25 Christmas trees and personalised gifts in orphanages throughout Belgium.

For their part, some 250 employees travelled a total of more than 15,000 km by walking, running or pedalling to support a reforestation project in collaboration with WeForest, thus offsetting some 900 tonnes of CO_2 per year for 30 years. The kilometres were converted into 5,650 trees to be planted through a special application.

KPI
An amount of EUR 63,458 has been allocated to charities in 2020. Vehicles have also been made available to carry out solidarity mobility projects.

D'Ieteren Automotive supports the distribution of food parcels in Belgium. By providing a vehicle, the company guarantees food support to the increasing number of people and families in difficulty in the context of the health crisis.

› ETHICS

With the organisational division into subsidiaries established on 1 January 2021, D'Ieteren is doing its utmost to be as close as possible to its customers and thus be their preferred mobility provider. To earn this distinction, D'Ieteren must, more than ever before, meet high standards of behaviour in the conduct of its operations. This is a good business practice that embodies the company's values: Perseverance, Honourability, Enthusiasm, Supportiveness and Curious Boldness.

RESPECT OF HUMAN RIGHTS

TOPIC DESCRIPTION

Failure to respect human rights or any other unethical act of discrimination can have repercussions on the company's reputation and lead to legal proceedings, as well as on its business.

MANAGEMENT APPROACH AND POLICY REVIEW

D'Ieteren respects a strict social and legal framework that governs areas such as working conditions, health and safety requirements and collective bargaining regulations.

Its code of ethics covers a wide range of rules, procedures and ethical principles, in particular concerning relations between colleagues, as well as with suppliers and subcontractors, customers and partners.

The company is committed to promoting a working environment that fosters mutual respect. Behaviours including harassment, intimidation, oppression, exploitation, discrimination, racism, sexism or homophobia are not tolerated.

KPI

In 2020, D'Ieteren's HR partner Attentia received 3 requests for psychosocial assistance.

ZERO TOLERANCE TO FRAUD AND CORRUPTION

TOPIC DESCRIPTION

Bribery, attempted bribery, fraud and money laundering pose a risk to employees and the company, as they can lead to legal action and damage the company's reputation.

MANAGEMENT APPROACH AND POLICY REVIEW

The company's code of ethics - "The Way We Work" - makes it clear that all employees are required to comply with laws relating to the fight against fraud and corruption. Corruption, attempted corruption, fraud and money laundering are not tolerated within the company. Gifts and entertainment that employees receive from customers, suppliers or any other partners, or that employees offer to customers, must comply with the ethical practices set by the company and with anti-fraud legislation.

KPI

One fraud was detected and led to a change of management, a forensic financial audit and a reminder of the ethical principles and procedures to be followed to the staff of the entity concerned.

3. Belron

BUSINESS DESCRIPTION

Belron has a clear purpose: 'making a difference with real care'. It is the worldwide leader in vehicle glass repair, replacement and recalibration (VGRRR), operating in 40 countries, through wholly owned businesses and franchises, with market leading brands – including Autoglass®, Carglass®, Lebeau Vitres d'autos®, Speedy Glass®, Safelite® Autoglass, O'Brien® and Smith&Smith®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance companies.

APPROACH TO SUSTAINABILITY

The Belron approach to sustainability is connected to its Purpose of "making a difference" and integrates the culture of the business – the Spirit of Belron attributes of Collaborative, Driven, Caring and Genuine. Belron is a Signatory to the United Nations Global Compact (UNGC) and has been aligning its strategies and operations to the Ten Principles of responsible business on labour, human rights, environment and anti-corruption, for the past 10 years.

In 2020, despite the challenges presented by the global pandemic, Belron continued to deploy the Ecovadis measurement tool as a way of assessing progress in all these areas. The tool helps each business unit to assess the policies they have in place; the actions to implement the policies; and the results of the actions. The assessment survey is based on recognised international standards such as the Global Reporting Initiative, International Labour Organisation conventions, as well as the UNGC's Ten Principles.

Following assessment and analysis, the businesses are provided with a scorecard and rating. The average Group score for Belron is 63.5 with some of the Belron businesses deferring their reassessments to early 2021 due to the impact of the global pandemic. This score keeps Belron far above the average score and in the top 5% of businesses around the world, rated by Ecovadis.

The scorecard helps the businesses to direct their focus on specific improvement areas based on recommended priorities. The medal rating and scores awarded were updated by Ecovadis during 2020. The minimum score required for a Bronze medal is now 45 (up from 37); for Silver it is 54 (up from 46); to achieve a Gold medal rating, the minimum score is now 66 (up from 62); and a new higher rating of Platinum was introduced for companies scoring higher than 73. Belron continues to work towards all its businesses achieving a Gold rating.

CORPORATE RESPONSIBILITY REVIEW & MATERIALITY

Belron partnered with a sustainability consultancy to conduct a review of its Corporate Responsibility strategy and support the development of a new Responsible Business strategic framework.

The Responsible Business framework focuses on priority areas where the business can make a positive difference and support the global effort through the UN Sustainable Development Goals and the UN Global Compact. To develop the approach, the key stakeholders across the business were interviewed, peer benchmarking was undertaken, and a review of global market and sector trends, as well as the results of the materiality analysis were conducted by D'Ieteren Group.

As the business moves forward into 2021, it will lay out the foundation of its Responsible Business framework towards clearly defined and ambitious goals in priority areas:

MATERIAL TOPICS	GRI STANDARDS
Waste management	306 WASTE (2020)
Carbon emissions	305 EMISSIONS (2016)
Sustainable procurement	308 SUPPLIER ENVIRONMENT ASSESSMENT (2016) 414 SUPPLIER SOCIAL ASSESSMENT (2016)
Employee Safety	403 OCCUPATIONAL HEALTH & SAFETY (2018)
Employee well-being & inclusion	405 DIVERSITY & EQUAL OPPORTUNITY (2016) 404 TRAINING & EDUCATION (2016)
Giving Back	413 LOCAL COMMUNITIES (2016)

The framework will be supported by the business' values and ethics; its governance and inspiring leadership; and robust reporting and measurement.

The business is clear that it wants to take on a greater responsibility and play its part in demonstrating that businesses can be part of the solution to important environmental and social challenges.

> Ensuring excellent customer experience while caring for their long-term welfare

Belron is committed to ensuring that all its customers receive excellent service and care at every juncture, ensuring both positive interactions with Belron and ongoing welfare and safety on the road.

CUSTOMER EXPERIENCE

TOPIC DESCRIPTION

Belron's unwavering commitment to deliver world class customer service requires focus and investment in every aspect of the delivery from the experienced and highly trained technicians to the most advanced tools and technology and the right piece of high quality glass, at the right time and in the right place. This focus enabled Belron to carry out over one million recalibrations during 2020 despite the changes to vehicle use due to lockdown measures.

AMBITION GOING FORWARD

Belron has embarked on a significant digital transformation programme to further improve customers' experience by providing a more seamless and efficient system from an initial 'looking stage' to booking, job completion and follow up. The project builds on feedback from NPS (Net Promoter Score), and Customer Insights, and involves teams from across the business. The roll out sequence will be a phased approach across the businesses, stretching out to 2022. This programme will support the business's ambition to deliver consistent world-class service to all its customers.

MANAGEMENT APPROACH

Belron constantly reviews its operational quality and monitors how its customers feel about the service they receive, using this information to make improvements. The company continues to commit to respond positively and promptly to every customer, working in partnership with insurance companies so that it can provide a seamless service for the motorist by making the vehicle claim on their behalf.

LATEST DEVELOPMENTS

Like many other businesses, Belron has seen an acceleration in customers booking online rather than using other traditional booking channels. In 2020 online bookings increased by a third to around 40% of all jobs. At the start of the pandemic Safelite® in the US took the decision to switch all its cash work online and will continue to do so, resulting in a significant switch to this booking channel. Belron expects this trend to continue in 2021 across all business units, resulting in easier booking for customers.

To enhance the customers' experience with Belron, it offers additional products during the customer journey such as replacement wipers and rain repellent. In 2020, more than 2 million customers bought at least one additional product. Offering and selling these additional products also has a positive impact on the customer experience with NPS scores higher when customers are offered and then purchase these products, than when they do not.

Despite the challenges of 2020 Belron achieved a record NPS of 84.9. This was driven by the continued focus on delivering high-quality service whilst taking care of its customers safety through the introduction of touchpoint sanitisation and implementing safe processes and procedures in its branches and mobile service for both its customers and its technicians.

KPI

The NPS* is measured on a weekly basis across all wholly owned businesses. The results are reviewed to provide focus on where the business can make improvements to its service and maintain its world-class NPS results.

2020	2019	2018	2017	2016
84.9 ✓	84.2	82.8	83.1	82.6

**All motorists who have a vehicle glass repair or replacement are asked to provide feedback on their experience. This is done through the Net Promoter Score (NPS) survey, asking them to rate on a scale of 0 to 10 how likely they are to recommend Belron to a friend/colleague (10 being extremely likely and 0 being not at all likely). Motorists scoring a 9-10 are Promoters, 7-8 are Passives, and 0-6 are Detractors. The overall NPS score is calculated by taking the percentage of Detractors from the percentage of Promoters, to create a final score.*

CUSTOMER WELFARE & SAFETY

TOPIC DESCRIPTION

Belron aims to "make a difference with real care" to every customer it serves. This not only means an excellent experience for them during their interaction with the business, but also their safety on the road beyond it. Belron's technicians are highly trained and have the tools and equipment to conduct their work to the highest standards.

AMBITION GOING FORWARD

Through research, development and training, Belron aims to ensure that all recalibrations are performed in-house and safely to OEM (original equipment manufacturer) specifications. In 2021, Belron will review its safety programmes including an update to its Quality Starts with Safety (QSWS) training. This programme for all technicians, ensures that the repair and replacement process is followed so that the work carried out on customers' cars is to the highest quality and safety standards.

MANAGEMENT APPROACH

When a replacement is required, the work is carried out by highly skilled technicians. The products and training are designed to deliver a service which is equivalent to the OEM standards. When required, the technicians will also recalibrate a vehicle's Advanced Driver Assistance Systems (ADAS), a highly technical procedure to ensure the safety of its customers on the roads.

Belron has put in place a monitoring process and appointed a new role to manage the oversight of its global camera recalibration delivery capability. The company also invests in ADAS research and identifies the latest technology in recalibration equipment with the aim to be global experts in the field and ensure that the customer is provided with the safest service possible.

Belron continuously updates its Vehicle Fitting Instructions (VFI), to provide technicians with access to OEM repair methods. During 2020, 2,500 new VFIs have been made available for 100 different vehicles and this information provision will continue to ensure quality glass replacement in 2021.

The company's approach is always to look at new tools, equipment and bonding processes to provide customers with the safest glass repair, replacement and recalibration that is available within the industry.

LATEST DEVELOPMENTS

With the challenges of the COVID-19 pandemic impacting every country, Belron introduced 'touch-point sanitisation' in April for every job the company completed. This process which protects both employee and customer, is an additional step in the Belron Way of Fitting that will be carried out whenever and wherever a job is completed.

In 2020, Belron carried out 1.1 million recalibrations, enhancing customer safety thanks to continued investment in research and technology. Through its research, testing has shown that mis-calibration can significantly affect the response of safety systems in the vehicle which could have serious implications for the occupants of the vehicle and other road users.

Belron Technicians always follow manufacturer's instructions when recalibrating to ensure the safe functioning of the customer's vehicle ADAS systems. The result of the research has been incorporated into all relevant ADAS modules, eLearning and awareness programmes developed by the business. Going forward the company is planning more ADAS research in 2021 to look at the possible degradation of calibration over time as well as the safety impact/implications on ADAS systems' performance when carrying out road-side calibrations.

To maintain the high standard of its work and commitment to customer safety, Belron introduced a Corrective and Preventative Actions (CAPA) system to identify, track and resolve product problems. New Expert Working Groups were introduced to look at non-quality and ADAS related issues from a global viewpoint. This new measurement system will provide a standardised central approach for all work.

KPI

Belron will continue to invest in research and development to be able to deliver a high-quality and safe service to all its customers, and to maintain the skills of all its technicians. The R&D budget for 2020 was GBP 1.8 million.

Autonomous Emergency Braking (AEB) testing.

> Reducing the environmental impacts of our activities

WASTE MANAGEMENT

TOPIC DESCRIPTION

For Belron, the most significant waste product is the glass removed from customers' vehicles when a windscreen cannot be repaired and must be replaced. Whilst it cannot be reused for windscreens, the waste glass can be recycled for other products. Recycling the glass efficiently helps Belron significantly reduce costs associated with waste and minimise its environmental impact.

AMBITION

Improve glass recycling rates across the Belron businesses year on year, with an ambition to recycle glass to 100% where possible.

MANAGEMENT APPROACH

Where possible, Belron will repair a customer's windscreen as this not only saves the customer time and money, it also significantly reduces environmental impact by reducing the need to replace the glass. When a repair is not possible, Belron aims to recycle the glass waste and considers innovative approaches and supplier partnerships to achieve this.

With other waste streams Belron aims firstly to minimise use by setting technical standards for the amount of product needed during each job and secondly, defines clearly what to do with specific waste streams to maximise recycling.

The waste streams are managed by the local businesses in line with legislation, through local waste collectors. Beyond this, Belron uses its distribution centre network to apply reverse logistics and partners with recycling companies to improve overall recycling rates. This data is reported to Belron via its reporting software SoFi by Sphera, to provide an overview of the businesses waste impact and highlights opportunity areas for improvement.

The company has been successful in steadily increasing windscreen recycling rates through group and local targets and has led the market on a 'repair first' approach that differentiates it from competitors.

Belron also recognises that the changing nature of its products and services has the potential to increase the company's waste impacts, most notably, the increasing complexity and deployment of ADAS on windscreens and its impact on the potential for repair, and the company's increasing range and offer around Value Added Products (VAPS). The impacts will be monitored as the business moves forward with its Responsible Business Framework.

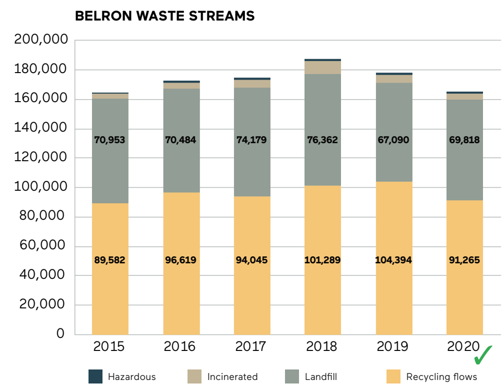
LATEST DEVELOPMENTS

Highlights from the businesses include:

- Carglass® in Germany launched the GreenTab as a new sustainable product. The product goes straight into the washer fluid tank in the car and is mixed with tap water, resulting in a total of 5 litres of cleaning fluid. The product replaces containers of windshield washer fluid and therefore reduces plastic waste. The feedback received on social media has been very positive.
- Autoglass® in the UK introduced initiatives to help reduce waste. The initiatives include: transparent waste bags within distribution centres to improve the sorting of waste materials and increase segregation; a new on-site compactor to reduce the frequency of general waste collected and reduce waste contractors' carbon footprint – this has also reduced expenditure; working with suppliers the business has identified opportunities to reduce packaging on various products; and consolidated its external waste management provision to one provider enabling them to streamline waste collection and maximise recycling and recovery opportunities.
- Safelite® in the US recycled more than 1.9 million windscreens in 2020
- Smith&Smith® in New Zealand saw a 3% reduction in non-glass waste products being diverted to landfill, a 21% reduction of overall waste being created and over a thousand tonnes of glass being recycled. The business is continuing to work with its recycling partner on sustainable ways to discard and recycle the PVB resin from the windscreens.

KPI

In 2020 Belron recycled over 60% of its glass waste and continues to monitor and improve overall recycling rates across its businesses.



The data covers the wholly owned businesses. Part of the waste data is based on estimations. This is the case for example for glass waste to landfill which is based on the total volume of windshields and curved tempered units sold and broken.

CARBON EMISSIONS

TOPIC DESCRIPTION

With operations across the world, and a network of branches, services centres, distribution centres and a large mobile fleet, Belron has a direct and indirect impact on climate change through its carbon emissions. It therefore has a responsibility to monitor, manage and ultimately reduce these emissions.

AMBITION

Belron will initiate in 2021 a project aimed at setting up an emission reduction plan and roadmap to be able to set science-based targets. A first step will be to improve the understanding and management of the company's emissions and carbon footprint.

MANAGEMENT APPROACH

Belron has committed to drive down emissions as one of its priority areas in the new Responsible Business Framework. Currently it monitors the carbon emissions that are directly in its control, such as those related to the energy consumption of its branches and its fleet, as well as Scope 3 emissions related to travel and subcontracted logistics. Belron has a carbon footprint reporting tool used by its corporate business units and supports them in measuring, managing and reducing their footprint.

Belron recognises the critical importance of emissions reductions to its business and its stakeholders as the world transitions to a low carbon economy. Belron also recognises that reducing emissions across its entire value chain will have a positive societal impact, offer significant costs savings and have reputational benefits to the business while also future proofing for what lies ahead.

LATEST DEVELOPMENTS

Belron continues to partner with Bureau Veritas on its Product Carbon Footprint (PCF) tool and certified the PCF data for its businesses in France and Germany. This work enables these businesses to have confidence in setting future reduction targets locally as well as using this information for operational decisions and external communication.

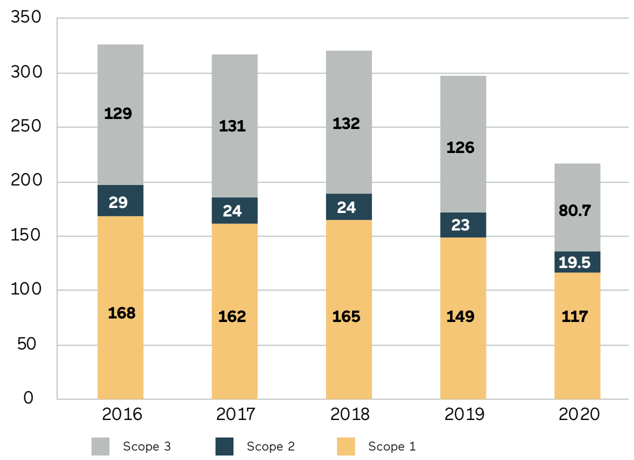
Highlights from the businesses include:

- Carglass® Distribution (European Distribution Centre (EDC)) in Bilzen, Belgium has reduced its inland shipping emissions by 80% since October 2019, a total of 1,440 truck journeys and 112 tons CO_2. Inbound containers carrying vehicle glass travel from Antwerp to Genk via barge and from there it travels just a short journey of 1.5km by road to reach the EDC. A current study is also under way to have incoming shipments from Poland transported to Genk by rail and then to Bilzen by road.
- At the beginning of 2020, Carglass® France carried out its Carbon footprint with 2019 data. This approach to estimate greenhouse gas emissions has a broader scope than the monitoring carried out annually, the results obtained are therefore more exhaustive. Emissions related to the manufacture of glazing represent almost 30% of emissions related to the Carglass® France activity, followed by employee home-to-work transportation, which represents 12% of emissions. These studies help to build the strategy to reduce CO_2 emissions. The involvement of glass suppliers in the process is therefore essential, as is the internal work on employee travel which has been initiated.
- During 2020 the UK Supply chain, through the speed of service project reduced the main Mini Distribution Centres from 14 to 8. By optimising the delivery routes for Autoglass® and the wholesale market from these new distribution centres this enabled the UK business to reduce the daily mileage driven by circa 2,400 miles per day, a c20%of the total miles driven per day. In turn this has resulted in a yearly miles driven reduction of over 70,000 miles. As well as reducing daily miles driven the speed to service project also reduced associated carbon emissions by c20% which has led to a significant reduc-tion in environmental impact.

KPIs

In 2020 Belron recorded a reduction in its emissions across the business, in part as a result of the impact of the global pandemic on business activities. However, it has once again seen a reduction in the amount of CO_2 per prime job. This has continued to fall over the past 5 years from 28.5kg in 2015 to 20.3kg in 2020.

BELRON EMISSIONS: SCOPE 1, 2 & 3 IN TCO_2 (000) TONNES



SUSTAINABLE PROCUREMENT

TOPIC DESCRIPTION

The Belron Code of Ethics and its Guiding Principles set out clear standards for the business, its people and its partners. A breach of these standards not only impacts those involved but could result in a detrimental impact on the Belron brands and its supply chain.
The Belron supply chain and its supply partners are integral to the business and delivering excellent service to its customers. 40% of the company's turnover is spent on the procurement of goods and services, with a significant part of this on glass, but also on many other products such as repair resin, glue, moldings, trims, tools, and uniforms. Belron has a network of 70 global suppliers managed at group level, who produce the goods that Belron buys at over 120 production sites.
Sustainable Procurement is a core part of the Belron Procurement strategy, and through the application of strict standards for suppliers, the company's needs for goods and services are met in a way that achieves value across the spectrum, for Belron, but also for society, the economy, and the environment.

AMBITION

The Belron ambition is to be a world class Sustainable Procurement organisation, and throughout 2021, all Belron group level direct and indirect suppliers will be fully integrated into the new Sustainable Procurement Programme. This will involve all suppliers going through the core assessment and risk management steps, including external assessments of the Sustainability performance of all suppliers, and the expansion of the existing program of on-site audits to cover significantly more supplier production locations than ever before.

MANAGEMENT APPROACH

The business adheres to and promotes clear ethical standards for itself and expects similar standards from all third parties who work with Belron or on its behalf. In no instances will inhumane treatment of its people or those in its supply chain be acceptable including any form of forced or bonded labour, child labour, physical punishment or any other abuse.

All Belron group level suppliers are assessed and managed through the new Sustainable Procurement programme, which ensures that suppliers are ethically and legally compliant, and that financial and continuity risks are managed. This programme is conducted through a combination of internal and external assessments, and on-site audits.

At local business unit level each business manages its local suppliers. The policies, actions and results of these activities are assessed through the Ecovadis assessment programme.

WHAT ARE THE SUSTAINABILITY RISKS WE PROTECT AGAINST?

LATEST DEVELOPMENTS

In 2020 Belron appointed a fully dedicated Sustainable Procurement Manager to lead the team responsible for driving significant performance improvements in this area. Following this appointment, the Belron Sustainable Procurement programme was developed and has been structured around three pillars:

- *Transparency* – ensuring that suppliers have visibility of the Belron standards, that Belron has visibility of supplier production locations, and that all stakeholders have visibility of progress and results;
- *Assurance* – ensuring that all suppliers operate in line with the Belron standards, validated through both remote assessments and on-site audits;
- *Reward* – incentivising suppliers to improve their sustainability performance, and rewarding those who go above and beyond to make a real difference.

One of the first tasks undertaken was to develop and launch a new Supplier Code of Conduct, which sees a big step forward in both setting and communicating the standards that Belron requires of its suppliers, and of ensuring compliance with those standards. Following this, a new online portal was created to record, monitor and track supplier sustainability performance. Belron is now working closely with key suppliers to understand ways in which they can work together to drive sustainability improvements across the entire supply chain.

KPIs

A set of detailed supplier sustainability KPIs is being developed which will give a mechanism for all suppliers to be fully assessed, scored and rated against the Belron standards. These KPIs will also give Belron a basis on which to set developments targets with suppliers and collaborate with them to drive continuous improvement.

> Favouring employee well-being

EMPLOYEE HEALTH & SAFETY

TOPIC DESCRIPTION

Caring for its people is at the heart of Belron's culture and it places great importance on the health and safety of the people in all its business units. The company aims to ensure that its people are appropriately trained and have the right tools and equipment to do their role. An identified core risk for the business is injury or harm to an employee whilst carrying out their role. This could result in long term absenteeism, legal consequences and economic loss, as well as distress to the employee and their family.

High Voltage Vehicles: training pilot in the UK
Testimonial from Tim Camm – Technical Trainer, Autoglass® UK

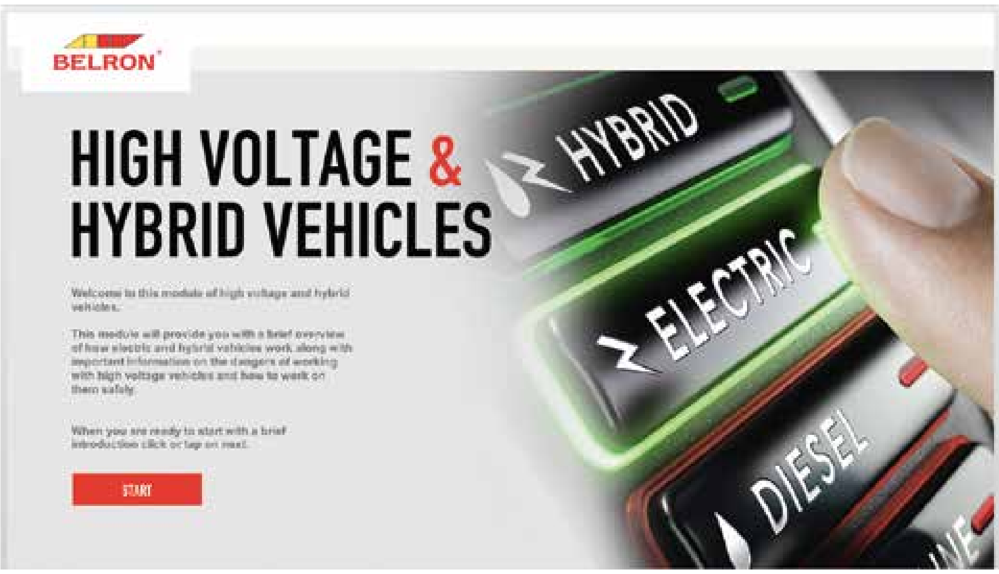
"Autoglass® identified an area of improvement to make sure our technicians had the knowledge and competence to work on high voltage vehicles safely. Whilst it was unlikely the business work streams would involve direct contact with the engagement and disengagement of the high voltage system it was apparent that there was level of awareness required for the technicians to understand the critical safety points. Additionally, ADAS recalibration service meant that our technicians were looking for safe points to secure a battery management system.

Autoglass® has a relationship with the Institute of the Motor Industry (IMI) for many years delivering the industry IMI Accreditation scheme recognised throughout the sector. They were one of the first organisations to offer support and training regarding High voltage vehicle technology.

From a Technical Training Manager perspective, I am confident that Autoglass® has identified and supported not only the safety of working on high voltage vehicles but provided the technicians with the knowledge and expertise to remain safe in their daily workload. "

AMBITION

In 2020, implementing consistent health and safety measurements across the business was identified as a key priority by the Leadership Team. The business prioritised its efforts on managing health and safety through the global pandemic, ensuring programmes and equipment were in place to keep its people and customers safe. Therefore, progress on new measurement tools was delayed but will continue in 2021 as well as the ongoing safety review work with the company ERM, a leading global provider of environmental, health, safety, and risk related services. As a priority for 2021, the business will continue to work on a stringent and robust framework for reporting incidents at group level.



MANAGEMENT APPROACH

For the technician population, Belron has embedded stringent safety standards in the Belron Way of Fitting. These standards range from the correct handling of glass to safe driving practices. The process also defines the method, tools, training and assessments developed and implemented across the business by the technical team. Other safety programmes include Quality Starts with Safety – an awareness training of the importance of following the correct process when replacing a windscreen and the consequences of not doing it right, S.T.O.P. - how technicians look after Self, Tools, Organise the work and use the right Process, and 1-2-3 Easy - a training programme on the ergonomics of how technicians can avoid injury while doing their job. Each business is responsible for providing additional training where required, as well as for implementing the necessary measures to comply with local legislation. These measures extend beyond the technician population to also include distribution teams, warehouse operatives, head office employees and call centre agents.

As the business moves forward into 2021, the ambition is to further enhance the health and safety approach through data collection, sharing of best practices, and highlighting learnings amongst the countries to help prevent and mitigate the risk of incidents.

LATEST DEVELOPMENTS

In response to the COVID-19 pandemic, large sections of the Belron workforce, including whole contact centres, were quickly and effectively mobilised to work from home. The technician workforce was equipped with protective equipment and safety processes and procedures were implemented across branches and mobile services, to protect technicians and customers. This included sanitisation of all touchpoints in a vehicle both at the start and end of every job, which was quickly integrated as a standard part of the Belron Way of Fitting.

Moving forward to 2021, the Fitting Practices Control Programme will be rolled out across the business to audit and monitor key safety steps within the Belron Way of Fitting.

O'Brien® Australia achieved excellent outcomes for 2020 in the area of health, safety and well- being. The business's TRIFR (Total Recordable Injury Frequency Rate) fell by 27% vs 2019 and LTIFR (Lost Time Injury Frequency Rate) fell by an incredible 83% vs 2019. This year has seen a sustained and meaningful improvement in its safety leadership, culture and performance. There were a number of important initiatives which were undertaken in 2020 underpinning these results including the "mO'bilise" stretch and flex program for frontline service technicians, a "Resilience 2 Thrive" mental health and well-being training program for all leaders across the business, a transformation in its return-to-work methodology and practice, as well as refocusing the monthly safety leadership review meetings. 2021 will see the roll-out of further step-change initiatives which will have a positive impact on both the lagging and leading safety KPIs including an early intervention physiotherapy program and the complete replacement of its current on-line safety system.

KPI

The local businesses are responsible for monitoring incidents and reporting them in line with local legislation. A Belron-wide consolidated KPI is being developed.

The labour practices of each Belron business is assessed using the Ecovadis measurement tool. The tool assesses policies, actions, and results in the areas of health and safety, working conditions, social dialogue, training and development, and well-being. This area of the assessment carries the largest weighting of the score (45%), and the current Belron average across the group is 64.5.

EMPLOYEE DEVELOPMENT & WELL-BEING

TOPIC DESCRIPTION

Belron employees are the heart of the business. Belron's performance and achievements are the result of the engagement and commitment of its people. Their well-being, engagement and overall employee experience are key priorities for the business.

AMBITION

Belron embarked on a world class approach to ensuring it is always listening to its employees with a new global engagement survey in October and will continue to drive high levels of engagement.

MANAGEMENT APPROACH

The business is committed to attracting, engaging and developing the very best people who are equipped with the capabilities and skills to serve its customers.

The company maintains policies and procedures with regards to its employees at each business unit level. The many employee engagement initiatives in place include training and development, recognition through local in-country programmes as well as the Belron Exceptional People Award globally, flexible working options, feedback channels, and community involvement through the Giving Back agendas.

Belron knows that in a large organisation, difficult situations may arise. That is why it continued to promote it's 'speak up' facility as a channel for its people to raise issues in confidence if they feel unable to do this internally. The Belron provider transitioned from Expolink to Navex Global following its acquisition. Each business was provided with revised contact numbers, web-reporting portal access and materials to support the promotion of the change. This was also an opportunity for each business to reinforce the importance of speaking up.

Every issue raised through the Speak Up facility was investigated, and appropriate action taken where necessary. This included policy or process review or additional training.

LATEST DEVELOPMENTS

Belron embarked on a world class approach to ensuring it is always listening to its people with a new global engagement survey in October. Belron had historically used the Belron People Measure survey that assessed employee sentiment at a high level, maintaining a group average score of between 7.5 and 8 (out of 10) since 2016. During 2020, Belron chose to pivot to a new employee engagement survey, working in partnership with Willis Towers Watson, a global leading provider. The survey included a more comprehensive set of questions aimed at better assessing employee engagement and experience and allowing Belron to benchmark performance relative to similarly positioned peers on key aspects of engagement. The qualitative as well as quantative outputs from the survey will enable the business to prioritise on key areas for improvements.

During 2020, a priority for Belron has been to ensure it has global talent management and succession frameworks in place to ensure it has the right leadership and teams not only for today's needs, but also for the future.

The company recognises that its business success relies on how committed and proud all of its employees are to work for Belron. In this unprecedented year, it was also essential that the company fully supported its employees, putting their health, safety and well-being first, but also providing hardship support to those most in need. The pandemic has meant some very difficult circumstances for some of its employees and as a result it quickly established a Hardship Fund in order to support its employees and their families in particularly difficult circumstances. This is fully aligned with the company's purpose of truly making a difference with real care.

With the impact of COVID-19 and various country ‘lockdowns’, the businesses took action on ensuring employee well-being was maintained and where appropriate, steps were taken for employees to work remotely. For example, Carglass® France accelerated its remote working strategy for head office, call centre, and function support employees (approximately 700 people). The company took a collaborative approach to its strategy: qualitative and quantitative surveys, brainstorming and meetings. It helped them to create a long-term, efficient and positive remote work experience. Carglass® Germany and Belron International implemented ergonomic procedures and programmes to ensure that employees who had transitioned to working from home were correctly set up to maximise their well-being. To support its people in well-being as well as health and safety, Smith&Smith® appointed a Health, Safety and Wellbeing Advisor and implemented a Wellbeing education programme.

KPI

84% response rate on new engagement survey showing 86% of the employee population actively engaged. The global engagement survey results showed that employees are highly engaged and feel extremely proud to work for Belron. The deep insights and feedback received allows the business to continue to build on this great foundation for the future.

DIVERSITY & INCLUSION

TOPIC DESCRIPTION

Belron recognises the critical importance of diversity and inclusion to its business and its key stakeholders.

AMBITION

As part of the Belron ambition to be the best place you will ever work, the aim is to build an organisation that values differences in all its forms – treating everyone as an individual and creating an environment which enables everyone to participate and reach their full potential.

MANAGEMENT APPROACH

Belron commits to hiring and promoting people on the basis of their ability for a role and their appreciation, respect and alignment with the company’s culture.

The company is in the process of developing a group approach to diversity and inclusion. A first key step has been to understand the current position through surveys conducted as part of the listening and engagement strategy. Belron has already engaged its leadership, building diversity and inclusion into its leadership behaviours and equipping leaders to be advocates and role models for these important issues. More conversations around inclusion are taking place, with roundtables and working groups/committees being planned in the business.

LATEST DEVELOPMENTS

Responding to the Black Lives Matter movement in the US, Safelite® hosted a panel discussion set up through its Diversity & Inclusion Advisory Council. The online discussion featured valued leaders from across Safelite® sharing their thoughts, feelings and experiences in facing racism. Safelite® also reacted to feedback from its first ever Diversity and Inclusion survey. In particular, it conducted a pay equity analysis and implemented adjustments, and completed a people data analysis to understand the gender and racial diversity of its current employee population as well as new hires, promotions and terminations.

At Carglass® in Germany they continued to partner with organisations that support people with disabilities. The aim of Carglass® is to hire more people with disabilities, helping them gain access to the labour market, and gain work experience with the aim to offer them a meaningful and fulfilling career. Currently, the business has two active placements that have been with the business for over a year. They receive individual training that fits their special needs and enables them to work as independent as possible.

> Making a difference for our communities

TOPIC DESCRIPTION

Belron has a deep-rooted sense of responsibility towards the communities it serves which is guided by its heritage and values. 'Giving Back' is a key aspect of the Belron culture - the Spirit of Belron – and these values are shared by all Belron people wherever they are.

By involving its people, through their passion and energy, the 'Giving Back' agenda and activities have a positive impact not only on the charities and causes supported but also on people engagement.

AMBITION

The company will continue to build on its commitment to Giving Back to drive positive change by sharing its time and skills with young people to support their career aims.

MANAGEMENT APPROACH

Belron is committed to making a meaningful impact on society which is why its businesses and its people across the world choose their own community initiatives and organisations to support. Each business sets its own 'Giving Back' agenda and through this approach, its people experience a greater sense of personal involvement and achievement. Belron supports their efforts in many ways including financial donations, volunteering time, sharing resources or participating in fundraising events.

The company also recognises the impact it can have when its people come together as a global community around a common purpose to support the South African charity, Afrika Tikkun. This organisation, connected to the heritage of the business, has a holistic approach to improving the lives of children and young people in vulnerable communities, from 'cradle to career'.

LATEST DEVELOPMENTS

Spirit of Belron Round the World Challenge

Due to the global pandemic, the Spirit of Belron Challenge (an annual event that raises funds for global charity partner, Afrika Tikkun) became a virtual event. The Challenge's format was simple; each participant was invited to sign up through an online platform and app for a specific challenge to complete over 5 days. This included completing 5, 20, 50, or 100 kilometers in 5 days by walking, running, swimming, or cycling; an Olympic distance triathlon; or a duathlon, and collectively to 'travel' around the world.

Just over 7,300 people from around the world participated, logging 166,594 kilometres, virtually circling the globe more than four times. The event was a huge success, raising EUR 1.7 million for Afrika Tikkun. This funding was absolutely vital for the charity who pivoted its usual operations in order to address the food crisis that was emerging in the communities. Since the start of the pandemic Afrika Tikkun has distributed 75,000 food packages to families, provided 14,000 hot meals to the homeless and distributed 300,000 locally made face masks.

Belron Ronnie Lubner Charitable Foundation

In February Gary Lubner launched the Belron Ronnie Lubner Charitable Foundation, established in his father's name to continue the longstanding commitment to give back to the community. Since the launch, the Foundation has donated over EUR 2 million to causes around the world, benefitting 270 charities across six continents.

Over half the total amount donated has been in response to the global pandemic crisis. Since April 2020, the Foundation has been accepting applications from Belron people around the world to support charities and organisations that are on the front line of the COVID-19 pandemic or are experiencing acute difficulties due to the crisis.

These organisations have been helping people in many different ways including food parcels and feeding programmes, mental health support, access to accommodation, general family support, support for emergency workers, and providing shelter for victims of domestic violence, all existing societal issues that have been exacerbated by the crisis.

The Foundation has also helped organisations to continue to do their work during these challenging times by providing funding for personal protective equipment, technology to support programmes moving online, and to provide additional services to meet the growing need.

DONATIONS

- Afrika Tikkun (through Spirit of Belron Challenge): EUR 1.7m
- Local Giving: EUR 2.4m
- Belron Ronnie Lubner Charitable Foundation: EUR 2m

› ETHICS

HUMAN RIGHTS / CORRUPTION & ANTI-BRIBERY

TOPIC DESCRIPTION

Human rights are a fundamental pillar of ethics and are addressed in the Belron Code of Ethics and Guiding Principles. Belron is also explicit in its Code of Ethics and Guiding Principles that it will not tolerate any forms of corruption or bribery either towards or by its people or partners. A breach of this could seriously damage the reputation of the business and result in significant legal consequences.

MANAGEMENT APPROACH AND POLICY REVIEW

Belron people are expected to always treat each other with respect and ensure that their activities do not contribute directly or indirectly to human rights abuses.

Belron outlaws the use of child labour in any form. The business does not employ anyone below the age of 16 or the local legal minimum employment age should this be different in a country it operates in. It will not use suppliers who use child labour in any manner. All of its employees, contractors and suppliers working conditions are required to be compliant with national legislation and in cases where this is deemed insufficient, with the relevant International Labour Organisation Standards. In no instance will inhumane treatment of its people or those in its supply chain be acceptable including any form of forced or bonded labour, physical punishment or any other abuse.

The Belron Code of Ethics and Guiding Principles are in place across the business to ensure that corruption and bribery are not tolerated. Anti-bribery and corruption are compliance matters that the Group Legal team promotes throughout the business. The approach is local business unit and market specific and therefore the policies and procedures adopted will depend on a number of factors including the relevant risk and local rules in each business unit country. In higher risk jurisdictions, enhanced measures are implemented to help prevent anti-bribery and corruption.

To support this approach, training and awareness sessions on anti-bribery and corruption law and anti-corruption policies are provided where Belron perceives any material risk, in order to help ensure that each business continues to compete fairly and in compliance with all applicable anti-bribery laws. Each year, the business requires all local General Managers to sign an annual Statement of Ethical Compliance and Statement of Competition Law Compliance, indicating that their respective local business units complied with the Code of Ethics and Guiding Principles.

Each Belron business is responsible for the development of its localised code of ethics based on a centralised framework. Communications on ethical behaviours and training are also conducted at local level. There were no significant changes made to the business's ethics and compliance programme in the past year however these topics are included in the review that is being carried out in order to develop a new Responsible Business Framework.

KPI

The businesses' approach to anti-bribery and corruption is one of the topics assessed within the Ethics section of the Ecovadis sustainability assessment. Within the assessment each business answers questions and provides evidence on their policies, actions and results in relation to this topic as well as fraud, money laundering, conflicts of interest, information security and anti-competitive practices. The Belron Group average Ecovadis score for Ethics is 66.5.

4. Moleskine

BUSINESS DESCRIPTION

Moleskine is a global, multi-category, multi-channel brand, whose mission is to unleash human genius through hands-on paper to empower creativity and knowledge in each individual and the entire world. The company aims to enable creativity with objects designed to elevate thinking, planning and making, and with services that help achieve creative potential. Its products include notebooks, diaries, journals, bags, writing instruments, reading accessories as well as hybrid products that migrate handwritten ideas to the infinite possibilities of the digital world. Furthermore, its ecosystem gathers content and stories, people and partners, which enable and nurture creativity and self–expression: In particular, Moleskine is present across a network of websites, blogs, online groups and virtual archives, not least within the brand's own online community, myMoleskine. Overall, it provides open platforms to create, communicate and share ideas.

Moleskine has about 390 employees and a vast network of partners. With its headquarter in Milan, Italy, the Moleskine Group also includes, among others, Moleskine America, Inc. (established in 2008); Moleskine Asia Ltd (2011), which controls Moleskine Shanghai and Moleskine Singapore; Moleskine France (2013) and Moleskine Germany (2013). The group designs and sells its products through a multichannel distribution platform. The production itself is outsourced to partner suppliers.

OUR APPROACH TO SUSTAINABILITY

Corporate responsibility has always been part of the DNA of our brand since the beginning (lettera27 Foundation was founded in 2006 and then transformed into Moleskine Foundation in 2017; first FSC paper certification was obtained in 2008, etc.), but to move forward in sustainability Moleskine decided to elevate the significance of sustainability across the enterprise and to embed it in the organization's strategic fabric. Each component of the sustainability strategy has a key role in the implementation of the brand mission:

- **Environment**
  Build a sustainable brand to last by reducing its footprint, through environmentally-friendly solutions for its iconic products.
- **Social**
  Bringing positive changes to society by nurturing critical thinking and creativity while acting as an inclusive company and a responsible leading brand.
- **Governance**
  Setting a long-term governance approach of transparency, integrity and ethical behaviour to build a solid and trusting relationship with its stakeholders and preserve the reputation of its brand.

Sustainability has been included among the strategic drivers for growth. Moving forward from setting up an ECO team in 2019, Moleskine has appointed an internal resource to be responsible for the Global Sustainability Strategy.

MATERIALITY

Moleskine has decided to identify its non-financial priorities based on a "materiality analysis". This analysis has been performed in early 2020 and is aimed at determining significant environmental and social impacts. To create its materiality analysis, Moleskine opened a dialogue with its internal and external stakeholders: executive team, employees, shareholders, suppliers of goods and logistics, key customers per channel. External experts were involved to support Moleskine in this process and ensure a consistent and accurate materiality assessment. Starting from that, Moleskine also performed a maturity assessment on materiality analysis results. Both these analyses and assessments were conducted following the principle of materiality as set out in the Global Reporting Initiative (GRI) and are recapped in the table below. Moleskine developed its ambitions to be implemented through the ESG strategy according to the material topics.

STRATEGIC AMBITIONS	MATERIAL TOPICS	GRI REFERENCE
Playing an active role in the protection of the environment	Environmental friendly products Environmental friendly suppliers	306 WASTE (2020), 305 EMISSIONS (2016) 308 SUPLLIER ENV. ASSESSMENT (2016)
Fostering people's creativity and critical mindset	Social actions and education	413 LOCAL COMMUNITIES (2016)
Supporting employees' development and well-being	Talent development Employee well-being and diversity	404 TRAINING AND EDUCATION (2016) 405 DIVERSITY AND EQUAL OPPORTUNITY (2016)
Applying sustainable corporate governance	Responsible governance Ehtical suppliers	414 SUPLLIER SOC. ASSESSMENT (2016)

OUR MAIN IMPACT

With a mission statement dedicated to empowering creativity and knowledge in each individual and the entire world, Moleskine contributes to promoting lifelong learning, which is in line with SDG4 (quality education).
It contributes to this first and foremost via its products, services and its digital platforms. But it also contributes to spreading lifelong learning and critical thinking among communities through the Moleskine Foundation, which is fully aligned with the values and beliefs of the company. In 2020 Moleskine has strengthened its relationship with the Moleskine Foundation and both entities started a joint long-term program to support creative communities world-wide, in the firm belief and awareness that creativity and imagination are key drivers for producing positive social change.

Moleskine also has the ambition to contribute to SDG12, which aims to ensure sustainable consumption and production patterns. It does so by developing eco-friendly solutions for its products and packaging.

STRATEGIC AXES

> Playing an active role in the protection of the environment

PROPOSING ECO-FRIENDLY SOLUTIONS TO OUR CLIENTS

TOPIC DESCRIPTION

Moleskine's business model is based on the conception and creation of consumer goods. Therefore, a substantial part of the environmental impact stems from the design and manufacture of new products. Taking environmental criteria into account and considering the products' full life-cycle at the design stage is crucial to minimizing waste and increasing the recyclability of materials. This perspective goes beyond the product to include the packaging.

AMBITION

Moleskine is stepping up its long-term commitment to lower its environmental impact. It aims to continue developing eco-friendly solutions for its products and packaging. In the short-term, Moleskine has established a project to assess waste elimination solutions by the end of 2021.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

To eliminate waste Moleskine starts thinking about the environmental impact of its packaging from the conception stage: packaging is kept to a minimum and is frequently designed to be reused – such as the B-side of the paper-bands, which can either be re-used for another purpose or kept for the inspiring ideas or quotes that they offer.

In 2020 Moleskine started a project to measure the waste generated through its direct activities and through the commercialization of its core products. Moleskine defined an integrated approach that takes into account different actions, from most favourable to least favourable ones, based on their sustainability assessment. Decisions to prevent, reuse or recycle will be subject to the results of the assessment on waste generated in each step of the commercialization process (including in the direct activities in its offices).

In addition, since the second quarter of 2020 Moleskine has embraced a no-destruction approach of unsold products developed under license agreements. Moleskine started inviting licensors to donate unsold inventory, as an exception to any different and previous provisions of the license agreements. More concretely, licensors have been engaged in the Creative Tools for Social Impact program, whose aim is to repurpose unsold products that will be offered as creative tools in social impact programs instead of being destroyed.

Respect the environment, respect the creative community.

As part of Moleskine's strategy to reduce waste, a decision was also made in 2020 to convert all paper product catalogues into digital versions.

In order for Moleskine to understand the environmental impacts of its products along the entire value chain, the company has performed a life cycle analysis of one its core products. This has enabled it to capture further possibilities for improving the ecological footprint of its products, in addition to waste elimination. Moleskine will continue looking for new solutions with low environmental impact, including scouting for new suppliers and new materials for its core products.

KPIs

- About 92% of paper products in the 2020 catalogue have a reusable paperband or reusable packaging.
- For 64% of license agreements valid at least in Q1 2020 and onwards, licensors have already agreed to donate unsold products at the end of the sell-off period.
- About 84% less paper product catalogues than in 2019.

REDUCING OUR CARBON EMISSIONS

Thinking about our collective tomorrows

TOPIC DESCRIPTION

Moleskine has a direct and indirect impact on climate change, which results respectively from the greenhouse gases emitted for its own operations (design, distribution) and for the activities of its supply chain, as well as direct emissions from day-to-day use of Moleskine's offices and mobility of Moleskine's employees.

AMBITION

Moleskine has the ambition to develop a carbon emission reduction plan by 2022. Because becoming aware of the impact itself is the first step towards reducing it, the first goal of the long-term plan is the fine-tuning of the measurement process that started in 2019, for CO_2 direct emissions coming from offices and stores.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

Moving forward from lessons learnt after the first CO_2 calculation in 2019, Moleskine has implemented some improvements in the calculation process, such as the engagement of landlords in the data collection phase for energy consumption in leased stores locations. From 2020, CO_2 calculation will be reviewed by an external auditor to ensure the robustness of the calculation process.

KPIs

Direct CO_2 emissions (tons)	2019	2020 ✓
Scope 1	184	73
Scope 2 (market-based)	394	415
	578	**488**

1) Part of the CO_2 emissions (concerning 16% of gas consumption and 28% of electricity consumption) is based on extrapolations since the energy consumption of some rented retail stores are not available (shared with the other occupants of the building and landlord). Further details are given in the ESG statement section (p 185).

LIMITING ENVIRONMENTAL FOOTPRINT OF OUR SUPPLY CHAIN

A sustainable supply chain is key to our collective future

TOPIC DESCRIPTION

Moleskine must exercise responsibility when choosing the materials it uses in its products, since such choices will inevitably impact the world's resources. Even though Moleskine does not produce its products, it designs them and initiates their production. The use of chemicals can also affect the health of end consumers. This can represent a risk to the brand's good reputation as well as costs associated with the non-compliance with standards and regulations.

AMBITION

Moleskine is committed to engage its supply chain partners in sustainable sourcing.

The way forward is to continue applying the same high standards to all materials used to produce Moleskine products (paper, cardboard, polypropylene, polyurethane, polyester, nylon, fabrics and textiles, metals, ABS plastic, EVA rubber, real leather).

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

The company selects its product suppliers according to strict requirements in terms of product certifications to guarantee sustainable procurement, and low environmental impact in terms of chemicals used, while ensuring high quality standards. The paper used to produce notebooks is sourced from a certified FSC (Forest Stewardship Council) chain-of-custody supply chain, since 2008. All the paper is acid-free and ECF (elementary chlorine free). Also, all products and materials comply with major international regulations such as REACH and Proposition 65.

KPI

- Last FSC certification obtained in 2018 and valid until 2023 (the certification is submitted to an annual review)

> Fostering people's creativity and critical mindset

THROUGH MOLESKINE PRODUCTS AND COMMUNITIES

TOPIC DESCRIPTION

Moleskine is a cultural icon, a brand that tells a story. A Moleskine object, service, content connects the owner to a heritage in art, literature, cultural and geographical exploration.

It is part of Moleskine's DNA to sustain creativity and critical thinking in the community, which can increase people's chances to grow in their personal and professional lives.

DETOUR PROJECT
Pascale Marthine Tayou (Yaoundé, Camerun 1967) Many, many (people). 2011. Courtesy of Moleskine Foundation Collection

AMBITION

Moleskine will focus on consumers, deepening its understanding of how the company can provide meaningful innovation. Focusing on both established and emerging segments, the company is laying the ground-work for continued consumer relationships in years to come.
The target of the group is that about 10% of the revenues will come from innovation and novelties.

Fold contents: FOLD feat. Aleksandra Kingo

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

The company dedicates significant energy to identifying areas for innovation across every product category, while also seeking ways to innovate internal processes and the business model.

Driven from a solid foundation in company purpose, brand evolution trajectory, and technical capabilities, the teams explore emerging consumer needs – seeking to deploy the optimal solution, at any given time, designed to empower personal creativity and productivity.

Relaunch of the Detour Project: Detour is a travelling exhibition of notebooks donated by world famous authors. It was a successful event, which was organized in a number of global cities and contributed significantly to connecting the iconic black notebook to a grand heritage in art, literature, cultural and geographic exploration. Moleskine wants to revamp the format to celebrate and leverage its extraordinary archive of over 1,000 artworks.

Fold Magazine: Moleskine FOLD is a space where the company engages with world leading cultural institutions and figures in quality and authentic conversations on relevant topics of our time, sharing their commitment to redefining community and driving positive social change. A multidisciplinary space of inspiration, social commitment, shared learning and creative exchange by speaking to the diversity of thought leaders committed to rethink our future.

In 2020, Moleskine partnered with Skillshare – an online learning community with thousands of classes for creative and curious people. The partnership was cemented by the Moleskine Studio Collection through three of the artists who contributed to the collection itself. Skillshare provided a platform for some of these talented individuals to impart their top tips for living a creative life, sharing advice with a wider audience of budding artists.

KPI

As of 2022: percentage of revenues coming from innovation and novelties.

THROUGH SOCIAL ACTIONS

Can Creativity Change the World?

TOPIC DESCRIPTION
Sustaining creativity and critical thinking in the community is part of Moleskine's DNA. It is also an opportunity for the company to engage with creative people.

AMBITION
Moleskine is committed to collaborate with the Moleskine Foundation by putting its network, its people and its infrastructure at the disposal of the Foundation. Moleskine has approved the annual designation of a sizeable contribution (1% of EBITDA each year, or EUR 0.5 million, whichever is higher) that will cover the structural costs of the Foundation and allow it to have a sustainable, long-term vision. Henceforth, 100% of the resources received by the Foundation can go directly to creating a positive social impact.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
The Moleskine Foundation is a non-profit organisation that provides young people with unconventional educational tools and experiences that help foster critical thinking, creativity and life-long learning, with a focus on communities affected by cultural and social deprivation.

The expertise gained with Lettera27 Foundation, has allowed Moleskine and the Moleskine Foundation to develop a new innovative partnership model of social engagement that brings together a non-profit organisation and a business to create a more significant social impact on a larger scale. Moleskine and the Moleskine Foundation have joined forces to start a long-term program to support creative communities world-wide, providing them with creative tools, such as notebooks, writing tools and bags, as well as connecting organizations and promoting local activities. Creative Tools for Social Change is a joint undertaking built on the shared expertise and vision of the Moleskine company and Moleskine Foundation.

The kind of organizations chosen to benefit from the program are those which embody Moleskine and Moleskine Foundation's common purpose: a belief that creativity can lead to positive social change, and that writing and drawing by hand on paper is the best way to unleash human genius.

KPIs
- The amount contributed to the Foundation in 2020 is EUR 625,000.
- About 14,000 units of creative tools offered in 2020.

> Supporting employees' development and well-being

EMPLOYEE WELL-BEING

Understanding our people's needs

TOPIC DESCRIPTION
Strong employee engagement with the corporate culture and goals, and staff retention are crucial to the long-term success of the business.

AMBITION
According to the pillars of its culture (Care, Excellence, Passion, Learning) Moleskine wants to create a specific way of working, which encourages a work-life balance and empowers its people to be result-minded instead of control-minded, to provide a focus on delivery and effectiveness.

The company also believes that better creativity and higher quality of contributions will be achieved if its people can get broader stimulus from outside the working environment.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
To reach these ambitions, Moleskine has started working (and will continue in 2021) on all the main aspects of the whole working life experience: physical space / simpler working processes / digital enablers (tools & systems) / learning & 2-way-feedback.

Moreover, Moleskine is also committed to rethink the office spaces, to allow people to use them not only for working-related matters (for example: gym & dance, museum, co-working spaces, kindergarten, cafeteria).

Since the beginning of 2020, an employee satisfaction survey is performed on a monthly basis for office employees which accounts for approx. 50% of the total workforce. Since October 2020, Moleskine has also developed a satisfaction survey for its retail employees (the other half of its workforce). Building on smart working feedback experienced during COVID restrictions, "A new way of working for Moleskiners" is under development.

KPI

- Average employee* satisfaction score for 2020 is 3.37 in a scale of 1 to 5 (5 being the highest satisfaction rate). ✓

** The satisfaction score covers our office employees, which accounts for 50% of our employees*

EMPLOYEE DEVELOPMENT

TOPIC DESCRIPTION
Moleskine sees it as crucial to unleash its people's creativity to let them contribute at their best to the company's long lasting success story.

AMBITION
Moleskine considers its people as a whole community and wants to sustain their professional development through solid personal growth.

Its ambitions are to:
- train all executive and leadership roles on leadership related contents.
- establish a feedback culture, training all employees on "how to give and receive constructive feedback" leveraging on this essential enabler of personal and professional development.

Moleskine is also committed to create a working environment with enriching professional opportunities (bigger roles and bigger responsibilities), allowing people to contribute in a meaningful way to Moleskine's results.

Its ambitions in this respect are:
- less than 2 people of regretted turnover.
- higher proportion of "promotions from within" vs "new hirings".

MANAGEMENT APPROACH AND LATEST DEVELOPMENTS
People's development will be managed and planned through the "People system", which is an integrated set of activities and tools that will drive employees throughout their experience in Moleskine.

KPI
- 21 talents have been identified and growth paths have been defined.

Nurturing ideas

> Applying sustainable corporate governance

RESPECT FOR HUMAN RIGHTS THROUGHOUT THE VALUE CHAIN

TOPIC DESCRIPTION
Moleskine's products are sourced entirely by external suppliers. Therefore, from the beginning of the development process Moleskine defines with these suppliers a set of social and ethical standards to be applied at all times.

AMBITION
Our ambition is to strengthen the results in terms of suppliers that comply with our guidelines, and enhance the commitment to ethical and social topics. In 2021 Moleskine will continue working to extend the number of suppliers that have accepted its Code of Ethics and that are c ompliant with a SA8000 certification or equivalent.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
In 2020 Moleskine has defined new Corporate Responsibility Guidelines and has become a member of Sedex, one of the world's leading ethical trade membership organisations, working with businesses to improve working conditions in global supply chains.

The legal and ethical standards that Moleskine adheres to are described in the company's Code of Ethics and in the new Corporate Responsibility Guidelines. The standard of General Conditions of Supply submitted to vendors that supply finished products contains the acceptance of Moleskine's Code of Ethics and to join Sedex.

Moleskine requires its suppliers of finished products to guarantee that every stage of their chain of production complies with the SA8000 International Social Responsibility Standard or an equivalent (which covers, amongst other points, working conditions, under-age workers and non-voluntary work).

KPI
In 2020, 100% of purchases from significant* suppliers of goods come from companies that are compliant with the SA8000 International Social Responsibility Standard or have an equivalent social audit for the production sites where Moleskine products are made.

** Significant suppliers are defined as the suppliers of goods that together account for over 90% of total year purchase value of Moleskine Goods (measured by total order value submitted in EUR)* ✓

NO TOLERANCE FOR CORRUPTION AND BRIBERY

TOPIC DESCRIPTION
Moleskine makes it clear that it will not tolerate any forms or attempts of corruption or bribes, which are totally against its ethical principles.

AMBITION
Moleskine's ambition is for all employees at every level of the organisation to comply with the Code of Ethics and do business in accordance with the values and behaviour contained therein.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
Relationships with public administrations or with commercial parties, suppliers or other third parties are guided by utmost honesty and transparency.

Those individuals who, in the course of their work, engage in dialogue and negotiation with the public administration, be it in Italy or abroad, are obliged to adopt a clear, fair and transparent approach, and must in no way influence the decisions of public employees in an improper manner, or behave illicitly (such as offering money, or other professional or personal benefits or favours) in a way that affects the impartiality and judgement of the representative of the public administration.

Since 2012 Moleskine has adopted a Code of Ethics, and since 2013, it has implemented the Italian Legislative Decree 231/2001 by adopting the organizational and control model aimed at preventing bribery and the corruption of public authorities and private entities.

It also complies with the Italian Entrepreneurial Association Guidelines (Confindustria Guidelines). A supervisory body oversees the efficiency of the model and must be informed of any possible violation. The Supervisory Board reports twice a year to the Board of Directors.

KPI
No cases of corruption and bribery were registered in 2020 by the Supervisory Body.

DIVERSITY AND INCLUSION

TOPIC DESCRIPTION
Moleskine promotes diversity, rejects all forms of discrimination and applies the same standard of treatment toward each employee regardless of their religion, nationality, origin, gender or beliefs. It is acknowledged that diversity within the organization greatly benefits the business thanks to the mix of different genders, mindsets, cultural and professional backgrounds.

AMBITION
The company's ambition is to create a working place which resonates with its corporate culture. According to the 4 pillars of its culture (Care, Excellence, Passion, Learning), Moleskine wants to build a community of people, with a shared culture and values, who can create, together with economic value, a broader benefit for the whole of society.

Diversity is part of its brand DNA and the company is committed to create a culture of fairness and equality across all geographies and all roles.

Inclusion at 360, vertically.

Its targets are:
- At least 50% of women in executive and leadership roles.
- More than 33% of international profiles (not Italian) in executive roles.
- Setting up internal hiring and talent management processes to avoid unconscious bias.

Moleskine is also committed to enhance inclusion among different cultures and locations.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
Moleskine rejects all forms of discrimination and applies the same standards of treatment to all employees.

Moleskine recognises the importance of its people as one of the fundamental factors in achieving corporate objectives and is committed to put in place fair processes for recruitment, development, evaluation and training, aimed at providing equal opportunities without discrimination on the basis of gender, age, sexual orientation, religious beliefs or any other factor.

Staff are recruited on the basis of their experience, their attitudes and their skills. Recruitment and internal promotions are based exclusively on the match between expected and required profiles.

KPIs
- In Moleskine's working environment, 47% of top and middle management are women.
- There are 22% of international profiles (not Italian) in executive roles.

Eight executives have been trained on diversity and inclusion in 2020.

5. D'Ieteren Immo

BUSINESS DESCRIPTION

D'Ieteren Immo is the real estate company of the D'Ieteren Group in Belgium. D'Ieteren Immo is responsible for the management of the real estate assets that are owned by the D'Ieteren Group in Belgium, most of which are occupied by D'Ieteren Automotive. The assets include offices, workshops, concessions, logistics centers, residential units, parking lots and landbanks. Part of the activities includes the reconversion and redevelopment of sites that are not used by D'Ieteren Automotive. D'Ieteren Immo's team includes 43 permanent employees and 10 freelancers. In addition to managing its own property assets, the company offers real estate advice and a range of services to the tenants of the properties in the portfolio.

GENERAL APPROACH TO SUSTAINABILITY

D'Ieteren Immo's long-term "Invest and hold" strategy is at the heart of the company's sustainability ambitions. This equates to investing for the very long-term, without any objective of rapid valuation. D'Ieteren Immo ensures that its heritage thrives through rigorous governance, sustainable management, long-term relationships with all its stakeholders and a well-trained and proactive team.

In 2019, D'Ieteren Immo started an intensive and bottom-up approach, together with external expert Futureproofed, to develop a coherent and ambitious sustainability strategy. This resulted in the creation of eight sustainability themes, that included specific goals.

In 2020, the company reviewed and refined its strategy based on ongoing internal stakeholder consultations. The revision of the strategy was twofold.

First, four overarching ambitions that set out the top-level goals for the coming five to ten years were formulated. These ambitions form the strategic axes of the strategy:

1. D'Ieteren Immo wants to **improve the operational performance of its portfolio** by enhancing the energy performance, comfort standards and ecological value of its properties as well as carrying out sustainable maintenance and use, whilst building and strengthening long-term relationships with all stakeholders.

2. D'Ieteren Immo wishes to ensure that new investments and refurbishment projects are **designed and built in a future-proof way**. In doing so, it wants to provide flexible and attractive living and working environments that respond to current and future needs, while also minimising their environmental impact.

3. D'Ieteren Immo has a clear ambition to reduce both the company and portfolio-based Greenhouse Gas Emissions and **reach net-zero emissions by 2040** at the latest.

4. D'Ieteren Immo strives to **be a top employer** by creating meaningful jobs and promoting opportunities for personal and professional growth in a healthy and attractive working environment.

Secondly, the number of sustainability themes was reduced from eight to six compared to the previous year. By integrating the themes "sustainable mobility" into "improved quality of life" and making "futureproof infrastructure" one of the global ambitions, the distinction between different themes is now clearer and any overlap between the specific goals has been avoided. (see section 3. Materiality for more information).

The six sustainability themes are (1) climate positive buildings, (2) natural environment, (3) smart water management, (4) efficient material management, (5) improved quality of life and (6) strong relationships and partnerships.

Roadmap 2030

To translate these goals into tangible actions, we created a plan entitled 'Roadmap 2030'. In addition, D'Ieteren Immo has also developed internal **Project Guidelines** to ensure new projects are designed and built according to the goals and standards set out in the sustainability strategy. These Guidelines contain a detailed set of criteria to guide project teams, and this already from the concept and design stage.

In the coming years, internationally acknowledged frameworks, such as BREEAM New Construction and BREEAM In Use will be used to follow up on performance and progress of our new investments and refurbishments.

In 2021, D'Ieteren Immo will appoint a governance structure, consisting of representatives from all departments within D'Ieteren Immo working in interdisciplinary groups, to follow up on progress and decide on future steps. The first meeting is scheduled for the first quarter of 2021, with other meetings to be held every four to six months thereafter.

MATERIALITY

In 2019, D'Ieteren Immo performed a materiality assessment and drew up a materiality matrix. Based on internal and external stakeholder interviews — with governments, clients, suppliers, and sector associations — a list of material topics was identified and prioritized.

The list of material topics resulted in the eight, and then six sustainability themes, each with a clear set of defined goals.

The list is reviewed on a regular basis based on continuous stakeholder dialogue and follows trends in the sector.
The following table gives an overview of D'Ieteren Immo's ambitions with regard to sustainability, the related material topics and the applicable GRI-indicators.

STRATEGIC AMBITIONS	MATERIAL TOPICS	GRI REFERENCE
Improve the environmental and operational performance of our properties	Energy consumption and CO_2 emissions Client satisfaction	305 EMISSIONS (2016)
Design and build future-proof infrastructure	Client satisfaction Multi-purpose building Energy consumption and CO_2 emissions Material and waste management Circular design, construction & use	306 WASTE (2020)
Towards CO_2-neutrality	Energy consumption and CO_2 emissions	305 EMISSIONS (2016)
Be a top employer	Employee well-being	404 TRAINING AND EDUCATION (2016)

OUR MAIN IMPACTS

In 2015, the United Nations launched its 2030 Agenda for Sustainable Development. This ambitious action plan, with 17 Sustainable Development Goals, provides a shared blueprint for peace and prosperity, people and the planet, now and into the future. It includes eliminating extreme poverty, reducing inequality, and protecting the planet.

As a real estate company, D'Ieteren Immo can play a crucial role in the transition towards a sustainable and low carbon economy. Therefore, D'Ieteren Immo is determined to contribute to achieving the UN Sustainable Development Goals (hereafter: SDGs) by minimising its negative impact, and maximising its positive impact.

Here, we explore the key Sustainable Development Goals on which D'Ieteren Immo can have a direct and tangible effect.

While these are the most relevant SDGs, it is possible that other SDGs will be impacted with our activities.

Through its properties and investments, D'Ieteren Immo provides access to affordable, reliable and modern energy services (7.1) and improved energy efficiency (7.3). By maximising the self-generation of renewable energy on our sites and during the construction/renovation phases, D'Ieteren Immo can help increase the share of renewable energy in the global energy mix (7.2). D'Ieteren Immo will also research efficient energy solutions, such as energy storage solutions (7.a).

As a real estate operator and investor, D'Ieteren Immo aims to develop and upgrade quality, reliable, sustainable and resilient infrastructure. D'Ieteren Immo has started the process of adapting its buildings to current and future needs by integrating flexibility into the design of its assets (9.1) (9.4). Also, D'Ieteren Immo will conduct research on innovative solutions (9.5).

D'Ieteren Immo developments should be optimally integrated into cities and communities and provide access to sustainable transport systems, where possible (11.1) (11.2). D'Ieteren Immo considers it very important to stay engaged with stakeholders prior to and during the completion of a project to ensure their needs are considered. When creating new urban developments, D'Ieteren Immo aims for mixed-use projects with an optimal balance between different uses, in order to contribute to the well-being of local communities

D'Ieteren Immo is determined to engage in the transition towards a circular economy. As such, D'Ieteren Immo is focusing on limiting waste, recycling on site and stimulating the re-use of materials (12.2) (12.4) (12.5). In addition, campaigns will be organised for employees and suppliers to raise awareness on sustainable management and the efficient use of natural resources (12.8). D'Ieteren Immo will also promote procurement practices that are both sustainable and focus on local, durable, low carbon and eco-friendly products and materials, without compromising on quality (12.7).

D'Ieteren Immo is determined to play a role in the transition towards a low carbon economy and combat climate change. D'Ieteren Immo has the ambition to work towards $C0_2$-neutrality for both its company and portfolio-related GHG emissions (13.2). Furthermore, climate adaptation measures are integrated from the design stage of new projects and refurbishments, and measures to adapt buildings to climate related hazards and natural disasters are taken (13.1).

D'Ieteren Immo aims to optimise the use of land on its sites, whilst also minimising the sealed surface area (15.1) (15.5). In addition, D'Ieteren Immo takes measures, where possible, to preserve and increase the ecological value of sites and promote biodiversity (15.9).

STRATEGIC AXES

This section of the report examines D'Ieteren Immo's current efforts and future actions as it goes about achieving its four ambitions, or 'strategic axes', and goals of its sustainability strategy.

D'Ieteren Immo's four ambitions (or 'strategic axes'):
I. Improve the environmental and operational performance of our properties
II. Design and build future-proof infrastructure
III. Towards CO_2-neutrality
IV. Be a top employer

IMPROVE ENVIRONMENTAL AND OPERATIONAL PERFORMANCE OF OUR PROPERTIES

Photovoltaic panels on the site of Kortenberg

TOPIC DESCRIPTION

Well aware of the environmental impact of its property business, D'Ieteren Immo is taking steps to improve the environmental and operational performance of its portfolio by improving the energy performance, comfort standards and nature value of its properties, and by enhancing sustainable maintenance and use. This requires a detailed sustainable maintenance approach and a long-term relationship with all stakeholders.

AMBITION

- By 2025 the BREEAM In Use-certification of the as is-situation of all properties owned on 31st December 2020 will be completed. In 2021 the strategy for the BREEAM In Use certification will be defined.
- Customer satisfaction survey by the end of 2021.

MANAGEMENT APPROACH

In the coming years, D'Ieteren Immo will assess and improve the operational performance of properties using BREEAM In Use. The aim is not only to increase the number of sites with a BREEAM In Use certificate, but also to improve the score for every assessed site over time.

Climate positive buildings

The energy performance of D'Ieteren Immo buildings plays a crucial role in the overall ambition to reduce GHG emissions by 52% by 2030 and reach net-zero emission by 2040 (see section III. Towards CO2-Neutrality).

D'Ieteren Immo has already started mapping out the energy consumption at all its sites. The installation of smart monitoring systems and centralised energy management systems is key.

To further limit GHG emissions, D'Ieteren Immo will continue to invest in renewable energy generation, e.g. by installing more photovoltaic panels, and therefore be less dependent on the grid. D'Ieteren Immo is also researching energy solutions on site to store overproduction of renewable energy for later use. The pilot project on energy storage at Kortenberg will give insights on energy storage solutions for other sites.

In the future, older buildings will be gradually renovated or replaced by buildings that are more efficient with regard to insulation and heating, and better adapted to climate change.

Natural environment

As a first step in protecting ecological features and increasing the nature value of all sites, an inventory of biodiversity and ecological features present will be drawn up at each location, with the help of an external ecological expert. In the coming years, D'Ieteren Immo also plans to switch traditional green maintenance on its sites to green maintenance delivered in an ecological way.

Smart water management
D'Ieteren Immo aims to improve water-use efficiency on all sites. To track water consumption, all buildings will be equipped with smart water monitoring systems to monitor and map out fresh- and rainwater consumption.

In the coming years, D'Ieteren Immo is looking to identify appropriate opportunities to use rainwater and incorporate water recovery systems where possible, install leak detection and replace old installations with water saving equipment. D'Ieteren Immo will also improve collection and infiltration of rainwater.

Efficient material management
D'Ieteren Immo will continue to provide infrastructure on site to sort and recycle waste generated by the building or unit, its occupants and their activities.

In the coming years, D'Ieteren Immo also wants to limit the levels of waste produced. Initially, it will be important to set up a system that monitors building and office waste. In addition, campaigns on waste prevention directed towards tenants and suppliers will help raise awareness. Furthermore, a material database of construction materials will be created, enabling the re-use of these materials on other sites.

Strong partnerships and relationships
Strong partnerships with D'Ieteren Immo's stakeholders will be key in the transition towards a low carbon and sustainable economy. D'Ieteren Immo will organise regular meetings between the property managers and tenants with the objective of sharing insights based on recorded data, support the tenant in correct and sustainable use of the infrastructure and follow up on asset related issues (including environmental matters). Moreover, regular company visits, as well as informal and regular follow up meetings with suppliers will lead to stronger long-term relationships with suppliers.

As D'Ieteren Immo cares about its clients, a client satisfaction survey — aligned with the work done by D'Ieteren Group — will be launched during the year 2021. The insights obtained from this feedback will further help D'Ieteren Immo to improve the service it offers its clients, and help it take any actions necessary to improve and strengthen the relationship still further.

LATEST DEVELOPMENTS

- Completion of the pilot "H20 project" on energy storage at Kortenberg with the installation of a battery container for storage of excess solar energy which is connected to an Energy Management System for controlling (see activity report for further details).
- Installation of a smart monitoring system covering the entire Kortenberg-site.
- Installation of additional photovoltaic panels on the sites of Kortenberg, Zaventem and Mechelen.
  (see picture on previous page)
- Preparation of transfer to green electricity contracts of local origin with effect from 1st January 2021.
- Upgrade of technical installations, insulation of windows and roofs of various building units on various sites including Kortenberg, Mechelen , Wommelgem and Overijse.
- Re-landscaping of an orchard at the Kortenberg site, including a thorough cleaning up of the orchard and replacing worn trees with high-trunk apple trees, plus additional landscaping to support local biodiversity and setting up a picnic area. An adapted maintenance plan has been established for the orchard.
- The contract for ecological green maintenance which covered a large part of the Drogenbos site has now been extended to include all of the remaining green areas.

KPIs
To follow up and track progress towards achieving the goals and ambitions, the following key performance indicators will be measured in the coming year(s):

- % properties in portfolio certified according to BREEAM In Use: First certification foreseen for 2022
- # sites with ecological maintenance plan:
  4 sites in 2020

DESIGN & BUILD FUTURE-PROOF INFRASTRUCTURE

TOPIC DESCRIPTION

As a real-estate company, D'Ieteren Immo strives to design and build future-proof infrastructure. In new developments and refurbishment projects, the company wants to create flexible and attractive living and working environments that respond to current and future needs, while minimising the environmental impact.

AMBITION

By 2025, the Project Guidelines will be applied to 100% of the projects carried out by D'Ieteren Immo. Furthermore, D'Ieteren Immo will strive for 100% renewable and on site produced electricity in new developments.

MANAGEMENT APPROACH

To ensure new small and medium sized projects are designed and built according to the goals and standards set out in the sustainability strategy, D'Ieteren Immo developed an internal **Project Guideline**. This Guideline contains a detailed set of criteria to guide project teams, and this already from the concept and design stage. For certain large building developments D'Ieteren Immo has started to apply the rating scheme **BREEAM New Construction** to assess the design, construction and intended use and futureproofing of these developments.

Climate positive buildings

Already when buildings are in the concept and design stage, D'Ieteren Immo is examining solutions — using the Project Guideline — such as passive heating, cooling and daylighting to reduce its CO_2-impact. In addition, measures to adapt the building to climate change (e.g. light coloured roofing, installation above flood level) will be evaluated.

Natural environment

D'Ieteren Immo wants to improve the ecological value of new developments and promote biodiversity. Within the challenging context of urban locations and commercial activities, D'Ieteren Immo wants to optimise the use of its sites, through the creation of green and permeable surfaces where possible, without compromising on the practical use of the site. An external expert will be consulted to advise on landscaping that enhances biodiversity.

Smart water management

By monitoring waterflow, re-use of rain- and greywater and the installation of water saving equipment, D'Ieteren Immo is determined to support the tenants to reduce water consumption in its properties. In addition, D'Ieteren Immo is focussing on improving the collection and infiltration of rainwater on all new developments. E.g. Buffer tanks have been installed to collect rainwater for re-use and delayed run-off; and to ensure infiltration, sealed areas are limited as much as possible and natural elements, such as wadis, are integrated.

Efficient material management

To optimally respond to current and future needs, D'Ieteren Immo is integrating flexibility into the design of the building and development. Adaptability in the short, medium and long term is considered and where feasible, easily replaceable products or systems are to be chosen first.

Next to integrating flexibility into the design, D'Ieteren Immo wants to reduce waste from construction sites and stimulate the re-use of materials throughout the project's lifecycle. For large new development, an inventory of the materials used will be a first step to ensure buildings act as material banks. D'Ieteren Immo will focus on using local, durable, low carbon and eco-friendly products and materials, without compromising on quality. This requires a revision of the procurement policy on the short term whereby selection criteria such as waste valorisation will be decisive. Moreover, D'Ieteren Immo will work with experts to get a better understanding of sustainable and technically feasible alternative materials.

Improved quality of life

D'Ieteren Immo aims to design, build and/or refurbish developments in a way that benefits the health and well-being of its occupants. D'Ieteren Immo also considers engaging with stakeholders from the start of a project to be very important. Already, from the concept and design stage D'Ieteren Immo will take into account the needs of stakeholders as well as the various factors that have a proven influence on well-being. This includes the principles of biophilia in the design of office and workspaces, leading to buildings that incorporate more natural lighting and ventilation, natural landscape features and other elements for creating a more productive and healthy work environment for people. Other aspects, such as optimal indoor air quality, thermal comfort and maintaining ambient indoor noise levels will also be included at the early design stage. In addition, all new developments should be accessible to everybody and have safe and separate traffic streams for pedestrians, cyclists, cars, trucks, etc.

D'Ieteren Immo developments should always be optimally integrated into cities and communities and provide access to sustainable transport systems, where possible. By creating mixed developments, D'Ieteren Immo wants to contribute to the well-being of local communities. Furthermore, the use of sustainable and alternative modes of transport will be facilitated by providing sufficient on site capacity for the tenant to install charging stations and cycling facilities, as well as facilities for shared mobility.

LATEST DEVELOPMENTS

- Startup of the BREEAM New Construction certification journey for Mobilis with completion of a pre-assessment and registration of the project with the Building Research Establishment (BRE).
- The first phase of selective dismantling of the existing building on the project site of Mobilis was completed in August 2020. (see picture 4)
- Mobilis was recognised as a winner in the BeCircular 2020 category "circular yards".
- Complete refurbishment of the refectory and changing rooms for D'Ieteren Immo's technical staff at the Kortenberg site with special focus on sustainable material use and creating spaces that enhance the comfort and well-being of employees. (see picture 2)
- Thorough renovation of the Bentley-Lamborghini showroom in Drogenbos including improved building insulation, upgrade of technical installations and biodiverse re-landscaping of the green areas in front of the building in which the choice of plants is adapted to the specific local conditions and supports local biodiversity.
- In Fort-Jaco, the organic supermarket Färm has taken its place in the former workshop. After a few renovations and modifications, the car lift bridges have given way to beautiful vegetable displays. (see picture 3)
- To activate the Circularium-project in Anderlecht, D'Ieteren Immo teamed up with Makettt, a specialist of transitional real estate, to manage the program. Notwithstanding numerous challenges due to Covid-19, the selection of organisations with local, sustainable and/or circular activities interested in being housed at the site was completed. The first tenants moved in during summertime and in October an alternative "Opening Brut" event marked the official launch of Circularium. (see picture 1)

KPI

- % of projects executed using the Project Guidelines: D'Ieteren Immo will start implementing and monitoring the project guideline in the course of 2021

The number of projects where the Project Guideline was used from the design stage onward will be tracked to monitor to which extent sustainability is incorporated in new developments and refurbishment projects. For new large building developments the rating scheme BREEAM New Construction will be used to assess the design, construction, intended use and futureproofing.

1) Circularium
2) Refurbishment of refectory for D'Ieteren Immo's technical staff at the Kortenberg site
3) Färm supermarket at the Fort-Jaco site
4) Selective dismantling of the building on the Mobilis-project site

TOWARDS CO_2-NEUTRALITY

Many of the other ambitions and activities will also contribute to lowering carbon emissions.

TOPIC DESCRIPTION

In Europe, infrastructure is a major source of Greenhouse Gas emissions (hereafter: GHG emissions). D'Ieteren Immo recognises the important role it can play in the transition towards a low carbon and sustainable economy.

AMBITION

D'Ieteren Immo's overall ambition is to reduce its company and portfolio-related GHG emissions with 52% by 2030 (compared to 2020) and reach net zero emission by 2040. Both the company and portfolio-related GHG emissions will be calculated, as described below in the scope definition.

MANAGEMENT APPROACH

To enable the calculation of the emissions, smart energy monitors will be installed on all sites. This will enable the energy consumed by devices owned and (partially) controlled by D'Ieteren Immo to be separated from any devices owned and controlled by the tenant.

D'Ieteren Immo's portfolio-related emissions arise from the building's primary energy consumption, i.e. the energy needed for the basic lighting, heating and cooling of the building. The secondary energy consumption is the additional energy consumption related to the occupants' activities and is not part of the scope for CO_2-neutrality of D'Ieteren Immo. D'Ieteren Immo aims, however, to positively impact the secondary energy consumption by providing the tenants with reporting and insights into the smart monitoring data and working with them to reduce energy consumption.

By increasing the self-generation of electricity on our sites combined with green energy contracts, the basic energy consumption can be covered by renewable energy. The surplus self-generated renewable energy can be made available to the tenants for their activities. In time by implementing green lease-type of rental agreements, the tenants can be even more involved in the long term and the positive impact of the partnership between D'Ieteren Immo and its tenants can reach further.

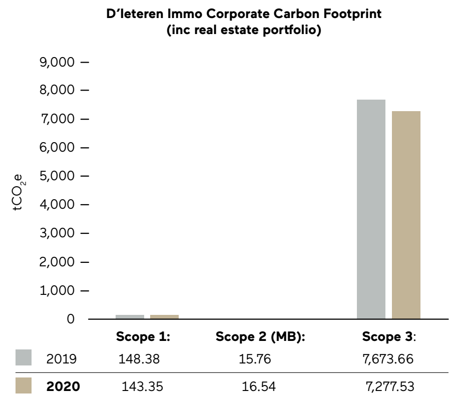
The scope of D'Ieteren Immo's carbon footprint consists of 3 subcategories:

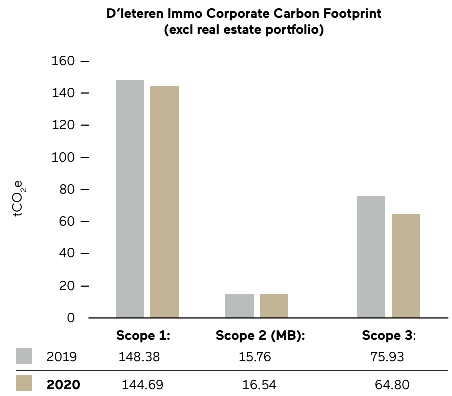
- **Scope 1** - direct portfolio emissions, from sources owned and controlled by D'Ieteren Immo and related to company facilities (which includes emissions generated during heating and cooling of the offices), as well as company vehicles (which includes emissions from fuel consumed by company controlled cars that are leased or owned).
- **Scope 2** - indirect emissions related to electricity use of the offices and self-generated electricity on site.
- **Scope 3** - indirect emissions generated by D'Ieteren Immo's operations. Under scope 3 the following categories will be considered: upstream emissions related to fuel and energy related activities, emissions from business travel, emissions related to employee commuting and downstream leased assets (including heating, cooling and electricity use of the sites).

Concrete actions to reduce GHG emissions are included in the three other ambitions of the Roadmap.

KPIs

- Greenhouse gas emissions scope 1 (143.35 tCO_2e)
- Greenhouse gas emissions scope 2 (16.54 tCO_2e)
- Greenhouse gas emissions scope 3 (7,277.53 tCO_2e)





BE A TOP EMPLOYER

TOPIC DESCRIPTION

An involved and motivated employee team is key for a successful business. D'Ieteren Immo wants its employees to thrive by creating meaningful jobs and promoting opportunities for personal and professional growth, and this in a healthy and attractive working environment.
Moreover, D'Ieteren Immo believes that partnering with stakeholders and strengthening relationships will be crucial in the transition towards a sustainable and low carbon economy.

AMBITIONS

- Implement an action plan to encourage increased participation and better results in the employee satisfaction survey, starting in 2021.
- Ensure continuous improvement of the team through personal development and training.
- Dedicate 10% of total FTE capacity to innovation.

MANAGEMENT APPROACH

Based on the results of the Employee Satisfaction Survey, D'Ieteren Immo will refine its HR policy to focus on the well-being of its staff, and offer a level of flexibility that allows everyone to achieve the right work/life balance. Besides an on-going dialogue, D'Ieteren Immo also organises annual review moments to assess individual employee needs on personal and career development.

Creating an involved team, where motivation is at an exemplary level, requires a continuous effort. Therefore, D'Ieteren Immo strives to create meaningful jobs, encourages employees to be more aware of their added value and supports team-activities. The company also continues to invest in establishing pleasant, ergonomic and safe working environments. To identify and attract the best talents in the future, D'Ieteren Immo will initiate a recruitment and career policy that is based as much on sharing values, as on soft skills and technical capabilities.

In the coming years, D'Ieteren Immo will also promote the use of sustainable and alternative modes of transport, by providing the necessary infrastructure and re-considering the mobility policy and electrification of the fleet. This will not only benefit the well-being of employees, but both raise awareness and reduce GHG emissions. D'Ieteren Immo also provides its employees with everything they need for teleworking and allows them to find a balance between home and office work, all the more relevant in these challenging times.

Furthermore, D'Ieteren Immo will foster sharing of knowledge and expertise inside the organisation by organising Show 'n Tell events in which employees, working groups or experts can share insights on a relevant topic. To create an impact on society and in order to be at the forefront of the real estate sector, D'Ieteren Immo will stimulate participation in sector events or conferences. In addition, from 2021 onwards, the company will dedicate 10% of its total FTE capacity to innovation that will push for innovative solutions and the development of the organisation.

LATEST DEVELOPMENTS

- From the start of 2020, the concept of interdisciplinary working groups dedicated to research on a specific topic was officially introduced as a new way of working and the way to focus on innovation.
- To help employees adjust to the sudden changes caused by Covid-19 measures and find the right balance during the first lockdown period, D'Ieteren Immo introduced a "Scandinavian work model". As such meetings are concentrated in the morning in order to free up time in the afternoon for reflection and work requiring concentration. It has enabled all of our employees to overcome periods of confinement and teleworking with as little stress as possible and, at the company level, to avoid any social plan or economic unemployment.
- The company provided all employees with the necessary personal protection equipment adapted to the sanitary requirements from the beginning of the Covid-19 measures.
- D'Ieteren Immo prepared a selection of ergonomic and aesthetic homeworking furniture, which employees could order at a negotiated discount.
- In September, the first "Tour D'Immo", a Covid-proof cycling event for the employees, was organised. On the occasion of the company's 4th anniversary, including Saint-Nicolas and Christmas, the company offered a gift box to all employees as a sign of appreciation.
- The first steps were set out to revise the car policy and transition to a more sustainable fleet.

KPIs

- Average employee satisfaction score: 73.8% in 2020
- Participation rate of employee satisfaction survey: 76.5% in 2020
- Average hours of training per employees per year: average of 28h/year per employee in 2020

"COVID-measures"

"Tour DImmo"

› ETHICS

Besides the four sustainable ambitions identified, D'Ieteren Immo also emphasises that ethical principles are crucial. Three individual aspects of this theme are discussed below. The company plans to lay down formal rules of conduct so that these matters are officially enshrined in the code of conduct for the company and its employees.

RESPECT OF HUMAN RIGHTS

TOPIC DESCRIPTION

D'Ieteren Immo only operates in Belgium, within a strict social and legal framework covering aspects such as working conditions, health and safety requirements and rules for collective bargaining.

MANAGEMENT APPROACH

D'Ieteren Immo does its best to promote a working environment in which people respect one another. Behaviour such as bullying, intimidation, oppression, exploitation, discrimination, racism, sexism or homophobia is not tolerated. The company also invests in the safety, development and satisfaction of its employees.

ZERO TOLERANCE FOR CORRUPTION AND BRIBERY

TOPIC DESCRIPTION

Corruption, attempted corruption, fraud and money laundering involve risks for both the employee and the company, as they are grounds for criminal prosecution and would have an impact on the company's reputation.

MANAGEMENT APPROACH

Corruption, attempted corruption, fraud and money laundering are not tolerated at D'Ieteren Immo. Gifts and invitations received by employees from clients, suppliers or other partners, or offered by employees to clients, must comply with accepted market practices and anti-bribery legislation. With regard to year-end gifts received from clients, suppliers or other partners, D'Ieteren Immo adopted the practice to distribute these gifts among the entire staff by means of a lottery.

INCLUSION AND DIVERSITY

TOPIC DESCRIPTION

D'Ieteren Immo is conscious of its responsibility to offer a fair workplace for employees, in which everyone is given the same opportunities, regardless of factors such as gender, age, culture or physical ability.

MANAGEMENT APPROACH

D'Ieteren Immo does its best to offer equal opportunities in the workplace. Skills and performance are the only criteria taken into account when making decisions about recruitment, promotions or job rotation.

ESG Statement

D'Ieteren Group is working closely together with its activities to collect ESG data with the aim to gain deeper insights in ESG and to promote transparency to all stakeholders. Building on the non-financial reporting exercise that has been performed since 2017, the Group started this new data collection in 2020, enabling all entities to identify potential gaps and improvement areas. D'Ieteren Group has the ambition to increase completeness in the years to come as well as to extend external verification on the non-financial data.

Below you can find an overview of our 2020 data collection for our Holding activities as well as for our business activities: D'Ieteren Automotive, Moleskine, Belron and D'Ieteren Immo. Please note that the data is not meant to compare the business activities with each other as they have significantly different businesses and contexts.

The scope applied for the ESG Statement is as follows:
- Holding: activities from the Head Office and investment team activities
- D'Ieteren Automotive: activities from D'Ieteren SA/NV, D'Ieteren Car Centers, PC Antwerp and PC Brussels. Sopadis, D'Ieteren Sport, LabBox and Wondercar are excluded from the scope in 2020 and will be included as from 2021.
- D'Ieteren Immo: 100% of D'Ieteren Immo offices
- Moleskine: 100% of Moleskine except for employee turnover rate which applies only for the office employees.
- Belron: 100% of wholly owned business and central office

ENVIRONMENTAL DATA D'IETEREN GROUP 2020		Holding 2020	Moleskine 2020	Automotive 2020	Belron 2020	Immo 2020
› **GREENHOUSE GAS EMISSIONS[1]**						
Greenhouse gas emissions scope 1	Tonnes CO_2	118	73 ✓	6,760 ✓	117,001	143
GhG emissions from cars	Tonnes CO_2	68	28	2,576	93,838	79
GhG emissions from natural gas	Tonnes CO_2	48	44	4,041	22,008	65
GhG emissions from heating fuel oil	Tonnes CO_2	-	-	-	715	-
GhG emissions from heating Propane/LPG	Tonnes CO_2	-	-	-	277	-
GhG emissions from refrigerant leakage	Tonnes CO_2	2	-	111	160	1
GhG emissions from owned logistics	Tonnes CO_2	-	-	31	3	-
Greenhouse gas emissions scope 2	Tonnes CO_2	20	415 ✓	1,004 ✓	19,479	17
GhG emissions market based	Tonnes CO_2	20	415	1,004	19,479	17
GhG emissions location based	Tonnes CO_2	26	436	1,737	28,199	24
› **GREENHOUSE GAS EMISSIONS INTENSITY**						
GhG emissions scope 1 per FTE	Tonnes CO_2	3.70	0.21	4.90	4.61	3.40
GhG emissions scope 2 per FTE	Tonnes CO_2	0.63	1.16	0.73	0.77	0.39
GhG emissions scope 1 & 2 per FTE	Tonnes CO_2	4.32	1.37	5.63	5.38	3.78
› **ENERGY CONSUMPTION**						
Total car fuel consumption	Liter	29,915	-	944,928	34,163,640	8,635
Total car diesel consumption	Liter	144	11,265	180,690	7,351,582	22,127
Total car fuel consumption (hybrid cars)	Liter	-	-	-	-	1,027
Heating natural gas consumption	MWh	260	239	21,845	112,819	351
Heating fuel oil consumption	MWh	-	-	-	2,660	-
Heating propane / LPG consumption	MWh	-	-	-	12,020	-
Grey electricity consumption	MWh	118	1,000	5,939	73,662	98
Renewable electricity consumption	MWh	33	67	4,340	23,256	42
Renewable electricity production	MWh	5	13	2,714	-	14
Cogeneration electricity production	MWh	28	-	2,831	-	32

ENVIRONMENTAL DATA D'IETEREN GROUP 2020		D'Ieteren Group	Moleskine	D'Ieteren Automotive	Belron	Immo
› WASTE						
Total waste generated	Tonnes	n/a	n/a	1,122 ✓	165,561 ✓	n/a
Total hazardous waste generated	Tonnes	n/a	n/a	148 ✓	1,675 ✓	n/a
Total hazardous waste directed to landfill	Tonnes	n/a	n/a	0 ✓	1,407 ✓	n/a
Total hazardous waste directed to incineration (without energy recovery)	Tonnes	n/a	n/a	0 ✓	0 ✓	n/a
Total hazardous waste directed to incineration (with energy recovery)	Tonnes	n/a	n/a	16 ✓	268 ✓	n/a
Total hazardous waste diverted from disposal to re-use	Tonnes	n/a	n/a	3 ✓	0 ✓	n/a
Total hazardous waste diverted from disposal to recycling	Tonnes	n/a	n/a	130 ✓	0 ✓	n/a
Total non-hazardous waste generated	Tonnes	n/a	n/a	973 ✓	163,886 ✓	n/a
Total non-hazardous waste directed to landfill	Tonnes	n/a	n/a	0 ✓	68,411 ✓	n/a
Total non-hazardous waste directed to incineration (without energy recovery)	Tonnes	n/a	n/a	0 ✓	594 ✓	n/a
Total non-hazardous waste directed to incineration (with energy recovery)	Tonnes	n/a	n/a	229 ✓	3,616 ✓	n/a
Total non-hazardous waste diverted from disposal to re-use	Tonnes	n/a	4.6	12 ✓	0 ✓	n/a
Total non-hazardous waste diverted from disposal to recycling	Tonnes	n/a	n/a	732 ✓	91,265 ✓	n/a

All data with a marked with ✓ is in the scope of the independent limited assurance performed by PwC.

1 Greenhouse gas emissions: The emission factors mainly come from the Bilan Carbone, the International Energy Agency as well as from direct supplier information

- *Moleskine: For the head office and 5 regional offices, 5% of the total office spaces related energy consumption had to be extrapolated. For the shops, in the USA and Europe 35% of the total shop spaces related energy consumption had to be extrapolated, while in Asia-Pacific this extrapolation rate represents 92%.*
- *D'Ieteren Automotive: D'Ieteren Anderlecht is excluded from the scope as this entity was not owned for the full year 2020.*

2 Waste:

- *Moleskine has recently started monitoring its waste information and will be able to report on this for the year 2021.*
- *D'Ieteren Immo is looking into possibilities to monitor the waste information.*
- *D'Ieteren Automotive: D'Ieteren Anderlecht is excluded 187 from the scope as this entity was not owned for the full year 2020. Moreover, the site D'Ieteren Braine l'Alleud is out of scope as it is a rented office building with several tenants.*
- *Belron: 71% of waste consists of glass waste, of which 64% is recycled and 36% is landfilled. The majority of the glass volume sent to landfill is an estimation based on the total volume of windshields and curved tempered units sold and broken. Other volumes of waste contains some estimations and extrapolations.*

SOCIAL DATA D'IETEREN GROUP 2020		D'Ieteren Group	Moleskine	D'Ieteren Automotive	Belron[3]	Immo
› FULL TIME EQUIVALENTS OWN EMPLOYEES						
Total full time equivalents (FTEs) of own employees on December 31	FTE	31.9	348.8	1,380.06	25,370.0	42.6
Share of male FTEs of own employees on December 31	%	66%	33%	80%	n/a	70%
Share of female FTEs of own employees on December 31	%	34%	67%	20%	n/a	30%
› FULL TIME EQUIVALENTS OWN EMPLOYEES BY REGION						
Share of FTEs of own employees in the Eurozone	%	100.0%	57.3%	100.0%	33.5%	100.0%
Share of FTEs of own employees in North America	%	Not relevant	14.3%	Not relevant	50.5%	Not relevant
Share of FTEs of own employees in the Rest of the World	%		28.4%		16.0%	
› WORKED HOURS SUBCONTRACTORS STAFF						
Total number of worked hours by subcontractor staff during the reporting period	Hours	0	1,440	278	n/a	13,376
› HEADCOUNT OWN EMPLOYEES						
Total headcount of own employees on December 31	Number	32	390	1,388	n/a	43
Share of male headcount of own employees on December 31	%	66%	33%	80%	n/a	70%
Share of female headcount of own employees on December 31	%	34%	67%	20%	n/a	30%
› HEADCOUNT BY CONTRACT (FIXED-TERM/OPEN-ENDED)						
Total headcount of own employees with fixed term contracts on December 31	Number	0	9	25	n/a	0
Share of male headcount of own employees with fixed term contracts	%	0	22%	80%	n/a	0
Share of female headcount of own employees with fixed term contracts	%	0	78%	20%	n/a	0
Total headcount of own employees with open-ended contracts on December 31	Number	32	381	1,363	n/a	43
Share of male headcount of own employees with open-ended contracts	%	66%	33%	80%	n/a	70%
Share of female headcount of own employees with open-ended contracts	%	34%	67%	20%	n/a	30%

SOCIAL DATA D'IETEREN GROUP 2020		D'Ieteren Group	Moleskine	D'Ieteren Automotive	Belron[3]	Immo
› HEADCOUNT FULL-TIME/PART-TIME						
Total headcount of own employees contracted on a full-time base on December 31	Number	31	281	1,258	n/a	37
Share of male headcount of own employees contracted on a full-time base	%	68%	35%	83%	n/a	78%
Share of female headcount of own employees contracted on a full-time base	%	32%	65%	17%	n/a	22%
Total headcount contracted of own employees on a part-time base on December 31	Number	1	109	130	n/a	6
Share of male headcount of own employees contracted on a part-time base	%	0%	26%	54%	n/a	17%
Share of female headcount of own employees contracted on a part-time base	%	100%	74%	46%	n/a	83%
› OWN EMPLOYEE TURNOVER						
Turnover rate	%	9.68%	23.77%[4]	6.38%	n/a	4.6%
› LOST TIME INJURY (LTI) AT THE WORKPLACE						
Total number of lost time injury of own employees	Number	1	1	32 ✓	n/a	1
Frequency rate own employees	LTI/1,000,000 Hours worked	23.15	1.53	16.68	n/a	15.27
› WORK-RELATED FATALITIES						
Total number of work-related fatalities of own employees	Number	0	0	0	0	0
› LOST TIME DAYS AT THE WORKPLACE						
Lost time days due to work accidents of own employees	Days	4	35	901	n/a	2
Severity rate own employees	LTD/1,000 Hours worked	0.09	0.05	0.47	n/a	0.03
› ABSENTEEISM (ILLNESS AND LOST TIME INJURIES)						
Total days absent of own employees because of illness, lost time injuries or unknown reasons	Number	106.92	8,037	21,493.28	n/a	367.9
Absenteeism rate own employees	%	1.32%	9.07%	6.13%	n/a	3.40%
› HEALTH AND SAFETY TRAINING						
Total health and safety training hours of own employees	Hours	8	794	1,281.63	n/a	171

All data with a marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3) HR data: the information for Belron is currently not available on a Belron Group level, but is monitored on a local (country) level.

4) Moleskine's turnover rate for 2020 only concerns office employees.

5) Health and safety data: the majority of the information for Belron is currently not available on a Belron Group level, but is monitored on a local (country) level.

GOVERNANCE DATA D'IETEREN GROUP 2020		D'Ieteren Group	Moleskine	D'Ieteren Automotive	Belron[3]	Immo
› DIVERSITY IN MANAGEMENT						
Total headcounts in executive level positions on December 31	Number	5	9	19	133	5
Share of male headcount in executive level positions on December 31	%	60%	67%	84%	75%	60%
Share of female headcount in executive level positions on December 31	%	40%	33%	16%	25%	40%
› ANTI-CORRUPTION AND ETHICAL BREACHES						
Monetary amount of legal and regulatory fines and settlements (over 10.000 EUR) associated with: - violations of bribery, corruption, or anti-competitive standards - environmental, ecological or social issues; - data security breaches	EUR	0	0	0	0	0
› COLLECTIVE BARGAINING AGREEMENT[6]						
Share of headcount bound by a collective bargaining agreement (CBA) (excl. executive level)	%	84.38%	0%	98.63%	n/a	100%

All data with a marked with ✓ is in the scope of the independent limited assurance performed by PwC.

6) Collective bargaining agreement : the information for Belron is currently not available on a Belron Group level, but is monitored on a local (country) level.

INDEPENDENT LIMITED ASSURANCE REPORT ON THE SELECTED SUSTAINABILITY INDICATORS IN THE INTEGRATED REPORT 2020 OF D'IETEREN GROUP

This report has been prepared in accordance with the terms of our contract dated 9 October 2020 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with selected sustainability data, indicated with a checkmark (✓), of the Integrated Report of D'Ieteren Group as of and for the year ended 31 December 2020 (the "Report").

The Directors' Responsibility

The Directors of D'Ieteren Group ("the Company") are responsible for the preparation and presentation of the selected sustainability indicators for the year 2020 indicated with a checkmark (✓) in the Report of D'Ieteren Group, (the "Subject Matter Information"), in accordance with the criteria disclosed in the Report (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organizing the audit profession and its public oversight of registered auditors, and with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. Our assurance report has been prepared in accordance with the terms of our engagement contract.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information does not comply, in all material respects, with the Criteria.

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pwc

In a limited-assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable- assurance engagement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Subject Matter Information in respect of the Criteria. The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2020 presented in the Report;
- conducting interviews with responsible officers;
- inspecting internal and external documents.

The scope of our work is limited to assurance over the selected sustainability indicators for the year 2020 indicated with a checkmark (✓) in the Report of D'Ieteren Group. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the selected sustainability indicators for the year 2020 indicated with a checkmark (✓) in the Report of D'Ieteren Group, do not comply, in all material respects, with the Criteria.

Restriction on Use and Distribution of our Report

Our report is intended solely for the use of the Company, in connection with their Report as of and for the year ended 31 December 2020 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Sint-Stevens-Woluwe, 06/04/2021

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
represented by

Marc Daelman[1]
Registered auditor

[1] Marc Daelman bv, member of the Board of Directors, represented by its permanent representative Marc Daelman

GRI Content Index – Core

D'Ieteren Group discloses its non-financial information for the second time according to the GRI Standards, option Core. As the Group has a number of business activities in different sectors, the general disclosures is focused on the D'Ieteren Group entity while the specific disclosures concern the material aspects of each business activity. D'Ieteren Group aims to apply the UN PRI for its own material aspects, which is more applicable for an investment company than the GRI Topic Specific Standards.

Legend: IR = Integretad Report, NFDR = Non-financial Disclosure Report, FDR = Financial Disclosure Report.

SRS	Disclosure
GRI 102: GENERAL DISCLOSURES 2016	
1. ORGANIZATIONAL PROFILE	
102-1	Name of the organization
102-2	Activities, brands, products, and services
102-3	Location of the organization's headquarters
102-4	Number of countries operating
102-5	Nature of ownership and legal form
102-6	Markets served
102-7	Scale of the reporting organization
102-8	Information on employees and other workers
102-9	Supply chain
102-10	Significant changes to the organization and its supply chain
102-11	Precautionary Principle or approach
102-12	External initiatives
102-13	Memberships of associations
2. STRATEGY	
102-14	Statement from senior decision-maker

Reference	Remark or omission
IR: Cover page	
IR: D'Ieteren Group at a glance, p. 2-3	
	Rue du Mail, 50 1050 Brussels Belgium
IR: D'Ieteren Group at a glance, p. 2-3	
IR: D'Ieteren Group at a glance, p. 2-3	
IR: D'Ieteren Group at a glance, p. 2-3	
IR: D'Ieteren Group at a glance, p. 2-3	
IR: D'Ieteren Group at a glance, p. 2-3 NFDR: ESG Statement, p. 187-189	
	At the Group level, the procurement consists mainly of office supplies, flights & accomodation and energy. For the supply chain of the business activities, please refer to the non-financial disclosures, p. 145, 157, 167 and 172.
IR: History, p. 10-11	Please refer to each activity report for specific changes in operations or supply chain.
IR: Our success story: Building resilience by balancing risks and opportunities, p. 37	
IR: Our investment approach, p. 31	D'Ieteren Group endorses the Corporate Governance Code and is a signatory of the UN Principles for Responsible Investment (PRI).
	Memberships to associations and organisations is specific for each sector of the D'Ieteren group's business activities.
IR: Message from the Chairman, p. 5 IR: Message from the CEO, p. 6-9	

SRS	Disclosure
3. ETHICS AND INTEGRITY	
102-16	Values, principles, standards, and norms of behavior
4. GOVERNANCE	
102-18	Governance structure
5. STAKEHOLDER ENGAGEMENT	
102-40	List of stakeholder groups
102-41	Collective bargaining agreements
102-42	Identifying and selecting stakeholders
102-43	Approach to stakeholder engagement
102-44	Key topics and concerns raised
6. REPORTING PRACTICE	
102-45	Entities included in the consolidated financial statements
102-46	Defining report content and topic Boundaries
102-47	List of material topics
102-48	Restatements of information
102-49	Changes in reporting
102-50	Reporting period
102-51	Date of most recent report
102-52	Reporting cycle
102-53	Contact point for questions regarding the report
102-54	Claims of reporting in accordance with the GRI Standards
102-55	GRI content index
102-56	External assurance

Reference	Remark or omission
IR: Our purpose, p. 12 IR: Our values, p. 12 IR: Our value creation, p. 13	
IR: Governance, p. 38-41 FDR: p. 94	
IR: Dialogue with our stakeholders, p. 13 NFDR: Disclosure of non-financial information, The D'Ieteren Group, p. 139	
NFDR: ESG Statement, p. 189	
IR: Dialogue with our stakeholders, p. 13 NFDR: Disclosure of non-financial information, The D'Ieteren Group, p. 139	Our stakeholders are those stakeholder groups on whom D'Ieteren Group has an influence or who have an influence on D'Ieteren Group.
IR: Dialogue with our stakeholders, p. 13 NFDR: Disclosure of non-financial information, The D'Ieteren Group, p. 139	
NFDR: Disclosure of non-financial information, The D'Ieteren Group, p. 139	For confidentiality reasons, there is no disclosure of the specific topics raised per stakeholder group. However, the dialogue has led to identification of a selection of SDGs
FDR: Notes to the Consolidated Financial Statements	
IR: Dialogue with our stakeholders, p. 13 NFDR: Disclosure of non-financial information, The D'Ieteren Group, p. 137 NFDR: Disclosure of non-financial information - we refer to each section "Materiality" and "Description of topics" for each material aspect of the business activities.	
NFDR: Disclosure of non-financial information, The D'Ieteren Group, p. 137 NFDR: Disclosure of non-financial information - we refer to each section "Materiality" of each business activities.	
	There is no restatement of information unless otherwise specified in the appropriate section.
FDR: Disclosure of non-financial information, The D'Ieteren Group, p. 137	
	1/1/2020 - 31/12/2020
	4/28/2020
	Annual
	For questions related to the D'Ieteren Group's report, please contact the Corporate & Financial Communications team (email: financial.communication@dieteren.be)
IR: Our investment approach, p. 34 NFDR: Disclosure of non-financial information, The D'Ieteren Group, p. 137	
NFDR: GRI Content Index D'Ieteren - Core, p.192	
IR: Our investment approach, p. 31 NFDR: Independent Limited Assurance report, p.190	

SRS	Disclosure	Reported by
GRI 103: MANAGEMENT APPROACH 2016		
Topic Specific Standards		
Business activities		
ENVIRONMENTAL		
GRI 305: EMISSIONS 2016		
305	Management approach disclosures	D'Ieteren Automotive D'Ieteren Immo Belron Moleskine
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	D'Ieteren Automotive D'Ieteren Immo Belron Moleskine
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	D'Ieteren Automotive D'Ieteren Immo Belron Moleskine
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Belron D'Ieteren Immo
305-4	Greenhouse gas (GHG) emissions intensity	D'Ieteren Automotive D'Ieteren Immo Belron Moleskine
305-5	Reduction of GHG emissions	D'Ieteren Automotive Belron Moleskine

Reference	Remark or omission
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Managing environmental impact of our operations, p. 145 NFDR: Disclosure of non-financial information, D'Ieteren Immo, Towards CO2-neutrality, p. 182 NFDR: Disclosure of non-financial information, Belron, Carbon emissions, p. 156 NFDR: Disclosure of non-financial information, Moleskine, Reducing our carbon emissions, p. 167	
NFDR: ESG Statement, p. 185 FDR: Disclosure of non-financial information, D'Ieteren Automotive, Managing environmental impact of our operations, p. 145 NFDR: Disclosure of non-financial information, D'Ieteren Immo, Towards CO2-neutrality, p. 182 NFDR: Disclosure of non-financial information, Belron, Carbon emissions, p. 156 NFDR: Disclosure of non-financial information, Moleskine, Reducing our carbon emissions, p. 167	
NFDR: ESG Statement, p. 185 NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Managing environmental impact of our operations, p. 145 NFDR: Disclosure of non-financial information, D'Ieteren Immo, Towards CO2-neutrality, p. 182 NFDR: Disclosure of non-financial information, Belron, Carbon emissions, p. 156 NFDR: Disclosure of non-financial information, Moleskine, Reducing our carbon emissions, p. 167	
NFDR: Disclosure of non-financial information, Belron, Carbon emissions, p. 156 NFDR: Disclosure of non-financial information, D'Ieteren Immo, Towards CO_2-neutrality, p. 182	
NFDR: ESG Statement, p. 185 FDR: Disclosure of non-financial information, D'Ieteren Automotive, Managing envrionmental impact of our operations, p.145	
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Managing environmental impact of our operations, p. 145 NFDR: Disclosure of non-financial information, Belron, Carbon emissions, p. 156 NFDR: Disclosure of non-financial information, Moleskine, Reducing our carbon emissions, p. 167	

SRS	Disclosure	Reported by
GRI 306: EFFLUENTS AND WASTE 2020		
306-1	Waste generation and significant wasted-related impacts	D'Ieteren Automotive D'Ieteren Immo Belron Moleskine
306-2	Management of significant waste-related impacts	D'Ieteren Automotive D'Ieteren Immo Belron Moleskine
306-3	Waste generated	D'Ieteren Automotive Belron
306-4	Waste diverted from disposal	D'Ieteren Automotive Belron
306-5	Waste directed to disposal	D'Ieteren Automotive Belron
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
308	Management approach disclosures	Moleskine Belron
Own indicator	FSC Certification	Moleskine

Reference	Remark or omission
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Managing environmental impact of our operations, p. 145 NFDR: Disclosure of non-financial information, D'Ieteren Immo, Improve the environmental and operational performance of our properties, p. 179 NFDR: Disclosure of non-financial information, Belron, Waste management, p. 155 NFDR: Disclosure of non-financial information, Moleskine, Proposing eco-friendly solutions to our clients, p. 166	
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Managing environmental impact of our operations, p. 145 NFDR: Disclosure of non-financial information, D'Ieteren Immo, Improve the environmental and operational performance of our properties, p. 179 NFDR: Disclosure of non-financial information, Belron, Waste management, p. 155 NFDR: Disclosure of non-financial information, Moleskine, Proposing eco-friendly solutions to our clients, p. 166	
NFDR: ESG Statement, p. 185	Moleskine has recently started monitoring its waste information and will be able to report on this for the year 2021. D'Ieteren Immo is looking into possibilities to monitor the waste information.
NFDR: ESG Statement, p. 185	
NFDR: ESG Statement, p. 185	
NFDR: Disclosure of non-financial information, Belron, Sustainable procurement, p. 157 NFDR: Disclosure of non-financial information, Moleskine, Limiting environmental footprint of our supply chain, p. 167	
NFDR: Disclosure of non-financial information, Moleskine, Limiting environmental footprint of our supply chain, p. 167	Belron is developing a set of detailed supplier Sustainability KPI's, which will give a mechanism for all suppliers to be fully assessed, scored and rated against the Belron standards.

SRS	Disclosure	Reported by
SOCIAL		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	D'Ieteren Automotive Belron
403-2	Hazard identification, risk assessment and incident investigation	D'Ieteren Automotive Belron
403-3	Occupational health services	D'Ieteren Automotive Belron
403-4	Worker participation, consultation and communication on occupational health and safety	D'Ieteren Automotive Belron
403-5	Worker training on occupational health and safety	D'Ieteren Automotive Belron
403-6	Promotion of worker health	D'Ieteren Automotive Belron
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	D'Ieteren Automotive Belron
403-9	Work-related injuries	D'Ieteren Automotive

Reference	Remark or omission
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Playing an determining role in the well-being of our employees, p. 147 NFDR: Disclosure of non-financial information, Belron, Employee health & safety, p. 159	
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Playing an determining role in the well-being of our employees, p. 147 NFDR: Disclosure of non-financial information, Belron, Employee health & safety, p 159	
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Playing an determining role in the well-being of our employees, p. 147 NFDR: Disclosure of non-financial information, Belron, Employee health & safety, p. 159	
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Playing an determining role in the well-being of our employees, p. 147 NFDR: Disclosure of non-financial information, Belron, Employee health & safety, p. 159	
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Playing an determining role in the well-being of our employees, p. 147 NFDR: Disclosure of non-financial information, Belron, Employee health & safety, p. 159	
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Playing an determining role in the well-being of our employees, p.147 NFDR: Disclosure of non-financial information, Belron, Employee health & safety, p. 158-159	
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Playing an determining role in the well-being of our employees, p. 146-147 NFDR: Disclosure of non-financial information, Belron, Employee health & safety, p. 158-159	
NFDR: ESG Statement	The data do not provide the information for the subcontractors and do not make the distinction between work-related injury and high-consequence work-related injury. D'Ieteren Automotive: The total hours worked for D'Ieteren Automotive is 1,961,625. There were a total of 1,290 hours of training on health and safety provided in 2020. Belron: The majority of the information for Belron is currently not available on a Belron Group level, but is monitored on a local (country) level

SRS	Disclosure	Reported by
GRI 404 TRAINING AND EDUCATION 2016		
404	Management approach disclosures	D'Ieteren Automotive D'Ieteren Immo Belron Moleskine
404-1	Average hours of training per year per employee	D'Ieteren Automotive D'Ieteren Immo
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
405	Management approach disclosures	D'Ieteren Automotive Belron Moleskine
405-1	Diversity of governance bodies and employees	D'Ieteren Automotive Belron Moleskine

Reference	Remark or omission
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Employee development and well-being, p. 146 NFDR: Disclosure of non-financial information, D'Ieteren Immo, Be a Top Employer, p. 183 NFDR: Disclosure of non-financial information, Belron, Employee Development & Well-being, p. 160-161 NFDR: Disclosure of non-financial information, Moleskine, Employee development, p. 171	
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Employee development and well-being, p. 146 NFDR: Disclosure of non-financial information, D'Ieteren Immo, Be a Top Employer, p. 183	D'Ieteren Automotive: The hours training per employees in 2020 is 7,6 but it is not representative due to the Covid-crisis, where face-to-face training possibilities were significantly limited. Belron: the information for Belron is currently not available on a Belron Group level, but is monitored on a local (country) level. Moleskine: there was a total of 576 hours of training given in 2020 for office employees.
NFDR: Disclosure of non-financial information, D'Ieteren Automotive, Diversity and inclusion, p. 148 NFDR: Disclosure of non-financial information, Belron, Diversity & inclusion, p. 161 NFDR: Disclosure of non-financial information, Moleskine, Diversity and inclusion, p. 173	
NFDR: ESG Statement, p. 185	The breadown by age is not deemed relevant for the activities. Belron: the information for Belron is currently not available on a Belron Group level, but is monitored on a local (country) level.

SRS	Disclosure	Reported by
GRI 413: LOCAL COMMUNITIES 2016		
413	Management approach disclosures	D'Ieteren Automotive Belron Moleskine
Own indicator	Total donations	D'Ieteren Automotive Belron Moleskine
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016		
414	Management approach disclosures	Moleskine Belron
414-1	New suppliers that were screened using social criteria	Moleskine

Reference	Remark or omission
FDR: Disclosure of non-financial information, D'Ieteren Automotive, Commitment to the community, p. 149 FDR: Disclosure of non-financial information, Belron, Making a difference for our communities, p. 162 FDR: Disclosure of non-financial information, Moleskine, Fostering people's creativity and critical mindset, p. 169	
FDR: Disclosure of non-financial information, D'Ieteren Automotive, Commitment to the community, p. 149 FDR: Disclosure of non-financial information, Belron, Making a difference for our communities , p. 162 FDR: Disclosure of non-financial information, Moleskine, Through our social action, p. 169	
NFDR: Disclosure of non-financial information, Belron, Sustainable procurement, p. 157 NFDR: Disclosure of non-financial information, Moleskine, Respect for human rights throughout the value chain, p. 172	
NFDR: Disclosure of non-financial information, Moleskine, Respect for human rights throughout the value chain, p. 172	Moleskine is not screening the new suppliers but rather the significant suppliers in terms of procurement spent. Belron is developing a set of detailed supplier Sustainability KPI's, which will give a mechanism for all suppliers to be fully assessed, scored and rated against the Belron standards.

Share Information

D'Ieteren share

Minimum lot	1 share
ISIN code	BE0974259880
Reuters code	IETB.BR
Bloomberg code	DIE:BB

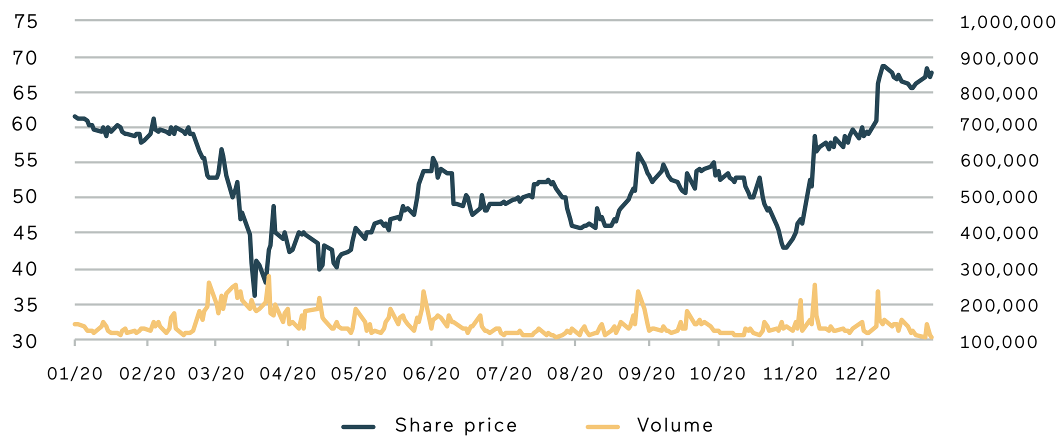
Stock market indices

On 31 December 2020, the D'Ieteren share had the following weightings in Euronext indices:
BEL ALL-SHARE: 0.71%
BEL CONS DISCR: 63.93%
BEL CONTINUOUS: 0.71%
BEL MID INDEX: 5.97%
NEXT 150: 1.12%

Evolution of the share price and traded volumes in 2020

	2020	
Performance	8.3%	
Total shareholder return[1]	9.9%	
Average price (EUR)	52.36	
Maximum price (EUR)	68.60	10 & 11/12/2020
Minimum price (EUR)	36.10	18/03/2020
Average volume (in units)	48,005	
Maximum volume (in units)	196,016	24/03/2020
Minimum volume (in units)	6,281	31/12/2020

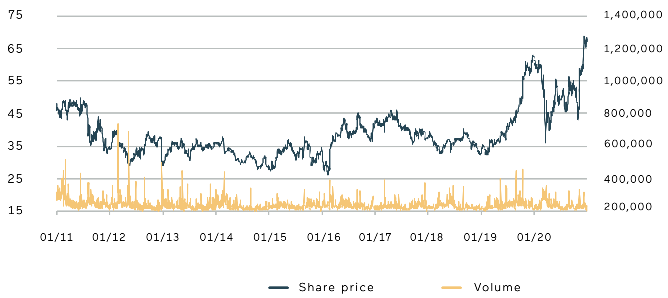
1 Based on gross dividends



Evolution of the share price over 10 years

	01/01/2011 – 31/12/2020	
Performance	43.6%	
Total shareholder return[1]	67.5%	
Average price (EUR)	38.79	
Maximum price (EUR)	68.60	10 & 11/12/2020
Minimum price (EUR)	26.08	11/02/2016
Average volume (in units)	48,005	
Maximum volume (in units)	675,467	29/02/2012
Minimum volume (in units)	5,286	04/12/2012

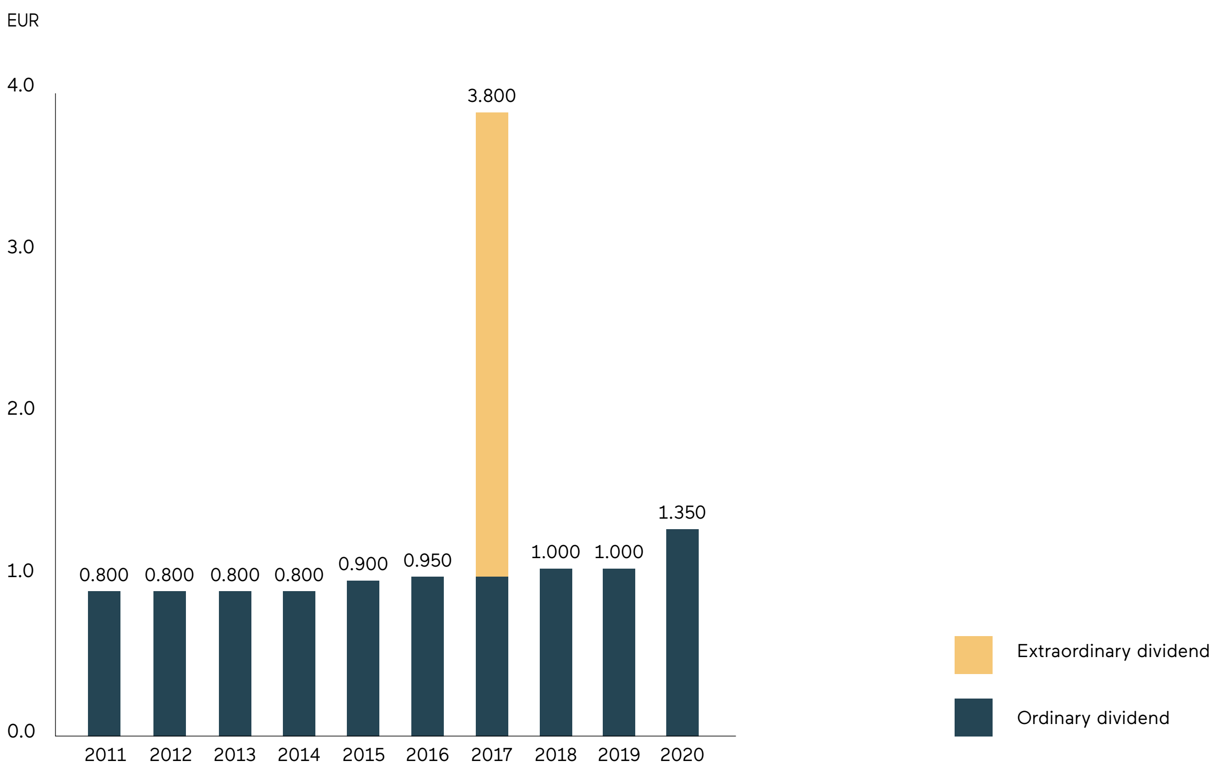
1 Based on gross dividends



Dividend

If the allocation of results proposed in Note 21 of this report is approved by the Ordinary General Meeting of 27 May 2021, a gross ordinary dividend of EUR 1.35 per share will be distributed. The dividend will be paid starting on 3 June 2021.

Evolution of the gross dividend per share over 10 year



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