D'IeterenGroup

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Financial and Directors' Report 2022

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* The topics of Article 3:32 of the company code, defining the content of the management report, that are not applicable for D'leteren 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'leteren, 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 D'leteren Group SA/NV, 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 D'leteren Group SA/NV 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 D'leteren Group SA/NV, and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

2022 Full-Year results
All businesses drive strong performance

1. D'Ieteren Group

Full-year 2022 highlights

D'Ieteren Group continued on its growth trajectory in 2022 thanks to all businesses, the full-year contribution from TVH and the first time contribution from PHE for five months. The Group's key performance indicator (KPI) – the *adjusted* consolidated profit before tax, Group's share[1] – came in at €733.4m, up 50.9% compared to 2021 including PHE and 42.9% excluding PHE. On a like-for-like basis, excluding PHE and TVH for both periods, the KPI grew by 27.6% YoY.

- **Belron's** *adjusted* profit before tax, Group's share[1] improved by 23.6% YoY to €433.3m, reflecting solid top-line trends and a slightly better *adjusted* operating margin[1] of 18.2% despite the additional costs related to the transformation programme and an environment of inflationary pressures and supply chain issues.
- **D'Ieteren Automotive** posted a 33.2% growth in *adjusted* profit before tax, Group's share[1] to €147.1m in a market severely impacted by production shortages. The Belgian new car market[2] was down by 2.0% YoY and D'Ieteren Automotive's revenues gained 11.4% YoY thanks to a positive price / mix effect and new mobility initiatives.
- **PHE** contributed for the first time for the 5-month period August – December and its *adjusted* profit before tax, Group's share[1] came in at €38.8m.
- **TVH** was included for the full-year (versus only the fourth quarter in 2021), and recorded an *adjusted* profit before tax, Group's share[1] of €98.0m, reflecting an outstanding top-line development and an *adjusted* operating profit of €257.6m, representing a margin[1] of 15.9%.
- **Moleskine,** still impacted by Covid-19 disruptions in Asia, grew its revenues by 17.8% and its *adjusted* operating profit[1] of €21.2m was 72.4% above last year's. *Adjusted* profit before tax, Group's share[1] for 2022 was at €10.2m versus €1.8m in 2021.
- **Corporate & Unallocated** (including corporate and real estate activities) reported an *adjusted* profit before tax, Group's share[1] of €6.0m compared to €4.7m in 2021. The net cash position[3] of D'Ieteren Group at the end of 2022 stands at €634.9m (or €322.0m excluding €312.9m of inter-segment loans).
- **Free cash flow[6]** Group's share reached €48.4m and was overall impacted by the sudden increase of car deliveries from VW Group to D'Ieteren Automotive in the last month of 2022 and by the conscious decisions to increase inventories to ensure availability in a period of supply chain issues, which was for all businesses partly compensated by improved operational results. Cash generation remained strong at Belron, at €298.8m, and improved at Moleskine (€17.3m versus €15.9m in 2021), while D'Ieteren Automotive and TVH had negative free cash flows due to inventory levels and PHE (in the last five months of 2022) invested in inventories and in acquisitions.
- D'Ieteren Group's businesses made progress in the measurement of D'Ieteren Group **non-financial KPIs**[7], namely customer satisfaction, employee engagement and CO_2 emissions.
- The Board of Directors proposes a **gross ordinary dividend** of €3.00 per share related to the financial year 2022 (versus €2.10 in 2021).

Note that 2021 figures have been restated at TVH to improve the consistency of accounting policies across all affiliates, to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022 and at Belron to reflect a reclassification of -€21.0m of fees from system integrators in relation to the business transformation programme from *adjusted* result to *adjusting* items in the Belron segment. Refer to note 1 p.32 for more information on the restatement of comparative information.

Outlook 2023

For 2023, assuming no further escalation in geopolitical tensions nor other major unforeseen events and in a macroeconomic environment characterised by limited demand growth and continued inflation, D'Ieteren Group expects its *adjusted* profit before tax, Group's share[1] **to be around €900m**. This improvement is expected to be driven by the continued growth from the businesses and the full-year contribution from PHE (versus only the last five months in 2022).

It assumes average foreign exchange rates that are in line with the rates that prevailed at the end of 2022.

The following financial performances are expected from the portfolio companies:

BELRON

- High single digit organic sales growth due to price / mix and increased ADAS recalibration penetration and VAPS contribution in an environment of low volume growth.
- *Adjusted* operating result[1] margin to improve by at least 150bps versus 2022 driven by top-line developments taking into account c.€125m of costs related to the transformation programme, of which c.€59m in *adjusting* items[1] (2022: €122.7m of which €53.0m in *adjusting* items[1]), and a first set of realised benefits. The total envelope of the programme has been revised upwards to €380-420m, out of which €196.5m have already been spent.
- Free cash flow[6] is expected to significantly increase versus 2022 thanks to better operational results and an improved working capital, slightly offset by higher capital expenditures, namely in ADAS equipment and in the footprint expansion.

D'IETEREN AUTOMOTIVE

- The Belgian market is expected to progressively recover from depressed levels, and 460,000 new registrations are expected in 2023 (versus 366,303 in 2022).
- In a recovering market, and with a record-high order backlog, D'leteren Automotive is expecting sales to grow by more than 30%, driven by market share gains and continued growth at new mobility initiatives.
- *Adjusted* operating result margin[1] is expected to slightly erode as the mix of deliveries, which was skewed towards higher-end, higher margin models since H2-21, progressively normalises, and taking into account inflationary pressure on costs (personnel) and the costs related to the 2023 'Salon de l'auto'.
- Free cash flow[6] is expected to return to positive levels thanks to the operational performance, and to the normalisation of inventory levels.

PHE

- High single digit organic sales growth[5] driven by price / mix initiatives and market share gains in a modest market volume growth environment.
- *Adjusted* operating result margin[1] is expected to remain broadly stable compared to that of 2022 as higher sales will be partly offset by cost inflation (personnel, energy).
- Free cash flow[6] generation is expected to improve versus 2022, primarily driven by improved operating performance, combined with tight control on working capital levels.

TVH

- Organic[5] top-line growth is expected to be high single digit, reflecting a gradual slowdown in volume growth related to the economic environment and additional pricing initiatives.
- *Adjusted* operating result margin[1] is expected to remain broadly stable versus 2022.
- Free cash flow generation[6] is expected to improve versus 2022, driven by normalised inventory investments, while TVH will continue to invest in capex and the Innovatis initiative in order to support its long-term growth ambitions.

MOLESKINE

- Sales are expected to continue to grow by at least 15% YoY.
- *Adjusted* operating result margin[1] should be above 20%, reflecting top-line trend and continued cost initiatives.

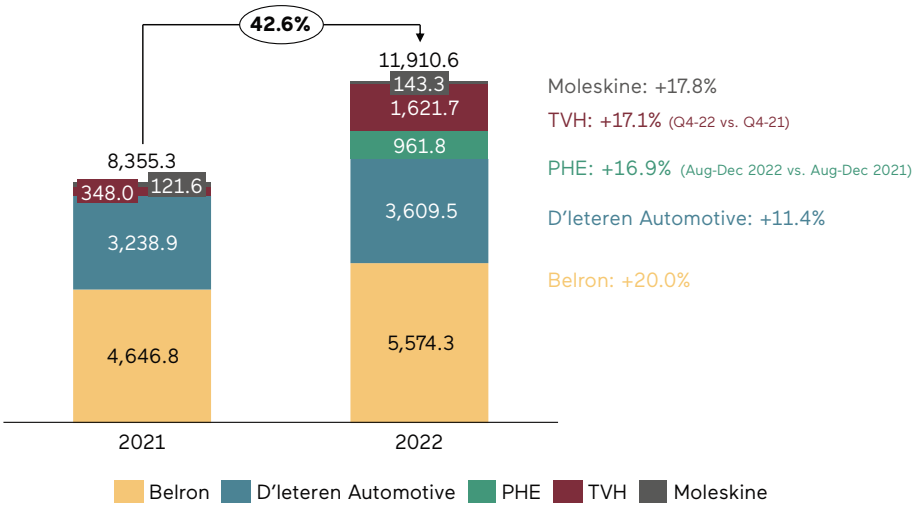
Key developments in 2022

- In February 2022, D'leteren Group announced the acquisition of **Parts Holding Europe (PHE)**, Western European leader in spare parts distribution and services for cars and trucks. The operation was closed in August 2022 and as imposed by the European Commission, PHE has closed the disposal of Mondial Pare-Brise early 2023.
- D'leteren Group held an **Investor Day** in April 2022, setting its 2025 ambitions for the Group and its businesses.
- Following a suspension period after Covid-19, D'leteren Group had restarted its €150m **share buyback programme** in May 2022 under the form of a solidarity-based programme. To date, the Group has acquired for €127.5m of shares, which will be cancelled.
- In September 2022, Moody's and S&P have upgraded **PHE's credit ratings**, driven by the company's strong operating performance among other elements.
- As announced in November 2022, Carlos Brito has been appointed as **CEO of Belron**, succeeding Gary Lubner as of March 1st, 2023.
- TVH has entered the implementation phase of its ambitious transformation programme called Innovatis and is expected to roll-out a first wave of newly implemented solutions by the end of 2023.
- D'leteren Group's businesses have continued their external growth strategies, with 23 acquisitions closed at Belron in 2022, 9 at PHE, mostly in Spain and Italy, 6 at D'leteren Automotive (in bikes, taxis and solar energy), and 3 at TVH (in Portugal & the UK).
- D'leteren Group has submitted its CO_2 emission reduction target to the Science Based Targets initiative (SBTi) with the goal of having 100% of its businesses with a validated SBT by end 2025.

Group Summary

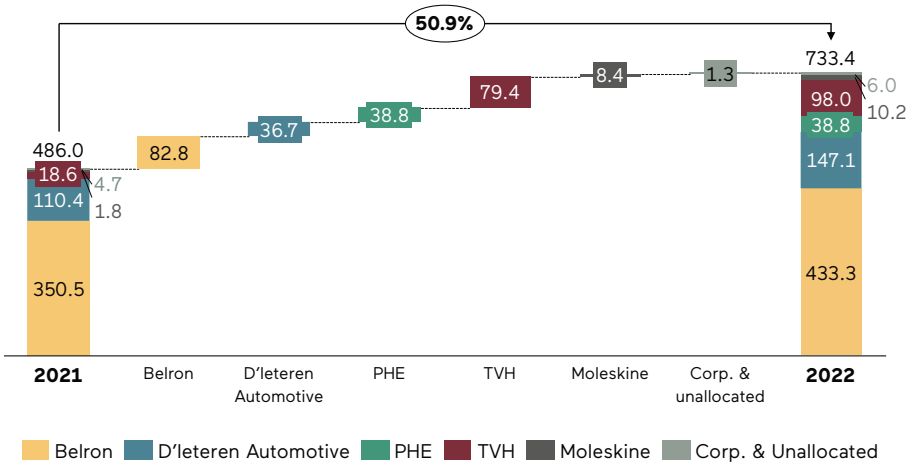
Consolidated sales under IFRS amounted to **€4,714.6m (+40.3% YoY)**. This figure excludes Belron and TVH and includes PHE at 100% for five months. **Combined sales** (including 100% of Belron and TVH) amounted to **€11,910.6m (+42.6% YoY)**.

Combined sales (€m)



The **consolidated profit before tax under IFRS** reached €394.3m (€279.3m in 2021). The key performance indicator, the ***adjusted* consolidated profit before tax, Group's share**[1], amounted to €733.4m, a 50.9% increase over 2021 compared to the guidance of "at least 40% growth", and a 42.9% increase compared to the guidance without PHE of "at least 35% growth".

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



The **Group's share in the net result** equalled €338.6m (€252.4m in 2021). **The *adjusted* net profit, Group's share[1],** reached €528.8m (50.01% stake in Belron) compared to €366.5m (52.88% stake in Belron) in 2021.

The Board of Directors proposes a **gross ordinary dividend of €3.00** per share. If this dividend is approved by the General Meeting of Shareholders on 25 May 2023, it will be paid on 8 June 2023.

The net cash position[3] of "Corporate & Unallocated" amounted to **€634.9m** at the end of 2022 (or €322.0m excluding €312.9m inter-segment loans) compared to €1,087.5m at the end of 2021 and €1,001.0m at the end of June 2022.

2. Belron

€m	2021			2022				
	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)	-	-	**12.2**	-	-	**12.6**	-	*3.6%*
External sales	*4,646.8*	-	**4,646.8**	*5,574.3*	-	**5,574.3**	*20.0%*	*20.0%*
Operating result	*836.0*	*-144.5*	**691.5**	*1,016.7*	*-155.8*	**860.9**	*21.6%*	*24.5%*
Net finance costs	*-135.7*	*-92.9*	**-228.6**	*-150.6*	*-198.2*	**-348.8**	*11.0%*	*52.6%*
Result before tax (PBT)	*700.8*	*-237.4*	**463.4**	*866.5*	*-354.0*	**512.5**	*23.6%*	*10.6%*
Adjusted PBT, group's share[1] (@ 50.01%)	*350.5*	-	**-**	*433.3*	-	**-**	*23.6%*	-

Sales and results

Sales

Belron's total sales (at 100%) **increased by 20.0%** to €5,574.3m in 2022, and by **20.7% from continuing operations** in an environment characterised by high inflation and supply chain issues. Sales increase was driven by 3.6% volume growth (VGRR prime jobs), a favourable price / mix effect and a positive contribution from ADAS and VAPS.

Sales growth from continuing operations of 20.7% is comprised of 12.8% organic[5] growth, contribution from acquisitions of 1.1% and a positive currency effect of 6.8%.

North America (60% of total) sales from continuing operations grew by 28.7%, resulting from 16.0% organic[5] growth, acquisitions of 1.0% and positive currency translation of 11.7%. The **Eurozone** (27% of total) sales from continuing operations grew by 9.0%. Sales growth comprised a 7.2% increase in organic[5] sales with 1.6% coming from acquisitions and 0.1% from currency translation. **Rest of World** (13% of total) sales from continuing operations grew by 13.7%, relating to 12.3% organic[5] growth, acquisitions of 0.6%, and a favourable currency translation effect of 0.9%.

Results

The **operating result** (at 100%) for the full year rose by 24.5% YoY to €860.9m and the ***adjusted* operating result**[1] improved by 21.6% to €1,016.7m. The improved result comes against a backdrop of higher spend on the global **transformation programme** with a total amount of €122.7m in 2022, of which €53.0m classified as *adjusting* items[1] (versus respectively €63.8m and €21.0m in 2021, an increase in *adjusted* items[1] of €26.9m YoY). The programme made solid progress and will continue to drive initiatives across a number of functions to improve efficiency and performance over the next few years.

***Adjusting* items**[1] at the level of the operating result totalled -€155.8m (see details p.19).

Net financial costs increased by €120.2m in 2022 to €348.8m, which includes *adjusting*[1] charges of -€197.7m related to the foreign currency retranslation of refinanced borrowings (-€67.7m in the prior period). A new structure was implemented since September 2022 to remove any future currency impacts in the profit and loss statement from the retranslation of the borrowings. The financial costs also reflect the additional interest on the new term loan taken out in April 2021 as well as higher interest rates. The prior year also included costs associated with interest rate swaps and the write-off of deferred financing costs on historic debt that was repaid.

The **profit before tax** reached €512.5m in 2022 (€463.4m in 2021). The result after tax, Group's share, reached €150.6m (€168.1m in 2021).

The ***adjusted* profit before tax, Group's share**[1] increased by 23.6% YoY to €433.3m on a comparable basis (assuming 50.01% stake in 2021 and 2022). *Adjusted* income tax expenses[1] equalled €247.5m (€186.3m in 2021).

The ***adjusted* result after tax, Group's share**[1], rose by 13.8% to €309.6m.

Net debt and free cash flow

The **free cash flow**[6] (after tax) amounted to €298.8m (€422.9m in 2021). The YoY decline in free cash flow[6] generation is largely explained by significantly higher spend on acquisitions, with 23 acquisitions completed during the year, and also:

- a cash outflow from working capital requirement primarily related to the stocking up on the back of inflationary and supply chain pressures;
- higher capital expenditures with the roll-out of the new ADAS equipment and the footprint expansion;
- higher taxes paid as a result of the better operational results; and
- higher cash cost from *adjusting* items[1], stemming primarily from the transformation programme costs.

These elements were partially compensated by a 18.0% *adjusted*[1] EBITDA[4] growth versus 2021.

Belron's **net financial debt**[3] reached €4,020.1m (100%) at the end of 2022 compared to €3,794.9m at the end of 2021. The increase of €225.2m is primarily the result of the dividend paid by Belron to its shareholders in H2-22 (€403.8m of which €212.5m to D'leteren Group), and an adverse foreign exchange impact, partly compensated by the strong free cash flow generation during the year.

Belron's Senior Secured Net Leverage Ratio (Senior Secured indebtedess[3]/proforma EBITDA post-IFRS 16[4] multiple) reached 2.95x at the end of 2022 versus 3.22x at the end of 2021.

Sustainability

Belron achieved 89% recycling of its glass waste, up from 72% in 2021, meeting its first Sustainability-Linked Loan target a year ahead of the deadline.

D'leteren Group KPIs[7]: Belron submitted company-wide near-term and long-term CO_2 reduction targets to SBTi for validation. In terms of customer satisfaction, Belron's NPS reached 82.2, compared to 83.4 in 2021, a slight decrease resulting from longer waiting times due to continued supply chain disruptions and some constraints on technician capacity. Despite a challenging market environment, the employee engagement score reached a record 86.2%, up from 86% in 2021.

3. D'Ieteren Automotive

€m	2021 APM (non-GAAP measures)[1] Adjusted items	2021 Adjusting items	2021 Total	2022 APM (non-GAAP measures)[1] Adjusted items	2022 Adjusting items	2022 Total	% change adjusted items	% change total
New vehicles delivered (in units)	-	-	**92,732**	-	-	**89,469**	-	-3.5%
External sales	3,238.9	-	**3,238.9**	3,609.5	-	**3,609.5**	11.4%	11.4%
Operating result	102.7	-21.7	**81.0**	139.3	6.6	**145.9**	35.6%	80.1%
Net finance costs	-4.6	4.4	**-0.2**	-3.7	10.2	**6.5**	-19.6%	-
Result before tax (PBT)	106.2	-17.3	**88.9**	142.7	-16.8	**159.2**	34.1%	79.1%
Adjusted PBT, group's share[1]	110.4	-	**-**	147.1	-	**-**	33.2%	-

Activities and results

Market and deliveries

The Belgian new car market was severely impacted by the shortage of vehicle production components. Excluding de-registrations within 30 days[2], the number of Belgian **new car registrations** decreased by 2.0% to 359,999 units. Including deregistrations within 30 days, the number reached 366,303 units (-4.4%). The **business segment**'s share in new car sales increased to 63.9% of total new car registrations (including self-employed). **New energy** share in the market mix continued to increase from 24.3% in 2021 to 34.8% in 2022. D'Ieteren Automotive remains the leader in full electric vehicles in Belgium with a 26.0% market share.

D'Ieteren Automotive's overall **market share** decreased by 117bps to 22.5% net of deregistrations within 30 days. This was mainly due to VW and Skoda.

Gross registrations of new **light commercial vehicles** (0 to 6 tons) declined by 21.7% to 56,414 units and D'Ieteren Automotive's market share was at 8.1%.

The total number of **new vehicles**, including commercial vehicles, delivered by D'Ieteren Automotive in 2022 reached 89,469 units (-3.5%). The end-2022 order book is at record levels, above 100,000 vehicles.

Sales

Despite lower volumes of new car sales, D'Ieteren Automotive managed to increase **sales** by 11.4% to €3,609.5m supported by the continued electrification and premiumization of the car park. The mix of cars produced was particularly skewed towards higher-end models and unit prices increased, implying a positive price / mix.

- New vehicles sales increased by 10.6% to €2,893.2m
- Used cars sales gained 5.8% YoY, reaching €305.9m
- Spare parts and accessories sales gained 12.7% to €275.1m
- Revenues from after-sales activities amounted to €54.4m (-3.7% YoY)
- Other revenues from new or developing activities related to mobility increased by 136.5% YoY

Results

The **operating result** reached €145.9m (+80.1% YoY) and the ***adjusted* operating result**[1] (€139.3m) increased by 35.6% leading to a margin of 3.9%. This evolution was driven by the premiumization trend and by cost control despite inflationary pressure.

***Adjusting* items**[1] in operating result mainly include a €5.4m reversal of a provision related to the "Market Area" project (optimisation of the independent dealer network) and €1.2m of gain recognised on the disposal of furniture and equipment following the closure of two retail sites.

The **profit before tax** reached €159.2m (+79.1%) or €142.4m (+34.1%) excluding *adjusting* items[1].

The ***adjusted* profit before tax, Group's share**[1], improved by 33.2% to €147.1m. The contribution of the equity accounted entities amounted to €10.9m (€11.0m in 2021).

Income tax expenses reached €44.1m (€21.3m in 2021). ***Adjusted* tax expenses**[1] equalled €42.3m (compared to €28.8m in 2021). The increase reflects the higher profit before taxes.

The **result after tax, Group's share**, amounted to €115.7m (€68.9m in 2021). The ***adjusted* result after tax, Group's share**[1] increased from €78.7m to €100.7m.

Net debt and free cash flow

The **free cash flow**[6] (after tax) equalled -€101.3m in 2022 compared to €108.4m in 2021. The decline YoY mainly reflects:

- a significant cash outflow from working capital, driven by a sharp increase in inventory as the deliveries from the factories accelerated at the very end of the year and are being delivered to end-customers at the beginning of 2023, while 2021 saw a significant inflow in working capital as inventories were at very low levels; and
- an increase in taxes paid as a consequence of the better operational results.

These elements were partly compensated by a better operational performance and lower cash outflow from *adjusting* items[1].

The situation on the inventory side explained above should be normalizing gradually in 2023 but the size of the order book and the lumpiness of the factory deliveries make this normalization difficult to predict.

D'leteren Automotive's **net financial debt**[3] increased by €155.1m to €210.8m at the end 2022 versus the end of 2021. This is mainly due to the working capital impact of the late deliveries on free cash flow. D'leteren Automotive's leverage ratio Net debt[3] / *adjusted*[1] EBITDA[4] was at 1.26x at the end of 2022.

Sustainability

D'leteren Automotive remained the Belgian leader in electric vehicles, with 11.3% of its volume of registrations being BEVs, while 6.8% of its Key Accounts purchased its alternative mobility solutions. The company's electric services subsidiary EDI installed 6,800 charging stations, up from 4,200 in 2021. EDI's acquisition of Go Solar, installing photovoltaic panels and home batteries, was another step towards providing customers with a complete electric offer.

D'leteren Group KPIs[7]: D'leteren Automotive committed towards SBTi prior to submitting a target for validation. In terms of customer satisfaction, its NPS score stood at 61.5 for the sales of new cars (vs. 60 in 2021), and 51 for after sales (vs. 53 in 2021). Its people engagement score stood at a high 84% compared to 88% in 2021.

4. PHE

NB: The figures presented below represent D'leteren Group's PHE segment, composed of PHE operating company and PHE's holding company.

€m	2022 (Aug/Dec)		
	APM (non-GAAP measures)[1]		
	Adjusted items	Adjusting items	**Total**
External sales	*961.8*	-	**961.8**
Operating result	*71.1*	*-26.2*	**44.9**
Net finance costs	*-31.1*	-	**-31.1**
Result before tax (PBT)	*40.2*	*-26.2*	**14.0**
Adjusted PBT, group's share[1]	*38.8*	-	**-**

Sales and results

Sales

PHE's **total sales**, excluding Mondial Pare-Brise, which is presented as a discontinued operation following the sale to MACIF, at 100% for the last five months of 2022 came in at €961.8m (+16.9% versus the same period in 2021). This strong performance was driven by 10.0% organic growth and 6.9% from acquisitions.

France (65.3% of total) showed an 11.3% organic growth, while international activities' (34.7% of total) organic growth was 7.9%, highlighting a continued strong demand, pricing initiatives and market share gains.

FY-22 sales were at €2,259.8m, representing a 15.0% YoY growth, of which 8.8% organic and 6.2% from acquisitions. France represented 66.6% of total sales versus 69.9% in FY-21.

Results

Operating result for the last five months of 2022 stood at €44.9m. The ***adjusted* operating result**[1] came in at €71.1m representing a solid *adjusted* operating margin[1] of 7.4%.

***Adjusting* items**[1] of -€26.2m at the operating result level include -€17.1m at PHE's holding company level and relate to expert fees incurred in relation with the acquisition of Parts Holding Europe (closing of the acquisition on the 4th of August 2022), -€4.3m of costs related to restructurings and transformation programme, -€3.3m of fees incurred in relation with the disposal of Mondial Pare-Brise, and -€1.5m of other costs.

Net financial costs amounted to -€31.1m in the 5 last months of 2022. The **profit before tax** for the same period reached €14.0m and the ***adjusted* profit before tax, Group's share**[1] amounted to €38.8m. ***Adjusted* income tax expenses**[1] equalled €12.0m.

The ***adjusted* result after tax**, Group's share[1], stood at €30.4m.

For **FY-22** (excluding MPB), the ***adjusted* operating result**[1] amounted to €178.1m (margin of 7.9%) and the ***adjusted* profit before tax, Group's share**[1] stood at €86.8m.

Net debt and free cash flow

PHE's stand-alone free cash flow (as per PHE definition) was €29.3m before €36.0m of acquisitions spend, with strong operational results partly offset by capital expenditures of €21.9m (2.3% of sales) and a working capital outflow. PHE's holding company incurred €17.1m additional cash outflow from transaction fees related to PHE's acquisition by D'leteren. **Free cash flow**[6] for PHE segment was at -€6.1m.

Net financial debt[3] according to D'leteren Group's definition increased to €1,231.8m at the end of 2022 due to the slight free cash outflow. This definition does not include the put options granted to non-controlling shareholders holding minority interests in some of PHE's direct and indirect subsidiaries and the put options granted to minority investors (including management and several partners and independent distributors), who invested alongside D'leteren Group in the holding company of PHE, up to a combined ownership of c.9%. The leverage ratio net financial debt[3] / EBITDA[4] (post-IFRS 16), according to lenders' definition, was 4.0x at the end of 2022, before the cash impact of the sale of Mondial Pare-Brise.

Sustainability

While several sustainability opportunities are being addressed by its business units, PHE will initiate a new sustainability strategy with the support of D'leteren Group, in order to formalize these initiatives into a centralized approach.

5. TVH

€m	Q4-21			2022		
	APM (non-GAAP measures)[1]			APM (non-GAAP measures)[1]		
	Adjusted items	*Adjusting items*	**Total**	*Adjusted items*	*Adjusting items*	**Total**
External sales	*348.0*	-	**348.0**	*1,621.7*	-	**1,621.7**
Operating result	*47.8*	*-18.8*	**29.0**	*257.6*	*-85.6*	**172.0**
Net finance costs	*-1.3*	*-0.9*	**-2.2**	*-12.6*	*6.1*	**-6.5**
Result before tax (PBT)	*46.5*	*-19.7*	**26.8**	*245.0*	*-79.5*	**165.5**
Adjusted PBT, group's share[1]	*18.6*	-	**-**	*98.0*	-	**-**

Sales and results

Sales

TVH, equity-accounted for as of October 1st, 2021, posted **total sales** (at 100%) of €1,621.7m in 2022. This represents (in BEGAAP figures, on a comparable scope) a 20.5% YoY growth, of which 13.4% organic[4], 1.7% external and 5.4% related to positive currency translation impact. Organic growth[4] was mainly driven by a strong performance in the core regions being Americas and EMEA and across the core Material Handling and Construction markets. This growth includes a negative YoY impact of c.€17m in Russia as a consequence of the war in Ukraine.

Results

Operating result (at 100%) stood at €172.0m, and ***adjusted* operating result**[1] at €257.6m (+14.0% YoY in BEGAAP), representing an *adjusted* operating margin[1] of 15.9%. On a comparable BEGAAP scope, *adjusted* operating profit margin[1] decreased by 88bps YoY resulting from higher inventory write-offs and €8.2m costs related to the Innovatis programme.

***Adjusting* items**[1] at the operating result level of -€85.6m are related for -€75.2m to the purchase price allocation of TVH finalised in the second half of 2022. Of that amount, -€44.5m relate to the amortisation of customer contracts and -€30.7m to the amortisation of other intangibles with finite useful lives. Additionally, -€10.4m of *adjusting* items[1] relate to the fees from system integrators in relation to the Innovatis transformation programme.

***Adjusted* net financial costs**[1] amounted to €12.6m in FY-22. *Adjusting* items[1] at the financial costs level of €6.1m come from the change in fair value of interest rate swaps.

The **profit before tax** reached €165.5m in 2022 and the ***adjusted* profit before tax**[1] €245.0m.

The 2022 ***adjusted* profit before tax, Group's share**[1] amounted to €98.0m. ***Adjusted* income tax expenses**[1] equalled €54.3m.

The ***adjusted* result after tax, Group's share**[1], stood at €76.2m.

Net debt and free cash flow

Free cash flow[6] generation was negative, at -€52.6m, due to a voluntarily high level of inventory to face supply chain disruption and gain market share thanks to a continued strong availability of products. This strategy implied a €155.7m outflow from working capital. Net capital expenditures were at €94.1m, or 5.8% of sales, mainly driven by various growth projects such as the extension of an automated warehouse and €29.3m of capex spent on the Innovatis transformation plan.

TVH **net financial debt**[3] (100%) slightly increased to €900.1m at the end of 2022 versus €825.8m at the end of 2021 (including the shareholder loans of which €40.6m inter-segment loan from D'Ieteren Group's Corporate & Unallocated segment). This increase is reflecting higher growth capex and the decision to increase inventories in order to ensure product availability during supply chain disruptions and allow for continued strong growth. The leverage ratio net financial debt[3] / LTM *adjusted*[1] EBITDA[4] stands at 2.70x (excluding shareholder loan).

Sustainability

In 2022, TVH formalized its sustainability strategy after appointing a Sustainability Manager to oversee it.
The company obtained for the first time the Bronze Ecovadis Medal.

D'Ieteren Group KPIs[7]: A first carbon footprint measurement was performed followed by an assessment of possible CO_2 emission reduction schemes. TVH customer satisfaction score (NPS) increased from 41.8 in 2021 to 52.5 in 2022 driven by a continuous focus on service improvements. The company put in place a program measuring employee engagement through a quarterly pulse, resulting in a 81% global engagement score for the full year 2022.

6. Moleskine

€m	2021			2022				
	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	121.6	-	**121.6**	143.3	-	**143.3**	17.8%	17.8%
Operating result	12.3	-0.2	**12.1**	21.2	-	**21.2**	72.4%	75.2%
Net finance costs	-10.3	-0.2	**-10.5**	-11.0	-	**-11.0**	6.8%	4.8%
Result before tax (PBT)	2.0	-0.4	**1.6**	10.2	-	**10.2**	410.0%	537.5%
Adjusted PBT, group's share[1]	1.8	-	**-**	10.2	-	**-**	466.7%	-

Sales and results

Sales

Moleskine's **sales** grew by 17.8% YoY in 2022 to €143.3m. This growth was achieved despite continued Covid-19 disruptions in Asia and is composed of 11.3% organic growth[5], and a 6.5% positive currency impact. The core paper category, which includes notebooks and planners, has posted a growth of +13% versus last year.

Sales evolution by region:
- **EMEA** (41% of total): +15.1% YoY growth, led by strong double digit growth in Italy, The Netherlands & DACH region, UK and Iberia.
- **Americas** (43% of total): +28.9% YoY growth. Americas showed a strong growth with all direct channels performing well and with indirect channels softer in the second half on fears of an economic downturn and inventory reductions by wholesale clients.
- **APAC** (15% of total): flat YoY. APAC sales were still affected by Covid-19 disruptions across the region, with Korea showing better resilience thanks to Strategic Partnerships and supported by re-energized business in South East Asia.

Sales evolution by channel:
- **Wholesale** (56% of total): +12.5%. Sales development was softer in the second half of 2022 as recession fears pushed wholesalers to be cautious on inventory and therefore on slower sell-in, especially in Americas.
- **Strategic Partnerships** (27% of total): +33.6%. Strategic Partnerships posted a robust growth. Performance was strong in both Americas and EMEA.
- **E-Commerce** (5% of total): -10.0%. E-commerce remains challenging in EMEA.
- **Retail** (10% of total): +43.1%. Retail continued its recovery in EMEA and the Americas.
- **Other** (including Royalties & Apps, 2% of total): -1.7%.

Results

Operating result increased from €12.1m in 2021 to €21.2m in 2022. There are no *adjusting* items[1] in 2022, and the ***adjusted* operating result**[1] growth was 72.4% YoY. This significant improvement is primarily the result of the better sales performance as well as continued cost efforts.

Adjusted operating margin[1] stood at 14.8% compared to 10.1% in 2021.

***Adjusted* net financial charges[1]** equalled €11.0m (€10.3m in 2021). The **profit before tax** and the ***adjusted* profit before tax**[1] amounted to €10.2m in 2022 versus respectively €1.6m and €2.0m in 2021. **Income tax expenses** equalled €1.0m versus €5.0m in 2021 as 2021 included a reversal of the deferred tax assets previously recognised on the elimination of intercompany margin in inventories.

Net debt and free cash flow

Free cash flow[6] increased versus 2021, at €17.3m, reflecting primarily the better operational results, partially offset by a higher capital paid on lease liabilities and interests paid on the shareholder loan.

Moleskine's net financial debt[3] slightly declined to €275.7m at the end of 2022 (from €287.0m at the end of 2021), of which €272.3m intra-Group borrowing. The decline is mainly the result of the positive free cash flow generation, which allowed Moleskine to voluntarily prepay €15m of Senior Bank Loan. The net financial debt[3] related to bank financing represents 0.1 times *adjusted*[1] EBITDA[4].

Sustainability

As Moleskine deepened its circular economy approach, its waste elimination project resulted in 72.5 tons recycled products compared to 11 tons in 2021.

D'Ieteren Group KPIs[7]: Moleskine committed to SBTi and will submit its reduction target for validation in 2023. The company conducted an employee satisfaction survey which resulted in a stable score of 3.7/5.

7. Corporate and unallocated

€m	2021			2022				
	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	-	-	**-**	-	-	**-**	-	-
Operating result	*-7.3*	-	**-7.3**	*-6.8*	*1.8*	**-5.0**	-	-
Net finance costs	*12.0*	*8.0*	**20.0**	*12.8*	-	**12.8**	*6.7%*	*-36.0%*
Result before tax (PBT)	*4.7*	*8.0*	**12.7**	*6.0*	*1.8*	**7.8**	*27.7%*	*-38.6%*
Adjusted PBT, group's share[1]	*4.7*	-	**-**	*6.0*	-	**-**	*27.7%*	-

Results

The segment "Corporate and Unallocated" mainly includes the Corporate and Real Estate activities (D'leteren Immo S.A.). The ***adjusted* operating result**[1] reached -€6.8m versus -€7.3m in 2021.

Net finance income evolution was mainly due to inter-segment financing interests. 2021 included €8.0m of *adjusting* items[1] relating to the early repayment fee paid by D'leteren Automotive to the Corporate & unallocated segment following the full anticipated reimbursement of the inter-segment loan.

***Adjusted* profit before tax, Group's share**[1] reached €6.0m (€4.7m in 2021).

Net cash

The **net cash**[3] position of "Corporate & Unallocated", which includes Corporate, amounted to €634.9m at the end of 2022 (€322.0m excluding €312.9m inter-segment loan) compared to €1,087.5m at the end of 2021, mainly as a result of the acquisition of Parts Holding Europe (closing of the transaction of 4 August 2022, resulting into an equity consideration paid of -€571m), the dividend paid to D'leteren Group's shareholders (-€113.6m), the acquisition of treasury shares (-€86.7m), partially compensated by the dividends received from Belron in August 2022 (€212.5m), D'leteren Automotive (€51.6m), and the consideration received (€50.4m) in October 2022 following the investments in the holding company of PHE from minority investors (including management and several partners and independent distributors), alongside D'leteren Group, up to a combined ownership of c.9%.

8. Research and Development

Research and Development costs incurred by the Group totalled €60.6m in 2022

- D'leteren Automotive, through its Lab Box subsidiary, explores, analyses and develops sustainable and innovative mobility solutions for citizens and corporations such as Poppy, Mbrella, Skipr, and Lizy. Investments in Lab Box by D'leteren Automotive increased from €22m in 2020 to €34m in 2021 mainly due to additional investments in Go Solar & EDI.
- Belron has its own dedicated Research and Development division, Belron Technical. By continuously developing technical standards and innovations that break new ground in vehicle glass repair, replacement and recalibration, the division enables the business to continue to deliver a high-quality and safe service to all its customers, while improving the skills and safety of its technicians. Belron's R&D budget rose to about €3.1m in 2022 from €2.4m in 2021, primarily driven by the increasing need for R&D on increasingly complex vehicle safety systems.
- At Moleskine, R&D expenditure for 2022 was circa €0.5m and focused on developing products and materials and on building solutions to bridge the analogue-digital continuum, creating a connection between digital and paper products.
- TVH continued to invest significant amounts in R&D (c. €23m in FY-22) by developing and improving several innovative solutions to optimize multiple aspects of its operations. For example, TVH developed a specific software supporting a higher level of automation in its WB3 warehouse and made a substantial investments in a new e-commerce tools.
- PHE is continuously developing proprietary digital solutions to expand its customer services including, among others, Autossimo (B2B light vehicle spare parts web catologue and ordering system), AD.FR, and idGarages.com (online platforms for bookings, online appointments and on demand estimates). In 2022, PHE developed a dedicated application to simplify the spare parts return process for its customers. In addition, PHE is constantly investing in its B2C online platform Oscaro. Finally, the company is investing in home-designed technical equipment to facilitate the development of its remanufacturing activities.

NOTES

[1] In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, D'leteren Group uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definitions are not addressed by IFRS. D'leteren 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. See page 15 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'leteren Group 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 23.

[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] 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 – net interest paid – acquisitions + disposals – employee share plans – cash-flow from adjusting items + other cash items]

[7] D'leteren Group measures three non-financial dimensions throughout its businesses, namely customer satisfaction, employee engagement and CO_2 emissions.

AUDITOR'S REPORT

"The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Axel Jorion, has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement."

FORWARD LOOKING STATEMENTS

This document contains forward-looking information that involves risks and uncertainties, including statements about D'leteren Group's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of D'leteren Group. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, D'leteren Group does not assume any responsibility for the accuracy of these forward-looking statements.

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	2022			2021[1]		
		Of which			*Of which*	
	Total	*Adjusted result*	*Adjusting items*	**Total**	*Adjusted result*	*Adjusting items*
Revenue	**4,714.6**	*4,714.6*	-	**3,360.5**	*3,360.5*	-
Cost of sales	-3,744.0	*-3,744.0*	-	-2,881.3	*-2,881.3*	-
Gross margin	**970.6**	*970.6*	-	**479.2**	*479.2*	-
Commercial and administrative expenses	-775.4	*-752.3*	*-23.1*	-376.8	*-376.7*	*-0.1*
Other operating income	33.9	*28.5*	*5.4*	10.4	*10.4*	-
Other operating expenses	-22.1	*-22.0*	*-0.1*	-27.0	*-5.2*	*-21.8*
Operating result	**207.0**	*224.8*	*-17.8*	**85.8**	*107.7*	*-21.9*
Net finance costs	-22.8	*-33.0*	*10.2*	9.3	*-2.9*	*12.2*
Finance income	16.8	*6.6*	*10.2*	16.2	*3.8*	*12.4*
Finance costs	-39.6	*-39.6*	-	-6.9	*-6.7*	*-0.2*
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	210.1	*392.8*	*-182.7*	184.2	*294.1*	*-109.9*
Result before tax	**394.3**	*584.6*	*-190.3*	**279.3**	*398.9*	*-119.6*
Income tax expense	-58.5	*-58.6*	*0.1*	-28.0	*-33.5*	*5.5*
Result from continuing operations	**335.8**	*526.0*	*-190.2*	**251.3**	*365.4*	*-114.1*
Discontinued operations	2.9	*2.9*	-	-	-	-
RESULT FOR THE PERIOD	**338.7**	*528.9*	*-190.2*	**251.3**	*365.4*	*-114.1*
Result attributable to:					-	-
Equity holders of the Company	**338.6**	*528.8*	*-190.2*	**252.4**	*366.5*	*-114.1*
Non-controlling interests ("NCI")	0.1	*0.1*	-	-1.1	*-1.1*	-
Earnings per share						
Basic (in €)	6.29	*9.81*	*-3.52*	4.67	*6.79*	*-2.12*
Diluted (in €)	6.22	*9.71*	*-3.49*	4.63	*6.72*	*-2.09*
Earnings per share -Continuing operations						
Basic (in €)	6.24	*9.76*	*-3.52*	4.67	*6.79*	*-2.12*
Diluted (in €)	6.17	*9.66*	*-3.49*	4.63	*6.72*	*-2.09*

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates, to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022 and to reflect a reclassification of -€21.0m of fees from system integrators in relation to the business transformation programme from *adjusted* result to *adjusting* items in the Belron segment. Refer to note 1 of the 2022 Consolidated Financial Statements 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'leteren Automotive, Belron, Moleskine, TVH (as from 1st October) and PHE (as from 5th August 2022 – including the holding company of the PHE Group). The other segments are disclosed in the category "Corporate & Unallocated" (D'leteren Group, 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 their classification as equity-accounted investees, Belron and TVH (as from 1st October 2021) remain separate reportable operating segments, reflecting the Group's internal reporting structure.

€m		**2022**							
		D'leteren Autom.	**Belron (100%)**	**Moleskine**	**TVH (100%)**	**PHE (5 months)**	**Corp. & unallocated**	**Eliminations**	**Group**
External revenue		3,609.5	5,574.3	143.3	1,621.7	961.8	-	-7,196.0	4,714.6
Segment revenue		**3,609.5**	**5,574.3**	**143.3**	**1,621.7**	**961.8**	**-**	**-7,196.0**	**4,714.6**
Operating result (being segment result)		**145.9**	**860.9**	**21.2**	**172.0**	**44.9**	**-5.0**	**-1,032.9**	**207.0**
Of which	*Adjusted result*	*139.3*	*1,016.7*	*21.2*	*257.6*	*71.1*	*-6.8*	*-1,274.3*	*224.8*
	Adjusting items	*6.6*	*-155.8*	*-*	*-85.6*	*-26.2*	*1.8*	*241.4*	*-17.8*
Net finance costs		6.5	-348.8	-11.0	-6.5	-31.1	12.8	355.3	-22.8
Finance income		11.2	20.5	2.1	15.4	0.2	1.0	-33.6	16.8
Finance costs		-4.7	-369.3	-2.4	-19.6	-31.3	-1.2	388.9	-39.6
Inter-segment financing interests		-	-	-10.7	-2.3	-	13.0	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax		6.8	0.4	-	-	0.2	-	202.7	210.1
Result before tax		**159.2**	**512.5**	**10.2**	**165.5**	**14.0**	**7.8**	**-474.9**	**394.3**
Of which	*Adjusted result*	*142.4*	*866.5*	*10.2*	*245.0*	*40.2*	*6.0*	*-725.7*	*584.6*
	Adjusting items	*16.8*	*-354.0*	*-*	*-79.5*	*-26.2*	*1.8*	*250.8*	*-190.3*
Income tax expense		-44.1	-211.3	-1.0	-34.3	-9.6	-3.8	245.6	-58.5
Result from continuing operations		**115.1**	**301.2**	**9.2**	**131.2**	**4.4**	**4.0**	**-229.3**	**335.8**
Of which	*Adjusted result*	*100.1*	*619.0*	*9.2*	*190.7*	*28.2*	*2.7*	*-423.9*	*526.0*
	Adjusting items	*15.0*	*-317.8*	*-*	*-59.5*	*-23.8*	*1.3*	*194.6*	*-190.2*
Discontinued operations		-	-	-	-	2.9	-	-	2.9
RESULT FOR THE PERIOD		**115.1**	**301.2**	**9.2**	**131.2**	**7.3**	**4.0**	**-229.3**	**338.7**

Attributable to:		**D'leteren Autom.**	**Belron(*)**	**Moleskine**	**TVH (*)**	**PHE (5 months)**	**Corp. & unallocated**	**Group**
Equity holders of the Company(*)		**115.7**	**150.6**	**9.2**	**52.5**	**6.6**	**4.0**	**338.6**
Of which	*Adjusted result*	*100.7*	*309.6*	*9.2*	*76.2*	*30.4*	*2.7*	*528.8*
	Adjusting items	*15.0*	*-159.0*	*-*	*-23.7*	*-23.8*	*1.3*	*-190.2*
Non-controlling interests ("NCI")		-0.6	-	-	-	0.7	-	0.1
RESULT FOR THE PERIOD		**115.1**	**150.6**	**9.2**	**52.5**	**7.3**	**4.0**	**338.7**

(*) Belron at 50.01% (fully diluted economic rights) and TVH Parts at 40.00% – see note 17 of the 2022 Consolidated Financial Statements.

In 2022, the column "Eliminations" reconciles the segment statement of profit or loss (with the 12-month results of Belron and TVH presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net results of Belron and TVH 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 results of Belron and TVH).

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

€m		2021[1]						
		D'leteren Autom.	Belron (100%)	Moleskine	TVH (100% - 3 months)	Corp. & unallocated	Eliminations	Group
External revenue		3,238.9	4,646.8	121.6	348.0	-	-4,994.8	3,360.5
Inter-segment revenue		-	-	-	-	-	-	-
Segment revenue		**3,238.9**	**4,646.8**	**121.6**	**348.0**	**-**	**-4,994.8**	**3,360.5**
Operating result (being segment result)		**81.0**	**691.5**	**12.1**	**29.0**	**-7.3**	**-720.5**	**85.8**
Of which	*Adjusted result*	*102.7*	*836.0*	*12.3*	*47.8*	*-7.3*	*-883.8*	*107.7*
	Adjusting items	*-21.7*	*-144.5*	*-0.2*	*-18.8*	-	*163.3*	*-21.9*
Net finance costs		-0.2	-228.6	-10.5	-2.2	20.0	230.8	9.3
Finance income		12.8	3.1	2.0	8.2	0.8	-10.7	16.2
Finance costs		-1.7	-231.7	-2.2	-9.8	-3.0	241.5	-6.9
Inter-segment financing interests		-11.3	-	-10.3	-0.6	22.2	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax		8.1	0.5	-	-	-	175.6	184.2
Result before tax		**88.9**	**463.4**	**1.6**	**26.8**	**12.7**	**-314.1**	**279.3**
Of which	*Adjusted result*	*106.2*	*700.8*	*2.0*	*46.5*	*4.7*	*-461.3*	*398.9*
	Adjusting items	*-17.3*	*-237.4*	*-0.4*	*-19.7*	*8.0*	*147.2*	*-119.6*
Income tax expense		-21.3	-145.5	-5.0	-6.9	-1.7	152.4	-28.0
Result from continuing operations		**67.6**	**317.9**	**-3.4**	**19.9**	**11.0**	**-161.7**	**251.3**
Of which	*Adjusted result*	*77.4*	*514.5*	*-3.0*	*34.7*	*5.0*	*-263.2*	*365.4*
	Adjusting items	*-9.8*	*-196.6*	*-0.4*	*-14.8*	*6.0*	*101.5*	*-114.1*
Discontinued operations		-	-	-	-	-	-	-
RESULT FOR THE PERIOD		**67.6**	**317.9**	**-3.4**	**19.9**	**11.0**	**-161.7**	**251.3**

Attributable to:		D'leteren Autom.	Belron(*)	Moleskine	TVH (100% - 3 months)	Corp. & unallocated	Group
Equity holders of the Company(*)		**68.9**	**168.1**	**-3.6**	**8.0**	**11.0**	**252.4**
Of which	*Adjusted result*	*78.7*	*272.1*	*-3.2*	*13.9*	*5.0*	*366.5*
	Adjusting items	*-9.8*	*-104.0*	*-0.4*	*-5.9*	*6.0*	*-114.1*
Non-controlling interests ("NCI")		-1.3	-	0.2	-	-	-1.1
RESULT FOR THE PERIOD		**67.6**	**168.1**	**-3.4**	**8.0**	**11.0**	**251.3**

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates, to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022 and to reflect a reclassification of -€21.0m of fees from system integrators in relation to the business transformation programme from *adjusted* result to *adjusting* items in the Belron segment. Refer to note 1 of the 2022 Consolidated Financial Statements for more information on the restatement of comparative information.

(*) Belron at 52.88% (weighted average percentage for the 2021 period) – see note 17 of the 2022 Consolidated Financial Statements.

In 2021, the column "Eliminations" reconciles the segment statement of profit or loss (with the 12-month result of Belron and the 3-month result of TVH presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net results of Belron and TVH 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 and the 3-month net result of TVH).

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

In 2022 and 2021, the Group identified the following items as *adjusting* items throughout the operating segments:

€m	2022						
	D'leteren Autom.	Belron (100%)	Moleskine	TVH (100%)	PHE	Corp. & unallocated	Total (segment)*
Adjusting items							
Included in operating result	**6.6**	**-155.8**	**-**	**-85.6**	**-26.2**	**1.8**	**-259.2**
Re-measurements of financial instruments	-	-2.5 (c)	-	-	-	-	-2.5
Amortisation of customer contracts	-	-31.3 (d)	-	-44.5 (k)	-	-	-75.8
Amortisation of brands with finite useful life	-	-4.5 (e)	-	-	-	-	-4.5
Amortisation of other intangibles with finite useful life	-	-1.1 (f)	-	-30.7 (k)	-	-	-31.8
Impairment of goodwill and of non-current assets	-	-2.7 (g)	-	-	-	-	-2.7
Other adjusting items	6.6 (a)	-113.7 (h)	-	-10.4 (l)	-26.2 (n)	1.8 (o)	-141.9
Included in net finance costs	**10.2**	**-198.2**	**-**	**6.1**	**-**	**-**	**-181.9**
Re-measurements of financial instruments	-	-	-	6.1 (m)	-	-	6.1
Foreign exchange losses on net debt	-	-197.7 (i)	-	-	-	-	-197.7
Other adjusting items	10.2 (b)	-0.5 (i)	-	-	-	-	9.7
Included in segment result before taxes (PBT)	**16.8**	**-354.0**	**-**	**-79.5**	**-26.2**	**1.8**	**-441.1**

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

€m	2021(1)					
	D'leteren Autom.	Belron (100%)	Moleskine	TVH (100%)	Corp. & unallocated	Total (segment)*
Adjusting items						
Included in operating result	**-21.7**	**-144.5**	**-0.2**	**-18.8**	**-**	**-185.2**
Re-measurements of financial instruments	-	1.6 (c)	-0.2 (j)	-	-	1.4
Amortisation of customer contracts	-	-26.2 (d)	-	-11.1 (k)	-	-37.3
Amortisation of brands with finite useful life	-	-3.4 (e)	-	-	-	-3.4
Amortisation of other intangibles with finite useful life	-	-	-	-7.7 (k)	-	-7.7
Impairment of goodwill and of non-current assets	-	-3.2 (g)	-	-	-	-3.2
Other adjusting items	-21.7 (a)	-113.3 (h)	-	-	-	-135.0
Included in net finance costs	**4.4**	**-92.9**	**-0.2**	**-0.9**	**8.0**	**-81.6**
Re-measurements of financial instruments	-	-	-0.2 (j)	-0.9 (m)	-	-1.1
Foreign exchange losses on net debt	-	-67.7 (i)	-	-	-	-67.7
Other adjusting items	4.4 (b)	-25.2 (i)	-	-	8.0 (p)	-12.8
Included in segment result before taxes (PBT)	**-17.3**	**-237.4**	**-0.4**	**-19.7**	**8.0**	**-266.8**

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

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates, to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022 and to reflect a reclassification of -€21.0m of fees from system integrators in relation to the business transformation programme from *adjusted* result to *adjusting* items in the Belron segment. Refer to note 1 of the 2022 Consolidated Financial Statements for more information on the restatement of comparative information.

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

D'leteren Automotive

(a) In the current period, other *adjusting* items in operating result include €5.4m reversal of a provision related to the "Market area" project (optimization of the independent dealer network) and €1.2m of gain recognised on the disposal of furniture and equipment.

In the prior period, other *adjusting* items in operating result (-€21.7m) mainly included a charge of -€21.8m related to the decision of D'leteren Automotive to close down two of its structurally loss-making sites.

(b) In the current period, other *adjusting* items included in net finance costs relate to a consolidated gain of €10.2m recognized on the loss of exclusive control of Lizy and MyMove following the entry into capital by investors for 29% in Lizy and 33% in MyMove (both through capital increases). The consolidated gain represents the difference between the fair value of the non-controlling interests retained in the companies (39% in Lizy and 56% in MyMove) and the carrying amount of the assets and liabilities of the subsidiaries at the date the control was lost. These two entities are accounted for as equity-accounted investees as from the 1st of January 2022. In the prior period, *adjusting* items included in net finance costs included a charge of -€8.0m related to the early repayment fee paid by D'leteren Automotive to the Corporate & unallocated segment following the anticipated reimbursement of the inter-segment loan, and a consolidated gain of €12.4m recognised on the loss of exclusive control of Skipr following the acquisition of 17% of the share capital of Skipr by ALD Automotive (representing the difference between Skipr's fair value and the net book value of the assets and liabilities).

Belron

(c) Fair value of fuel hedge instruments amounts to -€2.5m (€1.6m 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 in the United States), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to -€31.3m (-€26.2m in the prior period).

(e) The amortisation of brands with finite useful lives (certain brands are considered to be intangibles with indefinite useful lives since there is a limit to the period over which these assets are expected to generate cash inflows) amounts to -€4.5m (-€3.4m in the prior period).

(f) In the current period, the amortisation of other intangible assets with finite useful lives (mostly franchise agreements recognized on recent acquisitions) amounts to -€1.1m.

(g) In the current period, following the full impairment review of all cash generating units in accordance with the requirements of IAS 36, an impairment charge of -€2.7m has been recognised in Norway, fully allocated to the goodwill.

In the prior period, a total impairment charge of €-3.2m has been recognised in Finland, fully allocated to the goodwill.

(h) In the current period, other *adjusting* items of -€113.7m mainly include -€39.4m of employees costs in relation to the restricted share units ('RSUs') awarded by the Board of Directors of Belron in December 2021 to c.24,000 employees (this comprises a share-based payment charge of -€37.0m and associated payroll taxes of -€6.3m, as well as €3.9m release of surplus accrual – this transaction has and will have no economic impact on the Group and on the 50.01% fully diluted stake held by the Group in Belron), -€53.0m of fees from system integrators in relation to the business transformation programme, -€8.3m in respect of restructurings and improvements, -€8.5m related to the impairment of a leased property and leasehold improvements no longer being used by the Group and -€6.4m of acquisition related costs (mainly in the US and in Spain).

In the prior period, other *adjusting* items in operating result of -€113.3m mainly included -€21.0m of fees from system integrators in relation to the business transformation programme, -€24.2m in relation to restructuring costs in the Netherlands, in Germany and in the United States (contact centre closures), -€48.7m of employees costs in relation to the cash bonus and restricted share units ('RSUs') awarded to employees to thank them for their loyal contribution to the company's success, -€10.5m of donation to Belron Ronnie Lubner Charitable Foundation, -€6.6m in relation to the disposal of "other services" businesses in Belgium, Italy and in the UK, and -€2.6m of fees associated with the closing of the transaction with Belron's new shareholders on 17 December 2021.

(i) In both periods, foreign exchange losses on net debt and other *adjusting* items in net finance costs are related to the refinancing operated in April 2021. In the current period, it mainly includes -€197.7m of non-cash foreign exchange losses arising upon the translation of the USD Term Loan at the closing rate (-€67.7m in the prior period) because the foreign exchange movements on these borrowings did not qualify for quasi-equity accounting. A new structure was implemented in September 2022 which allows the foreign currency movements on these borrowings to naturally flow through the translation reserve in the statement of financial position prospectively. The loss of €197.7m which arose before the structuring solution was implemented remained in the 2022 statement of profit or loss.

In the prior period, other *adjusting* items in net finance costs also included -€10.9m de-designation of interest rate swaps, €-5.8m write-off of previously deferred financing costs, professional fees and legal expenses and foreign exchange losses (arising upon the translation of the new USD Term Loan at the closing rate).

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

Moleskine

(j) In the prior period, a total amount of -€0.4m (-€0.2m in operating result and -€0.2m 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.

TVH

(k) In the second half of 2022, the Group finalised the purchase price allocation of TVH and allocated part of the provisional goodwill to a brand, customer contracts and other intangible assets with finite useful lives (see note 17 of the 2022 Consolidated Financial Statements for more information on the purchase price allocation). The brand has an indefinite useful life and is therefore not amortized as the Group considers there is no limit to the period over which the brand is expected to generate cash inflows. The amortisation of customer contracts and other intangible assets with finite useful lives amounts to -€44.5m and -€30.7m, respectively (-€11.1m and -€7.7m in the prior period, restated). Refer to note 1 of the 2022 Consolidated Financial Statements for the restatement of comparative information.

(l) In the current period, other *adjusting* items of -€10.4m are related to the fees from system integrators in relation to the IT and business transformation programme.

(m) The re-measurement of financial instruments of €6.1m (-€0.9m in the prior period) relates to the change in fair value of interest rates swaps.

PHE

(n) In the current period, other *adjusting* items in operating result include -€18.6m of expert fees and other costs incurred in relation with the acquisition of Parts Holding Europe (closing of the acquisition on the 4th of August 2022), -€3.3m of fees incurred in relation with the disposal of PHE's specialized glass repair activity Mondial Pare-Brise (classified as held for sale at 31 December 2022, the disposal of which has been closed on 13 February 2023) and -€4.3m of costs related to restructurings and transformation programme.

Corporate & Unallocated

(o) In the current period, other *adjusting* items in operating result include €3.4m of gain on the disposal of properties in Belgium, and -€1.6m of fees incurred in relation with the acquisition of Parts Holding Europe (closing of the acquisition on the 4th of August 2022).

(p) In the prior period, the €8.0m *adjusting* item in net finance costs related to the early repayment fee paid by D'leteren Automotive to the Corporate & unallocated segment following the full anticipated reimbursement of the inter-segment loan.

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

€m	2022							2021[1]					
	D'leteren Autom.	Belron (50.01%)	Moleskine	TVH (40.0%)	PHE	Corp. & unallocated	Total (segment)	D'leteren Autom.	Belron (52.88%)	Moleskine	TVH (40.0%)	Corp. & unallocated	Total (segment)
Segment reported PBT	**159.2**	**512.5**	**10.2**	**165.5**	**14.0**	**7.8**	**869.2**	**88.9**	**463.4**	**1.6**	**26.8**	**12.7**	**593.4**
Less: Adjusting items in PBT	-16.8	354.0	-	79.5	26.2	-1.8	441.1	17.3	237.4	0.4	19.7	-8.0	266.8
Segment adjusted PBT	**142.4**	**866.5**	**10.2**	**245.0**	**40.2**	**6.0**	**1,310.3**	**106.2**	**700.8**	**2.0**	**46.5**	**4.7**	**860.2**
Share of the group in tax on adjusted results of equity-accounted investees	4.1	-	-	-	-	-	4.1	2.9	-	-	-	-	2.9
Share of non-controlling interests in adjusted PBT	0.6	-433.2	-	-147.0	-1.4	-	-581.0	1.3	-330.2	-0.2	-27.9	-	-357.0
Segment adjusted PBT, Group's share	**147.1**	**433.3**	**10.2**	**98.0**	**38.8**	**6.0**	**733.4**	**110.4**	**370.6**	**1.8**	**18.6**	**4.7**	**506.1**

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates, to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022 and to reflect a reclassification of -€21.0m of fees from system integrators in relation to the business transformation programme from *adjusted* result to *adjusting* items in the Belron segment. Refer to note 1 of the 2022 Consolidated Financial Statements 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 50.01% (52.88% in the prior period).

Key Performance Indicator (based on *adjusted* PBT, Group's share)

€m	2022							2021[1]					
	D'leteren Autom.	Belron (50.01%)	Moleskine	TVH (40.0%)	PHE	Corp. & unallocated	Total (segment)	D'leteren Autom.	Belron (50.01%)	Moleskine	TVH (40.0%)	Corp. & unallocated	Total (segment)
Segment adjusted PBT, Group's share	**147.1**	**433.3**	**10.2**	**98.0**	**38.8**	**6.0**	**733.4**	**110.4**	**370.6**	**1.8**	**18.6**	**4.7**	**506.1**
Adjustment of the share of the Group (comparable basis with 2022)	-	-	-	-	-	-	-	-	-20.1	-	-	-	-20.1
Adjusted PBT, Group's share (key performance indicator)	**147.1**	**433.3**	**10.2**	**98.0**	**38.8**	**6.0**	**733.4**	**110.4**	**350.5**	**1.8**	**18.6**	**4.7**	**486.0**

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates, to reflect the purchase price allocation of TVH finalized by the Group in the second half of the year and to reflect a reclassification of -€21.0m of fees from system integrators in relation to the business transformation programme from *adjusted* result to *adjusting* items in the Belron segment. Refer to note 1 of the 2022 Consolidated Financial Statements 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 2022 (50.01% in 2022 vs 52.88% in 2021) 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 2022						31 December 2021[1]				
	D'leteren Autom.	Belron (100%)	Moleskine	TVH (100%)	PHE	Corp. & unallocated	D'leteren Autom.	Belron (100%)	Moleskine	TVH (100%)	Corp. & unallocated
Non-current loans and borrowings	93.5	3,981.2	9.9	625.1	1,124.4	4.7	111.9	3,841.5	41.8	719.6	4.7
Current loans and borrowings	121.7	203.1	20.4	325.7	225.3	0.7	32.8	193.5	19.7	202.6	0.6
Inter-segment financing	-	-	272.3	40.6	-	-312.9	-	-	264.1	40.6	-304.7
Adjustment for hedged borrowings	-	-18.2	-	-	-	-	-	3.2	-	-	-
Gross debt	**215.2**	**4,166.1**	**302.6**	**991.4**	**1,349.7**	**-307.5**	**144.7**	**4,038.2**	**325.6**	**962.8**	**-299.4**
Less: Cash and cash equivalents	-0.8	-146.0	-26.9	-91.3	-122.0	-196.1	-86.0	-244.9	-38.6	-137.0	-230.0
Less: Current financial assets	-	-	-	-	-	-128.6	-	-	-	-	-544.1
Less: Other non-current receivables	-3.6	-	-	-	-	-2.7	-3.0	-	-	-	-2.0
Less: Other current receivables	-	-	-	-	-	-	-	-	-	-	-12.0
Net debt from continuing activities excluding assets and liabilities classified as held for sale	**210.8**	**4,020.1**	**275.7**	**900.1**	**1,227.7**	**-634.9**	**55.7**	**3,793.3**	**287.0**	**825.8**	**-1,087.5**
Net debt in assets and liabilities classified as held for sale	-	-	-	-	4.1	-	-	1.6	-	-	-
Total net debt	**210.8**	**4,020.1**	**275.7**	**900.1**	**1,231.8**	**-634.9**	**55.7**	**3,794.9**	**287.0**	**825.8**	**-1,087.5**

(1) As restated to reflect the adjustments performed on the statement of financial position of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of the year. Refer to note 1 of the 2022 Consolidated Financial Statements for more information on the restatement of comparative information.

In both periods, the inter-segment loans comprise amounts lent by the Corporate department to the Moleskine segment (non-recourse loan, increased by €8.2m during the period (mainly representing €10.7m of interests recognised in profit or loss during the period and -€2.7m of cash interests payments) and to the TVH segment (shareholder loan from the Corporate & unallocated segment put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH, of which €0.6m represents accrued interests).

D'leteren Automotive's net debt reached €210.8m at the end of December 2022 (€55.7m at the end of December 2021). The increase of €155.1m mainly stems from a -€101.3m free cash-flow consumption (mainly explained by a -€155.3m outflow from change in net working capital, -€33.9m investments in tangible and intangible assets, -€36.0m tax paid, -€14.4m lease repayments, and -€15.6m of cash outflow from *adjusting* items, more than compensating the strong EBITDA generation of €167.1m) as well as -€51.6m dividend paid to the Corporate & unallocated segment.

Belron's net financial debt reached €4,020.1m at the end of December 2022. This compares with €3,794.9 at the end of December 2021. The increase of €225.2m is primarily the result of the dividend paid by Belron to its shareholders in H2-2022 (€403.8m, of which €212.5m to the Group), an adverse foreign exchange impact on net debt of €124.5m, partially compensated by a strong free cash flow generation (€298.8m, thanks to an EBITDA of €1,269.5m, partially compensated by outflow from change in net working capital of -€107.2m, net CAPEX of -€84.3m, lease repayments of -€187.7m, tax paid for -€162.7m, interests paid of -€142.3m, acquisitions of -€159.8m and a cash outflow from adjusting items of -€124.9m).

Moleskine's net debt reached €275.7m (of which €272.3m of inter-segment financing) at the end of December 2022 (€287.0m at the end of December 2021, of which €264.1m of inter-segment financing). The decrease of €11.3m is mainly the result of positive free cash-flow generation thanks to a strong EBITDA. An amount of €29.5m of bank term loan has been repaid in 2022 (€14.5m of senior term loan instalment and €15m of voluntary prepayment), reducing the exposure to external bank loan to €15m as of 31 December 2022.

Net debt (continued)

TVH's net financial debt increased from €825.8m to €900.1m at the end of December 2022. The increase of €74.3m compared to 31 December 2021 is mainly explained by -€52.6m free cash flow consumption (mainly arising from an EBITDA of €295.5m, partially compensated by an outflow from change in net working capital of -€155.7m, net CAPEX of -€94.1m, tax paid of -€62.2m, interests paid of -€16.2m, acquisitions of -€13.8m and a cash outflow from adjusting items of -€10.3m) and the effect of changes in lease liabilities. This amount excludes €10.3m of net cash surplus of TVH Russia included in the lines "Assets classified as held for sale" and "Liabilities directly associated with the assets held for sale" in TVH's statement of financial position.

PHE's net financial debt amounts to €1,231.8m at 31 December 2022. This includes €4.1m of net financial debt of PHE's specialized glass repair activity Mondial Pare-Brise classified as held for sale at 31 December 2022, the disposal of which has been closed on 13 February 2023. It excludes the put options granted to non-controlling shareholders holding minority interests in some of PHE's direct and indirect subsidiaries (valued at €110.2m at 31 December 2022) and the put options granted to minority investors (including management and several partners and independent distributors), who invested alongside D'leteren Group in the holding company of PHE, up to a combined ownership of c.9% (valued at €137.4m). Refer to note 33 of the 2022 Consolidated Financial Statements for more information on these put options. It also excludes the deferred considerations on acquisitions of €24.1m (presented in the lines "other payables" and "trade and other payables" in the consolidated statement of financial position).

The net cash position (including inter-segment financing loans) of the Corporate & unallocated segment decreased from €1,087.5m at 31 December 2021 to €634.9m at 31 December 2022 mainly as a result of the acquisition of Parts Holding Europe (closing of the transaction of 4 August 2022, resulting into and equity consideration paid of -€571m), the dividend paid to D'leteren Group's shareholders (-€113.6m), the acquisition of treasury shares (-€86.7m), partially compensated by the dividend received from the Belron segment (€212.5m), the D'leteren Automotive segment (€51.6m), and the consideration received (€50.4m) in October 2022 following the investments in PHE from minority investors (including management and several partners and independent distributors), alongside D'leteren Group, up to a combined ownership of c.9%.

D'Ieteren Group SA/NV

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Consolidated Statement of Profit or Loss

Year ended 31 December

€m	Notes	2022	2021[1]
Revenue	5	**4,714.6**	**3,360.5**
Cost of sales	6	-3,744.0	-2,881.3
Gross margin		**970.6**	**479.2**
Commercial and administrative expenses	6	-775.4	-376.8
Other operating income	6	33.9	10.4
Other operating expenses	6	-22.1	-27.0
Operating result	6	**207.0**	**85.8**
Net finance costs	7	-22.8	9.3
Finance income	7	16.8	16.2
Finance costs	7	-39.6	-6.9
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	210.1	184.2
Result before tax		**394.3**	**279.3**
Income tax expense	11	-58.5	-28.0
Result from continuing operations		**335.8**	**251.3**
Discontinued operations	21	2.9	-
RESULT FOR THE PERIOD		**338.7**	**251.3**
Result attributable to:			
Equity holders of the Company		**338.6**	**252.4**
Non-controlling interests ("NCI")		0.1	-1.1
Earnings per share			
Basic (in €)	8	6.29	4.67
Diluted (in €)	8	6.22	4.63
Earnings per share - Continuing operations			
Basic (in €)	8	6.24	4.67
Diluted (in €)	8	6.17	4.63

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022. Refer to note 1 for more information on the restatement of comparative information and note 17 for more information on the purchase price allocation of TVH.

The notes on pages 32 to 99 are an integral part of these consolidated financial statements.

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

Consolidated Statement of Comprehensive Income

Year ended 31 December

€m	Notes	2022	2021[1]
Result for the period		338.7	251.3
Other comprehensive income			
Items that will never be reclassified to profit or loss (net of tax):		-15.7	18.1
Re-measurements of defined benefit liabilities/assets		*13.1*	*5.2*
Equity-accounted investees - share of OCI	*17*	*-28.8*	*12.9*
Items that may be reclassified subsequently to profit or loss (net of tax)		130.4	28.9
Translation differences		*1.2*	*-0.1*
Cash flow hedges: fair value gains (losses) in equity		*1.3*	*-*
Equity-accounted investees - share of OCI	*17*	*127.9*	*29.0*
Other comprehensive income, net of tax		114.7	47.0
Total comprehensive income for the period		**453.4**	**298.3**
being: attributable to equity holders of the Company		***453.1***	***299.4***
attributable to non-controlling interests ("NCI")		***0.3***	***-1.1***

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022. Refer to note 1 for more information on the restatement of comparative information and note 17 for more information on the purchase price allocation of TVH.

The notes on pages 32 to 99 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December

€m	Notes	2022	2021[1]
Goodwill	12	981.2	83.2
Intangible assets	13	749.6	439.1
Property, plant & equipment	14	566.1	265.4
Investment property	15	41.8	33.6
Equity-accounted investees & long-term interests in equity-accounted investees	17	1,372.6	1,220.6
Financial investments		2.6	0.1
Deferred tax assets	11	57.4	46.6
Other receivables	20	75.8	49.0
Non-current assets		**3,847.1**	**2,137.6**
Inventories	16	1,191.7	446.2
Financial investments	4	128.6	544.1
Derivative financial instruments		4.1	-
Current tax assets	11	9.2	9.4
Trade and other receivables	20	698.6	380.6
Cash & cash equivalents	19	345.8	354.6
Assets classified as held for sale	21	72.2	0.1
Current assets		**2,450.2**	**1,735.0**
TOTAL ASSETS		**6,297.3**	**3,872.6**
Capital & reserves attributable to equity holders		3,165.2	2,975.9
Non-controlling interests ("NCI")		12.7	0.4
Equity		**3,177.9**	**2,976.3**
Employee benefits	10	39.4	25.5
Provisions	23	18.1	15.5
Loans & borrowings	24	1,232.5	158.4
Put options granted to non-controlling interests	33	244.7	-
Other payables	25	32.5	-
Deferred tax liabilities	11	139.4	133.1
Non-current liabilities		**1,706.6**	**332.5**
Provisions	23	15.5	11.3
Loans & borrowings	24	368.1	53.1
Put options granted to non-controlling interests	33	5.8	-
Current tax liabilities	11	11.7	2.8
Trade & other payables	25	984.7	496.0
Liabilities directly associated with the assets held for sale	21	27.0	0.6
Current liabilities		**1,412.8**	**563.8**
TOTAL EQUITY AND LIABILITIES		**6,297.3**	**3,872.6**

(1) As restated to reflect the adjustments performed on the statement of financial position of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of the year. Refer to note 1 for more information on the restatement of comparative information and note 17 for more information on the purchase price allocation of TVH.

The notes on pages 32 to 99 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

€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 2021	**160.0**	**24.4**	**-38.0**	**-24.7**	**2,582.3**	**19.7**	**2,723.7**	**3.5**	**2,727.2**
Profit for the period[1]	-	-	-	-	252.4	-	252.4	-1.1	251.3
Other comprehensive income[1]	-	-	-	20.8	13.4	12.8	47.0	-	47.0
Total comprehensive income for the period[1]	**-**	**-**	**-**	**20.8**	**265.8**	**12.8**	**299.4**	**-1.1**	**298.3**
Movement of treasury shares	-	-	-9.4	-	-	-	-9.4	-	-9.4
Dividends	-	-	-	-	-72.9	-	-72.9	-	-72.9
Movement arising from transactions with MRP participants (see note 17)	-	-	-	-	29.7	-	29.7	-	29.7
Other movements[1][3]	-	-	-	-	5.4	-	5.4	-	5.4
Total contribution and distribution	**-**	**-**	**-9.4**	**-**	**-37.8**	**-**	**-47.2**	**-**	**-47.2**
Disposal of subsidiary with change in control	-	-	-	-	-	-	-	-2.0	-2.0
Total change in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-2.0**	**-2.0**
31 December 2021[1]	**160.0**	**24.4**	**-47.4**	**-3.9**	**2,810.3**	**32.5**	**2,975.9**	**0.4**	**2,976.3**
At 1 January 2022[1]	**160.0**	**24.4**	**-47.4**	**-3.9**	**2,810.3**	**32.5**	**2,975.9**	**0.4**	**2,976.3**
Restatement[2]	-	-	-	-	-1.4	-	-1.4	-	-1.4
At 1 January 2022 (restated)	**160.0**	**24.4**	**-47.4**	**-3.9**	**2,808.9**	**32.5**	**2,974.5**	**0.4**	**2,974.9**
Profit for the period	-	-	-	-	338.6	-	338.6	0.1	338.7
Other comprehensive income	-	-	-	57.9	-15.9	72.5	114.5	0.2	114.7
Total comprehensive income for the period	**-**	**-**	**-**	**57.9**	**322.7**	**72.5**	**453.1**	**0.3**	**453.4**
Movement of treasury shares (see note 22)	-	-	-86.7	-	-	-	-86.7	-	-86.7
Dividends	-	-	-	-	-113.8	-	-113.8	-	-113.8
Movement arising from transactions with MRP participants (see note 17)	-	-	-	-	24.3	-	24.3	-	24.3
Put options - movement of the period (see note 33)	-	-	-	-	-100.3	-	-100.3	-0.3	-100.6
Other movements[3]	-	-	-	-	21.4	-	21.4	-	21.4
Total contribution and distribution	**-**	**-**	**-86.7**	**-**	**-168.4**	**-**	**-255.1**	**-0.3**	**-255.4**
Disposal of NCI without change in control	-	-	-	-	-7.3	-	-7.3	10.3	3.0
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	1.8	1.8
Disposal of subsidiary with change in control	-	-	-	-	-	-	-	0.2	0.2
Total change in ownership interests	**-**	**-**	**-**	**-**	**-7.3**	**-**	**-7.3**	**12.3**	**5.0**
At 31 December 2022	**160.0**	**24.4**	**-134.1**	**54.0**	**2,955.9**	**105.0**	**3,165.2**	**12.7**	**3,177.9**

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022. Refer to note 1 for more information on the restatement of comparative information and note 17 for more information on the purchase price allocation of TVH.
(2) Opening balance of Equity at 1 January 2022 has been restated to reflect a change in accounting policy on write-down on inventories at Moleskine level, in accordance with IAS 8.24.
(3) The lines "other movements" in 2021 and 2022 mainly include equity-settled share-based payments expenses in the Belron (see note 17) and Corporate & unallocated segments (see note 9).

The notes on pages 32 to 99 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December

€m	Notes	2022	2021[1]
Cash flows from operating activities - Continuing			
Result from continuing operations		335.8	251.3
Income tax expense	11	58.5	28.0
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	-210.1	-184.2
Net finance costs	7	22.8	-9.3
Operating result from continuing operations		**207.0**	**85.8**
Depreciation on PP&E (including right-of-use assets)	6/14/15	68.1	37.5
Amortisation of intangible assets	6/13	20.4	9.0
Other non-cash items	4	-17.5	7.6
Share-based payment and other employee benefit expenses	4/9	24.1	9.0
Other cash items		1.5	0.5
Change in trade and other receivables	4	94.2	29.8
Change in trade and other payables	4	6.9	3.0
Change in inventories	4	-259.9	18.9
Cash generated from operations		**144.8**	**201.1**
Income tax paid		-57.2	-25.2
Net cash from operating activities		**87.6**	**175.9**
Cash flows from investing activities - Continuing			
Purchase of property, plant and equipment and intangible assets	13/14/15	-77.0	-46.7
Sale of property, plant and equipment and intangible assets		10.4	3.7
Net capital expenditure		**-66.6**	**-43.0**
Acquisition of subsidiaries (net of cash acquired)	26	-516.8	-9.0
Acquisition of equity-accounted investees and long-term interests in equity-accounted investees	17	-	-1,147.0
Contribution of cash from / (to) joint ventures		2.4	-4.8
Proceeds from the sale of / (investments in) financial assets	4	415.2	193.3
Interest received		7.2	1.4
Dividends and proceeds from capital reduction received from equity-accounted investees & long-term interests in equity accounted investees	4/17	217.0	874.3
Shareholder loan towards equity-accounted investee		-	-40.0
Loans to employees in relation to Long Term Incentive Plan and stock options		-1.3	-3.9
Net cash from investing activities		**57.1**	**-178.7**
Cash flows from financing activities - Continuing			
Acquisition (-)/Disposal (+) of non-controlling interests	26	53.1	-
Acquisition of treasury shares	22	-117.4	-13.7
Disposal of treasury shares	22	30.7	4.7
Repayment of lease liabilities	24	-37.9	-16.1
Proceeds from loans and borrowings	24	107.4	118.3
Repayment of loans and borrowings	24	-47.3	-8.7
Interest paid		-19.8	-6.4
Dividends paid by Company	22	-113.6	-72.9
Net cash from financing activities		**-144.8**	**5.2**
Cash flows from continuing operations		**-0.1**	**2.4**
Cash flows from discontinued operations	21	**2.1**	**-**
TOTAL CASH FLOW FOR THE PERIOD		**2.0**	**2.4**

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of the year. Refer to note 1 for more information on the restatement of comparative information and note 17 for more information on the purchase price allocation of TVH. 2021 has also been restated to reflect the reclassification of amounts related to employee benefits from the line "Other non-cash items" to the line "Share-based payment and other employee benefit expenses".

The notes on pages 32 to 99 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows (continued)

Year ended 31 December

€m	Notes	2022	2021[1]
Reconciliation with statement of financial position			
Cash at beginning of period	19	354.6	351.3
Cash and cash equivalents at beginning of period		**354.6**	**351.3**
Total cash flow for the period		2.0	2.4
Effects of movement in exchange rates		0.4	0.9
Cash and cash equivalents at end of period		**357.0**	**354.6**
Included within "Cash and cash equivalents"	*19*	*345.8*	*354.6*
Included within "Non-current assets classified as held for sale"	*21*	*11.2*	-

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of the year. Refer to note 1 for more information on the restatement of comparative information and note 17 for more information on the purchase price allocation of TVH. 2021 has also been restated to reflect the reclassification of amounts related to employee benefits from the line "Other non-cash items" to the line "Share-based payment and other employee benefit expenses".

The notes on pages 32 to 99 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Note 1: General information

D'leteren Group SA/NV (the Company) is a public company incorporated and domiciled in Belgium. The address of the Company's registered office is: Rue du Mail 50, B-1050 Brussels.

In existence since 1805, and across family generations, D'leteren Group (the Group) 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 and geographies. The Group currently totally or partially owns the following businesses:

- Belron (50.01% in fully diluted economic rights - 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 37 countries, through wholly owned businesses and franchises, with market leading brands – including Carglass®, Safelite® and Autoglass®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance customers.
- D'leteren Automotive (100%) distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Cupra, Rimac, Microlino, Maserati and Porsche vehicles in Belgium. It has a market share of 22.5% 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".
- PHE (c.91% in voting rights – see note 26 for more information on economic percentage) is a leader in the independent distribution of spare parts for vehicles in Western Europe, present in France, Belgium, The Netherlands, Luxemburg, Italy and Spain. Its mission aims at "promoting affordable and sustainable mobility".
- TVH (40% - equity-accounted investee), is a leading global independent distributor for aftermarket parts for material handling, construction & industrial, and agricultural equipment. It operates in 26 countries worldwide. It has a unique operating model and has a clear purpose of "keeping customers going and growing".
- Moleskine (100%) is a premium and aspirational lifestyle brand which develops and sells iconic branded notebooks and writing, travel and reading accessories through a global multichannel platform. Its purpose is to "unleash the human genius through hands on paper to empower creativity and knowledge in each individual and the entire world".
- D'leteren Immo (100%) groups together the Belgian real estate interests of D'leteren Group. It owns and manages 35 properties. It also pursues investment projects and carries out studies into possible site renovations.

The Company is listed on Euronext Brussels under the ticker DIE.

These consolidated financial statements have been authorized for issue by the Board of Directors on 24 March 2023.

Restatement of comparative information

In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the line "equity accounted investees & long-term interests in equity-accounted investees" in the consolidated statement of financial position at 31 December 2021, the line "share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax" in the 2021 consolidated statement of profit or loss and the lines "result for the period" and "equity accounted investees – share of OCI" in the 2021 consolidated statement of comprehensive income have been restated to reflect the share of the Group in the adjustments performed on the 3-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of the accounting policies across all affiliates and to be fully in line with the IFRS requirements and to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022 (see note 17 for more information on the purchase price allocation of TVH).

The table below summarizes the restatement performed in the segment statement of profit or loss and segment statement of financial position and reconciles those amounts to the consolidated statement of profit or loss and consolidated statement of financial position.

€m - restatement of the segment statement of profit or loss	**31 December 2021**		
	TVH (100%)	Eliminations	Group
Segment revenue	**-2.0**	**2.0**	**-**
Operating result	**-17.3**	**17.3**	**-**
Net finance costs	1.7	-1.7	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax		-4.1	-4.1
Result before tax	**-15.6**	**11.5**	**-4.1**
Income tax expense	5.3	-5.3	-
Result from continuing operations	**-10.3**	**6.2**	**-4.1**
of which: attributable to equity holders of the Company*	***-4.1***		***-4.1***

*TVH at 40%

€m - restatement of the segment statement of financial position	31 December 2021			
	TVH (100%)	Corporate & unallocated	Eliminations	Group
Goodwill	-1,354.8		1,354.8	-
Intangible assets	1,063.5		-1,063.5	-
Property, plant & equipment	130.3		-130.3	
Equity-accounted investees and long-term interests in equity-accounted investees			-2.5	-2.5
Derivative financial instruments	0.1		-0.1	-
Deferred tax assets	5.9		-5.9	-
Non-current assets	**-155.0**	**-**	**152.5**	**-2.5**
Inventories	-42.6		42.6	
Financial investments	-1.9		1.9	
Trade and other receivables	53.4		-53.4	
Cash & cash equivalents	-2.7		2.7	
Current assets	**6.2**	**-**	**-6.2**	**-**
TOTAL ASSETS	**-148.8**	**-**	**146.3**	**-2.5**
Capital & reserves attributable to equity holder of the Company*		**-2.5**		**-2.5**
Employee benefits	11.7		-11.7	-
Loans & borrowings	90.7		-90.7	-
Inter-segment loan	-0.6	0.6		-
Derivative financial instruments	3.6		-3.6	-
Deferred tax liabilities	288.3		-288.3	-
Non-current liabilities	**393.7**	**0.6**	**-394.3**	**-**
Provisions	1.7		-1.7	-
Loans & borrowings	10.8		-10.8	-
Inter-segment loan	0.6	-0.6		-
Trade & other payables	-7.4		7.4	-
Current liabilities	**5.7**	**-0.6**	**-5.1**	**-**
TOTAL EQUITY AND LIABILITIES	**399.4**	**-2.5**	**-399.4**	**-2.5**

*TVH at 40%

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 2022 consolidated financial statements are for the 12 months ended 31 December 2022. 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 2022 and are effective for the period ending 31 December 2022.

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, financial assets and financial liabilities (including derivative instruments) and put options granted to non-controlling interests that have been measured at fair value.

On 31 December 2021 and 31 December 2022, in the consolidated statement of financial position, 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). At 31 December 2022, financial liabilities measured at fair value are limited to the put options granted to non-controlling interests (see note 33) and to contingent considerations recognised in the D'leteren Automotive and PHE segments (see note 18 and 26). There are no other financial liabilities measured at fair value at 31 December 2021 and 31 December 2022 in the consolidated statement of financial position.

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 23.
- 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 26.
- Lease term (whether the Group is reasonably certain to exercise extension or termination options). See note 32.
- Put options granted to non-controlling interests (discount rates used and estimates of the future profitability of the business). See note 33.
- Contingent consideration on acquisitions. See note 26.

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), business combinations (see note 26) and put options granted to non-controlling interests (see note 33). 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 (see note 18).

Risks and uncertainties

The COVID-19 pandemic, the ongoing war in Ukraine and the turmoil in the banking system have a significant impact on the world economy and have increased the overall uncertainties, inflationary pressures and market instability. The Board of Directors considered the impact of these risks as the basis of preparation of these consolidated financial statements.

The Group continues to take measures to minimize the impact of these risks 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 enough liquidities to continue to meet its liabilities as they fall due and to continue in operational existence for the foreseeable future. These consolidated financial statements have therefore been prepared on a going concern basis.

The impact of the ongoing war in Ukraine in the medium and long term remains uncertain. Belron had franchise activities in Russia which have been suspended and in Ukraine, where operations paused at the start of the war, but were resumed in June. The contribution of the franchised activities in those two countries were not financially meaningful. However, Belron sourced some glass (less than 5% of the total) from Russia and has therefore found alternative sources of supply. At D'Ieteren Automotive, volumes on certain models are negatively impacted by supply chain issues as Volkswagen Group sources some components in the region. The conflict is also impacting TVH, which had generated combined sales of around €50m in those countries in 2021 and has decided to stop operating in Russia. TVH is currently in the process of disposing of the activities in Russia to the local management. For this reason, the activity in Russia is qualified as "Assets classified as held for sale" and "Liabilities directly associated with the assets held for sale" in the segment statement of financial position. Moleskine's exposure to the region is immaterial. The Group and Group's activities are monitoring the situation on a daily basis, complying with any applicable sanctions.

Note 3: Changes in significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in note 35. 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'leteren Automotive, Belron, Moleskine, TVH (as from 1st October 2021) and PHE (as from 4th of August 2022 – including the holding company of the PHE Group - see note 26). The other segments are disclosed in the category "Corporate & Unallocated" (D'leteren Group, 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".

D'leteren Automotive comprises the automobile distribution activities of the Group through D'leteren Automotive SA/NV and its subsidiaries, affiliates and joint ventures. Belron comprises Belron Group s.a. and its subsidiaries, affiliates and joint ventures. Moleskine includes Moleskine S.p.a. and its subsidiaries, affiliates and joint ventures. TVH includes TVH Global SA/NV and its subsidiaries, affiliates and joint ventures. PHE includes Parts Holding Europe SAS and its holding company, its subsidiaries, affiliates and joint ventures. Despite their classification as equity-accounted investees, Belron and TVH remain separate reportable operating segments, reflecting the Group's internal reporting structure. The segment "Corporate & unallocated" comprises the corporate department and the real estate activities of the Group, through its wholly owned subsidiary D'leteren Immo SA/NV (see note 1).

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

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

€m	Notes	2022							
		D'leteren Autom.	Belron (100%)	Moleskine	TVH (100%)	PHE (5 months)	Corp. & unallocated	Eliminations	Group
External revenue	5	3,609.5	5,574.3	143.3	1,621.7	961.8	-	-7,196.0	4,714.6
Segment revenue		**3,609.5**	**5,574.3**	**143.3**	**1,621.7**	**961.8**	**-**	**-7,196.0**	**4,714.6**
Operating result (being segment result)		**145.9**	**860.9**	**21.2**	**172.0**	**44.9**	**-5.0**	**-1,032.9**	**207.0**
Net finance costs	7	6.5	-348.8	-11.0	-6.5	-31.1	12.8	355.3	-22.8
Finance income	7	11.2	20.5	2.1	15.4	0.2	1.0	-33.6	16.8
Finance costs	7	-4.7	-369.3	-2.4	-19.6	-31.3	-1.2	388.9	-39.6
Inter-segment financing interests	7	-	-	-10.7	-2.3	-	13.0	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	6.8	0.4	-	-	0.2	-	202.7	210.1
Result before tax		**159.2**	**512.5**	**10.2**	**165.5**	**14.0**	**7.8**	**-474.9**	**394.3**
Income tax expense	11	-44.1	-211.3	-1.0	-34.3	-9.6	-3.8	245.6	-58.5
Result from continuing operations		**115.1**	**301.2**	**9.2**	**131.2**	**4.4**	**4.0**	**-229.3**	**335.8**
Discontinued operations	21	-	-	-	-	2.9	-	-	2.9
RESULT FOR THE PERIOD		**115.1**	**301.2**	**9.2**	**131.2**	**7.3**	**4.0**	**-229.3**	**338.7**

Attributable to:	D'leteren Autom.	Belron(*)	Moleskine	TVH (*)	PHE (5 months)	Corp. & unallocated	Group
Equity holders of the Company(*)	**115.7**	**150.6**	**9.2**	**52.5**	**6.6**	**4.0**	**338.6**
Non-controlling interests ("NCI")	-0.6	-	-	-	0.7	-	0.1
RESULT FOR THE PERIOD	**115.1**	**150.6**	**9.2**	**52.5**	**7.3**	**4.0**	**338.7**

(*) Belron at 50.01% (fully diluted economic rights) and TVH at 40.00% – see note 17.

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

€m	2021[1]						
	D'leteren Autom.	Belron (100%)	Moleskine	TVH (100% - 3 months)	Corp. & unallocated	Eliminations	Group
External revenue	3,238.9	4,646.8	121.6	348.0	-	-4,994.8	3,360.5
Segment revenue	**3,238.9**	**4,646.8**	**121.6**	**348.0**	**-**	**-4,994.8**	**3,360.5**
Operating result (being segment result)	**81.0**	**691.5**	**12.1**	**29.0**	**-7.3**	**-720.5**	**85.8**
Net finance costs	-0.2	-228.6	-10.5	-2.2	20.0	230.8	9.3
Finance income	12.8	3.1	2.0	8.2	0.8	-10.7	16.2
Finance costs	-1.7	-231.7	-2.2	-9.8	-3.0	241.5	-6.9
Inter-segment financing interests	-11.3	-	-10.3	-0.6	22.2	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	8.1	0.5	-	-	-	175.6	184.2
Result before tax	**88.9**	**463.4**	**1.6**	**26.8**	**12.7**	**-314.1**	**279.3**
Income tax expense	-21.3	-145.5	-5.0	-6.9	-1.7	152.4	-28.0
Result from continuing operations	**67.6**	**317.9**	**-3.4**	**19.9**	**11.0**	**-161.7**	**251.3**
Discontinued operations	-	-	-	-	-	-	-
RESULT FOR THE PERIOD	**67.6**	**317.9**	**-3.4**	**19.9**	**11.0**	**-161.7**	**251.3**

Attributable to:	D'leteren Autom.	Belron(*)	Moleskine	TVH (100% - 3 months)(*)	Corp. & unallocated	Group
Equity holders of the Company(*)	**68.9**	**168.1**	**-3.6**	**8.0**	**11.0**	**252.4**
Non-controlling interests ("NCI")	-1.3	-	0.2	-	-	-1.1
RESULT FOR THE PERIOD	**67.6**	**168.1**	**-3.4**	**8.0**	**11.0**	**251.3**

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022. Refer to note 1 for more information on the restatement of comparative information.

(*) Belron at 52.88% (weighted average percentage for the 2021 period) and TVH at 40.00% – see note 17.

In 2022, the column "Eliminations" reconciles the segment statement of profit or loss (with the 12-month result of Belron and TVH presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron and TVH 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 – 50.01%; see note 17 – in the 12-month net result of Belron and the share of the Group – 40.00%; see note 17 – in the 12-month net result of TVH).
In 2021, the column "Eliminations" reconciled the segment statement of profit or loss (with the 12-month result of Belron and the 3-month result of TVH presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron and TVH 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 – 52.88%; see note 17 – in the 12-month net result of Belron and the share of the Group – 40.00%; see note 17 – in the 3-month net result of TVH).

In the consolidated statement of profit or loss, the increase in commercial and administrative expenses and other operating income in the period are mainly explained by the integration of the PHE segment in the consolidated statement of profit or loss as from the date of acquisition (4th of August 2022 – see note 26).

D'leteren Automotive

In 2022, the line "finance income" includes, amongst other amounts, a consolidated gain of €10.2m recognized on the loss of exclusive control of Lizy and MyMove following the entry into capital by investors for 29% in Lizy and 33% in MyMove (both through capital increases). The consolidated gain represents the difference between the fair value of the non-controlling interests retained in the companies (39% in Lizy and 56% in MyMove) and the carrying amount of the assets and liabilities of the subsidiaries at the date the control was lost. These two entities are accounted for as equity accounted investees as from the 1st of January 2022 (see note 17). In 2021, this line included, amongst other amounts, a consolidated gain of €12.4m recognised on the loss of exclusive control of Skipr following the acquisition of 17% beginning of July 2021 of the share capital of Skipr by ALD Automotive.

In 2021, the line "Operating result" included, amongst other amounts, the charge of -€21.8m related to the decision of D'leteren Automotive to close two of its structurally loss-making sites.

In 2021, the line "inter-segment financing interests" included the early repayment fee of -€8.0m paid by D'leteren Automotive to the Corporate & unallocated segment following the anticipated reimbursement of the inter-segment loan.

Belron

In 2022, the line "Operating result" includes, amongst other amounts, -€39.4m of employees costs in relation to the restricted share units ('RSUs') awarded by the Board of Directors of Belron in December 2021 to c.24,000 employees (this comprises a share-based payment charge of -€37.0m and associated payroll taxes of -€6.3m, as well as €3.9m release of surplus accrual – this transaction has and will have no economic impact on the Group and on the 50.01% fully diluted stake held by the Group in Belron). It also includes -€122.7m of costs in relation with the group-wide transformation programme and -€14.7m of costs in respect of restructurings and integrations. In 2021, this line included, amongst other amounts, -€64.0m of costs in relation with the group-wide transformation programme, -€48.7m of employee costs in relation with the one-off cash bonus and the restricted share units ('RSUs'), -€10.5m of one-off donation to the Ronnie Lubner Foundation and costs in respect of restructurings and integrations.

In 2022 and 2021, the line "finance costs" includes, amongst other amounts, costs related to the refinancing operated in April 2021. In 2022, It includes -€197.7m of non-cash foreign exchange losses arising upon the translation of the USD Term Loan at the closing rate (-€67.7m in 2021) because the foreign exchange movements on these borrowings did not qualify for quasi-equity accounting. A new structure was implemented in September 2022 which allows the foreign currency movements on these borrowings to naturally flow via OCI through the translation reserve in the statement of financial position prospectively. The loss of -€197.7m, which arose before the structuring solution was implemented, remained in the 2022 statement of profit or loss. In 2021, this line also included costs related to the de-designation of interest rate swaps, write-off of previously deferred financing costs, professional fees and legal expenses.

Moleskine

In 2021, the line "income tax expense" included the reversal of the deferred tax assets previously recognised on the elimination of intercompany margin in inventories.

TVH

In 2022, the line "Operating result" includes, amongst other amounts, -€75.2m amortization on customer contracts and other intangible assets with finite useful lives recognized following the finalization of the purchase price allocation by the Group in the second half of 2022 (see note 17) and -€18.6m of costs in relation to the IT and business transformation programme. In 2021 (3-month period restated – see note 1), this line included, amongst other amounts, -€18.8m amortization on customer contracts and other intangible assets with finite useful lives recognized following the finalization of the purchase price allocation by the Group in the second half of 2022 (see note 17).

In 2022, the line "finance income" includes €6.1m of change in fair value of interest rates swaps. In 2021 (3-month period, restated – see note 1), change in fair value of interest rates swaps amounted to -€0.9m and were included in the line "finance costs".

PHE

In 2022, the line "discontinued operations" relates to the net result of PHE's specialized glass repair activity Mondial Pare-Brise, from the date of the acquisition of PHE by the Group (4th of August 2022 – see note 26) until 31 December 2022. Assets and liabilities of Mondial Pare Brise are classified as held for sale in the consolidated statement of financial position at 31 December 2022 (see note 21).

The result attributable to non-controlling interests relates to the results attributable to non-controlling shareholders holding minority interests at the level of the direct and indirect subsidiaries of PHE. The percentage used to consolidate the net result of PHE is 100% in 2022 and beyond (refer to note 33 for more information).

Corporate & non-allocated

In 2022, the line "Operating result" includes, amongst other amounts, €3.4m of gain on the disposal of two properties (included in the line "other operating income" in the consolidated statement of profit or loss).

Segment Statement of Financial Position - Operating Segment

€m	Notes	31 December 2022							
		D'leteren Autom.	Belron (100%)	Moleskine	TVH (100%)	PHE	Corp. & unallocated	Eliminations	Group
Goodwill	12	49.2	734.1	48.8	788.1	880.1	3.1	-1,522.2	981.2
Intangible assets	13	33.8	527.8	410.4	1,056.7	305.4	-	-1,584.5	749.6
Property, plant & equipment	14	83.0	895.7	16.3	497.2	289.6	177.2	-1,392.9	566.1
Investment property	15	0.1	-	-	-	-	41.7	-	41.8
Equity-accounted investees & long-term interests in equity-accounted investees	17	128.8	-	-	-	5.0	-	1,238.8	1,372.6
Financial investments		0.1	2.3	-	-	2.5	-	-2.3	2.6
Derivative financial instruments		-	142.1	-	2.3	-	-	-144.4	-
Employee benefits	10	-	96.5	-	-	-	-	-96.5	-
Deferred tax assets	11	17.8	53.4	-	15.8	20.0	19.6	-69.2	57.4
Other receivables	20	4.8	34.2	1.1	9.1	25.7	44.2	-43.3	75.8
Non-current assets		**317.6**	**2,486.1**	**476.6**	**2,369.2**	**1,528.3**	**285.8**	**-3,616.5**	**3,847.1**
Inventories	16	678.6	445.8	29.7	516.3	483.4	-	-962.1	1,191.7
Financial investments		-	-	-	-	-	128.6	-	128.6
Derivative financial instruments	18	-	41.3	-	-	4.1	-	-41.3	4.1
Current tax assets	11	1.6	7.4	4.3	3.6	2.8	0.5	-11.0	9.2
Trade and other receivables	20	306.4	337.5	34.3	372.9	352.3	5.6	-710.4	698.6
Cash & cash equivalents	19	0.8	146.0	26.9	91.3	122.0	196.1	-237.3	345.8
Assets classified as held for sale	21	-	-	-	17.9	72.2	-	-17.9	72.2
Current assets		**987.4**	**978.0**	**95.2**	**1,002.0**	**1,036.8**	**330.8**	**-1,980.0**	**2,450.2**
TOTAL ASSETS		**1,305.0**	**3,464.1**	**571.8**	**3,371.2**	**2,565.1**	**616.6**	**-5,596.5**	**6,297.3**
Equity		**-**	**-**	**-**	**-**	**-**	**3,177.9**	**-**	**3,177.9**
Employee benefits	10	10.1	3.4	1.9	4.5	26.8	0.6	-7.9	39.4
Provisions	23	15.6	62.0	1.9	0.9	-	0.6	-62.9	18.1
Loans & borrowings	24	93.5	3,981.2	9.9	625.1	1,124.4	4.7	-4,606.3	1,232.5
Inter-segment loan		-	-	272.3	40.0	-	-312.3	-	-
Derivative financial instruments		-	4.8	-	-	-	-	-4.8	-
Put options granted to non-controlling interests	33	2.9	-	-	-	241.8	-	-	244.7
Other payables	25	-	9.3	-	2.3	32.5	-	-11.6	32.5
Deferred tax liabilities	11	1.1	129.6	105.4	278.5	12.1	20.8	-408.1	139.4
Non-current liabilities		**123.2**	**4,190.3**	**391.4**	**951.3**	**1,437.6**	**-285.6**	**-5,101.6**	**1,706.6**
Provisions	23	-	48.0	4.9	2.2	5.4	5.2	-50.2	15.5
Loans & borrowings	24	121.7	203.1	20.4	325.7	225.3	0.7	-528.8	368.1
Inter-segment loan		-	-	-	0.6	-	-0.6	-	-
Derivative financial instruments		-	1.4	-	-	-	-	-1.4	-
Put options granted to non-controlling interests	33	-	-	-	-	5.8	-	-	5.8
Current tax liabilities	11	10.1	100.4	0.5	10.8	-	1.1	-111.2	11.7
Trade & other payables	25	527.1	695.6	30.9	229.0	413.9	12.8	-924.6	984.7
Liabilities directly associated with the assets held for sale	21	-	-	-	1.3	27.0	-	-1.3	27.0
Current liabilities		**658.9**	**1,048.5**	**56.7**	**569.6**	**677.4**	**19.2**	**-1,617.5**	**1,412.8**
TOTAL EQUITY AND LIABILITIES		**782.1**	**5,238.8**	**448.1**	**1,520.9**	**2,115.0**	**2,911.5**	**-6,719.1**	**6,297.3**

Segment Statement of Financial Position – Operating Segments

€m	31 December 2021[1]						
	D'leteren Autom.	Belron (100%)	Moleskine	TVH (100%)	Corp. & unallocated	Eliminations	Group
Goodwill	31.3	612.1	48.8	786.7	3.1	-1,398.8	83.2
Intangible assets	27.3	498.7	411.7	1,089.7	0.1	-1,588.4	439.1
Property, plant & equipment	65.8	838.4	18.0	450.8	181.6	-1,289.2	265.4
Investment property	0.1	-	-	-	33.5	-	33.6
Equity-accounted investees & long-term interests in equity-accounted investees	113.1	-	-	-	-	1,107.5	1,220.6
Financial investments	0.1	1.9	-	0.5	-	-2.4	0.1
Derivative financial instruments	-	9.3	-	0.1	-	-9.4	-
Employee benefits	-	200.8	-	-	-	-200.8	-
Deferred tax assets	19.3	99.5	5.3	14.1	22.0	-113.6	46.6
Other receivables	3.9	26.8	1.1	1.9	44.0	-28.7	49.0
Non-current assets	**260.9**	**2,287.5**	**484.9**	**2,343.8**	**284.3**	**-3,523.8**	**2,137.6**
Inventories	415.8	346.2	30.4	413.3	-	-759.5	446.2
Financial investments	-	-	-	-	544.1	-	544.1
Derivative financial instruments	-	2.5	-	-	-	-2.5	-
Current tax assets	1.1	11.9	6.6	5.9	1.7	-17.8	9.4
Trade and other receivables	321.7	439.4	33.6	283.3	25.3	-722.7	380.6
Cash & cash equivalents	86.0	244.9	38.6	137.0	230.0	-381.9	354.6
Assets classified as held for sale	0.1	0.9	-	-	-	-0.9	0.1
Current assets	**824.7**	**1,045.8**	**109.2**	**839.5**	**801.1**	**-1,885.3**	**1,735.0**
TOTAL ASSETS	**1,085.6**	**3,333.3**	**594.1**	**3,183.3**	**1,085.4**	**-5,409.1**	**3,872.6**
Equity	**-**	**-**	**-**	**-**	**2,976.3**	**-**	**2,976.3**
Employee benefits	21.8	5.4	2.5	12.7	1.2	-18.1	25.5
Provisions	12.0	39.8	3.2	1.7	0.3	-41.5	15.5
Loans & borrowings	111.9	3,841.5	41.8	719.6	4.7	-4,561.1	158.4
Inter-segment loan	-	-	264.1	40.0	-304.1	-	0.0
Derivative financial instruments	-	17.7	-	3.6	-	-21.3	-
Other payables	-	16.8	-	0.1	-	-16.9	-
Deferred tax liabilities	1.5	154.3	111.4	292.7	20.2	-447.0	133.1
Non-current liabilities	**147.2**	**4,075.5**	**423.0**	**1,070.4**	**-277.7**	**-5,105.9**	**332.5**
Provisions	4.3	55.4	1.7	1.7	5.3	-57.1	11.3
Loans & borrowings	32.8	193.5	19.7	202.6	0.6	-396.1	53.1
Inter-segment loan	-	-	-	0.6	-0.6	-	-
Derivative financial instruments	-	9.0	-	-	-	-9.0	-
Current tax liabilities	1.8	67.2	1.0	17.7	-	-84.9	2.8
Trade & other payables	449.6	823.1	34.1	178.2	12.3	-1,001.3	496.0
Liabilities directly associated with the assets held for sale	0.6	1.6	-	-	-	-1.6	0.6
Current liabilities	**489.1**	**1,149.8**	**56.5**	**400.8**	**17.6**	**-1,550.0**	**563.8**
TOTAL EQUITY AND LIABILITIES	**636.3**	**5,225.3**	**479.5**	**1,471.2**	**2,716.2**	**-6,655.9**	**3,872.6**

(1) As restated to reflect the adjustments performed on the statement of financial position of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of the year. Refer to note 1 for more information on the restatement of comparative information.

In 2021 and 2022, the column "Eliminations" reconciles the segment statement of financial position (including the assets and liabilities of Belron, and, as from 1 October 2021, the assets and liabilities of TVH) to the IFRS consolidated statement of financial position (with Belron and TVH presented as equity-accounted investees – see note 17).

At 31 December 2022 and 31 December 2021, the line "inter-segment loan" relates to amounts lent by the Corporate & unallocated segment to the Moleskine segment (non-recourse loan in the framework of the acquisition) and to the shareholder loan from the Corporate and Unallocated segment put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH, of which €0.6m represents capitalised interests at the end of 2021 and 2022.

At 31 December 2021 and 31 December 2022, 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".

D'leteren Automotive

In 2022, the increase in goodwill compared to 31 December 2021 reflects the acquisition performed in the period as disclosed in note 26. The acquisitions performed in 2022 amounted to -€10.7m (total consideration paid, net of cash and cash equivalents acquired) presented in the line "acquisition of subsidiaries, net of cash acquired" in the consolidated statement of cash flows.

At 31 December 2022, the decrease in the line "employee benefits" in the non-current liabilities compared to 31 December 2021 is primarily due to the actuarial movement recognized on the IAS 19 defined benefit obligation, following the increase in the discount rates (see note 10).

At 31 December 2022, the increase in loans and borrowings compared to 31 December 2021 mainly relates to bank overdrafts reclassified from "cash and cash equivalents" to "loans and borrowings" (€52.4m at 31 December 2022 vs nil at 31 December 2021). Those bank overdrafts are permitted under the ancillary facilities negotiated under the revolving credit facility of €225m and mainly result from a significant cash outflow driven by a sharp increase in inventory as the deliveries from the factories accelerated at the very end of the year. At 31 December 2022, there is no breach of covenants attached to the loans.

Belron

At 31 December 2022 and 31 December 2021, the derivative financial instruments included in the non-current assets mainly include interest rates swaps, cross currency interest rate swaps and forward exchange contracts, measured at fair value (see note 18).

At 31 December 2022, the decrease in the line "employee benefits" in the non-current assets compared to 31 December 2021 is primarily the result of an actuarial movement stemming from the increase in the discount rates, leading to a decrease in the fair value of the plan assets.

Moleskine

At 31 December 2022, the decrease in long-term loans and borrowings compared to 31 December 2021 is mainly due to the partial reimbursement of the external bank loan in 2022 (€14.5m of senior term loan instalment and €15m of voluntary prepayment).

TVH

At 31 December 2022 and 31 December 2021, the lines "Goodwill" and "Intangible assets" include the residual value of the goodwill embedded in the equity investment and the value of the brands, customer contracts and other intangible assets with finite useful lives recognised by the Group following the acquisition of a 40% stake in TVH on 1st October 2021 (see note 17 for more information on the purchase price allocation finalized by the Group in the second half of 2022).

At 31 December 2022, the lines "Assets classified as held-for-sale" and "Liabilities directly associated with the assets held for sale" include the fair value of the assets and liabilities of TVH Russia, following the decision taken by the Board in April 2022 to make TVH Russia independent from TVH and sell it to the Russian management team. TVH Russia is considered as a disposal group (and not as a discontinued operation) and is therefore classified as held for sale in accordance with IFRS 5. The effective sale transaction has not yet occurred; the legal contract being still in preparation.

PHE

At 31 December 2022, the line "Goodwill" includes, in addition to the goodwill recognized at the level of PHE, the provisional goodwill recognised following the acquisition of PHE by the Group on 4th of August 2022 (see note 26 for more information on the business combination of PHE).

At 31 December 2022, the lines "Assets classified as held-for-sale" and "Liabilities directly associated with the assets held for sale" represent the fair value of the assets and liabilities of PHE's specialized glass repair activity Mondial Pare-Brise classified as held for sale at 31 December 2022 (see note 21).

At 31 December 2022, the lines "put options granted to non-controlling interests" include the put options granted to PHE's non-controlling shareholders holding minority interests in some of PHE's direct and indirect subsidiaries, the put options granted to minority investors (including management and several partners and independent distributors) who invested alongside D'leteren Group in the holding company of PHE up to a combined ownership of c.9% and the put options attached to the free "ratchet" shares granted to PHE's management as part of the management reward plan put in place in October 2022 (refer to note 33 for more information on these put options).

At 31 December 2022, the line "other payables" in the non-current liabilities mainly includes €23.7m of contingent consideration on past acquisitions.

Corporate and unallocated

At 31 December 2022 and 31 December 2021, the line "financial investments" comprises investments in a portfolio of marketable securities (mainly corporate bonds in Europe). These investments are accounted at amortized costs (corporate bonds) and fair value through profit or loss (FVTPL - equity instruments). Related net cash movement of €415.5m in 2022 is included in the line "proceeds from the sale of / (investment in) financial assets" in the consolidated statement of cash flows. Amounts of underlying investments being large, with short maturities and very quick turnover, acquisitions and disposals of underlying assets are not separately disclosed. These investments have a maturity of less than one year and weighted average returns in 2022 and 2021 close to 0%.

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

€m	Notes	2022							
		D'leteren Autom.	Belron (100%)	Moleskine	TVH (100%)	PHE (5 months)	Corp. & unallocated	Eliminations	Group
Cash flows from operating activities - Continuing									
Result from continuing operations		115.1	301.2	9.2	131.2	4.4	4.0	-229.3	335.8
Income tax expense	11	44.1	211.3	1.0	34.3	9.6	3.8	-245.6	58.5
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	-6.8	-0.4	-	-	-0.2	-	-202.7	-210.1
Net finance costs	7	-6.5	348.8	11.0	6.5	31.1	-12.8	-355.3	22.8
Operating result from continuing operations		**145.9**	**860.9**	**21.2**	**172.0**	**44.9**	**-5.0**	**-1,032.9**	**207.0**
Depreciation on PP&E (including right-of-use assets)	6/14/15	24.2	226.3	6.2	37.1	28.4	9.3	-263.4	68.1
Amortisation of intangible assets	6/13	4.1	63.7	3.6	76.2	12.7	-	-139.9	20.4
Impairment and write-offs on goodwill and other non-current assets		-	11.2	-	-	-	-	-11.2	-
Other non-cash items		-12.4	-1.0	-1.1	11.8	-0.2	-3.8	-10.8	-17.5
Share-based payment and other employee benefit expenses	9	7.4	37.0	3.2	3.7	8.8	4.7	-40.7	24.1
Other cash items		-2.6	1.8	1.8	-	-	2.3	-1.8	1.5
Change in net working capital		-173.0	-159.0	-3.3	-155.6	-3.3	20.8	314.6	-158.8
Cash generated from operations		**-6.4**	**1,040.9**	**31.6**	**145.2**	**91.3**	**28.3**	**-1,186.1**	**144.8**
Income tax paid		-36.0	-162.7	-1.7	-62.2	-17.7	-1.8	224.9	-57.2
Net cash from operating activities		**-42.4**	**878.2**	**29.9**	**83.0**	**73.6**	**26.5**	**-961.2**	**87.6**
Cash flows from investing activities - Continuing									
Purchase of property, plant and equipment and intangible assets	13/14/15	-35.5	-107.7	-3.6	-119.6	-22.4	-15.5	227.3	-77.0
Sale of property, plant and equipment and intangible assets		3.1	6.9	-	25.5	0.6	6.7	-32.4	10.4
Net capital expenditure		**-32.4**	**-100.8**	**-3.6**	**-94.1**	**-21.8**	**-8.8**	**194.9**	**-66.6**
Acquisition of subsidiaries (net of cash acquired)	26	-10.7	-147.4	-	-13.8	78.5	-584.6	161.2	-516.8
Disposal of subsidiaries (net of cash disposed of)		-	2.3	-	-	-	-	-2.3	-
Contribution of cash from/(to) joint venture		2.4	-	-	-	-	-	-	2.4
Proceeds from the sale of / (investments in) financial assets		-	-	-	0.1	-0.3	415.5	-0.1	415.2
Interest received		0.9	14.4	-	0.7	0.2	6.1	-15.1	7.2
Dividends and proceeds from capital reduction received from /(paid by) equity-accounted investees & long-term interests in equity accounted investees	4/17	4.5	-403.8	-	-	-	212.5	403.8	217.0
Loans to employees in relation to Long Term Incentive Plan and stock options		-0.6	-	-	-	-	-0.7	-	-1.3
Net cash from investing activities		**-35.9**	**-635.3**	**-3.6**	**-107.1**	**56.6**	**40.0**	**742.4**	**57.1**

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

€m		2022							
		D'leteren Autom.	Belron (100%)	Moleskine	TVH (100%)	PHE (5 months)	Corp. & unallocated	Eliminations	Group
Cash flows from financing activities - Continuing									
Acquisition (-)/Disposal (+) of non-controlling interests		2.7	-	-	-	-	50.4	-	53.1
Share capital increase		-	0.6	-	-	-	-	-0.6	-
Acquisition of treasury shares	22	-	-	-	-	-	-117.4	-	-117.4
Disposal of treasury shares	22	-	-	-	-	-	30.7	-	30.7
Net proceeds from the sale & purchase of own shares (buyback from MRP participants)		-	-7.5	-	-	-	-	7.5	-
Repayment of lease liabilities	24	-14.4	-187.7	-5.1	-12.9	-17.7	-0.7	200.6	-37.9
Proceeds from loans and borrowings	24	66.1	-	-	181.2	41.3	-	-181.2	107.4
Repayment of loans and borrowings	24	-7.9	-32.6	-29.4	-162.3	-9.8	-0.2	194.9	-47.3
Inter-segment loans		-	-	-	-	-	-	-	-
Interest paid		-1.8	-160.3	-3.9	-15.7	-12.9	-1.2	176.0	-19.8
Dividends received from/(paid to) other segment	22	-51.6	-	-	-	-	51.6	-	-
Dividends paid by the Company		-	-	-	-	-	-113.6	-	-113.6
Net cash from financing activities		**-6.9**	**-387.5**	**-38.4**	**-9.7**	**0.9**	**-100.4**	**397.2**	**-144.8**
Cash flows from continuing operations		**-85.2**	**-144.6**	**-12.1**	**-33.8**	**131.1**	**-33.9**	**178.4**	**-0.1**
Cash flows from discontinued operations		**-**	**-**	**-**	**-**	**2.1**	**-**	**-**	**2.1**
TOTAL CASH FLOW FOR THE PERIOD		**-85.2**	**-144.6**	**-12.1**	**-33.8**	**133.2**	**-33.9**	**178.4**	**2.0**
Reconciliation with statement of financial position									
Cash at beginning of period	19	86.0	244.9	38.6	137.0	-	230.0	-381.9	354.6
Cash and cash equivalents at beginning of period		**86.0**	**244.9**	**38.6**	**137.0**	**-**	**230.0**	**-381.9**	**354.6**
Total cash flow for the period		-85.2	-144.6	-12.1	-33.8	133.2	-33.9	178.4	2.0
Effects of movement in exchange rates		-	45.7	0.4	-1.6	-	-	-44.1	0.4
Cash and cash equivalents at end of period		**0.8**	**146.0**	**26.9**	**101.6**	**133.2**	**196.1**	**-247.6**	**357.0**
Included within "Cash and cash equivalents	*19*	*0.8*	*146.0*	*26.9*	*91.3*	*122.0*	*196.1*	*-237.3*	*345.8*
Included within "Non-current assets held for sale"	*21*	-	-	-	*10.3*	*11.2*	-	*-10.3*	*11.2*

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

€m	2021[1]						
	D'leteren Autom.	Belron (100%)	Moleskine	TVH (100% - 3 months)	Corp. & unallocated	Eliminations	Group
Cash flows from operating activities - Continuing							
Result from continuing operations	67.6	317.9	-3.4	19.9	11.0	-161.7	251.3
Income tax expense	21.3	145.5	5.0	6.9	1.7	-152.4	28.0
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	-8.1	-0.5	-	-	-	-175.6	-184.2
Net finance costs	0.2	228.6	10.5	2.2	-20.0	-230.8	-9.3
Operating result from continuing operations	**81.0**	**691.5**	**12.1**	**29.0**	**-7.3**	**-720.5**	**85.8**
Depreciation on PP&E (including right-of-use assets)	20.3	211.6	7.7	26.3	9.5	-237.9	37.5
Amortisation of intangible assets	5.1	58.1	3.8	0.8	0.1	-58.9	9.0
Impairment and write-offs on goodwill and other non-current assets	-	18.5	-	-	-	-18.5	-
Other non-cash items	3.4	1.8	3.7	1.3	0.5	-3.1	7.6
Share-based payment and other employee benefit expenses	2.7	1.8	3.9	0.4	2.4	-2.2	9.0
Other cash items	1.3	-	0.5	-	-1.3	-	0.5
Change in net working capital	79.4	-7.2	-3.9	-24.6	-23.8	31.8	51.7
Cash generated from operations	**193.2**	**976.1**	**27.8**	**33.2**	**-19.9**	**-1,009.3**	**201.1**
Income tax paid	-21.1	-143.3	-1.3	-2.9	-2.8	146.2	-25.2
Net cash from operating activities	**172.1**	**832.8**	**26.5**	**30.3**	**-22.7**	**-863.1**	**175.9**
Cash flows from investing activities - Continuing							
Purchase of property, plant and equipment and intangible assets	-26.0	-71.0	-5.0	-14.7	-15.7	85.7	-46.7
Sale of property, plant and equipment and intangible assets	0.9	9.8	0.1	1.6	2.7	-11.4	3.7
Net capital expenditure	**-25.1**	**-61.2**	**-4.9**	**-13.1**	**-13.0**	**74.3**	**-43.0**
Acquisition of subsidiaries (net of cash acquired)	-9.0	-17.8	-	-	-	17.8	-9.0
Acquisition of equity-accounted investees and long-term interests in equity-accounted investees	-	-	-	-	-1,147.0	-	-1,147.0
Disposal of subsidiaries (net of cash disposed of)	-	1.1	-	-	-	-1.1	-
Contribution of cash from/(to) joint venture	-4.8	-	-	-	-	-	-4.8
Proceeds from the sale of / (investments in) financial assets	-	-	-	-	193.3	-	193.3
Interest received	0.1	1.1	-	0.1	1.3	-1.2	1.4
Dividends and proceeds from capital reduction received from /(paid by) equity-accounted investees & long-term interests in equity accounted investees	-	-1,723.4	-	-	874.3	1,723.4	874.3
Shareholder loan towards equity-accounted investee	-	-	-	-	-40.0	-	-40.0
Loans to employees in relation to Long Term Incentive Plan and stock options	-3.1	-	-	-	-0.8	-	-3.9
Net cash from investing activities	**-41.9**	**-1,800.2**	**-4.9**	**-13.0**	**-131.9**	**1,813.2**	**-178.7**

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of the year. Refer to note 1 for more information on the restatement of comparative information. 2021 has also been restated to reflect the reclassification of amounts related to employee benefits from the line "Other non-cash items" to the line "Share-based payment and other employee benefit expenses".

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

€m	2021[1]						
	D'leteren Autom.	Belron (100%)	Moleskine	TVH (100% - 3 months)	Corp. & unallocated	Eliminations	Group
Cash flows from financing activities - Continuing							
Acquisition of treasury shares	-	-	-	-	-13.7	-	-13.7
Disposal of treasury shares	-	-	-	-	4.7	-	4.7
Net proceeds from the sale & purchase of own shares (buyback from MRP participants)	-	57.7	-	-	-	-57.7	-
Repayment of lease liabilities	-11.7	-168.1	-3.9	-2.6	-0.5	170.7	-16.1
Proceeds from loans and borrowings	118.2	2,200.2	0.1	32.8	-	-2,233.0	118.3
Repayment of loans and borrowings	-	-1,379.3	-8.5	-30.4	-0.2	1,409.7	-8.7
Inter-segment loans	-200.0	-	-	-	200.0	-	-
Inter-segment financing interests	-13.8	-	-	-	13.8	-	-
Interest paid	-1.4	-165.1	-1.8	-5.7	-3.2	170.8	-6.4
Dividends paid by the Company	-	-	-	-	-72.9	-	-72.9
Net cash from financing activities	**-108.7**	**545.4**	**-14.1**	**-5.9**	**128.0**	**-539.5**	**5.2**
Cash flows from continuing operations	**21.5**	**-422.0**	**7.5**	**11.4**	**-26.6**	**410.6**	**2.4**
TOTAL CASH FLOW FOR THE PERIOD	**21.5**	**-422.0**	**7.5**	**11.4**	**-26.6**	**410.6**	**2.4**
Reconciliation with statement of financial position							
Cash at beginning of period	56.0	621.7	30.2	-	265.1	-621.7	351.3
Cash and cash equivalents at beginning of period	**56.0**	**621.7**	**30.2**	**-**	**265.1**	**-621.7**	**351.3**
Total cash flow for the period	21.5	-422.0	7.5	11.4	-26.6	410.6	2.4
Effects of movement in exchange rates	-	45.3	0.9	0.5	-	-45.8	0.9
Scope entry	-	-	-	125.1	-	-125.1	-
Transfer between operating segments	8.5	-	-	-	-8.5	-	-
Cash and cash equivalents at end of period	**86.0**	**245.0**	**38.6**	**137.0**	**230.0**	**-382.0**	**354.6**
Included within "Cash and cash equivalents	*86.0*	*244.9*	*38.6*	*137.0*	*230.0*	*-381.9*	*354.6*
Included within "Non-current assets held for sale"	-	*0.1*	-	-	-	*-0.1*	-

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of the year. Refer to note 1 for more information on the restatement of comparative information. 2021 has also been restated to reflect the reclassification of amounts related to employee benefits from the line "Other non-cash items" to the line "Share-based payment and other employee benefit expenses".

In 2022 and 2021, the column "Eliminations" reconciles the segment statement of cash flows (with Belron and TVH presented on all lines under global integration method) to the IFRS Group consolidated statement of cash flows (with Belron and TVH consolidated under equity-accounting method).

D'leteren Automotive

In 2022, the line "other non-cash items" mainly includes movements in provisions (of which -€5.4m reversal of a provision related to the "Market area" project – optimization of the independent dealer network), non-cash write-down on receivables and gain on disposals of furniture and equipment. In 2021, this line mainly included non-cash write down on inventories and a provision related to the decision of D'leteren Automotive to close down two of its structurally loss-making sites.

In 2022 and 2021, the line "share based payment and other employee benefit expenses" mainly includes a share-based payment charge in relation to the long-term incentive plan put in place for management (€7.2m in 2022 – see note 9).

In 2022, the cash outflow from the change in net working capital mainly reflects higher inventories compared to last year.

In 2022, the line "acquisition of subsidiaries (net of cash acquired)" mainly represents the acquisitions of subsidiaries in Belgium, as disclosed in note 26.

In 2022, the line "proceeds from loans and borrowings" mainly relates to temporary bank overdrafts. In 2021, this line mainly included the proceeds from the new amortising term loan of €100m.

Belron

In 2022 and 2021, the line "share based payment and other employee benefit expenses" relates the share-based payment charge in relation to the restricted share units ('RSUs') awarded by the Board of Directors of Belron in December 2021 (see note 17).

In 2022 and 2021, the line "Impairment and write-offs on goodwill and other non-current assets" include the impairment charge recognized on goodwill and other non-current assets (see note 17 for more information).

In 2022, the cash outflow from change in net working capital mainly arises from an increase in inventories primarily relating to the stocking up on the back of inflationary and supply chain pressures.

In 2022 and 2021, the line "Net proceeds from the sale & purchase of own shares (buyback from MRP participants)" represents the net proceeds from the sales and purchase of own shares to MRP participants (see note 17).

Moleskine

In 2022 and 2021, the line "other non-cash items" mainly includes write down on inventories and receivables.

The line "share based payment and other employee benefit expenses" mainly includes the additional provision for long-term incentive programme (2022: -€2.6m; 2021: -€3.2m).

TVH

In 2022, the line "other non-cash items" mainly includes write down on inventories and receivables.

In 2022, the line "share based payment and other employee benefit expenses" includes -€2.2m of share-based payment expense following the implementation of a new plan for management in October 2022.

In 2022, the cash outflow from change in net working capital mainly arises from a voluntary high level of inventory to face supply chain disruption.

PHE

In 2022, the line "share based payment and other employee benefit expenses" includes, amongst other amounts, the share-based payment expense (-€2.2m) recognised following the new management plan put in place in October 2022 (see note 9).

In 2022, the line "cash-flow from discontinued operations" includes the cash generated by PHE's specialized glass repair activity Mondial Pare-Brise (classified as held for sale at 31 December 2022) from the date of acquisition of PHE (4th of August 2022). See note 21.

Corporate & unallocated

In 2022, the line "other non-cash items" mainly relate to the gain realised on the disposal of properties in Belgium (€3.4m).

In 2022 and 2021, the line "share based payment and other employee benefit expenses" mainly includes the equity-settled share-based payment expenses of €4.2m (see note 9).

In 2022, the line "acquisition of subsidiaries (net of cash acquired)" includes the acquisition of PHE (closing on the 4th of August 2022). See note 26 for more information on the business combination of PHE.

In 2021, the line "Acquisition of equity-accounted investees and long-term interests in equity-accounted investees" included the acquisition of a 40% stake in TVH in October 2021.

In 2022 and 2021, the line "Dividends and proceeds from capital reduction received from/(paid by) equity-accounted investees & long-term interests in equity accounted investees" related to the share of the Group in the dividends (€212.5m in 2022; €766.7m in 2021) and the proceed from capital reduction (€107.6m in 2021) received from the Belron segment.

In 2021, the line "movement of shareholder loan towards equity-accounted investee" related to the shareholder loan put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH.

In 2022, the line "Acquisition (-) / Disposal (+) of non-controlling interests" includes the consideration received from minority investors (including management and several partners and independent distributors) who invested in the holding company of PHE alongside the Group up to a combined ownership of c. 9% (see note 26).

The line "Dividends paid by the Company" includes the distribution to shareholders of the ordinary dividend (2022: €2.10 per share; 2021: €1.35 per share).

Geographical Segment Information (Year ended 31 December)

The Group's operating segments (being D'leteren Automotive, Moleskine, PHE – as from 4th of August 2022 – and Corporate & unallocated) operate in four main geographical areas (three in 2021), being Belgium (main market for the D'leteren Automotive segment), France (being the main market for the PHE segment), the rest of Europe and the rest of the world. Figures for the segments Belron and TVH are not presented in the below table since they are equity-accounted investees.

€m	2022					2021			
	Belgium	France	Rest of Europe	Rest of the world	Group	Belgium	Rest of Europe	Rest of the world	Group
Segment revenue from external customers[1]	3,630.6	648.0	348.1	87.9	4,714.6	3,218.4	67.8	74.3	3,360.5
Non-current assets[2]	501.1	1,162.3	742.9	8.2	2,414.5	390.6	471.2	8.4	870.2

(1) Based on the geographical location of the customers.
(2) Non-current assets, as defined by IFRS 8, consists of goodwill, intangible assets, property, plant and equipment, investment property and non-current other receivables.

Note 5: Revenue

Disaggregation of revenue issued from contracts with customers for the year ended 31 December 2021 and 31 December 2022 is presented in the table below:

€m	2022	2021
D'leteren Automotive		
New vehicles	2,893.2	2,615.1
Used cars	305.9	289.0
Spare parts and accessories	275.1	244.1
After-sales activities	54.4	56.5
Other revenue	80.9	34.2
Subtotal D'leteren Automotive	**3,609.5**	**3,238.9**
Moleskine		
Europe, Middle-East and Africa (EMEA)	59.4	51.6
America	62.0	48.1
Asia-Pacific (APAC)	21.9	21.9
Subtotal Moleskine	**143.3**	**121.6**
PHE		
France	643.0	-
International	318.8	-
Subtotal PHE	**961.8**	**-**
Total Revenue	**4,714.6**	**3,360.5**

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	2022					2021			
	D'leteren Automotive	Moleskine	PHE	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Purchases and changes in inventories	-2,999.9	-28.3	-555.0	-1.6	-3,584.8	-2,728.6	-19.2	-2.8	-2,750.6
Depreciation on PP&E & investment property	-24.2	-6.2	-28.4	-9.3	-68.1	-20.3	-7.7	-9.5	-37.5
Amortisation	-4.1	-3.6	-12.7	-	-20.4	-5.1	-3.8	-0.1	-9.0
Write-down on inventories	-0.4	0.4	2.3	-	2.3	-1.8	-1.9	-	-3.7
Write down on receivables	-1.0	-	-5.1	-	-6.1	0.1	-	-0.1	-
Employee benefit expenses (see note 10)	-208.7	-25.9	-183.3	-19.4	-437.3	-175.6	-26.7	-15.0	-217.3
Gain on sale of property, plant and equipment	2.3	-	-	3.5	5.8	0.1	-	-	0.1
Rental income from investment property(1)	-	-	-	5.0	5.0	-	-	4.8	4.8
Sundry(2)	-227.6	-58.5	-134.7	16.8	-404.0	-226.7	-50.2	15.4	-261.5
NET OPERATING EXPENSES / INCOME	**-3,463.6**	**-122.1**	**-916.9**	**-5.0**	**-4,507.6**	**-3,157.9**	**-109.5**	**-7.3**	**-3,274.7**

(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'leteren Automotive.

In the consolidated statement of profit or loss, the increases in commercial and administrative expenses and other operating income compared to 2021 are mainly explained by the integration of PHE in the consolidated statement of profit or loss as from the date of acquisition (4th of August 2022). The decrease in other operating expenses compared to 2021 is also explained by the charge of -€21.8m in 2021 related to the decision of D'leteren Automotive to close down two of its structurally loss-making sites (included in the line "Sundry" in the above table).

In 2021 and 2022, the line "depreciation on PP&E & investment property" includes the depreciation on right-of-use assets recognised in accordance with IFRS 16 (see note 32 for additional information on the right-of-use assets).

The €5.8m gain on sale of property, plant and equipment in 2022 relate to the gain recognised on the disposal of furniture and equipment in the D'leteren Automotive segment following the closure of two retail sites, and the gain on the disposal of properties in Belgium in the Corporate & unallocated segment.

Note 7: Net finance costs

Net finance costs are broken down as follows:

€m	2022					2021			
	D'leteren Automotive	Moleskine	PHE	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Finance costs:									
Interest expense	-3.2	-1.6	-31.2	-0.8	-36.8	-0.9	-2.0	-1.7	-4.6
Interest costs on pension	-0.1	-	-0.1	-	-0.2	-	-	-	-
Other financial charges	-1.4	-0.8	-	-0.4	-2.6	-0.8	-	-1.3	-2.1
Subtotal finance costs	-4.7	-2.4	-31.3	-1.2	-39.6	-1.7	-2.0	-3.0	-6.7
Re-measurements of financial instruments:									
Measured at fair value upon initial recognition	-	-	-	-	-	-	-0.2	-	-0.2
Finance income	11.2	2.1	0.2	3.3	16.8	12.8	2.0	1.4	16.2
Inter-segment financing interests	-	-10.7	-	10.7	-	-11.3	-10.3	21.6	-
NET FINANCE COSTS	**6.5**	**-11.0**	**-31.1**	**12.8**	**-22.8**	**-0.2**	**-10.5**	**20.0**	**9.3**

In 2021 and 2022, the line "interest expense" includes, amongst other amounts, the interest charges on lease liabilities recognised in accordance with IFRS 16. Refer to note 24 for more information on the lease liabilities.

The increase in finance costs in the period is mainly due to the integration of PHE in the Group's consolidated statement of profit or loss as from the date of acquisition (4th of August 2022 – see note 26), to the interest expense (-€1.1m) on the €100m amortising term loan (concluded in December 2021), to the non-utilisation fee (-€0.6m) incurred in relation to the €225m revolving credit facility (undrawn as at 31 December 2022) in the D'leteren Automotive segment, and to additional interests expenses on lease liabilities following the increase in interest rates in 2022. The interest expenses in the PHE segment mainly includes interests on senior secured notes and revolving credit facilities and interest charges on lease liabilities.

In 2021 and 2022, finance income mainly includes consolidated gain recognised on the loss of exclusive control of entities in the D'leteren Automotive segment in 2021 and 2022 (see note 17), realized foreign exchange gains in the Moleskine segment, and the interests (€0.6m in 2021; €2.3m in 2022) recognised on the shareholder loan from the Corporate & unallocated segment to the TVH segment (equity-accounted investee) put in place in October 2021 in the framework of the acquisition of a 40% stake in TVH.

In 2021 and 2022, the inter-segment financing interests are related to amounts lent by the Corporate & unallocated segment to the Moleskine segment (non-recourse loan in the framework of the acquisition). In 2021, this line also included the interests and the early repayment fee paid by D'leteren Automotive to the Corporate & unallocated segment following the anticipated reimbursement of the inter-segment loan.

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 weighted average number of ordinary shares outstanding during the period is 53,230,995 (53,365,665 in the prior period) and the weighted average number of ordinary shares taken into account for diluted EPS is 53,810,452 (53,889,709 in the prior period). The decrease in the average number of ordinary shares outstanding is the result of the movement in treasury 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 2021 and 2022 as option exercise prices were below the average market share price.

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

		2022	2021[1]
Result for the period attributable to equity holders		338.6	252.4
Adjustment for participating shares		-3.9	-3.0
Numerator for EPS (€m)	(a)	334.7	249.4
Result from continuing operations		335.8	251.3
Share of non-controlling interests in result from continuing operations		-0.1	1.1
Result from continuing operations attributable to equity holders		335.7	252.4
Adjustment for participating shares		-3.9	-3.0
Numerator for continuing EPS (€m)	(b)	331.8	249.4
Weighted average number of ordinary shares outstanding during the period	(c)	53,230,995	53,365,665
Adjustment for stock option plans		579,457	524,044
Weighted average number of ordinary shares taken into account for diluted EPS	(d)	53,810,452	53,889,709
Result for the period attributable to equity holders			
Basic EPS (in €)	**(a)/(c)**	**6.29**	**4.67**
Diluted EPS (€)	**(a)/(d)**	**6.22**	**4.63**
Result from continuing operations attributable to equity holders			
Basic continuing EPS (in €)	(b)/(c)	6.24	4.67
Diluted continuing EPS (in €)	(b)/(d)	6.17	4.63

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

Note 9: Share-based payments

Corporate & unallocated

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 Corporate & unallocated segment, in the framework of the Belgian law of 26 March 1999. The underlying share is the ordinary share of D'leteren Group SA/NV. 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.

Outstanding options are as follows:

Date of grant	Number of options (in units)		Exercise price	Exercise period	
	2022	2021	(€)	From	To
2022	183,000	-	118.10	1/01/2026	9/03/2032
2021	172,000	172,000	68.26	1/01/2025	8/03/2031
2020	166,500	166,500	49.36	1/01/2024	7/06/2030
2019	185,000	185,000	33.19	1/01/2023	28/02/2029
2018	4,250	187,000	33.32	1/01/2022	5/06/2028
2017	-	109,091	38.47	1/01/2021	13/03/2027
2016	-	10,866	35.05	1/01/2020	13/03/2026
2016	-	70,628	29.18	1/01/2020	13/03/2026
2016	13,376	16,132	29.18	1/01/2020	13/03/2026
2016	10,866	33,685	26.62	1/01/2020	21/01/2026
2015	18,938	19,450	29.54	1/01/2019	12/03/2025
2015	8,204	8,782	29.54	1/01/2019	12/03/2025
2014	-	11,995	30.44	1/01/2018	10/03/2024
2013	4,214	5,868	32.20	1/01/2017	24/11/2023
2012	-	6,466	33.35	1/01/2016	14/10/2022
2007	-	5,868	24.30	1/01/2011	2/12/2022
Total	**766,348**	**1,009,331**			

All outstanding options are covered by treasury shares (see note 22).

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

	Number (in units)		Weighted average exercise price (€)	
	2022	2021	2022	2021
Outstanding options at the beginning of the period	1,009,331	975,762	41.69	35.93
Granted during the period	183,000	172,000	118.10	68.26
Exercised during the period	-423,918	-137,127	33.43	34.11
Other movements during the period	-2,065	-1,304	26.21	32.21
Outstanding options at the end of the period	**766,348**	**1,009,331**	**64.55**	**41.69**
of which: exercisable at the end of the period	59,848	298,831	29.39	32.63

The average share price during the period was €154.87 (2021: €113.19). Other movements in 2021 and in 2022 relate to options that expired 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 2022	**7.4**
31 December 2021	6.7

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. A non-cash charge of €4.2m (covering the options granted from 2019 to 2022) has been recognised during the period in employee benefit expenses and presented in the line "Share-based payment and other employee benefit expenses" in the consolidated statement of cash flows and the line "Other movements" in the consolidated statement of changes in equity. 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 2021 and 2022 issues were as follows:

	2022	2021
Number of employees	21	16
Spot share price (in €)	142.8	82.5
Option exercise price (in €)	118.1	68.3
Vesting period (in years)	3.8	3.8
Weighted average fair value per option (in €)	51.8	27.7

As from 2022, expected volatility and expected dividends are based on multidimensional data and provided by an independent expert (long term volatility curve and dividend yields assumptions). The risk-free rate of return is based upon EUR Interest Rate Swap yield curve with an equivalent term to the options granted.

D'leteren Automotive

In April 2021, D'leteren Automotive implemented a new Long-Term Incentive Plan (LTIP) classified as a cash-settled share-based payment plan. The incentives have been granted in the form of stock options to selected key managers of D'leteren Automotive and its subsidiaries. Underlying shares are ordinary shares of D'leteren Automotive SA/NV (non-listed shares).

In 2021, D'leteren Automotive granted to the managers 272,604 options. During the period, another 38.339 options have been granted, translating into 310.943 options granted as of the end of 2022 (on a total number of available options for this plan of 369,668 options – representing c. 10% of the issued capital. All those options may be exercised from the third calendar year after the offer has been made in 2021 (starting 15 March 2025) during three exercise periods, the last period ending on the 21 March 2027. All granted options are therefore outstanding as at 31 December 2022 with a weighted average remaining contractual life of 4.2 years.

The fair value of the options granted has been assessed on the 31 December 2022 based on the classical closed-form Black & Scholes formula for European options.

IFRS2 "Share-based Payments" requires D'leteren Automotive to remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. In 2022, a non-cash charge of €7.2m (2021: €1.4m) has been recognized in employee benefit expenses for this share-based payment

plan. This non-cash charge is presented in the line "Share-based payment and other employee benefit expenses" in the consolidated statement of cash flows".

PHE

Following the acquisition of PHE by the Group (see note 26), a Management Reward Plan (MRP) has been put in place, whereby the Group granted to PHE's key management personnel free "ratchet" shares. These shares have no economic value until a liquidity event occurs (the value of the shares will then be entitled to an amount equal to a percentage of the Project Capital Gain). This management reward plan is a cash-settled share-based payment in scope of IFRS 2. The Group will therefore account in profit or loss for the fair value of the free shares granted to management over the vesting period (being one year as from the grant date), with a corresponding increase in liability. Before and beyond vesting, the change in fair value of the liability will be accounted for in profit or loss. At 31 December 2022, the Group accounted for a share-based payment expense of -€2.2m (presented in the line "Share-based payment and other employee benefit expenses" in the consolidated statement of cash flows) with a corresponding increase in liability.

Note 10: Employee benefits

Note 10.1: Employee benefit expense

The employee benefit expense is analysed below:

€m	2022					2021			
	D'leteren Automotive	Moleskine	PHE	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Retirement benefit charges under defined contribution schemes	-	-	*-1.1*	-	*-1.1*	-	-	-	-
Retirement benefit charges under Belgian defined contribution schemes considered as defined benefit schemes	*-4.0*	-	-	*-0.3*	*-4.3*	*-4.8*	-	*-0.4*	*-5.2*
Retirement benefit charges under defined benefit schemes	-	*-0.6*	-	-	*-0.6*	-	*-0.7*	-	*-0.7*
Total retirement benefit charge (see note 10.2)	-4.0	-0.6	-1.1	-0.3	-6.0	-4.8	-0.7	-0.4	-5.9
Wages, salaries and social security costs	-197.5	-22.7	-180.0	-14.9	-415.1	-169.4	-22.8	-12.2	-204.4
Share-based payments and LTIP expenses	-7.2	-2.6	-2.2	-4.2	-16.2	-1.4	-3.2	-2.4	-7.0
Total employee benefit expense	**-208.7**	**-25.9**	**-183.3**	**-19.4**	**-437.3**	**-175.6**	**-26.7**	**-15.0**	**-217.3**

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, France and in Italy. Since Belron and TVH are equity-accounted investees, the schemes in place in those two segments are not separately disclosed. The schemes in Belgium relate to the D'leteren Automotive, PHE and "Corporate & unallocated" segments and are funded (in the D'leteren Automotive and Corporate & unallocated segment only) and unfunded. The schemes in France relate to the PHE segment and are unfunded, and the schemes in Italy relate to the Moleskine and PHE segments and are unfunded. 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 enough 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.

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 is carried out every year by a qualified independent actuary. 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 Automotive and the Corporate & unallocated segments only). In 2021, given the amounts of net position of unfunded schemes recognised in the consolidated statement of financial position which were not considered material to the Group, the assumptions related to the unfunded schemes were not provided.

	Funded schemes				Unfunded schemes	
	2022		2021		2022	
	Min.	Max.	Min.	Max.	Min.	Max.
Inflation rate	2.1%	2.2%	1.9%	1.9%	n.s.	n.s.
Discount rate	3.1%	3.2%	0.4%	0.4%	n.s.	n.s.
Rate of salary increases	3.1%	3.1%	2.9%	2.9%	2.5%	3.8%
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 is around 7 years.

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

€m	2022	2021
Long-term employee benefit assets	-	-
Long-term employee benefit obligations	-39.4	-25.5
Recognised net deficit (-) / surplus (+) in the schemes	**-39.4**	**-25.5**
of which: amount expected to be settled within 12 months	*-1.0*	*-0.2*
of which: amount expected to be settled in more than 12 months	*-38.4*	*-25.3*

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

€m	2022			2021		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-72.9	-30.7	-103.6	-84.8	-5.3	-90.1
Fair value of scheme assets	64.2	-	64.2	64.6	-	64.6
Net deficit (-) / surplus (+) in the schemes	**-8.7**	**-30.7**	**-39.4**	**-20.2**	**-5.3**	**-25.5**

The increase in the net deficit of unfunded schemes is mainly attributable to the integration of PHE in the Group's consolidated statement of financial position at 31 December 2022.

The amounts recognised through the statement of comprehensive income (excluding the share of other comprehensive income in equity-accounted investees) are as follows.

€m	2022			2021		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Actual return less interest return on pension assets net of asset management charges	2.1	-	2.1	2.4	-	2.4
Experience gain (+) / loss (-) on liabilities	-5.1	-0.1	-5.2	3.1	-	3.1
Gain (+) / Loss (-) on change of financial assumptions	14.4	3.2	17.6	1.4	-	1.4
Actuarial gains (+) / losses (-)	**11.4**	**3.1**	**14.5**	**6.9**	**-**	**6.9**

Changes to financial assumptions during 2022, all of which were prepared on a consistent basis to prior period, impacted the total actuarial gains (+) / losses (-) by +€17.6m (2021: +€1.4m). The actuarial gain of the current period is primarily the result of an increase of the discount rate in 2022 compared to 2021.

The cumulative amount of actuarial gains and losses (Group's share, before tax and including the share of equity-accounted investees in actuarial gains and losses) recognised in the consolidated statement of comprehensive income is a cumulative loss of -€15m (in 2021 a cumulative gain of €16m). The movement in cumulative amount of actuarial gains and losses from 2021 to 2022 is primarily due to the UK pension scheme in the Belron segment (equity-accounted investee), recording an actual loss on scheme assets more than compensating the actuarial gain on the pension liabilities, following the sharp rise in the discount rate.

The fair value of scheme assets includes the following items:

€m	2022			2021		
	Quoted in an active market	Other	Total	Quoted in an active market	Other	Total
Other assets	-	64.2	64.2	-	64.6	64.6
Fair value of scheme assets	**-**	**64.2**	**64.2**	**-**	**64.6**	**64.6**

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	2022	2021
	Total	Total
Scheme assets at 1 January	**64.6**	**62.1**
Employer contribution	4.1	3.8
Interest on pension assets	0.4	0.2
Contributions paid by employees	1.1	1.2
Benefits paid	-8.1	-4.9
Actual return less interest return on pension assets	2.1	2.4
Administrative costs	-	-0.5
Group changes	-	0.3
Scheme assets at 31 December	**64.2**	**64.6**

The actual return on scheme assets is as follows:

€m	2022	2021
Interest return on pension assets	0.4	0.2
Actual return less interest return on pension assets	2.1	2.4
Actual net return on pension assets	**2.5**	**2.6**

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

€m	2022			2021		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Defined benefit obligations at 1 January	**-84.8**	**-5.3**	**-90.1**	**-87.6**	**-6.2**	**-93.8**
Items acquired through business combinations	-	-28.0	-28.0	-	-	-
Current service cost	-5.1	-0.9	-6.0	-5.2	-0.7	-5.9
Interest payable on pension liabilities	-0.5	-0.1	-0.6	-0.2	-	-0.2
Benefits paid	8.2	1.3	9.5	4.9	1.6	6.5
Contribution paid by employees	-	-	-	-1.3	-	-1.3
Experience gain (+) / loss (-) on liabilities	-5.1	-0.1	-5.2	3.1	-	3.1
Gain (+) / Loss (-) arising from changes to financial assumptions	14.4	3.2	17.6	1.4	-	1.4
Curtailment and settlements	-	0.2	0.2	-	-	-
Group change	-	-1.0	-1.0	-0.4	-	-0.4
Administrative costs	-	-	-	0.5	-	0.5
Defined benefit obligations at 31 December	**-72.9**	**-30.7**	**-103.6**	**-84.8**	**-5.3**	**-90.1**

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

€m	2022			2021		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Current service cost	-5.1	-0.9	-6.0	-5.2	-0.7	-5.9
Pension costs within the operating result	**-5.1**	**-0.9**	**-6.0**	**-5.2**	**-0.7**	**-5.9**
Interest payable on pension liabilities	-0.5	-0.1	-0.6	-0.2	-	-0.2
Interest return on pension assets	0.4	-	0.4	0.2	-	0.2
Net pension interest cost	**-0.1**	**-0.1**	**-0.2**	**-**	**-**	**-**
Expense recognised in the statement of profit or loss	**-5.2**	**-1.0**	**-6.2**	**-5.2**	**-0.7**	**-5.9**

The best estimate of normal contributions expected to be paid to the schemes during the 2022 annual period is ca. €5m.

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).

The net deficit (€25.5m at 31 December 2021; €39.4m at 31 December 2022) recognised in the consolidated statement of financial position does not include Belron's net surplus and TVH's net deficit since they are equity-accounted investees.

The following table presents a sensitivity analysis for the discount rate and the inflation rate, showing how the defined benefit obligation at 31 December 2022 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 2022	(Increase) / decrease in defined benefit obligation at 31 December 2021
Discount rate		
Increase by 25 basis points	3.8	4.6
Decrease by 25 basis points	-3.9	-4.9
Inflation rate		
Increase by 25 basis points	-2.9	-2.4
Decrease by 25 basis points	2.7	2.3

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 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 €67.7m (2021: €78.3m). 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 €60.0m (2021: €60.4m) 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 €7.7m (2021: €17.9m), 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	2022	2021
Current year income tax	-54.5	-32.2
Prior year income tax	-3.4	-0.8
Movement in deferred taxes	-0.6	5.0
Income tax expense	**-58.5**	**-28.0**

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

€m	2022	2021
Result before taxes	394.3	279.3
Less: share of result of equity-accounted investees, net of income tax	-210.1	-184.2
Result before taxes less share of result of equity-accounted investees	**184.2**	**95.1**
Tax at the Belgian corporation tax rate of 25.00%	-46.1	-23.8
Foreign tax rate differential	0.2	-0.2
Tax effect of non-taxable income and non-deductible expenses	-1.4	1.6
Other permanent differences	-	2.0
Tax effect of current and deferred tax adjustments related to prior years	1.6	-1.0
Current year tax losses for which no deferred tax asset is recognised	-5.5	-3.2
Derecognition of previously recognised deferred tax assets	-	-3.1
Other	-7.3	-0.3
Actual income tax on PBT	**-58.5**	**-28.0**

In 2022, in the PHE segment, the difference between the theoretical tax charge (at 25.00%) and the effective tax charge reported since the acquisition of PHE by the Group (-€6.2m), is included in the line "Other" in the above table, since the nature of the reconciling items were not available over the reporting period (from the acquisition date until the 31 December 2022).

The Group's consolidated effective tax rate for the year ended 31 December 2022, excluding the share of the Group in the net result of equity-accounted investees is 31.8% (29.4% - as restated, see note 1 – for the year ended 31 December 2021).

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.

€m	31 December 2022			31 December 2021		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Goodwill & intangible assets	6.7	-181.5	-174.8	0.3	-112.4	-112.1
Property, plant & equipment (excluding right-of use assets)	2.4	-22.3	-19.9	3.1	-22.3	-19.2
Right-of-use assets	-	-61.7	-61.7	-	-11.1	-11.1
Derivative financial instruments	-	-0.5	-0.5	-	-	-
Employee benefits	6.5	-	6.5	5.1	-	5.1
Inventories	6.9	-	6.9	6.7	-	6.7
Provisions	6.8	-	6.8	6.0	-	6.0
Lease liabilities	63.8	-	63.8	11.1	-	11.1
Other assets & liabilities	9.3	-1.1	8.2	1.6	-0.4	1.2
Deferred tax assets/(liabilities) arising from temporary differences	**102.4**	**-267.1**	**-164.7**	**33.9**	**-146.2**	**-112.3**
Tax losses carried forward	82.7	-	82.7	25.8	-	-
Deferred tax assets/(liabilities)	**185.1**	**-267.1**	**-82.0**	**59.7**	**-146.2**	**-86.5**
Set-off of tax	-127.7	127.7	-	-13.1	13.1	-
Net deferred tax assets/(liabilities)	**57.4**	**-139.4**	**-82.0**	**46.6**	**-133.1**	**-86.5**

The net deferred tax balance includes net deferred tax assets amounting to €29.2m (2021: €14.2m) 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 €151.5m (2021: €65.9m) available for offset against future profits, for which no deferred tax asset has been recognised, due to the unpredictability of future profit streams. These tax losses and credits may be carried forward indefinitely. The increase in unused and unrecognised tax losses and credits compared to 31 December 2021 is mainly explained by the existence of unused and unrecognised tax losses in the PHE segment.

At the balance sheet date, no deferred tax liability has been recognized for the aggregate amount of temporary differences associated with the investments in subsidiaries, branches, associates and interests in joint ventures 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.

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.

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

€m	2022	2021
Net deferred tax liabilities (negative amounts)		
At 1 January	**-133.1**	**-131.0**
Recognised in profit or loss	0.8	0.9
Recognised in other comprehensive income	-0.1	-0.1
Recognised directly in equity	-	-0.5
Recognition arising from business combination	-12.3	-
Exchange rate differences	0.1	-
Other variation	5.2	-2.4
At 31 December	**-139.4**	**-133.1**

Net deferred tax assets (positive amounts)	2022	2021
At 1 January	**46.6**	**43.2**
Recognised in profit or loss	-1.4	4.1
Recognised in other comprehensive income	-0.9	-0.1
Recognised directly in equity	-2.7	-1.7
Recognition arising from business combination	24.1	-
Exchange rate differences	-	0.6
Other variation	-8.3	0.5
At 31 December	**57.4**	**46.6**

Note 12: Goodwill

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

€m	2022	2021
Gross amount at 1 January	207.9	199.5
Accumulated impairment losses at 1 January	-124.7	-123.3
Carrying amount at 1 January	**83.2**	**76.2**
Items acquired through business combinations (see note 26)	898.0	7.0
Carrying amount at 31 December	**981.2**	**83.2**
of which: gross amount	*1,105.9*	*207.9*
of which: accumulated impairment losses	*-124.7*	-124.7

The line "Items acquired through business combination" includes mainly the goodwill recognised on the acquisition of PHE (see note 26) as well as the goodwill recognized by the D'leteren Automotive segment following the acquisitions performed in the period.

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 relates to the following Group's operating segments:

€m	2022	2021
D'leteren Automotive	49.2	31.3
Moleskine	48.8	48.8
Corporate & unallocated	3.1	3.1
PHE	880.1	-
GROUP	**981.2**	**83.2**

As a result of their classification as equity-accounted investees, information on the impairment tests performed in the Belron and TVH segments 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 impairment charge was required. Impairment testing relies on several critical judgments, estimates and assumptions. Management believes that all 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.

D'leteren Automotive

In the D'leteren Automotive segment, additional goodwill recognised in 2022 (€17.9m) reflects the acquisitions performed in 2022, as disclosed in note 26.

In accordance with IAS 36, the D'leteren Automotive segment allocated goodwill across its CGUs, being "D'leteren Automotive" (import/support activities), "Retail" (automobile retail activities), "Wonder" (used cars and body shops activities), "Lab Box" (mobility services) and "Lucien" (bike retail and services). Management of D'leteren Automotive performed a review of the carrying value of the goodwill and intangible assets allocated in each of these CGUs and concluded that no impairment charge is required. D'leteren Automotive calculated the present value of the estimated future cash flows, based on D'leteren Automotive strategic plan (starting from the budget 2023 figures until 2027) prepared by management, reviewed and approved by the Board of Directors. The pre-tax rates used to discount future cash flows have been computed individually for each CGU, ranging from 7.41% to 13.20% and are based upon the weighted average cost of capital of the D'leteren Automotive segment.

Moleskine

At year-end 2022, the Board of Directors of the Company reviewed the carrying amount of the Moleskine cash-generating unit. 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 five-year strategic plan (2021 – 2025) approved by the Board of Directors in 2020, confirmed by the management in 2022, extending it for one year until 2026. The model starts with the 2023 figures from the most recent budget approved by the Board of Directors, 2024 to 2026 figures presented in the five-year strategic plan and applies a terminal growth rate of 1.95% (2021: 1.5%) to the terminal value beyond the year 2026. 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 9.1% (2021: 6.5%) 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 analysis 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 value in use is 2.4% for the discount rate (from 9.1% to 11.5%) or -3.08% for the terminal growth rate (from 1.95% to -1.13%). At 31 December 2022, the recoverable amount of the CGU exceeds its carrying amount by €147m. The calculations are highly sensitive and goodwill in respect of the Moleskine cash-generating unit remains at risk of impairment. Going forward, Moleskine would have to achieve its 2023 budgeted figures to avoid future impairment. A new impairment test will be performed at half-year 2023 if impairment triggers are identified.

Corporate & unallocated

The €3.1m goodwill in the Corporate & unallocated segment arose from past acquisitions performed by D'leteren Immo. The fair value less costs to sell of the investment properties and property, plant and equipment held by D'leteren Immo (based on the most recent market valuation report prepared by an independent expert) being higher than the carrying value of the assets and liabilities, the Group concluded that the Corporate & unallocated cash-generating unit is stated at no more than its recoverable amount. The fair value of the investment properties is classified in level 2 of the fair-value hierarchy (see note 18).

PHE

The €880.1m goodwill in the PHE segment includes €518.3m of provisional goodwill recognised by the Group following the acquisition of PHE. Refer to note 26 for more information on the business combination. The provisional goodwill represents the difference between the consideration paid (being the fair value) to acquire 100% of PHE on 4th of August 2022, and the assets acquired and liabilities assumed. The consideration paid at acquisition date being the best proxy for the fair value less costs to

sell of PHE at 31 December 2022, the Group concluded that the PHE cash-generating unit is stated at no more than its recoverable amount. The business plan on which the Group relied to calculate the fair value of PHE at the time of acquisition is still valid at 31 December 2022.

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 2022	402.8	90.8	493.6
Accumulated amortisation and impairment losses at 1 January 2022	-	-54.5	-54.5
Carrying amount at 1 January 2022	**402.8**	**36.3**	**439.1**
Additions:			
Items separately acquired	-	22.3	22.3
Disposals	-	-0.9	-0.9
Amortisation	-	-20.4	-20.4
Transfer from (to) another caption	0.2	-0.6	-0.4
Items acquired through business combinations (see note 26)	207.5	104.2	311.7
Scope exit	-	-1.8	-1.8
Carrying amount at 31 December 2022	**610.5**	**139.1**	**749.6**
of which: gross amount	*610.5*	*214.0*	*824.5*
of which: accumulated amortisation and impairment losses	*-*	*-74.9*	*-74.9*
Gross amount at 1 January 2021	402.8	77.3	480.1
Accumulated amortisation and impairment losses at 1 January 2021	-	-45.5	-45.5
Carrying amount at 1 January 2021	**402.8**	**31.8**	**434.6**
Additions:			
Items separately acquired	-	16.2	16.2
Disposals	-	-	-
Amortisation	-	-9.0	-9.0
Scope exit	-	-2.7	-2.7
Carrying amount at 31 December 2021	**402.8**	**36.3**	**439.1**
of which: gross amount	*402.8*	*90.8*	*493.6*
of which: accumulated amortisation and impairment losses	*-*	*-54.5*	*-54.5*

The Moleskine brand (€403m; acquired in November 2016) and the brands recognised in the PHE segment have an indefinite useful life, since, given the absence of factors that could cause their obsolescence and in light of the life cycles of the products to which they relate, there is no foreseeable limit to the period over which these assets are expected to generate net cash inflows for the Group.

The line "Items acquired through business combination" represents the net book value of the intangible assets recognised in the PHE segment prior to the acquisition by the Group. The line "additions" includes the net book value of the intangible assets acquired by the D'leteren Automotive following the acquisitions performed in the period, and the net book value of intangible assets acquired in the PHE segment following the acquisitions performed during the period going from the acquisition by the Group until the 31 December 2022.

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 2022	411.0	198.7	16.1	625.8
Accumulated depreciation and impairment losses at 1 January 2022	-205.4	-155.1	-	-360.5
Carrying amount at 1 January 2022	**205.6**	**43.6**	**16.1**	**265.3**
Additions	22.9	52.1	17.2	92.2
Disposals	-4.8	-4.7	-1.5	-11.0
Depreciation on PP&E (including right-of-use assets)	-33.1	-33.5	-	-66.6
Transfer from (to) another caption	-17.9	9.3	-2.6	-11.2
Items acquired through business combinations (see note 26)	207.0	89.7	3.3	300.0
Scope exit	-	-2.6	-	-2.6
Carrying amount at 31 December 2022	**379.7**	**153.9**	**32.5**	**566.1**
of which: gross amount	*748.5*	*497.9*	*32.5*	*1,278.9*
of which: accumulated depreciation and impairment losses	*-368.8*	*-344.0*	*-*	*-712.8*
Gross amount at 1 January 2021	405.5	173.7	7.9	587.1
Accumulated depreciation and impairment losses at 1 January 2021	-193.7	-130.5	-	-324.2
Carrying amount at 1 January 2021	**211.8**	**43.2**	**7.9**	**262.9**
Additions	7.9	37.1	12.3	57.3
Disposals	-0.3	-15.6	-2.7	-18.6
Depreciation on PP&E (including right-of-use assets)	-11.7	-24.6	-	-36.3
Transfer from (to) another caption	-2.3	0.6	-1.4	-3.1
Items acquired through business combinations	0.2	2.2	-	2.4
Translation differences	-	0.7	-	0.7
Carrying amount at 31 December 2021	**205.6**	**43.6**	**16.1**	**265.3**
of which: gross amount	*411.0*	*198.7*	*16.1*	*625.8*
of which: accumulated depreciation and impairment losses	*-205.4*	*-155.1*	*-*	*-360.5*

At 31 December 2021 and at 31 December 2022, 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 32 for more information on the right-of-use assets):

€m	Total
31 December 2022	**235.6**
31 December 2021	45.9

The increase in the net book value of right-of-use assets compared to 31 December 2021 is mainly attributable to the integration of PHE in the Group's consolidated statement of financial position at 31 December 2022.

Note 15: Investment property

€m	2022	2021
Gross amount at 1 January	69.3	65.7
Accumulated depreciation at 1 January	-35.7	-34.0
Carrying amount at 1 January	**33.6**	**31.7**
Additions	0.1	-
Disposals	-0.1	-
Depreciation on PP&E (including right-of-use assets)	-1.5	-1.2
Transfer from (to) another caption	9.7	3.1
Carrying amount at 31 December	**41.8**	**33.6**
of which: gross amount	79.9	69.3
of which: accumulated depreciation	-38.1	-35.7
Fair value	61.1	49.0

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 March 2022.

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 2021 and 2022 relates to the transfer of assets from property, plant and equipment and assets under construction (see note 14).

See also note 32 for other disclosures on investment property.

Note 16: Inventories

€m	2022	2021
D'leteren Automotive		
Vehicles	617.4	376.1
Spare parts and accessories	45.9	37.7
Other	15.3	2.0
Subtotal	**678.6**	**415.8**
PHE	**483.4**	**-**
Moleskine	**29.7**	**30.4**
GROUP	**1,191.7**	**446.2**

The accumulated write-down on inventories amounts to €53.4m (2021: €16.6m). The increase in the period mainly relates to the integration of PHE in the consolidated statement of financial position from the date of acquisition by the Group (see note 26). The amount of write down of inventories recognised in the period in the cost of sales (see note 6) is an income of €2.3m (2021: a charge of €3.7m).

The inventories in the PHE segment are mainly composed of goods bought to suppliers and are generally not modified or transformed.

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

Note 17: Equity-accounted investees

In 2022, the entities accounted for using the equity method are Volkswagen D'leteren Finance, Skipr, Lizzy and MyMove in the D'leteren Automotive segment, Belron, and TVH. PHE also holds equity-accounted investees but no further information is provided since they are not considered material to the Group.

€m	2022					2021[1]			
	D'leteren Autom.	Belron	TVH	PHE	Group	D'leteren Autom.	Belron	TVH	Group
Interests in joint ventures	128.8	26.9	1,211.9	5.0	1,372.6	113.1	-49.1	1,156.6	1,220.6
Total of equity-accounted investees and long-term interests in equity-accounted investees	**128.8**	**26.9**	**1,211.9**	**5.0**	**1,372.6**	**113.1**	**-49.1**	**1,156.6**	**1,220.6**
Share of profit in joint ventures	6.8	150.6	52.5	0.2	210.1	8.1	168.1	8.0	184.2
Total of share of result after tax of equity-accounted investees and long-term interests in equity-accounted investees	**6.8**	**150.6**	**52.5**	**0.2**	**210.1**	**8.1**	**168.1**	**8.0**	**184.2**

(1) As restated to reflect the adjustments performed on the three-month statement of profit or loss and other comprehensive income of TVH to improve the consistency of accounting policies across all affiliates and to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022. Refer to note 1 for more information on the restatement of comparative information.

Belron

In 2022 and in 2021, Belron Group s.a. ("BGSA"), the joint venture holding the Belron activities (see note 1 for more information), is accounted for as an equity-accounted investee, and is owned 50.01% in economic rights by the Group on fully diluted basis. The Group has joint control over BGSA as a result of some reserved matters being shared with Clayton, Dubilier & Rice ("CD&R").

On 17 December 2021, D'leteren Group announced that Hellman & Friedman and funds and accounts managed by GIC and BlackRock Private Equity Partners have completed the acquisition of a stake in BGSA, representing 16.8% of BGSA's share capital on a combined basis. Mid-July 2022, H&F and GIC have slightly increased their participation in Belron, buying shares back mostly from natural leavers at the same financial consideration as their previous transaction closed in December 2021. Belron's shareholding structure is now as follows: 50.01% D'leteren Group, 20.3% CD&R, 17.9% H&F, GIC and BlackRock Private Equity Partners, 11.8% management & the family holding company of Belron's former CEO.

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 former CEO). In 2021, preference shares have been bearing 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). Having converted in June 2021 its remaining preference shares into ordinary shares (as at 31 December 2021 there was no preference shares remaining in the equity of BGSA), the Group has reaffirmed its long-term commitment to Belron with a 50.01% shareholding (on a fully diluted basis including all management shares).

Given the equity structure described above, the Group's share in the net result of Belron for the 12-month period ended 31 December 2022 corresponds to fully-diluted economic percentage of 50.01%. For the 12-month period ended 31 December 2021, the Group's share in the net result of Belron was 52.88%, corresponding to the Group's percentage of ownership in the preference shares (for the fixed annual compounding dividend rate of 10% which benefited 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).

A Management Reward Plan (MRP) involving key employees was set up in 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. The share of the Group in the net result of BGSA in 2022 (50.01%) and 2021 (52.88%) already takes into account the dilutive impact of these MRP shares.

The detailed statement of financial position of Belron as included in its own financial statements (not adjusted for consolidated adjustments) is disclosed in note 4.

At year-end 2022, Belron completed a review of the carrying value of goodwill and other intangible assets with indefinite useful lives, as well as the carrying value of all other assets in each of its cash generating units (being the different countries where it operates). The impairment review was undertaken to ensure that the carrying value of the Belron's assets are stated at no more than their recoverable amount, being the higher of fair value less cost to sell and value-in-use. The recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which requires the use of key cashflow and

discount rate assumptions. The cashflows were obtained from Belron's board approved 2023 budget and the five-year plan, while the discount rates were revised using updated cost of equity and cost of debt data. This review has led to a goodwill impairment charge of -€2.7m being recognised in relation to the Norwegian business (2021: -€3.2m in relation to Finland). In 2022, additional write-offs on non-current assets have been recognised for -€8.5m and relates to a leased property and leasehold improvements no longer being used (2021: €11.9m write off on leased property no longer being used and €3.4m of previously capitalised SaaS costs).

At year-end 2022, 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 has been signed between the Group and the family holding company of the Belron's former CEO, including put options (with related call options) related to the part of the interest held by the family holding company of the Belron's former 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 2022; the value of the Belron's share based on the put formula being equal to the most recent fair market value of Belron.

In the consolidated statement of comprehensive income, the lines "Equity-accounted investees – share of OCI" include -€31.7m of remeasurements of defined benefit assets/liabilities (primarily due to the UK pension scheme recording an actuarial loss following the rise in the discount rate), €56.5m of movements in cash flow hedges reserve (interest rate swaps and cross currency interest rate swaps used to partially hedge the debt) and €71.2m related to translation differences.

The table below presents the revenue, profit before tax, the net result, and the other comprehensive income for the year ended 31 December 2021 and 31 December 2022. The Group's share in net result is computed based on a weighted average percentage of 52.88% in 2021 and a fully diluted economic percentage of 50.01% in 2022.

€m - Belron	**2022**	**2021**
Revenue (100%)	5,574.3	4,646.8
Profit before tax (100%)	512.5	463.4
Result for the period (100%)	301.2	317.9
Other comprehensive income (100%)	192.2	79.4
Profit (or loss) and total comprehensive income (100%)	493.4	397.3
Group's share of profit (or loss) and comprehensive income	**246.7**	**207.8**
Group's share of profit (or loss)	*150.6*	*168.1*
Group's share of comprehensive income	*96.1*	*39.7*

The reconciliation of the Group's share in the net assets of BGSA from 31 December 2021 to 31 December 2022 is presented below. The Group's share in the net assets of BGSA at 31 December 2021 is negative as a result of the distribution of dividends and the capital reduction operated by BGSA in 2021. The negative balance did not result in D'leteren Group SA/NV being liable for the negative net assets of the joint venture.

€m - Belron	
Group's share of net assets at 31 December 2021	**-49.1**
Group's share of profit (or loss) and comprehensive income	246.7
Group's share in dividends and proceeds from capital reduction	-212.5
Other movements, Group's share	41.8
Group's share of net assets at 31 December 2022	**26.9**

In the period, BGSA purchased own shares from previous MRP participants for an amount of €91.9m (2021: €18.8m). 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 2022 (these shares will be re-purchased in the future by existing and new participants of the MRP).

However, BGSA sold own shares (previously acquired from MRP participants) to new investors in 2022, leading to a disposal gain of €24.3m (2021: €29.7m), Group's share, being the difference between the fair market value on the disposal and the book value of the shares, resulting in an increase in the carrying amount of the equity-accounted investee that the Group owns in BGSA.

Following the closing of the transaction with Belron's new shareholders on 17 December 2021, Belron's Board of Directors has agreed to reward c.24,000 employees with a cash bonus (paid in December 2021) and restricted share units ('RSUs') to thank

them for their loyal contribution to the company's success. Under the proposed terms of the equity-settled component of the scheme, BGSA awarded restricted share units ('RSUs') to each participant in the scheme. On vesting, each RSU will entitle the holder to receive a single ordinary non-voting share in BGSA. Vesting period is currently estimated at 5 years and may be revised if subsequent information indicates that the length of the vesting period is likely to differ from this estimate. This equity-settled component of the scheme is a share-based payment arrangement. Accordingly, it is classified, and accounted for, as an equity-settled share-based payment transaction in BGSA own financial statements, in accordance with IFRS 2.

Each year during the expected vesting period, the Group will therefore account for its share (50.01%) in the share-based payment expense of BGSA (in the line "share of result of equity-accounted investee, net of income tax" in the consolidated statement of profit or loss) and a corresponding increase in the value of the equity-accounted investee (in the consolidated statement of financial position), to reflect its share in the increase of BGSA shareholders equity. In the period, the increase in the value of the equity-accounted investee relating to this share-based payment plan amounts to €17.2m (2021: €29.7m). This reward will have no economic impact whatsoever on the Group and other shareholders and there will be no dilution to the 50.01% fully diluted stake held by the Group.

TVH

On 9 July 2021, the Group has signed an agreement to acquire a 40% stake in TVH Global SA/NV from the family shareholders. Closing of the transaction occurred on the 1st October 2021. The acquisition price has been set at 1,147m (equity of €1,137m plus acquisition-related costs of €10m). In accordance with IAS 28 "Investments in associates and joint ventures", the €10m of acquisition costs (mainly fees and due diligence costs) were included in the line "Equity-accounted investee" of the statement of financial position. A shareholder loan of €40m has also been put in place between the Corporate & unallocated segment and TVH as part of the acquisition.

Under the shareholders' agreement, the Group has joint control on TVH with Wehold (the holding company of the family shareholder), some key reserved matters being shared. TVH is therefore accounted for as an equity-accounted investee in the Group's consolidated financial statement, starting 1st October 2021.

In the second half of 2022, in accordance with IAS 28, the Group finalised the purchase price allocation of TVH. The provisional goodwill recognised at the date of acquisition, representing the difference between the Group's share in the net assets acquired and the acquisition price (including acquisition costs), was initially valued at €1,096.2m. The Group performed a review of the assets and liabilities of TVH at the date of acquisition and recognized fair value adjustments on intangible assets and property, plant and equipment.

TVH brand has been valued at €341.0m, using a relief from royalty method. The brand has an indefinite useful life and is therefore not amortized since the Group considers there is no limit to the period over which the brand is expected to generate cash inflows. Customer contracts have been valued at €490.0m using a multi-period excess earnings method. These customer contracts are amortized on a straight-line basis over their estimated economic useful lives of 11 years. Other intangible assets were valued at €261.8m and consists in the technology used by TVH, using a relief from royalty method. The value of technology is amortized on a straight-line basis over its estimated economic useful lives of 9 years. Further to the fair value adjustments on intangible assets, the Group also performed a review of the fair value of property, plant and equipment of TVH. Using most recent market valuation reports prepared by an independent expert, the Group recognised fair value adjustment on lands, buildings and other tangible assets for a total amount of €40.6m. Fair value adjustments on buildings are depreciated on a straight-line basis over their remaining economic useful lives of 45 years. Other tangible assets are depreciated on a straight-line basis over their remaining economic useful lives of 9 years. Fair value adjustment on lands are not amortized. At the same time, deferred tax liabilities have been recognised on these fair value adjustments, using a tax rate of 25%, which corresponds to the corporate tax rate in Belgium. The initial deferred tax liability amounts to €283.3m and will be subsequently reversed over the same economic useful lives of the underlying assets to which it relates.

At year-end 2022, based on IAS 28, the Board of Directors of the Company did not identify any indication of possible impairment (a triggering event) on its investment in TVH (equity-accounted investee) and therefore did not perform an impairment test.

The detailed statement of financial position of TVH is disclosed in note 4. The figures include the PPA adjustments performed by the Group, and the comparative information has been restated accordingly. Refer to note 1 for additional information on the restatement of comparative information.

The table below presents the revenue, profit before tax and the net result of TVH for the 12-month period ended 31 December 2022 and the 3-month period ended 31 December 2021 (restated – see note 1).

€m - TVH	2022	2021 - 3 months[1]
Revenue (100%)	1,621.7	348.0
Profit before tax (100%)	165.5	26.8
Result for the period (100%)	131.2	19.9
Other comprehensive income (100%)	7.5	4.3
Profit (or loss) and total comprehensive income (100%)	138.7	24.2
Group's share of profit (or loss) and comprehensive income (40%)	**55.5**	**9.7**
Group's share of profit (or loss)	*52.5*	*8.0*
Group's share of comprehensive income	*3.0*	*1.7*

(1) As restated – see note 1

In the consolidated statement of comprehensive income, the lines "Equity-accounted investees – share of OCI" include €2.9m of remeasurements of defined benefit assets/liabilities.

The reconciliation of the Group's share in the net assets of TVH starting from the 31 December 2021 (restated – see note 1) to the 31 December 2022 is presented below:

€m - TVH	
Group's share of net assets at 31 December 2021[1]	**1,156.6**
Group's share of profit (or loss) and comprehensive income (40%)	55.5
Other movements, Group's share	-0.2
Group's share of net assets at 31 December 2022	**1,211.9**

(1) As restated – see note 1

D'leteren Automotive

The largest equity-accounted investee in the D'leteren Automotive segment is the joint venture Volkswagen D'leteren 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.

Following the acquisition of 17% of the share capital of Skipr by ALD Automotive, the Group lost exclusive control of its subsidiary on 1st July 2021. Skipr is therefore accounted for as an equity-accounted investee as from 1st July 2021. The financial information of Skipr is not material to the Group and is not separately disclosed. The Group's share in the net assets of Skipr at 31 December 2022 amounts to €13.1m and the Group's share in the profit or loss of Skipr for the 12-month period ended 31 December 2022 amounts to -€1.4m.

In addition, following the entry into capital by investors for 29% in Lizy and 33% in MyMove (both through capital increases), the Group lost exclusive control of both subsidiaries in 2022. This resulted in the recognition of a consolidated gain of 10.2m (accounted for in finance income in H1-2022 in the D'leteren Automotive segment), representing the difference between the fair value of the non-controlling interests retained in the companies (39% in Lizy and 56% in MyMove) and the carrying amount of the assets and liabilities of the subsidiaries at the date the control was lost. These two entities are therefore accounted for as equity-accounted investee as from 1st January 2022. The financial information of Lizy and MyMove are not material to the Group and are not separately disclosed. The Group's share in the net assets of Lizy and MyMove at 31 December 2022 amounts to €8.4m and €2.7m respectively and the Group's share in their profit or loss for the 12-month period ended 31 December 2022 amounts to -€1.0m and -€0.7m respectively.

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 - VDFin (100% - except otherwise stated)	2022	2021
Non-current assets	1,810.5	1,683.5
Current assets (excluding cash and cash equivalents)	980.2	826.1
Cash and cash equivalents	135.2	77.5
Non-current liabilities (excluding financial liabilities)	-5.9	-8.6
Non-current financial liabilities	-1,325.2	-1,070.3
Current liabilities (excluding financial liabilities)	-182.2	-137.0
Current financial liabilities	-1,203.4	-1,174.2
Net assets	209.2	197.0
Group's share of net assets (49.99%) and carrying amount of interest in joint venture	**104.6**	**98.5**

Revenue	492.5	578.8
Depreciation and amortization	-139.1	-125.5
Net finance costs	30.5	30.0
Profit before tax	27.9	24.1
Tax expense	-8.1	-5.7
Result for the period	19.8	18.4
Other comprehensive income	0.7	0.9
Profit (or loss) and total comprehensive income	20.5	19.3
Group's share of profit (or loss) and comprehensive income (49.99%)	**10.2**	**9.7**

Note 18: Financial instruments – fair value and risk management

Financial instruments - measurement

Financial assets held by the Group at 31 December 2022 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. Financial investments are measured both at amortised costs under IFRS 9 (for corporate bonds) and at fair value through profit or loss (for equity instruments).

Financial liabilities held by the Group at 31 December 2022 consist in loans and borrowings (see note 24), trade and other payables (see note 25), both classified as liabilities at amortised costs under IFRS 9, put options granted to non-controlling interests (see note 33), measured at fair value through equity, and contingent consideration on acquisitions (see note 26) measured at fair value through profit or loss.

In the current period (see note 4 segment information), in the Belron segment (equity-accounted investee), there is a contingent consideration liability (€8.7m at 31 December 2022; €11.3m at 31 December 2021, presented in the line "other payables" in the segment statement of financial position) recognised on an asset acquisition carried out at fair value using a level 3 valuation method (see below). The other 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 currency 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 fair value through profit or loss) and other forward exchange contracts used to swap foreign currency cash balances to reduce borrowings and minimise interest expense (measured at fair value through profit or loss).

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).

At 31 December 2021 and 2022, all Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are classified in level 2 except the equity instruments included in the line "financial investments", classified in level 1, the contingent considerations and the put options (and associated call options) granted to non-controlling interests classified in level 3.

Valuation techniques

The fair values of derivative instruments 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. 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 2022								
Loans and borrowings								
Lease liabilities	61.4	7.0	149.7	13.8	44.3	4.1	255.4	24.9
Other borrowings and private bonds	256.8	4.5	91.6	6.5	0.1	0.1	348.5	11.1
Loan notes	-	62.4	579.5	168.1	376.3	-	955.8	230.5
Commercial paper	4.5	-	-	-	-	-	4.5	-
Total	322.7	73.9	820.8	188.4	420.7	4.2	1,564.2	266.5
Trade and other payables	984.7	-	-	-	-	-	984.7	-
Total	**1,307.4**	**73.9**	**820.8**	**188.4**	**420.7**	**4.2**	**2,548.9**	**266.5**
At 31 December 2021								
Loans and borrowings								
Lease liabilities	16.5	0.2	19.9	0.2	10.5	0.1	46.9	0.5
Other borrowings and private bonds	36.6	1.8	130.5	2.4	-	-	167.1	4.2
Total	53.1	2.0	150.4	2.6	10.5	0.1	214.0	4.7
Trade and other payables	496.0	-	-	-	-	-	496.0	-
Total	**549.1**	**2.0**	**150.4**	**2.6**	**10.5**	**0.1**	**710.0**	**4.7**

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. Hedges, or fixed rate indebtedness, beyond 5 years are unusual. The interest rate and currency profiles of loans and borrowings are disclosed in note 24.

A change of 100 basis points in interest rate at the reporting date would have increased/decreased the result from continuing operations (excluding equity-accounted investees) 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 2022	**-6.5**	**6.5**
31 December 2021	-3.1	3.1

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 2022 and in 2021 are disclosed in note 30.

A 10 percent strengthening/weakening of the euro against the following currencies at 31 December would have increased/decreased result from continuing operations (excluding equity-accounted investees) 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 2022		
EUR vs GBP	-0.4	0.5
EUR vs USD	-1.0	1.2
EUR vs CHF	0.2	-0.2
31 December 2021		
EUR vs GBP	-0.5	0.6
EUR vs USD	-2.1	2.6
EUR vs CHF	-0.2	0.3

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	2022					2021			
	D'leteren Automotive	Moleskine	PHE	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Cash at bank and in hand	0.8	26.9	122.0	142.9	292.6	69.0	38.6	170.5	278.1
Short-term deposits	-	-	-	53.2	53.2	17.0	-	59.5	76.5
Cash and cash equivalents	**0.8**	**26.9**	**122.0**	**196.1**	**345.8**	**86.0**	**38.6**	**230.0**	**354.6**

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.

Note 20: Trade and other receivables

€m	2022					2021			
	D'leteren Automotive	Moleskine	PHE	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Non-current receivables	**4.8**	**1.1**	**25.7**	**44.2**	**75.8**	**3.9**	**1.1**	**44.0**	**49.0**
Trade receivables - net	256.7	31.3	279.4	1.1	568.5	302.2	31.7	0.7	334.6
Current receivables from equity-accounted investees	30.0	-	-	0.8	30.8	9.4	-	2.2	11.6
Other current receivables	19.7	3.0	72.9	3.7	99.3	10.1	1.9	22.4	34.4
Trade and other receivables	**306.4**	**34.3**	**352.3**	**5.6**	**698.6**	**321.7**	**33.6**	**25.3**	**380.6**

In 2021 and 2022 in the Corporate & unallocated segment, non-current receivables include, amongst other amounts, €40.0m related to the shareholder loan from the Corporate and unallocated segment put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH (see note 17).

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'leteren Automotive 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. In the PHE segment, the customer base is very diversified and therefore the risk is mitigated. 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'leteren Automotive segment, concentration on top ten customers (excluding trade receivables from VW Group), based on the gross receivables, is 5.8% (2021: 10.3%) and no customer is above 3% (2022: 1.9%; 2021: 2.4%). 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. In the PHE segment, the Group make usage of factoring services to reduce exposure to credit risk.

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 2022, the provisions for bad and doubtful debt amount to €33.1m (2021: €4.8m). The increase in the period is mainly due to the integration of PHE in the consolidated statement of financial position as from the date of acquisition by the Group (see note 26).

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

€m	2022	2021
Up to three months past due	59.4	21.4
Over three months past due	31.4	6.8
Total	**90.8**	**28.2**

In 2022 and 2021, the amounts presented in the aging analysis only include, in the D'leteren Automotive segment, the trade receivables of D'leteren Automotive SA.

The increase in receivables past due but not impaired is mainly attributable to the integration of PHE in the Group's consolidated statement of financial position at 31 December 2022.

The charge in 2022 for bad and doubtful debts amounts to -€6.1m (2021: nihil). See note 6.

Note 21: Non-current assets and disposal group classified as held for sale and discontinued operations

Following the closing of the acquisition of Parts Holding Europe (PHE) by the Group on the 4th of August 2022 (see note 26), the European Commission imposed the disposal of PHE's specialized glass repair activities "Mondial Pare Brise". The Board of Directors of the Company concluded that, at the balance sheet date, the PHE segment is committed to a sale plan of Mondial Pare Brise. It has therefore classified in the consolidated statement of financial position at 31 december 2022 all the assets and liabilities of Mondial Pare Brise as held for sale; the recognition criteria defined in IFRS 5 "Non-current assets held for sale and discontinued operations" being satisfied. In the consolidated statement of profit or loss, the line "Discontinued operations" relates to the net result of Mondial Pare-Brise, from the date of the acquisition of PHE by the Group until 31 December 2022.

The assets classified as held for sale and liabilities directly associated with the assets held for sale are presented below.

€m	31 December 2022
Goodwill	17.1
Intangible assets	20.3
Property, plant & equipment	23.7
Deferred tax assets	-4.7
Other receivables	1.2
Inventories	0.6
Current tax assets	0.5
Trade and other receivables	2.4
Cash & cash equivalents	11.1
Assets classified as held for sale	**72.2**

€m	31 December 2022
Loans & borrowings	11.3
Deferred tax liabilities	0.7
Provisions	0.2
Loans & borrowings (short-term)	4.0
Trade & other payables	10.8
Liabilities directly associated with the assets held for sale	**27.0**

The net result from discontinued operations is presented below.

€m	2022
Revenue	**20.9**
Operating result	**4.1**
Net finance costs	-0.2
Result before tax	**3.9**
Income tax expense	-1.0
Result after tax from discontinued operations	**2.9**
Basic earnings (loss) per share from discontinued operations (EUR)	0.05
Diluted earnings (loss) per share from discontinued operations (EUR)	0.05

The cash flow from discontinued operations is presented below.

€m	2022
Net cash from operating activities	4.8
Net cash from investing activities	-0.6
Net cash from financing activities	-2.1
Cash flows from discontinued operations	**2.1**

In accordance with IFRS 5, the non-current assets have been measured at the lower of their carrying amounts and fair value less costs to sell, being the net book value as at 31 December 2022 (the financial consideration of the transaction corresponding to an equity consideration of €102m – see note 34). Depreciation and amortisation of the non-current assets of Mondial Pare Brise ceased as from the date of their classification as held for sale.

Closing of the disposal occurred on 13 February 2023 (see note 34).

There are no cumulative income or expenses included in other comprehensive income relating to Mondial Pare Brise.

Note 22: 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 2021	**54,367,928**	**160.0**
Change	-	-
At 31 December 2021	**54,367,928**	**160.0**
Change	-	-
At 31 December 2022	**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.

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 2022		31 December 2021	
	Number	Amount	Number	Amount
Treasury shares held by the Company	1,256,732	134.1	1,017,135	47.4
Treasury shares held by subsidiaries	-	-	-	-
Treasury shares held	**1,256,732**	**134.1**	**1,017,135**	**47.4**

Treasury shares are held in the framework of the share buyback programme and liquidity contract and to cover the stock option plans set up by the Company since 1999 (see note 9).

During the year 2022, a total of 764,574 treasury shares have been acquired by the Company and 524,977 treasury shares have been sold, for a net amount of -€86.7m (of which acquisitions of -€117.4m and disposals of €30.7m).

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. Cumulative tax impact related to the net change in the fair value of hedging instruments are separately included in retained earnings.

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.

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 (as at 31 December 2022).	**Capital shares**		**Participating shares**		**Total voting rights**	
	Number	**%**	**Number**	**%**	**Number**	**%**
s.a. de Participations et de Gestion, Brussels	12,740,605	23.43%	0	-	12,740,605	21.46%
Reptid Commercial Corporation, Dover, Delaware	1,904,875	3.50%	0	-	1,904,875	3.21%
Mrs Catheline Périer-D'leteren	0	0.00%	1,250,000	25.00%	1,250,000	2.11%
Mr Olivier Périer	10,000	0.02%	0	-	10,000	0.02%
The four abovementioned shareholders (collectively "SPDG Group") are associated.	**14,655,480**	**26.96%**	**1,250,000**	**25.00%**	**15,905,480**	**26.79%**
Nayarit Participations s.c.a., Brussels	17,684,020	32.53%	0	-	17,684,020	29.79%
Mr Nicolas D'leteren	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 €3.00 per share (2021: gross dividend of €2.10 per share), or €161.2m in aggregate (2021: €113.4m).

Note 23: 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	**2022**					**2021**			
	D'leteren Automotive	**Moleskine**	**PHE**	**Corp. & unallocated**	**Group**	**D'leteren Automotive**	**Moleskine**	**Corp. & unallocated**	**Group**
Non-current provisions									
Dealer-related	0.2	-	-	-	0.2	6.3	-	-	6.3
LTIP provision	8.7	1.9	-	0.5	11.1	1.4	3.2	-	4.6
Other non-current items	6.7	-	-	0.1	6.8	4.3	-	0.3	4.6
Subtotal	**15.6**	**1.9**	**-**	**0.6**	**18.1**	**12.0**	**3.2**	**0.3**	**15.5**
Current provisions									
LTIP provision	-	3.8	-	-	3.8	-	-	-	-
Other current items	-	1.1	5.4	5.2	11.7	4.3	1.7	5.3	11.3
Subtotal	**-**	**4.9**	**5.4**	**5.2**	**15.5**	**4.3**	**1.7**	**5.3**	**11.3**
Total provisions	**15.6**	**6.8**	**5.4**	**5.8**	**33.6**	**16.3**	**4.9**	**5.6**	**26.8**

The changes in provisions are set out below for the year ended 31 December 2022:

€m	Dealer-related	Other non-current items including LTIP provision	Other current items including LTIP provision	Total
At 1 January 2022	**6.3**	**9.2**	**11.3**	**26.8**
Charged in the year	0.1	14.2	1.0	15.3
Utilised in the year	-6.2	-1.7	-0.6	-8.5
Reversed in the year	-	-1.9	-1.0	-2.9
Transferred during the year	-	-7.4	4.7	-2.7
Items acquired through business combinations (see note 26)	-	5.5	-	5.5
Translation differences	-	-	0.1	0.1
At 31 December 2022	**0.2**	**17.9**	**15.5**	**33.6**

When the timing of the outflows is uncertain, 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.

In the D'leteren Automotive 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 2022.

The increase of other current provisions is mainly related to the integration of PHE in the consolidated statement of financial position as from the acquisition by the Group (see note 26).

Note 24: Loans and borrowings

Loans and borrowings are presented as follows:

€m	2022					2021			
	D'leteren Automotive	Moleskine	PHE	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Non-current loans and borrowings									
Lease liabilities	18.1	9.9	153.2	4.7	185.9	12.4	12.0	4.6	29.0
Bank and other loans	75.4	-	971.2	-	1,046.6	99.5	29.8	0.1	129.4
Inter-segment loan	-	272.3	-	-272.3	-	-	264.1	-264.1	-
Subtotal non-current loans and borrowings	**93.5**	**282.2**	**1,124.4**	**-267.6**	**1,232.5**	**111.9**	**305.9**	**-259.4**	**158.4**
Current loans and borrowings									
Lease liabilities	11.2	5.5	44.0	0.6	61.3	10.6	5.4	0.5	16.5
Bank and other loans	110.5	14.9	181.3	0.1	306.8	22.2	14.3	0.1	36.6
Subtotal current loans and borrowings	**121.7**	**20.4**	**225.3**	**0.7**	**368.1**	**32.8**	**19.7**	**0.6**	**53.1**
TOTAL LOANS AND BORROWINGS	**215.2**	**302.6**	**1,349.7**	**-266.9**	**1,600.6**	**144.7**	**325.6**	**-258.8**	**211.5**

The increase in loans and borrowings compared to 31 December 2021 is mainly attributable to the integration of PHE in the Group's consolidated statement of financial position at 31 December 2022.

Obligations under lease contracts are analysed below:

€m	2022		2021	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	61.4	61.4	16.5	16.5
Between one and five years	149.7	144.5	19.9	19.2
More than five years	44.3	41.3	10.5	9.8
Subtotal	255.4	247.2	46.9	45.5
Present value of lease obligations	**247.2**		**45.5**	

In 2021 and 2022, the inter-segment loans comprise amounts lent by the Corporate & unallocated segment to the Moleskine segment (non-recourse loan in the framework of the acquisition). In the period, €10.7m of interests have been recognised in profit or loss and -€2.7m have been paid cash.

The €40.6m lent in 2021 and 2022 by the Corporate & unallocated segment to TVH are not presented in the line "inter-segment loan" in the table above since TVH is an equity accounted investee but is presented in non-current receivables in the Corporate & unallocated segment (see note 20).

In 2022, Moleskine proceeded to the partial reimbursement of the external bank loan (€14.5m of senior term loan instalment and €15m of voluntary prepayment).

In December 2021, D'leteren Automotive secured a new 5-year €325m bank financing (maturity date December 2026), consisting of €100m of amortising term loan and €225m revolving credit facility, included in the lines "bank and other loans" in the above table. The increase in current loans and borrowings compared to 31 December 2021 mainly relates to bank overdrafts reclassified from "cash and cash equivalents" to "loans and borrowings" (€52.4m at 31 December 2022 vs nil at 31 December 2021). Those bank overdrafts are permitted under the ancillary facilities negociated under the revolving credit facility of €225m and mainly result from a significant cash outflow driven by a sharp increase in inventory as the deliveries from the factories accelerated at the very end of the year. At 31 December 2022, there is no breach of covenants attached to the loans.

Bank and other loans in the PHE segment mainly consist in Senior Secured fixed and floating rate Notes maturing between 2025 and 2027, as well as revolving credit facilities.

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

€m	2022	2021
Between one and five years	814.7	148.6
After more than five years	417.8	9.8
Non-current loans and borrowings	**1,232.5**	**158.4**

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	2022	2021
Less than one year	368.1	53.1
Between one and five years	814.7	148.6
After more than five years	417.8	9.8
Loans and borrowings	**1,600.6**	**211.5**

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 2021 and 2022):

€m	2022			2021		
Currency	**Fixed rate**	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**
EUR	607.4	746.4	1,353.8	0.2	165.8	166.0
Total	**607.4**	**746.4**	**1,353.8**	**0.2**	**165.8**	**166.0**

EUR borrowings are stated after deduction of deferred financing costs of €0.9m as at 31 December 2022 (31 December 2021: €1.5m).

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:

	2022		2021	
Currency	**Min.**	**Max.**	**Min.**	**Max.**
EUR	1.0%	6.5%	1.0%	4.3%

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 2022	Items acquired through business combinations	New loans	Loans repayment	Repayment of lease liabilities	Non-cash movements			At 31 December 2022
						Additions/ Disposals IFRS16	Transfer	Other	
Long-term loans and borrowings	129.4	975.2	38.6	-8.8	-	-	-88.0	0.2	1,046.6
Short-term loans and borrowings	36.6	130.9	68.8	-38.5	-	-	107.4	1.6	306.8
Lease liabilities	45.5	209.6	-	-	-37.9	30.0	-	-	247.2
Total liabilities arising from financing activities	**211.5**	**1,315.7**	**107.4**	**-47.3**	**-37.9**	**30.0**	**19.4**	**1.8**	**1,600.6**

€m	At 1 January 2021	New loans	Loans repayment	Repayment of lease liabilities	Non-cash movements				At 31 December 2021
					Additions/ Disposals IFRS16	Conversion difference	Transfer	Other	
Long-term loans and borrowings	44.6	99.2	-0.1	-	-	-	-14.6	0.3	129.4
Short-term loans and borrowings	8.4	19.1	-13.4	-	-	-	14.6	7.9	36.6
Lease liabilities	50.4	-	-	-16.1	10.7	0.7	-	-0.2	45.5
Total liabilities arising from financing activities	**103.4**	**118.3**	**-13.5**	**-16.1**	**10.7**	**0.7**	**-**	**8.0**	**211.5**

In 2022, the other non-cash movements include, among other amounts, the impact of the change in consolidation method of Lizzy and MyMove following the loss of exclusive control (see note 17) and in 2021 and 2022, the amortization of deferred financing costs in the Moleskine segment.

In 2022, the €19.4m of transfers represent a capitalization of accrued interests on loans and borrowings, previously booked in trade and other payables.

Note 25: Trade and other payables

Trade and other payables are described below:

€m	2022					2021			
	D'leteren Automotive	Moleskine	PHE	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Non-current payables	**-**	**-**	**32.5**	**-**	**32.5**	**-**	**-**	**-**	**-**
Trade payables	339.1	23.7	313.6	3.4	679.8	271.6	27.2	3.7	302.5
Accrued charges and deferred income	64.4	1.0	3.9	0.1	69.4	48.4	1.1	0.8	50.3
Non-income taxes	52.0	1.5	18.3	-	71.8	43.7	0.8	-	44.5
Contingent consideration on acquisitions	1.6	-	0.4	-	2.0	-	-	-	-
Other current creditors	70.0	4.7	77.7	9.3	161.7	85.9	5.0	7.8	98.7
Trade and other payables	**527.1**	**30.9**	**413.9**	**12.8**	**984.7**	**449.6**	**34.1**	**12.3**	**496.0**

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.

In the PHE segment, at 31 December 2022, the non-current payables mainly include contingent considerations on past acquisitions.

In both periods, the line "Non-income taxes" mainly include VAT payables in the D'leteren Automotive segment, and in 2022 only, in the PHE segment.

At 31 December 2021, the other current creditors included included, among other amounts, €16.8m of liabilities related to the decision of D'leteren Automotive to close down two of its structurally loss-making sites.

Note 26: Business combinations

The details of the net assets acquired, goodwill and consideration of the acquisitions performed by the Group are set out in the following table. The column "D'leteren Automotive" relate to the acquisitions performed by the D'leteren Automotive segment, and the column PHE relates to the acquisition by the Group of Parts Holding Europe (PHE) on the 4th of August 2022.

€m	D'leteren Automotive	PHE	Total provisional fair value(1)
Intangible assets	-	311.7	311.7
Property, plant & equipment	11.2	280.0	291.2
Financial investments	-	4.7	4.7
Derivative financial instruments	-	2.1	2.1
Deferred tax assets	-	24.2	24.2
Other receivables	-	24.7	24.7
Inventories	8.1	463.6	471.7
Derivative financial instruments (short-term)	-	0.7	0.7
Trade and other receivables	4.6	393.7	398.3
Cash & cash equivalents (excluding cash included in assets classified as held-for-sale)	3.4	91.9	95.3
Assets classified as held for sale	-	75.1	75.1
Employee benefits	-	-28.0	-28.0
Loans & borrowings	-12.4	-1,128.2	-1,140.6
Put options granted to non-controlling interests	-	-80.5	-80.5
Other payables	-	-37.8	-37.8
Deferred tax liabilities	-0.1	-13.4	-13.5
Provisions (short-term)	-	-5.6	-5.6
Loans & borrowings (short-term)	-1.1	-165.4	-166.5
Put options granted to non-controlling interests (short-term)	-	-4.9	-4.9
Current tax liabilities	-0.9	-	-0.9
Trade & other payables	-10.7	-455.4	-466.1
Liabilities directly associated with the assets held for sale	-	-30.7	-30.7
Net assets acquired	**2.1**	**-277.5**	**-275.4**
Non-controlling interests ("NCI")	**-0.3**	**-1.8**	**-2.1**
Goodwill	**17.9**	**850.3**	**868.2**
TOTAL IDENTIFIABLE NET ASSETS ACQUIRED AND LIABILITIES ASSUMED, INCLUDING GOODWILL	**19.7**	**571.0**	**590.7**
Consideration satisfied by:			
Cash payment	14.1	571.0	585.1
Contingent consideration	5.6	-	5.6
TOTAL CONSIDERATION	**19.7**	**571.0**	**590.7**

(1) The fair values have been measured on a provisional basis. If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition, then the accounting for the acquisition will be revised.

D'leteren Automotive

During the period, the D'leteren Automotive segment finalized the following acquisitions:

- 100% of the shares of Taxi Radio Bruxellois s.a in H1-2022, the leading provider of on-demand transportation services in the Brussels-Capital Region and surrounding areas;
- 67.84% of the shares of Joule n.v. in H1-2022, a company specialising in the supply of bicycles to corporate and public sector organisations;
- 100% of the shares of Vélofixer b.v.b.a. in H1-2022, an (e-)bikes store in the centre of Brussels;
- 100% of the shares of Re-Cycle s.r.l in H2-2022, an (e-)bikes store specialised in second-hand bikes in the Brussels area;
- 100% of the shares of Go-Solar n.v. in H2-2022, a company specialised in the supply of solar panels and home batteries in Flanders.

The additional revenue and net result arising subsequent to these acquisitions amount to respectively €36.2m and €2.1m. If the acquisitions have occurred on the first day of the period, revenue would have been €65.9m and net result €3.0m.

The contingent consideration of €5.6m recognised on these acquisitions is initially measured at fair value through profit or loss (FVTPL) and is based on the expected payout that the Group will incur, based on the probability of achievement of financial performances of the underlying acquired businesses (such as target revenue, target gross margin). The fair value calculations require significant judgment and estimates from the management, especially with regards to the revenue growth and gross margin performances). Subsequent change in fair value of the earn-out, if any, will be accounted for in profit or loss. At 31 December 2022, contingent consideration liability amount to €5.8m and is presented in the line "Trade and other payables" in the consolidated statement of financial position.

The €17.9m of goodwill recognised reflects the expected synergies and other benefits resulting from the combination of the acquired activities with those of the D'leteren Automotive 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.

There are no trade and other receivables acquired that are expected to be uncollectable at the date of acquisition. The provisional goodwill recognised on these acquisitions is not expected to be deductible for tax purposes.

PHE

On the 4th of August 2022, D'leteren Group announced that it has closed the acquisition of Parts Holding Europe (PHE), a Western European leader in independent distribution of vehicle spare parts present in six countries: France, Belgium, The Netherlands, Luxemburg, Italy and Spain. The acquisition if fully aligned with the Group's investment criteria and PHE perfectly fits in the Group's family of businesses as a new strong leading growth platform enabling significant value creation with the ambition to generate a meaningful impact. The acquisition price corresponded to an Enterprise Value of €1.7bn, resulting in an equity consideration paid of €571.0m, financed with D'leteren Group's excess liquidity. This corresponded to an EV/EBITDA 2021 multiple of 6.9x. At the date of the closing of the acquisition, D'leteren Group owned 100% of PHE and fully consolidates the company (global integration) as from the 4th of August 2022. Acquisition related costs (recognized in commercial and administrative expenses in the consolidated statement of profit or loss) amount to €18.6m (these costs are qualified as *adjusting* items – refer to the consolidated management report and the press release for more information on Alternative Performance Measures and *adjusting* items). PHE is a reportable operating segment since the acquisition date (see note 4).

At inception, the capital structure of the holding company of PHE was composed of ordinary shares (c. 30% of total equity) and preference shares (c. 70% of equity). In October 2022, minority investors including management and several partners and independent distributors invested alongside D'leteren Group in the holding company of PHE, up to a combined ownership of c.9%, in the same proportion between ordinary shares and preference shares.

Preference shares bear a fixed annual compounding dividend rate of 7% (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).
At the same time, a Management Reward Plan (MRP) has been put in place, whereby the Group granted to PHE's key management personnel free "ratchet" shares. These shares have no economic value until a liquidity event occurs (the value of the shares will then be entitled to an amount equal to a percentage of the Project Capital Gain). This management reward plan is a cash-settled share-based payment in scope of IFRS 2. The Group will therefore account in profit or loss for the fair value of the free shares granted to management over the vesting period (being one year as from the grant date), with a corresponding increase in liability. Before and beyond vesting, the change in fair value of the liability will be accounted for in profit or loss.
At 31 December 2022, the Group accounted for a share-based payment expense of -€2.2m, with a corresponding increase in liability.

The Group has granted to minority investors put options on the ordinary, preference and "ratchet" shares. Refer to note 33 for more information on the put options granted to non-controlling shareholders.

For the five-month period ended 31 December 2022, PHE contributed revenue of €961.8m and net result of €7.3m. If the acquisition had occurred on the first day of the period, revenue would have been €2,259.8m and net result €58.6m.

In the segment statement of cash flows, the line "acquisition of subsidiaries, net of cash acquired" in the PHE and Corporate & unallocated segments (total of -€506.1m) represents the total consideration paid by the Group for the acquisition of PHE (-€571.0m), less cash and cash equivalents acquired for €100.9m (consisting in €91.9m disclosed in the above table and €9.0m of cash and cash equivalents classified as held for sale at the date of acquisition) and -€36.0m of acquisitions in the PHE segment since the acquisition by the Group.

There are no trade and other receivables acquired that are expected to be uncollectable at the date of acquisition. The provisional goodwill recognised on the acquisition is not expected to be deductible for tax purposes.

The goodwill recognised on the acquisition of PHE (€332.0m of goodwill acquired at acquisition date and €518.3m of goodwill recognised on the difference between the consideration paid and the fair value of the net assets acquired) reflects the expected synergies and other benefits resulting from the combination of the acquired activities with those of the Group.

At 31 December 2022, the Group did not finalise the acquisition accounting and hence no fair value adjustments have been recognised on the acquired assets or liabilities assumed, because the Group was not in a position to reasonably measure those adjustments. 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 other intangible and tangible assets.

During the period from the acquisition of PHE by the Group until 31 December 2022, the PHE segment finalized the acquisitions of subsidiaries in Spain and France. The details of these acquisitions are not presented in the above table. The total goodwill recognized upon these acquisitions amounts to €29.4m. Total consideration paid for these acquisitions amount to €42.4m and includes €2.0m of contingent consideration. At 31 December 2022, contingent consideration liabilities amount to €24.2 and is presented in the lines "Other payables" for €23.7m and "Trade and other payables" for €0.5m in the consolidated statement of financial position. A total amount of €36.0m is presented in the line "acquisition of subsidiaries, net of cash acquired" in the consolidated statement of cash flows and includes the cash payment of €40.4m less cash acquired of €4.4m. The detail of the net assets acquired, and liabilities assumed on these acquisitions are not considered material to the Group and are therefore not separately disclosed.

Note 27: 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).

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

Name	Country of incorporation	% of share capital owned at 31 December 2022	% of share capital owned at 31 December 2021
D'leteren Automotive			
D'leteren Automotive s.a./n.v.	Belgium	100%	100%
P.C. Mechelen n.v.	Belgium	100%	100%
P.C. Paal-Beringen n.v.	Belgium	100%	100%
P.C. Liège s.a.	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%
BAG A/D n.v.	Belgium	100%	100%
ACBornem n.v.	Belgium	100%	100%
Auto Center Kontich b.v.b.a.	Belgium	100%	100%
Automobiel Center Puurs 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%
Auto Natie Wommelgem NV	Belgium	100%	100%
Auto Natie Kontich b.v.b.a.	Belgium	100%	100%
D'ieteren Mobility Company s.a.	Belgium	100%	100%
s.a. Volkswagen D'leteren Finance n.v.	Belgium	49.99%	49.99%
s.a. D'leteren Lease n.v.	Belgium	49.99%	49.99%
s.a. D'leteren Micromobility n.v.	Belgium	100%	100%
s.a. WonderAuto n.v.	Belgium	100%	100%
Lab Box s.a.	Belgium	100%	100%
Poppy Mobility n.v.	Belgium	100%	100%
Skipr n.v.	Belgium	50.44%	50.44%
CarASAP s.a.	Belgium	100%	100%
Electric By D'leteren (EDI)	Belgium	92.50%	100%
Lizy n.v.	Belgium	39.63%	52.64%
ACBornem n.v.	Belgium	100%	100%
PC Brussels s.a.	Belgium	100%	100%
PC Antwerp n.v.	Belgium	100%	100%
D'leteren Centers s.a.	Belgium	100%	100%
Brussels Auto Group Groot-Bijgaarden n.v.	Belgium	100%	100%
Brussels Auto Group Ternat b.v.	Belgium	100%	100%
Wondercar Groot-Bijgaarden b.v.	Belgium	100%	100%
Autralis b.v.	Belgium	100%	100%
MyMove srl	Belgium	56.00%	52.00%
Mbrella srl	Belgium	57.36%	57.36%
Wondergroup s.a.	Belgium	100%	100%
iBike b.v.b.a.	Belgium	100%	100%
Goodbikes s.r.l.	Belgium	100%	100%
LB RiHa s.r.l.	Belgium	100%	
Taxi Radio Bruxellois s.a.	Belgium	100%	

Name	Country of incorporation	% of share capital owned at 31 December 2022	% of share capital owned at 31 December 2021
Joule n.v.	Belgium	57.87%	
Lizy France s.a.s.	France	39.63%	
EDI Network s.a.	Belgium	100%	
LB Sunshine s.r.l.	Belgium	92.50%	
Waassolar b.v.	Belgium	92.50%	
Go-Solar n.v.	Belgium	92.50%	
D'Ieteren Mobility Services s.a.	Belgium	100%	
Velofixer b.v.	Belgium	100%	
Re Cycle s.r.l.	Belgium	100%	
Belron			
Belron Group s.a. (in voting rights)	Luxembourg	55.00%	55.67%
TVH			
TVH Global NV	Belgium	40.00%	40.00%
Moleskine			
Moleskine s.r.l.	Italy	100%	100%
Moleskine America Inc.	United States	100%	100%
Moleskine Asia Ltd.	Hong-Kong	100%	100%
Moleskine Commerce & Trade Shanghai Co. Ltd.	China	100%	100%
Moleskine France s.à.r.l	France	100%	100%
Moleskine Germany GmbH	Germany	100%	100%
Moleskine Singapore Pte Ltd	Singapore	100%	100%
Moleskine Uk Ltd.	United Kingdom	100%	100%
Moleskine Japan k.k.	Japan	100%	100%
Moleskine Korea Co. Ltd.	Korea	100%	100%
Moleskine Café s.r.l.	Italy	100%	100%
Moleskine b.v.	Netherland	100%	100%
Moleskine Digital Studio Pte. Ltd.	Singapore	55.00%	55.00%
EDO.IO s.r.l.	Italy	55.13%	55.13%
Corp. & unallocated			
s.a. D'Ieteren Immo n.v.	Belgium	100%	100%
D'IM s.a.	Luxembourg	100%	100%
D Participation Management Luxembourg s.a.	Luxembourg	100%	100%
s.a. D'Ieteren Services n.v.	Belgium	100%	100%
D Participation Management s.a.	Belgium	100%	100%
Lys Bidco s.à.r.l	Luxembourg	100%	100%
DImmoLux s.à.r.l	Luxembourg	100%	
D'Ieteren Cherry MRP s.à.r.l	Luxembourg	100%	
s.a. Spider Bidco n.v.	Belgium	100%	
PHE			
Lake SAS (in voting rights)	France	91.38%	

The percentages below are the ones held by Lake SAS (the mother company of PHE) in those subsidiaries:

Name	Country of incorporation	% of share capital owned at 31 December 2022	% of share capital owned at 31 December 2021
Parts Holding Europe	France	100%	
ACR Group	France	100%	
AD BASSIN PARISIEN NORD	France	99.99%	
Autodistribution Belux	Belgium	100%	
AD Bosch Industrial	Spain	74.95%	
AD Bosch Recanvis	Spain	74.95%	
AD Bosch Serveis	Spain	74.95%	
AUTODISTRIBUTION GOBILLOT RHONE	France	100%	
AD GRAND OUEST	France	100%	
AD NORMANDIE MAINE	France	79.40%	
AD Parts Intergroup	Spain	99.90%	
Aube distribution automobile	France	100%	
Marne distribution automobile	France	100%	
Ariane	France	100%	
PARTS EUROPE	France	100%	
Autodis Holding Italia SRL	Italy	79.94%	
Autodis Italia	Italy	100%	
AUTODISTRIBUTION	France	100%	
AUTODISTRIBUTION POIDS LOURDS	France	100%	
AUTODISTRIBUTION SOGO	France	99.95%	
BDN - Grup EINA	Spain	42.00%	
BREMSTAR	France	100%	
COFIRHAD	France	100%	
COGEMAD	France	100%	
COMPTOIR VI	France	100%	
CORA SAS	France	100%	
DIGITAL AFTERMARKET	France	77.78%	
DIGITAL AUTO PARTS HOLDING	France	100%	
Doyen Auto Belgium	Belgium	100%	
Doyen Auto France	France	100%	
Doyen Auto	Belgium	100%	
Autodistribution Nederland	Netherland	100%	
VERVIERS FREINS	Belgium	100%	
ETS REMBAUD	France	100%	
FOURNITURES INDUSTRIELLES AUTOMOBILES	France	100%	
FGL	Italy	79.94%	
FREINAGE POIDS LOURDS SERVICES "F.P.L.S."	France	100%	
AD POIDS LOURDS GOBILLOT	France	100%	
GADEST	France	100%	
GENERAL AUTO	Italy	79.94%	
GO LOGISTICS	Italy	79.94%	
GLASS AUTO SERVICE	France	100%	
ILE DE France POIDS LOURDS	France	100%	
INSTANT PACKET SERVICE MARAGALL	Spain	74.95%	
LOGISTEO	France	100%	
LOEK Autoparts BV	Belgium	100%	
Lubrial Oil	Spain	74.95%	

Name	Country of incorporation	% of share capital owned at 31 December 2022	% of share capital owned at 31 December 2021
OVAM	Italy	79.94%	
PELTER AUTO OVERPELT	Belgium	100%	
Partenaires produits et services	France	100%	
Autodistribution Italia	Italy	55.94%	
PLATEFORME TECHNIQUE NATIONALE MONTAJAULT	France	100%	
Port Marly Accessoires (PMA)	France	100%	
RICAUTO	Italy	79.94%	
RM DISTRIBUTION	France	100%	
SARCO	Italy	79.94%	
SARL AUTO CONTRÔLE	France	100%	
SARL FRA	France	100%	
SARPI	Italy	79,94%	
SCI LORAT	France	100%	
SLPA	France	49.00%	
TOP CAR	Italy	79.94%	
TRUCK & CAR SERVICES	France	100%	
AD Poids Lourds CENTRE OUEST	France	100%	
Vallespir Auto Diffusion	France	100%	
OSCARO Holding SAS	France	82.50%	
OSCARO.COM	France	82.50%	
OLCANI	France	82.50%	
OSCARIOS RECAMBIOS	Spain	82.50%	
3C.COM	France	82.50%	
GEEVERS AUTO PARTS b.v.	Netherland	100%	
GEEVERS AUTO PARTS BELGIË	Belgium	100%	
DISCOUNT DEPOT AUTOTEILE	Germany	100%	
PRAEFECTUS	Netherland	100%	
Shadeservice Zuid	Netherland	100%	
AD Autoparts	Belgium	100%	
AUTOVAK	Belgium	100%	
2G PADAUTO	Italy	79.94%	
EUMA Parts	Spain	75.00%	
EUMA Pro 2020	Spain	75.00%	
AD MARINA	Spain	75.00%	
REGENAUTO	Spain	75.00%	
REGENAUTO EQUIPOS Y SERVICIOS	Spain	75.00%	
ACUMULADORES NAVARRA	Spain	75.00%	
CIDA AUTO COMPONENTS	Italy	79.94%	
AD LEVANTE PARTS	Spain	75.00%	
AD MARCHE	Italy	79.94%	
AUTO RECAMBIOS VILBER	Spain	75.00%	
PENALVER	Spain	75.00%	
ATTREZZAUTO.COM	Italy	79.94%	
FRANCE DISTRIBUTION - FRADIS	France	100%	
SARAT	Italy	71.94%	

The Group's average stake (used for the income statement) in Belron equalled 50.01% in 2022 (52.88% in 2021). See note 17. The percentage used to consolidate the net result of PHE is 100% (see note 33 for more information).

The main entities accounted for using the equity method are the joint venture Belron Group SA, TVH Global NV and Volkswagen D'Ieteren Finance SA/N.V. See note 17 for adequate disclosures.

Note 28: Contingencies and commitments

€m	2022	2021
Commitments to acquisition of non-current assets	116.5	8.2
Other important commitments:		
Commitments given	-	0.4
Commitments received	4.5	4.4

In 2021 and 2022, the commitments to acquisition of non-current assets mainly concerned property, plant and equipment in the segment "Corporate & unallocated" and in 2022 only, commitments to purchase second hand vehicles in the D'leteren Automotive segment. Other important commitments received mainly relate to guarantees received from a contractor as part of a construction project in the segment "Corporate & unallocated".

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

Note 29: Related party transactions

€m	2022	2021
With entities with joint control or significant influence over the Group:		
Amount of the transactions entered into during the period	0.7	0.8
Outstanding creditor balance at 31 December	-	-
With associates:		
Sales	-	-
Purchases	-	-
Trade receivables outstanding at 31 December	-	-
With joint ventures in which the Group is a venturer:		
Sales(*)	97.0	101.6
Purchases(*)	-10.8	-8.3
Trade receivables outstanding at 31 December(*)	30.8	12.4
With key management personnel:		
Compensation:		
Short-term employee benefits	4.5	4.2
Post-employment benefits	0.2	0.2
Termination benefits	-	-
Total compensation	4.7	4.4
Amount of the other transactions entered into during the period	-	-
Outstanding creditor balance at 31 December	1.5	1.2
With other related parties:		
Amount of the transactions entered into during the period	0.3	0.1
Outstanding creditor balance at 31 December	-	-

(*) In 2022 and 2021, due to lack of information, figures from the D'leteren Automotive segment only include D'leteren Automotive SA and Wonderauto n.v., representing the majority of the transaction and balances of the Group with joint ventures.

Shareholders and other related parties

The Nayarit group (Nayarit Participations S.c.a. and Nicolas D'leteren) and the SPDG group (s.a. de Participations et de Gestion, Reptid Commercial Corporation, Catheline D'leteren 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 62.91% of the voting rights of the Company (see note 22).

In 2022, some of these shareholders and/or entities related to them carried out commercial transactions with the Company. These transactions (total of €1.0m) relate to automobile repair, supply of spare parts and sale of vehicles carried out by the Company and invoiced to these parties.

Joint Ventures

Refer to note 17 for more information related to the joint ventures.

In 2022, sales to joint ventures mainly consist in sales of new vehicles by the D'leteren Automotive segment to VDFin. Purchases mainly relate to used cars purchased by the D'leteren Automotive segment from VDFin (former fleet vehicles). The outstanding trade receivables 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 2022, a total of 90,000 options were issued to key managers (at an exercise price of EUR 118.10 per option). The total fair value of all share options granted to key management personnel charged to the 2022 income statement amounted to €2.1m. 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 2022, loans granted by the Company and one of its subsidiaries to the members of the Executive Committee were outstanding for a total amount of €1.5m. 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 2022 were granted for periods of 10 or 5 years with interest rates of respectively 1.83% and 1.32%.

Note 30: 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	2022	2021
Closing rate		
GBP	1.13	1.19
USD	0.94	0.88
HKD	0.12	0.11
CNY	0.14	0.14
JPY	0.01	0.01
SGD	0.70	0.65
CHF	1.02	
Average rate[1]		
GBP	1.17	1.16
USD	0.95	0.85
HKD	0.12	0.11
CNY	0.14	0.13
JPY	0.01	0.01
SGD	0.69	0.63
CHF	1.00	

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

Note 31: 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	2022	2021
Audit services	**4.7**	**4.0**
KPMG in Belgium	1.2	0.9
Other firms in the KPMG network	3.5	3.1
Non-audit services	**0.5**	**0.4**
KPMG in Belgium	0.1	0.1
Other firms in the KPMG network	0.4	0.3
Services provided by the Statutory Auditor and its network	**5.2**	**4.4**

Note 32: 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.

Right-of-use assets recognised under IFRS 16 are presented below.

€m	Land and buildings	Plant and equipment	Total
Balance at 1 January 2022	**18.6**	**27.3**	**45.9**
Items acquired through business combinations	182.5	14.8	197.3
Depreciation charge for the year	-23.8	-15.2	-39.0
Additions to right-of-use assets	15.9	21.4	37.3
Derecognition of right-of-use assets	-0.1	-5.9	-6.0
Others	0.5	-0.4	0.1
Balance at 31 December 2022	**193.6**	**42.0**	**235.6**

The increase in the net book value of right-of-use assets in the period is mainly attributable to the integration of PHE in the Group's consolidated statement of financial position at 31 December 2022 (see note 26).

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.

The total amount of expenses related to short-term leases and leases of low-value assets is not considered significant to the Group and is not separately disclosed.

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 all the risks and rewards incidental to the ownership of the assets. Rental income recognised by the Group during 2022 equals €5.1m (2021: €4.8m).

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

€m	2022			2021		
	Investment property	Other property, plant and equipment	Total	Investment property	Other property, plant and equipment	Total
Within one year	4.9	-	4.9	3.8	-	3.8
Later than one year and less than five years	18.3	-	18.3	14.6	-	14.6
After five years	5.3	-	5.3	1.9	-	1.9
Total	**28.5**	**-**	**28.5**	**20.3**	**-**	**20.3**

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.

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

Note 33: Put options granted to non-controlling interests

PHE

In October 2022, following the closing of the acquisition of Parts Holding Europe (PHE – see note 26), minority investors including management and several partners and independent distributors invested alongside D'leteren Group in the holding company of PHE, up to a combined ownership of c.9%, in the same proportion between ordinary shares and preference shares. The Group has granted to minority investors put options on the ordinary, preference and "ratchet" shares representing the capital of the holding company of PHE, maturing end of 2026. The exercise price of such put options is reflected as a liability in the line "Put options granted to non-controlling interests" in the consolidated statement of financial position.

The put options on ordinary and preference shares are measured at fair value (based on an EBITDA multiple of PHE at the end of 2026) and a liability is recognized at an amount equal to the discounted present value of the amount of cash that the Group may be required to pay. The estimation of the fair values requires significant judgment and estimates from the management, especially regarding the projected enterprise value, EBITDA multiples and discount rates. At inception, this liability is recognised against shareholders equity and subsequent re-measurements (due to changes in fair value of the underlying and due to the unwinding of the discount) are also recognized against shareholders equity. The Group holds associated call options, which are in scope of IFRS 9 "Financial Instruments", measured at fair value through profit or loss and categorised in level 3 of the fair value hierarchy (see note 18). At 31 December 2022, the fair value of the call options amounts to nil, the underlying exercise prices being equal to the fair value of the underlying ordinary and preference shares.

The "ratchet" shares granted by the Group to PHE's key management personnel as part of the Management Reward Plan (see note 26) are treated as cash-settled share-based payments in scope of IFRS 2. The Group therefore account in profit or loss for the fair value of the free shares granted to management over the vesting period (being one year as from the grant date), with a corresponding increase in liability. Before and beyond vesting, the change in fair value of the liability will be accounted for in profit or loss. At 31 December 2022, the Group accounted for a share-based payment expense of -€2.2m, with a corresponding increase in liability.

At 31 December 2022, the carrying value of the put options granted by the Group to non-controlling interests at the level of the holding company of PHE amounts to €137.4m and is presented in the line "Put options granted to non-controlling interests".

The Group applies the anticipated-acquisition method under which the non-controlling interests are derecognized when the put liability is recognized because the interests subject to the put options are deemed to have been already acquired by the Group. Profits and losses attributable to non-controlling interests are therefore presented as attributable to the Group, both in the consolidated statement of financial position, in the consolidated statement of profit or loss and in the consolidated statement of comprehensive income.

The €100.3m movement presented in the statement of changes in equity in 2022 includes €12.9m of change in fair value of put options granted to non-controlling shareholders holding minority interests in some of PHE's direct and indirect subsidiaries and the subsequent change in fair value of the put options over ordinary shares and preference shares (€84.8m).

The interests of the non-controlling shareholders holding put options being entirely recognised as a liability in the consolidated statement of financial position, there will be no attribution of net result to non-controlling interests subject to the put options and 100% of profits and losses of PHE are attributable to the Group. The net result attributable to the preference shares being held by the non-controlling interests are not significant and are therefore not presented as attributable to non-controlling interests.

In the PHE segment, the line "Put options granted to non-controlling interests" also includes €110.2m of put options granted by PHE to non-controlling shareholders holding minority interests in some its direct and indirect subsidiaries (€5.8m in short-term liabilities and €104.4m in long-term liabilities).

D'leteren Automotive

In the framework of recent acquisitions, put options have been granted to minority interests (with related call options held by the Group). The fair value of the put options amount to €2.9m and have been recognised as a liability in the consolidated statement of financial position, with a corresponding movement in equity, included in the line "Put options - movement of the period" in the consolidated statement of changes in equity.

Note 34: Subsequent events

On 13 February 2023, PHE announced that it has closed the disposal of its specialized glass repair activity Mondial Pare-Brise and that customary merger control approvals have been granted. The disposal of PHE's specialized glass repair activities was imposed by the European Commission following the acquisition of PHE by D'leteren Group. The financial consideration of the transaction corresponds to an equity consideration of €102m. The proceeds from the disposal will strengthen PHE's strategic development through organic and external growth.

In the Belron segment, a possible obligation in relation to one of Belron's pension schemes has been identified. Management does not consider that a cash outflow is probable based on the information available at the time these consolidated financial statements are authorised for issue and hence no provision has been recognised. A review is still in progress and some of the information required to reach a conclusion is not yet available. Management estimates the potential range of the contingent liability to be between nil and €40m (meaning a potential range of nil and €20m, taking into account the 50.01% fully diluted economic rights of the Group in Belron).

Belron announced on 3 April 2023 that it launched a syndication in the institutional loan market for a new term loan on a best effort basis. The new USD loan has been successfully allocated and the transaction closed on 18 April 2023 (total amount of $870m – or €800m equivalent – with a maturity of 6 years). The proceeds, together with c.€300m available liquidity will be upstreamed to the shareholders of Belron. This transaction optimises Belron's capital structure with a Senior Secured net leverage ratio at 3.75x whilst maintaining full flexibility for its strategic options. Moreover, S&P has upgraded Belron's credit rating to Investment Grade (BBB-) while Moody's has affirmed the current Ba2 rating.

No other significant transactions occurred between the closing date and the date these consolidated financial statements were authorised for issue.

Note 35: 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 2022 are listed below.

- Amendments to IFRS 3 "Business Combination" (effective 1 January 2022 – endorsed by the EU);
- Amendments to IAS 16 "Property, Plant and Equipment" (effective 1 January 2022 – endorsed by the EU);
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (effective 1 January 2022 – endorsed by the EU);
- Annual Improvements to IFRS Standards 2018–2020 (effective 1 January 2022 – 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 2022 have not been early adopted by the Group. They are listed below:

- Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 - Disclosure of Accounting policies (effective 1 January 2023 – endorsed by the EU);
- Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" – Definition of Accounting Estimates (effective 1 January 2023 – endorsed by the EU);
- Amendments to IAS 12 "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023 – endorsed by the EU);
- Amendments to IAS 1 "Presentation of Financial Statements" – Classification of Liabilities as Current or Non-current (effective 1 January 2024 – subject to endorsement by the EU);
- Amendments to IAS 1 "Presentation of Financial Statements" – Non-current Liabilities with covenants (effective 1 January 2024 – subject to endorsement by the EU);
- Amendments to IFRS 16 "Leases" – Lease Liability in a Sale and Leaseback (effective 1 January 2024 – subject to endorsement by the EU);
- IFRS 17 "Insurance Contracts" (issued on 18 May 2017), including Amendments to IFRS 17 (issued on 25 June 2020) (effective 1 January 2023 – endorsed by the EU);
- Amendments to IFRS 17 "Insurance contracts" – initial application of IFRS 17 and IFRS 9 – Comparative information (effective 1 January 2023, endorsed by the EU).

The amendments are not expected to have a material 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.

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.

Monetary items that are receivable or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, a part of the Group's net investment in that foreign operation. Exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation is recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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.

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.

Software-as-a-service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group generally does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software generally does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits. Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets. Refer to note 3 for information on changes in significant accounting policies.

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 11 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;
(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.

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.

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.

The Group applies 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.

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.

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.

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.

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. Cumulative tax impact related to the net change in the fair value of hedging instruments are separately included in retained earnings. 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.

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

The Group is committed to acquiring the non-controlling interests owned by third parties, should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interests is reflected as a liability in the consolidated statement of financial position. A corresponding debit is recognized in equity on initial recognition of the written put on non-controlling interests and is presented as a deduction from shareholders' equity (the non-controlling interests being already fully derecognised at inception). The exercise prices of the put options granted to non-controlling interests correspond to the present value of the cash consideration that the Group may be required to pay, should the third parties wish to exercise their put options, or should the Group wish to exercise its associated call options.

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'leteren Automotive 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'leteren Automotive 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 the end of the reporting period.

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).

In the PHE segment, revenue arise primarily from the sale of spare parts to independent dealers and customers. Variable considerations are sometimes attached to contracts with customers, such as fidelity premiums and year-end rebates. These variable considerations are estimated by the Group based on contract specificities and past experience and are included in the transaction prices. The Group also sometimes act as an agent in selling spare parts and equipment to customers. In these cases, the Group recognises in revenue the net amount between the transaction price paid by customers and the amount charged by supplier for the underlying goods. To assess whether the Group acts as a principal or and agent, the Group considers whether it control the underlying good, and assumes the responsibility of execution of the contracts prior to delivering the goods to the final customer.

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.

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.

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.

KPMG

Statutory auditor's report to the general meeting of D'leteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2022

In the context of the statutory audit of the consolidated financial statements of D'leteren Group 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 2022, 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 9 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 2022, prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board and 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 2022, 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 6.297,3 million and the consolidated statement of profit or loss shows a profit for the year of EUR 338,7 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 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

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Zetel - Siège:
Luchthaven Brussel Nationaal 1K
B-1930 Zaventem

KPMG Bedrijfsrevisoren - KPMG Réviseurs d'Entreprises BV/SRL
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BIC : GEBABEBB

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.

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.

Based on the results of the impairment test carried out for the year ended 31 December 2022, no additional impairment charge was recognized during the year on the goodwill and intangible assets with indefinite useful lives of Moleskine.

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:

- 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;
- 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'leteren 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'leteren Group for the year ended 31 December 2022 has been the measurement of D'leteren Group's share of result of Belron.

D'leteren Group's share of result of Belron can be significantly impacted by Belron's estimate of its uncertain tax positions.

This matter ("the Matter") has been considered as a Key Audit Matter for the year ended 31 December 2022 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;

- Our audit procedures

Our procedures included:

- 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 2022 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 (including the analysis performed by tax specialists engaged by the Component auditor) and assessing whether the Component Auditor has designed and implemented appropriate audit responses to address the identified Matter. 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 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;
- assessing the correctness of the determination and recording of D'leteren's Group's share of result of Belron and the disclosures included in the consolidated financial statements.

Purchase Price Allocation of TVH Global SA/NV

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

- Description

On 1st October 2021, the Group completed the acquisition of a 40% ownership interest in TVH Global SA/NV ("TVH Parts") for a total consideration of EUR 1.1 billion.

D'leteren Group has joint control on TVH Parts with a third-party shareholder, some key reserved matters being shared between both shareholders.

In accordance with IAS 28 Investments in Associates and Joint Ventures, on the date of acquisition of TVH Global SA/NV, fair values are attributed to the TVH Global SA/NV's identifiable assets and liabilities ("the Purchase Price Allocation"). Any positive difference between the consideration paid for the investment and the Group's share of the fair value of the identifiable net assets acquired is goodwill, which is included in the carrying amount of the investment. Fair value of the identifiable assets and liabilities are measured in accordance with IFRS 13 Fair Value Measurement.

The Purchase Price Allocation was finalized within one year from the acquisition date.

We considered the measurement of the fair value of the intangible assets identified as part of the Purchase Price Allocation as a key audit matter due to their significance. In addition, this purchase price allocation requires the exercise of judgment to determine the various assumptions used to estimate the fair value of these assets.

- Our audit procedures

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

- inspecting the Sale and Purchase Agreement and other relevant documents such as due diligence reports ;
- evaluating the appropriateness of the accounting treatment of the transaction and the related contracts based on the relevant accounting standards, in particular, the requirements of the prevailing accounting standards (IFRS 13 Fair Value Measurement and IAS 28 Investments in Associates and Joint Ventures) ;
- assessing the competence, objectivity and capabilities of the experts engaged by management to determine the fair value of the intangible assets acquired ;
- challenging the identification of the intangible assets acquired as part of the transaction as well as the appropriateness of key assumptions used in the determination of the fair value of the intangible assets acquired and the methodology adopted by management and, by the expert engaged by management ;
- testing the mathematical accuracy of the calculations; and
- assessing the appropriateness of the disclosures 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 IFRS Standards as issued by the International Accounting Standards Board and 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 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;
- 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
- the "2022 Full-Year Results" and the "Summarized Statutory Financial Statements" included in the section "Financial and Directors' report 2022"

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 2022" of the annual report. The Company has prepared this non-financial information based on the GRI ("Global Reporting Initiative") framework. 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 framework.

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.

European Single Electronic Format (ESEF)

In accordance with the draft standard on the audit of compliance of the Financial Statements with the European Single Electronic Format (hereafter "ESEF"), we have audited as well whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter "Delegated Regulation").

The Board of Directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereafter "digital consolidated financial statements") included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation.

Statutory auditor's report to the general meeting of D'leteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2022

In our opinion, based on our work performed, the format of and the tagging of information in the English version of the digital consolidated financial statements as per 31 December 2022, included in the annual financial report of D'leteren Group SA, are, in all material respects, prepared in compliance with the ESEF requirements under the Delegated Regulation.

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, 21 avril 2023

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Axel Jorion
Bedrijfsrevisor / Réviseur d'Entreprises

D'Ieteren Group SA/NV

Summarised Statutory Financial Statements 2022

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The statutory financial statements of D'Ieteren Group SA/NV are summarised below in accordance with article 3:17 of the Company Code. The unabridged version of the statutory financial statements of D'Ieteren Group SA/NV, 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:
D'Ieteren Group SA/NV
Rue du Mail 50
B-1050 Brussels

Summarised Balance Sheet

At 31 December

€m	2022	2021
ASSETS		
Fixed assets	**3,811.6**	**3,541.0**
II. Intangible assets	-	-
III. Tangible assets	8.6	8.7
IV. Financial assets	3,803.0	3,532.3
Current assets	**320.5**	**440.1**
V. Non-current receivables	2.8	2.0
VI. Stocks	-	-
VII. Amounts receivable within one year	1.7	155.5
VIII. Current financial investments	182.9	241.6
IX. Cash at bank and in hand	132.7	40.5
X. Deferred charges and accrued income	0.4	0.5
TOTAL ASSETS	**4,132.1**	**3,981.1**

€m	2022	2021
LIABILITIES		-
Capital and reserves	**3,956.2**	**3,845.2**
I.A. Issued capital	160.0	160.0
II. Share premium account	24.4	24.4
IV. Reserves	3,757.3	3,646.3
V. Accumulated profits	14.5	14.5
Provisions and deferred taxes	**5.7**	5.3
Creditors	**170.2**	**130.6**
VIII. Amounts payable after one year	-	-
IX. Amounts payable within one year	170.2	130.6
X. Accrued charges and deferred income	-	-
TOTAL LIABILITIES	**4,132.1**	**3,981.1**

Summarised Income Statement

Year ended 31 December

€m		2022	2021
I.	Operating income	13.3	7.8
II.	Operating charges	21.5	26.4
III.	Operating profit	-8.2	-18.6
IV.	Financial income	286.1	170.4
V.	Financial charges	5.5	3.8
IX.	Result for the period before taxes	272.4	148.0
IXbis.	Deferred taxes	-	-
X.	Income taxes	-	-
XI.	Result for the period	272.4	148.0
XII.	Variation of untaxed reserves(1)	-	-
XIII.	Result for the period available for appropriation	272.4	148.0

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

Summarised Appropriation

Year ended 31 December

€m	2022	2021
APPROPRIATION ACCOUNT		
Profit (loss) to be appropriated	286.9	162.5
Gain (loss) of the period available for appropriation	272.4	148.0
Profit (loss) brought forward	14.5	14.5
Withdrawals from capital and reserves	1.9	1.9
from capital and share premium account		
from reserves	1.9	1.9
Transfer to capital and reserves	113.1	36.5
to capital and share premium account	-	-
to legal reserve	-	-
to other reserves	113.1	36.5
Profit (loss) to be carried forward	14.5	14.5
Profit to be distributed	161.2	113.4
Dividends	161.2	113.4

This proposed appropriation is subject to approval by the Annual General Meeting of 25 May 2023.

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. 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
Furniture	10%	L
Office equipment	20%	L
Rolling stock	25%	L
Heating system	10%	L/D
EDP hardware	33%	L

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

Tangible fixed assets are revalued when their value, determined based on their utility for the company, exceeds their accounting value in a definite and long-term way. Depreciation of any revaluation surplus is calculated 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 when their value, determined based on their utility for the company, exceeds their accounting value in a definite and long-term way. They 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.

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 recorded, where applicable, to cover losses or charges that are clearly limited in nature, but which, at the closing date of the financial year, are probable or certain, but undermined in terms of their amount.

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

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 2022, 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 117 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 2022, the Board of Directors was comprised of:

- six non-executive Directors, appointed upon proposal of the family shareholders; and
- four independent Directors, 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. Three 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 organisational 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. Absent material unforeseen events, the Board of Directors will ensure a stable and, results permitting, steadily growing dividend.

Composition of the Board of Directors on 31 December 2022		Joined Board in	end of mandate
Nicolas D'leteren (47)[1]	**Chairman of the D'leteren Board of Directors, Chairman of Belron Group SA** Nicolas D'leteren holds a BSc Finance & Management from the University of London. He is also a graduate from the Asia Int'l Executive Program and Human Resources Management in Asia Program (INSEAD). He led projects at Bentley Germany and Porsche Austria. He worked as a Finance Director of a division of Total UK from 2003 to 2005. Since 2005, he is the Managing Director of a private equity fund investing in young companies.	2005	May 2024
Olivier Périer (51)[1]	**Deputy Chairman of the Board and Chairman of the Strategic Committee** Olivier Périer holds a Master's Degree in architecture and urban planning from the ULB, as well as a Degree from the SOLVAY Business School, Brussels, the Executive Programme for the Automotive Industry. He also graduated from INSEAD with a Certificate in Global Management, including the International Executive, Business Strategy Asia Pacific and International Directors Programmes. Founding partner of the architectural firm Urban Platform until 2010, he has since then taken the role of Chief Executive Officer of SPDG, a private holding company. Furthermore, he serves as Chairman and as member of Advisory or Supervisory Boards of several venture capital companies and foundations.	2005	May 2023

Composition of the Board of Directors on 31 December 2022		Joined Board in	end of mandate
CB Management SARL unipersonnelle	**Independent Director– Permanent representative: Cécile Bonnefond (66)** Cécile Bonnefond has an MBA from the European Business School in Paris. She attended the Senior Executive Program at IMD Lausanne and the International Directors Programme at INSEAD. Previous positions include: Danone (1979-1984), Kellogg's (1984-1994), Diageo-Foods/Sara Lee (1995-2000), LVMH as CEO of Veuve Clicquot champagne (2001-2008), Bon Marché (2009-2010), and EPI Group as President and Co-investor at Piper & Charles Heidsieck champagnes/ General Manager EPI Group - JMWeston, Bonpoint, etc. - (2011-2015). Since 2015, she sits on boards of International listed and family-run corporations and is a Senior Advisor for Bpifrance (Banque Publique d'Investissement) for small and medium independent companies.	2018	May 2026
Sophie Gasperment (58)	**Independent Director** Sophie Gasperment is a graduate of ESSEC and INSEAD. She joined L'Oréal in 1986 and became General Manager at L'Oréal UK in 2000. She was then appointed Executive Chairman and global CEO of The Body Shop, a responsibility she held until 2013. In parallel, from 2005 to 2013, Sophie Gasperment served as International Trade Advisor for France. In 2014, she became L'Oréal's General Manager of Financial Communication and Strategic Prospective, with a specific focus on the group's digital acceleration. Since 2019, Sophie Gasperment has been a Senior Advisor at Boston Consulting Group, independent Director (other mandates: Accor until May 2022, Cimpress, Kingfisher plc and Givaudan S.A.) and Angel investor in innovative ventures.	2018	May 2023
GEMA SRL[1]	**Non-executive Director – Permanent representative: Michel Allé (72)** Michel Allé has master degrees in civil engineering and in economy from the ULB (Brussels). He joined Cobepa in 1987, where he was a member of the Executive Committee from 1995 to 2000. He worked as CFO for the Brussels Airport from 2001 to 2005. He then joined the Belgian railway group SNCB where he was CFO of the Holding from 2005 to 2013, and then CFO of SNCB from 2013 to 2015. He is Director of Elia Group and Chairman of the Board of EPICS Therapeutics and Neuvasq. In addition, he is Honorary Professor at the ULB.	2014	June 2025
Nayarit Participations SA[1]	**Non-Executive Director – Permanent representative: Frédéric de Vuyst (49)** Frédéric de Vuyst holds a Bachelor of Laws (Université de Namur), a BA & BSc Business and Finance (London Metropolitan University) and an Executive MBA (EDHEC Paris). Since 2012, he is Managing Director of Nayarit Participations, a private investment firm. Previously, he held various management and international positions at BNP Paribas in Brussels and Paris. Ultimately, he was Head of Business Development Investment Banking and member of the Management Board Corporate Banking at BNP Paribas Fortis. He holds various directorships including TVH, PHE, and the Advisory Board BNP Paribas Fortis.	2001	May 2027
Pierre-Olivier Beckers SRL	**Independent Director – Permanent representative: Pierre-Olivier Beckers (62)** Pierre-Olivier Beckers holds a Master in Management Sciences from LSM (Louvain-la-Neuve) and an MBA from Harvard Business School. He joined the Delhaize Group in 1983, where he was Chairman of the Executive Committee and Chief executive officer from 1999 to 2013. He was President of the Belgian Olympic and Interfederal Committee from 2004 to 2021, is a member of the International Olympic Committee (IOC), Chairman of its Audit Committee and also Chairman of the Coordination Committee for the 2024 Paris Olympics. He is Chairman of the Fondation Louvain. He holds various directorships and is advisor to and investor in start-up and scale-up companies.	2014	May 2026
Société Anonyme de Participation et de Gestion SA (SPDG)[1]	**Non-executive Director – Permanent representative: Denis Pettiaux (54)** Denis Pettiaux has a Degree of civil engineering in physics, and an Executive Master in Management from the ULB (Brussels). He is a Director and member of the Executive Committee of SPDG, where he is in charge of finance. He is also a non-executive member of various Boards of Directors, advisory boards and investment committees. He joined Coopers & Lybrand in 1997. He was Director at PricewaterhouseCoopers Advisory in Belgium until 2008, and then Director at PricewaterhouseCoopers Corporate Finance in Paris until 2011.	2001	May 2027
Michèle Sioen (57)[1]	**Non-Executive Director** Michèle Sioen holds a Degree in economics. She is currently the CEO of Sioen Industries, a multinational specialised in technical textiles. She holds various directorships in listed Belgian companies, notably Sofina and Immobel. She is Honorary Chairwoman of the FEB (Federations of Belgian companies). She is the Chairwoman of Kanal (museum of contemporary art) and Director of Vlerick Management school, concours Reine Elisabeth and Fedustria.	2011	May 2023
HECHO SRL	**Independent Director – Permanent representative: Hugo De Stoop (49)** Hugo De Stoop holds a Master in Engineering (ULB), an MBA (INSEAD) and a Degree in Corporate Venture and Innovation (INSEAD). He was appointed CEO of Euronav in 2019 after holding various positions since 2004, including CFO (2008). He started his career with Mustad International Group, a diversified industrial private group of companies where he worked in the U.S., EU and LatAm. He founded First Tuesday in US and LatAm, the world's largest meeting place for high tech entrepreneurs, investors and corporations. He then joined Davos Financial Corp, a multi-opportunity fund manager of UBS where he was an Investment Manager. His other current positions are: Chairman of the Sustainability Committee of Euronav and member of the Board of Directors of EBE shipping.	2022	June 2025

(1) Director appointed upon proposal of family shareholders.

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 2022, the Board met 8 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, Mr Pierre-Olivier Beckers and Ms Sophie Gasperment who were excused for one meeting. Mr Olivier Périer was represented at one meeting by SPDG.

1.1.3. TENURE OF DIRECTORS

Six mandates expired in 2022 and were all renewed: CB Management SARL unipersonnelle represented by Cécile Bonnefond; Ms Sophie Gasperment; GEMA SRL represented by Mr Michel Allé; Nayarit Participations SA represented by Mr Frédéric de Vuyst; Pierre Olivier Beckers SRL represented by Mr Pierre-Olivier Beckers; and SPDG represented by Mr Denis Pettiaux. One new Director was appointed in 2022: HECHO SRL represented by Mr Hugo De Stoop.

1.1.4. COMMITTEES OF THE BOARD OF DIRECTORS

Composition (at 31/12/2022)	Audit Committee[1]	Nominations and Remuneration Committee [1]	Strategic Committee
Chairman	Frédéric de Vuyst[2]	Nicolas D'leteren	Olivier Périer
Members	Denis Pettiaux[3]	Pierre-Olivier Beckers[5]	Nicolas D'leteren
	Cécile Bonnefond[4]	Sophie Gasperment[6]	Frédéric de Vuyst[2]
	Hugo De Stoop[7]	Olivier Périer	Denis Pettiaux[3]
		New independent Director to be recruited	

(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) Permanent representative of Nayarit Participations SA
(3) Permanent representative of SPDG SA
(4) Permanent representative of CB Management SARL unipersonelle. Independent Director
(5) Permanent representative of Pierre-Olivier Beckers SRL. Independent Director
(6) Independent Director
(7) Permanent representative of HECHO SRL. Independent Director

The Audit Committee met four times in 2022. All meetings but one 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 2022. All of its members attended all of the meetings.

The Strategic Committee met 14 times in 2022.

Each Committee reported on its activities to the Board of Directors.

1.1.5. FUNCTIONING OF THE COMMITTEES

AUDIT COMMITTEE

On 31 December 2022, the Audit Committee was comprised of four non-executive Directors, two of which were independent Directors. 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 and of the portfolio companies. 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 two specific meetings are 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 2022, the Nominations and Remuneration Committee was comprised of four Directors, including the Chairman of the Board of Directors, who presides over the meetings, the Deputy Chairman of the Board of Directors and two independent Directors. The Company is in the process of recruiting an additional independent Director.

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 of the Company and the Group's key subsidiaries, 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 meets at least once a month and brings together the Chairman and Deputy Chairman of the Board of Directors, as well as two Directors representing the family shareholders. The members of the Executive Committee are permanent guests. At the level of the Group and its subsidiaries, and subject to the Board of Director's competence to determine the Company's strategy, 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 and decision at the 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 ON CONFLICT OF INTEREST

Without prejudice to the provisions on conflicts of interests contained in article 7:96 and 7:97 of the Company Code, the Corporate Governance Charter (Annex 5) describes the Company's policy on transactions or other potential contractual relations between the Company, including affiliated companies, and Directors, in cases where these transactions or other contractual relations are not covered by legal provisions on conflicts of interest.

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 exercise during the first quarter of 2022. 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 2022, 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 2022		Start of mandate
Francis Deprez (57)	**Chairman of the Executive Committee and CEO** Degree in Applied Economic Sciences (UFSIA Antwerp) 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, TVH, and D'leteren Immo. Chairman of the Boards of D'leteren Automotive, Moleskine and PHE.	2019 (as CEO) 2016 (as a member of the Executive Committee)
Arnaud Laviolette (61)	**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, D'leteren Automotive, TVH, Moleskine, D'leteren Immo and PHE. External Director at Rossel and Imula.	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 six businesses

The D'leteren Group owns six businesses which each have their own executive management structure: D'leteren Automotive, Belron, TVH, PHE, Moleskine and D'leteren Immo.

D'leteren Automotive has a Board of Directors comprised of six Directors: five appointed by the Company and the CEO of D'leteren Automotive.

Belron, of which the Company owned 55.00% of the voting rights on December 31, 2022, has a Board of Directors comprised of eight directors: four who are appointed by the Company, two appointed by CD&R (minority shareholder in Belron), one appointed by H&F (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.

TVH, of which the Company owned 40% of the voting rights on December 31, 2022, has a Board of Directors comprised of nine Directors: four who are appointed by Wehold (majority shareholder in TVH), three appointed by the Company, one independent Chairman and one independent Director.

PHE, in which the Company owned 91.4% of the voting rights on December 31, 2022, has a Board of Directors comprised of eight members: six appointed by the Company, as well as the PHE CEO and CFO.

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'leteren 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'leteren 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 2022 on behalf of D'Ieteren Group SA/NV and affiliated companies amounted to €5.2m, excluding VAT. Details of the fees are included in the annexe of the 2022 Consolidated Financial Statements (page 86).

1.5. Deviation from the 2020 belgian Code of 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 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 independent Directors, which ensures a genuine dialogue at the level of the Board of Directors.

▶ **Deviation from provision 7.6.**
The Directors only receive a 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. This target was achieved on May 31, 2018 with the nomination of two new female directors. As at December 31, 2022, the Board of Directors had ten members, three 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, 2022.

3. Remuneration Report

The remuneration of the Directors and the members of the Executive Committee for 2022, is detailed in this report. Such remuneration is in accordance with the remuneration policy which was approved by the 2021 annual shareholders' meeting by a majority of 83.81% of the votes cast without any specific comments made by shareholders.

3.1. Remuneration of non-executive Directors

A total of €1,470,000 was paid to the Directors in 2022, 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.

2022 (in €)	Base remuneration	Specialised Committees	Subsidiaries	Total remuneration
D'leteren N.	260,000	All in	All in	260,000
Périer O.	210,000	All in	All in	210,000
P.-O. Beckers SRL	80,000	40,000	-	120,000
CB Management SARL (Bonnefond C.)	80,000	40,000	40,000	160,000
HECHO SRL (De Stoop H.)(1)	46,667	23,333	-	70.000
Gasperment S.	80,000	40,000	-	120,000
Gema SRL (Allé M.)	80,000	-	-	80,000
Nayarit Participations SA (de Vuyst F.)	80,000	70,000	50,000 (2)	200,000
Sioen M.	80,000	-	-	80,000
SPDG (Pettiaux D)	80,000	40,000	50,000	170,000
Total	**1,076,667**	**253,333**	**140,000**	**1,470,000**

(1) Appointed on the 2nd of June 2022

(2) Remuneration perceived by Minerva Société de Gestion et de Conseil SRL represented by Frédéric de Vuyst

3.2. Remuneration of the members of the Executive Committee

The remuneration granted to the members of the Executive Committee in 2022 was reviewed by the Board of Directors on 8 March 2022. 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 2023 the relevant amounts in light of the achieved targets, as also detailed below.

3.2.1. ANNUAL FIXED BASE REMUNERATION

In 2022, the Chief Executive Officer earned an annual fixed base remuneration of €700,000 and the Chief Financial Officer earned an annual fixed base remuneration of €600,000.

3.2.2. VARIABLE REMUNERATION

ANNUAL BONUS

For 2022, the Chief Executive Officer earned an annual bonus of €656,250, corresponding to approximately 94% of his 2022 fixed base remuneration. The Chief Financial Officer earned an annual bonus of €512,000, corresponding to approximately 85% of his 2022 fixed base remuneration. These amounts were paid in March 2023.

The 2022 annual bonuses were based on the levels of achievement in 2022 of two financial criteria being profit before tax and free cash flow compared to budget, as well as three non-financial criteria namely people (talent succession, governance at activities and corporate team), corporate development (deal flow quality and investor relations) and customers (customer satisfaction) as qualitatively assessed by the Board of Directors. Half of the annual bonus depends on the financial targets, while the other half depends on the non-financial targets. For the different members of the Executive Committee, depending on their respective roles, different weights can be given to the different criteria.

For 2021, the Chief Executive Officer earned an annual bonus of €780,000 and the Chief Financial Officer earned an annual bonus of €562,400. These amounts were paid in March 2022. Please refer to the remuneration report published in 2022 for more information.

CASH LTI

Members of the Executive Committee are eligible to receive a cash amount corresponding to a percentage set within a range of approximately 25% to 50% of their annual fixed base remuneration if the following targets are achieved over a period of three years:

- a minimum financial gain for the shareholders that resulted from the appreciation of the share price plus any dividends paid by the Company to the shareholders ("Total Shareholder Return" or "TSR"), as set by the Board of Directors;
- the annualised TSR being higher than the MSCI Gross World Index CAGR; and
- a limited number of environmental, social and corporate governance (ESG) targets that are particularly relevant to the Group (as qualitatively assessed by the Board of Directors).

Regarding the 2020-2022 Cash LTI, on the basis of recommendations from the Nominations and Remuneration Committee, on 8 March 2023 the Board of Directors approved the following amounts to be paid: €350,000 to the Chief Executive Officer and €150,000 to the Chief Financial Officer. These amounts were based on an assessment of the three targets over the period 2020-2022 which had all been met.

In 2022, a new three-year (2022-2024) Cash LTI was granted to the Chief Executive Officer and Chief Financial Officer. The target 2022-2024 Cash LTI amounts to €350,000 for the Chief Executive Officer and €150,000 for the Chief Financial Officer. The corresponding amounts will be paid, if the targets are met, at the end of the year 2024.

STOCK OPTION LTI

In 2022, 50,000 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 €118,10. 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 2022, the Company covered the contributions to disability insurance, life insurance and pension schemes with respect to the Chief Executive Officer for an amount of €115,000 and with respect to the Chief Financial Officer for an amount of €126,000.

3.2.3. STOCK OPTIONS GRANTED, EXERCISED AND EXPIRED IN 2022

	Transactions in 2022		
Name position	Options granted	Options exercised	Options expired
Chief Executive Officer	50,000	83,463	0
Chief Financial Officer	40,000	143,225	0

3.2.4. GENERAL OVERVIEW OF THE REMUNERATION

2022 (in €)	CEO	Other members of Executive Committee	Total
Annual Fixed base remuneration	700,000	600,000	1,300,000
Annual bonus	656,250	512,000	1,168,250
Cash LTI (pay-out 2020-2022)	350,000	150,000	500,000
Contribution to disability, pension and life insurance	115,000	126,000	241,000

3.2.5. 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 %	**2018 vs 2017**	**2019 vs 2018**	**2020 vs 2019**	**2021 vs 2020**	**2022 vs 2021**
Remuneration of the (non-executive) Directors (total)					
	+13.4%	+5.5%	-26.5%	+0.7%	+11.7%
Remuneration of the Executive Committee (total)[1]					
Type of remuneration					
All remuneration excluding stock options[2]	-50.6%	+14%	+3.7%	+19.1%	+12.7%
Stock options[3]	+14.3%	0.0%	+18.8%	-5.3%	0.0%
Company's performance					
Adjusted consolidated result before tax[4]	+15.8%[5]	+39.8%[5]	+11.2%[6]	+52.0% [6],[7],[8]	+50.9% [6],[7],[10]
Average remuneration on a full-time equivalent basis of employees[9]					
Employees of the Company	+31.3%	+21.0%	-5.8%	+13.6%	+13.1%

Explanatory notes

(1) This includes the current members of the Executive Committee only.
(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) On a post IFRS16 basis.
(7) 2021 includes TVH as from 1 October 2021.
(8) 2020 has been restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and April 2021.
(9) The average employee remuneration is calculated on the basis of the Company's employees as of 1 January 2023.
(10) 2021 figures have been restated at TVH to improve the consistency of accounting policies across all affiliates, to reflect the purchase price allocation of TVH finalized by the Group in the second half of 2022 and at Belron to reflect a reclassification of -€21.0m of fees from system integrators in relation to the business transformation programme from adjusted result to adjusting items in the Belron segment.

The 2022 ratio between the highest pay and the lowest pay at the Company is 68.39.

4. Internal Control and risk management systems

D'leteren Group and its portfolio companies operate in a constantly changing environment which exposes them to multiple risks, that can be classified in five main categories: legal / compliance, strategic, operational, IT / Cyber-security and financial.

In order to protect their reputation while ensuring sustainable success and the achievement of corporate targets, D'leteren Group and its businesses have in place comprehensive risk management and internal control systems. These systems have three main goals:

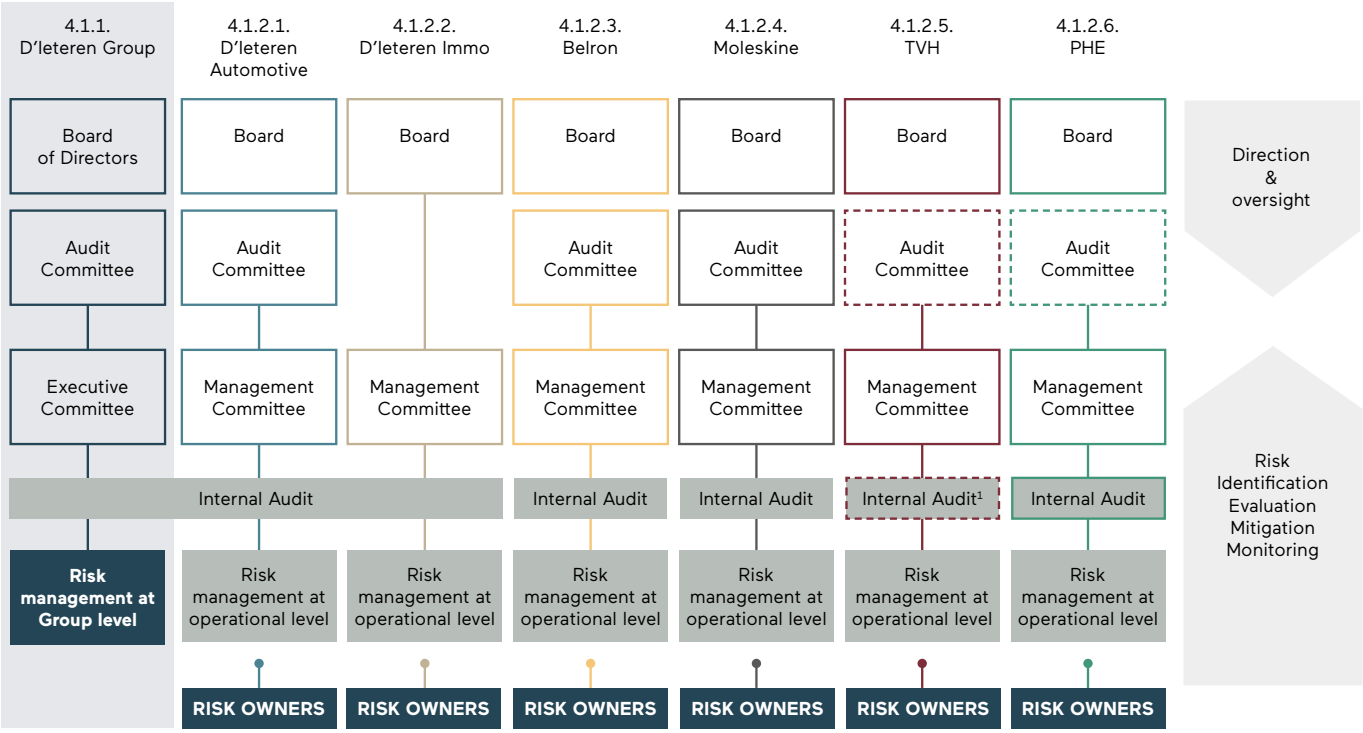
- Identify risks at an early stage;
- Assess the probability and potential impact of the risks;
- Put adequate mitigating measures in place.

D'leteren Group manages the risks following the principle of three lines of defense:

- At the operational level of each business;
- At risk management, compliance & legal levels (Group and businesses);
- As part of the businesses' Internal Audit.

4.1. Risk management governance structure and responsibilities

The organisational structure at the level of D'leteren Group and the businesses 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 Committee.



(1) TVH is in the process of setting up its Internal Audit

4.1.1. D'IETEREN GROUP

4.1.1.1. BOARD OF DIRECTORS

The Board performs its control duties by:

(i) ensuring that D'leteren Group's businesses correctly perform their own control duties and that Committees entrusted with special survey and control tasks (such as the Audit Committee and Nomination 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.

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 and non-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 business before itself reporting to the Board.

4.1.1.3. EXECUTIVE COMMITTEE

The members of the Group Executive Committee act collegially and are also responsible for risk management, amongst other.

4.1.1.4. EXTERNAL AUDIT

By being responsible for conducting independent assessments of the Group's financial statements and disclosures, as well as for confirming that these give a true and fair view of the Group's financial position, external auditors can help identify potential risks and are therefore key in the risk control process.

4.1.2. AT THE LEVEL OF THE BUSINESSES

4.1.2.1. D'IETEREN AUTOMOTIVE

Risks are monitored at the level of the Audit Committee, which met five times in 2022. The Committee is chaired by D'leteren Group's CFO and includes D'leteren Automotive's CFO, ad-hoc members and participants both from D'leteren Automotive and from D'leteren Group, as well as D'leteren Automotive's Head of Internal Audit. The external auditor is also invited. The risk mapping is prepared by the Head of Internal Audit and is approved by the Committee.
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 are grouped under a single legal entity (D'leteren Immo S.A.). It has its own Board of Directors and Management Committee. The Board of Directors reviews the risk policy once a year and oversees the risk management throughout the year.

4.1.2.3. BELRON

Belron has continued to enhance and embed its approach to risk management, including the introduction of a new emerging risk identification process. The Enterprise Risk Management Steering Committee, which is responsible for monitoring risk management activities, and challenging / debating the risk profiles for Business Units and Functions, met monthly throughout the year. Insight from both the emerging risk process and Enterprise Risk Management Steering Committee is reported into the Executive team, who have reviewed and debated the key risks to the businesses, and to the Audit Committee, which met four times in 2022. The Committee is chaired by D'leteren Group's CFO and includes a representative from CD&R. Other (invited) participants include Belron's CFO, and Director of Risk and Internal Audit.

4.1.2.4. MOLESKINE

Risks are monitored by the Audit Committee, which met four times in 2022. The Audit Committee is chaired by D'leteren Group's CFO and it includes Moleskine's CFO, other ad-hoc members (both from Moleskine and from D'leteren Group) and Moleskine's Head of Internal Audit as permanent observer. The Committee approves the Risk Map prepared by the Head of Internal Audit 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 "Organisational, 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 year in a report sent to Moleskine's Board of Directors. The Supervisory Body is composed of an external member.

4.1.2.5. TVH

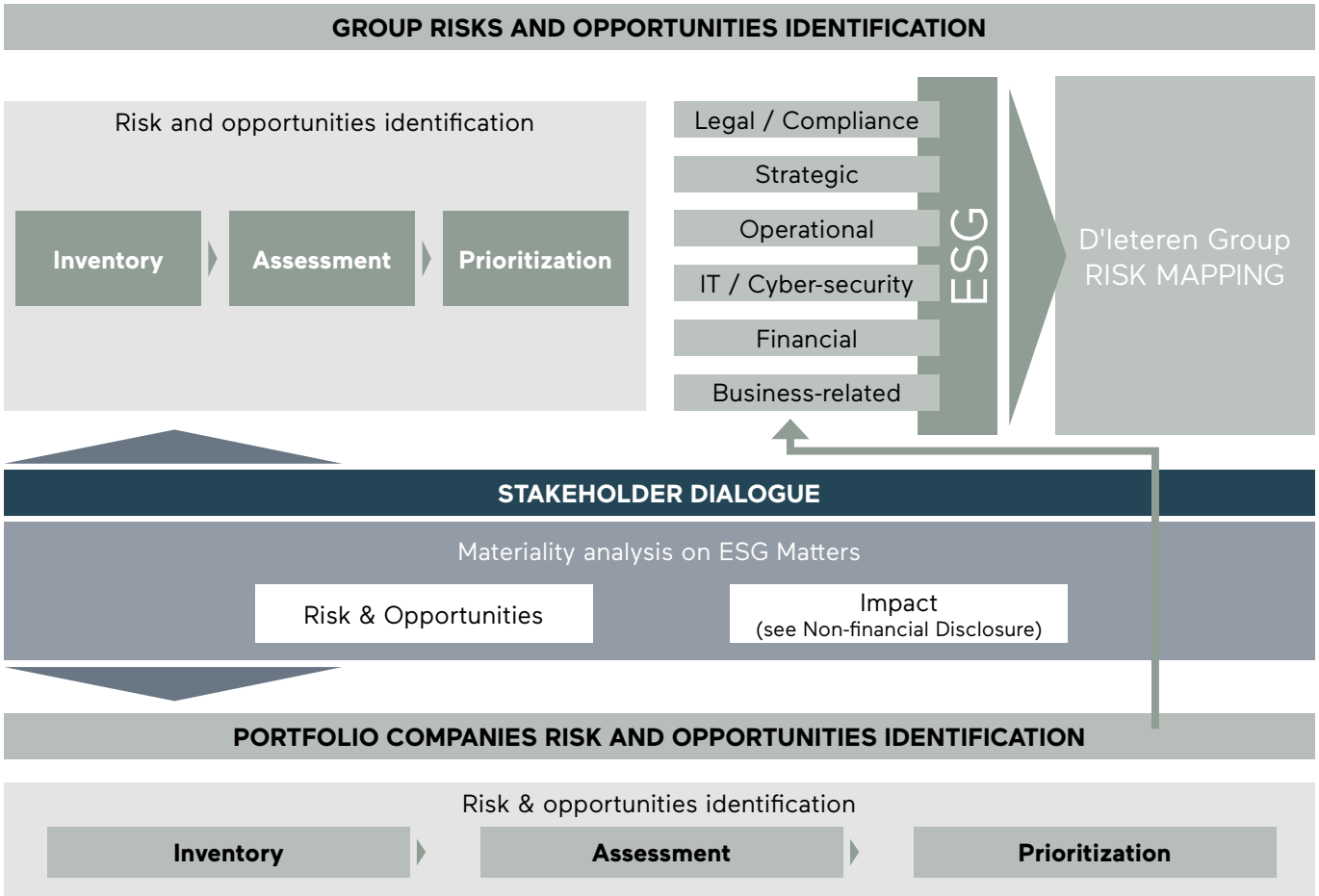
Since the entry of D'leteren Group in the capital of TVH, the board of TVH has hired a Risk Expert and is currently structuring the risk management process. An Audit Committee chaired by the CFO of D'leteren Group has been set up and meets quarterly.

4.1.2.6. PHE

Risk management and internal control are overseen by the Audit Committee that meets at least four times a year (twice in 2022 since the acquisition by D'leteren Group). This committee is chaired by a director appointed by D'leteren Group and includes PHE's CFO, ad-hoc members and participants from PHE and from D'leteren Group, as week as the PHE's Director of Internal Audit. This Committee ensures the appropriateness, reliability and implementation of the Group's internal control procedures, as well as the procedures designed to identify and manage risks related to its business and its accounting and financial information.

4.2. Risk management process (Group)

4.2.1. RISKS (AND OPPORTUNITIES) IDENTIFICATION / MAPPING



The cornerstone of D'leteren Group's risk management is to ensure that the major risks faced by the Group and its portfolio companies have been identified and assessed, and that there are controls either in place or planned to manage them. D'leteren Group lets each of its portfolio company full management autonomy on their risk management processes under the supervision of the respective Audit Committees and Boards. However, in the context of its own risk management, the Group keeps a close eye on the risks and opportunities specific to each business. This supervision is guaranteed by the presence of a representative of the D'leteren Group in each Audit Committee. The processes of risk mapping inside each business, even if different in their methodology, are articulated in three same steps:

(1) Excluding TVH and PHE

Risk inventory

Risks are inherent to any business. Each portfolio company identifies its key risks and opportunities by assessing events that could affect the future operations and financial returns of the business and by dressing a comprehensive risk inventory. This inventory is dressed on the basis of several dialogues with different internal and external stakeholders. Consequently, environmental, social, and governance (ESG) risks that could have a significant impact on the business are included. This is ensured by close collaboration between the Sustainability and Risk managers.

At the Group level, the same exercise is undertaken. The risks are categorized as Legal/Compliance, Strategic, Operational, Financial and most critical risks identified by portfolio companies. ESG aspects are taken into consideration transversally across these five categories.

ESG risks and opportunities identification

In parallel and feeding this exercise, specific materiality analysis for ESG risks has been conducted with each of our businesses (ongoing at TVH and PHE). This analysis identified and underlined the most relevant risks thanks to dialogues with internal and external stakeholders. In 2022, Risk and Sustainability Managers were trained in preparation for an upcoming double materiality exercise at the Group level.

Emerging risks

D'leteren Group and its businesses are also not immune to other potential other risks, which are also monitored closely as and when they materialize.
It includes geopolitical tensions such as the Russian invasion of Ukraine in February 2022. This risk has been reported at the Group level to provide transparency in relation to the actual and foreseeable direct and indirect exposure of the Group's portfolio companies to this crisis and more generally to all geopolitical developments.

Watchlist

Some of D'leteren Group's and its businesses' risks are reported under a 'watchlist'. These are risks that have a high degree of uncertainty and are monitored in order to determine the potential scale or impact they could have on their business.

This is the case for climate-related financial risks, including potential impacts of the transition to a lower-carbon economy and to the physical consequences of climate change. A specific analysis on this topic is or will be executed at the businesses and is further explained in the description of D'leteren Group's TCFD related process (p.153). Due to the introduction of the analyses for this risk type, our businesses improved their understanding of the risks and opportunities related to climate change.

Risk assessment

In this second step, each risk is described and correctly understood in order to assess its criticality. This assessment process involves the risks owners to leverage subject-matter expertise whether financial, operational, legal, strategic, IT/Cyber or ESG-related. Criticality measure is twofold: the potential impact on the organisation and the probability of occurrence. In order to do that each of our businesses has its own methodology and scale to fit with the reality of their business. The Group also uses its own methodology.

Risk prioritization

For each risk or event, Management identifies its priorities taking into account the criticality and the maturity of its management approach, i.e. the ability to adapt and react to the risk, the urgency of the response, the time horizon for the potential materialization of the risk, the type of action necessary, the level of investment in the risk response as well as the acceptance level vis-à-vis residual risks.

4.2.2. MITIGATING PLANS AND REVIEW

On the basis of their risk mapping a mitigating plan is set up by each business. Mitigating actions include for instance the introduction of strict procedures and policies, Business Continuity and Disaster Recovery Plans, Cybersecurity materiality and maturity assessments, regular reporting and review of all significant treasury transactions and financing activities, procedures for the authorization of capital expenditure, country visits and discussions with local management. Employees are also informed and trained on these subjects to ensure sufficient risks control. Some risks are also mitigated by environmental and social actions initiated by the businesses as each business is working on its sustainability strategy and monitors its performance on some ESG materials topics.

The execution of the plans is supervised by the Internal Audit teams.

Each year, portfolio companies and D'leteren Group conduct a risks review, or, in the case of D'leteren Automotive, a periodic risk review depending on the nature of the risks, and update their risk register and the measures proposed to mitigate them.

Concerning climate-related risks, more information can be found in the TCFD-disclosure section (p.153).

4.2.3. REPORTING

The Internal Audit Managers of Belron, Moleskine, D'leteren Automotive and PHE report regularly to their Executive Committees and respective Audit Committees. The outcome of the work carried out to assess the effectiveness and efficiency of risk management practices across the companies is escalated through the Management to the Audit Committee, which meet regularly during the year.

Reporting includes an assessment of the mitigating actions and recommendations. The Chairman of the Audit Committees presents the risk management report to his Board. Control issues that arise from internal and external audits together with any additional matters are brought to the attention of the Audit Committees.

The Heads of Internal Audit report on a quarterly basis to the Audit Committees.

4.3. Main risks (D'Ieteren Group)

4.3.1. LEGAL / COMPLIANCE

› CORPORATE GOVERNANCE (AT THE GROUP LEVEL AND AT THE BUSINESSES LEVEL)

Risk description

Risk of a deficient governance (composition and functioning of corporate bodies, decision-making process and/or risk management).

Compliance risk related to relevant regulations and laws.

Compliance with ethical business practices.

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 or its businesses fail to comply with applicable laws and regulations or operate unethically 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.
- D'Ieteren Group implemented a Code of Conduct in 2022 and employees have received a training on the subject. The code covers compliance and ethical aspects.
- The Group ensures that its businesses have governance frameworks and compliance procedures in place and that roles & responsibilities of the different corporate bodies have been formalized and clearly defined.

› LISTED COMPANIES REGULATION AND REPORTING REQUIREMENTS

Risk description

Risk that laws and regulations governing listed companies are breached.

D'Ieteren Group, as a listed company, is subject to regulations related to communication, financial and non-financial reporting, transparency, insider trading, market abuse regulation and corporate governance (see previous risk).

D'Ieteren Group's businesses also have (non-) financial reporting requirements (TCFD, CSDDD, SFDR, ISSB a.o.).

Potential impact

- 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 and D'Ieteren Group's share price and market capitalization could be affected.
- D'Ieteren Group could fail to attract capital under the form of equity or debt if needed.
- Non-compliance with non-financial reporting requirements at the level of the businesses could lead to reputational damage.

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.
- The Group and its businesses closely monitor the evolution of reporting requirements and make sure to be properly staffed with experts in order to comply with these. In addition, trainings sessions, ESG workshops and other events are organized in preparation for additional requirements.

4.3.2. STRATEGIC

› CAPITAL ALLOCATION

Risk description

Risks related to capital allocation decisions (investments in existing operations, acquisitions/disposals, dividend policy, share buybacks).

Risks related to the timing of those decisions.

These capital allocation decisions can be influenced by environmental, social or economic threats.

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'leteren Group.
- This risk could also lead to write-downs and impairment losses.

Mitigating actions

- D'leteren 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'leteren Group's Executive Committee members are Board members at the level of the participations.
- This due diligence process includes an ESG analysis amongst other streams like IT, Financial, Legal, etc. The ESG due diligence takes into account the possible impact of climate change on the potential investment.

› WATCHLIST

Risk Description

Physical and transition risks related to climate change.

Potential impact

- Physical risks could impact our businesses' property and infrastructure.
- Transition risks, related to policy, legal, and technological changes could have a significant impact on high-emissions industries in our value chains and in the availability and affordability of certain resources. Changes in consumer behavior and attitudes could also impact our businesses.

Mitigating actions

- D'leteren Group recognizes the importance to assess and manage these climate-related risks in a proactive manner. Therefore, this year, D'leteren Group's businesses have deepened their TCFD exercise to understand the Group's exposure to physical and transition risks. (see p.153)

4.3.3. OPERATIONAL

› GLOBAL HEALTH CRISIS

Risk Description

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, additional costs, and supply chain disruptions.
- These could in turn lead to an inability to operate and have severe financial impacts at the Group level.

Mitigating actions

- D'leteren Group and its portfolio companies comply with all regulations and recommendations issued by governmental or regulatory bodies in terms of health and safety related to a pandemic outbreak, and put emphasis on protecting employees, customers and suppliers.
- IT systems allow for efficient home-working where possible to avoid working disruptions. Where home-working is not possible, personnel is equipped and trained to have the safest working environment, allowing for social distancing.
- Financial systems and controls at the level of the Group and its businesses allow to focus on costs mitigation measures and strict working capital, capex and financing policies securing and preserving ample liquidity positions.

› TALENT & LEADERSHIP

Risk description

Risk that D'leteren Group or its businesses fail 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'leteren Group's monitoring of existing activities and positioning with regards to new acquisitions / divestments.
- At the portfolio companies level, it could have a negative impact on the execution of the strategies, and on financial performance.

Mitigating actions

- Employee satisfaction surveys are conducted on a regular basis (at the Group and businesses levels), 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 (see NFD p.147).
- At the Group level, employees are granted a stock option plan.
- The Group also supports its businesses in setting-up management long-term incentive plans, succession planning and in the recruitment of C-level positions.

› GEOPOLITICAL RISKS, IN PARTICULAR THE WAR BETWEEN RUSSIA AND UKRAINE

Risk description

Risks that can arise from world geopolitical tensions on operations through the whole value chain.

Risks that arose from the situation within Ukraine at the Group's businesses.

Potential impact

- Geopolitical tensions can have an impact on the operations of the Group's businesses through the whole value chain (sourcing, logistics, distribution).
- Belron has franchised operations in Russia and Ukraine, which are not financially meaningful.
- D'leteren Automotive's volumes have been impacted by further supply chain issues as Volkswagen sources some components in the region.
- TVH has exposure to the region, which represented around €20m of sales in 2022. Operations in Russia continue on existing local inventory, and no deliveries have been made since February 2022 from the main warehouse in Belgium, thus scaling down vs the pre-war situation. In Ukraine, operations have continued to operate most of the time.
- Moleskine's exposure to the region is immaterial, both in terms of local operations and in supply chain.
- PHE has no direct exposure to the region.

Mitigating actions

- The Group's businesses closely monitor the geopolitical tensions and the potential impact they could have on operations. In general, the risk is relatively limited at the Group level given the generally diversified or diversifying exposure of its activities in terms of sourcing and of operations.
- Businesses exposed to Russia / Ukraine monitor the situation very closely on a daily basis and comply with all EU sanctions.
- Belron has halted franchised operations in Russia.
- D'leteren Automotive is managing the impact of delayed car deliveries.
- TVH has limited shipping strictly to parts not subject to sanctions. The Russian subsidiary is in the process of being sold to its management team and is presented as a discontinued operation in the 2022 financial results.

› MACROECONOMIC CONDITIONS

Risk description

The Group and its businesses may be impacted by macroeconomic conditions (consumer demand, energy shortages, inflation, interest rates, foreign exchange).

Potential impact

- The Group and its businesses can be negatively financially impacted by a general economic slowdown (less demand for new cars, notebooks, less miles driven, lower usage of equipment for which TVH or PHE distribute parts).
- The Group and its businesses can be impacted by rising cost inflation, interest rates and by changes in foreign exchange rates.

Mitigating actions

- The operations have historically proven to be relatively resilient to economic cycles. Nevertheless, none of the activities are immune to a severe economic downturn. The businesses are constantly monitoring and responding to changes in market conditions.
- Given their market positioning, the Group's businesses have the ability to mitigate cost inflation through supply diversification, relationship with suppliers and customer price increases.
- Interest rates and foreign exchange exposures are managed and if deemed appropriate, mitigated by relevant financial instruments (hedges, caps,etc.).

4.3.4. IT AND CYBERSECURITY

› IT / CYBERSECURITY

Risk description

Risks related to failure or interruption of critical IT services and applications.

Risks related to cyber-attacks.

Potential impact

- A failure in IT systems and protocols can lead to business disruption or interruption.
- Cyberattacks can lead to business interruption or disruption, loss of confidentiality, loss of integrity, loss of availability, financial damage, reputational damage and privacy violation.

Mitigating actions

- D'leteren Group has a SLA in place with D'leteren Automotive regarding IT & Cybersecurity. Technical/ software and physical controls are installed. A cyber roadmap has been prepared to enforce controls that protect against cyber threats and prevent compliance breaches.
- A learning Program is in place to raise awareness of our employees.
- D'leteren Group has hired a Digital and Innovation Director who will facilitate cybersecurity best practice sharing across our activities in terms of cybersecurity.

4.3.5. FINANCIAL

› LIQUIDITY AND TAXES

Risk description

Risks arising from a lack of financial resources.

Risks related to fiscal regulations.

Potential impact

- Insufficient financial resources may hamper the implementation of D'leteren Group's investment strategy.
- Failure to comply with, or significant changes in fiscal regulations could have significant financial impacts.

Mitigating actions

- D'leteren Group invests in activities while maintaining a solid financial structure. D'leteren Group's activities are generally financed independently through non-recourse debt.
- At the end of 2022, D'leteren Group's net cash position amounted to €635m.
- Financial flexibility is ensured through a prudent cash management policy.
- Control processes for tax regulation compliance include internal reviews and external audits.

4.3.6. BUSINESS-RELATED SPECIFIC RISKS

D'IETEREN AUTOMOTIVE

› COMPETITION LAW

Risk description

Risks related to breaches of European and Belgian competition laws which prohibit anticompetitive practices (e.g. collusion) and the abuse of dominance.

Potential impact

An infringement of competition law could result in legal proceedings, fines and damages to affected competitors. It may also severely harm D'leteren Automotive's reputation and result in the loss of distribution contracts.

Mitigating actions

The Legal Department informs, advises and monitors the risks. A document with guidelines lists the potential risks and appropriate behavior to mitigate them.

› MARKET SHIFTS AND CONDITIONS

Risk description

Risk related to changes in consumer behaviors, namely resulting from changes in automotive or mobility policies in Belgium (including those triggered by fiscality and climate change).

Risks related to customer satisfaction and related actions.

Potential impact

- Changes in regulations and market trends may impact the volume of vehicles sold and/or leased and/or the model mix and hence the price of the vehicles sold on the Belgian market. These changes can also lead to negative impacts on margins.
- The growing penetration of alternative powertrains (electric vehicles, ...) and Advanced Driver Assistance Systems may have a negative impact on the sales of spare parts and revenues from bodywork and maintenance.
- Inability to monitor customer satisfaction can lead to lost sales due to potential unaddressed complaints or improvement points.

Mitigating actions

- D'leteren 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'leteren Automotive, explores, tests and launches new mobility solutions.
- The rising penetration of electric vehicles and new digital products also creates new opportunities (e.g. Electric by D'leteren – EDI) and Volkswagen's hybrid and full electric vehicle offer is also set to expand significantly.
- D'leteren Automotive closely monitors customer satisfaction, which is a management short-term incentive KPI and is addressed and analyzed once a month. Action plans are then put in place in order to further improve customer satisfaction.

› RELATIONSHIP WITH VOLKSWAGEN GROUP

Risk description

Risk related to the loss of one or more distribution contracts with Volkswagen Group.

Risk that Volkswagen Group might take strategic directions which could harm D'leteren interests.

Potential impact

A change in the relationship D'leteren Automotive has with Volkswagen Group could have a negative financial impact, and lead to redundancies and reputational damage.

Mitigating actions

The relationship with its key supplier is based on D'leteren 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'leteren Automotive to always keep an open dialogue with Volkswagen Group.

› MAJOR PROJECTS

Risk description

Risk of error in significant investment projects or unfavorable results to the development of D'leteren Automotive.

Risk related to project management and governance.

Potential impact

Strategic projects entail significant operational, financial and reputational risks.

Mitigating actions

The governance related to projects has been defined and the Transformation Office ensures the follow-up and implementation of the initiatives. Division program managers are responsible for overseeing projects in every department and have been trained in project management.

› IT INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risk description

Risks linked to the management of master data.

Risk of breach in the privacy legislation (GDPR).

Risk related to failure or interruption of critical IT services and applications.

Risk related to Cyber-attacks (e.g. phishing, malware).

Potential impact

A failure in IT systems and protocols can lead to business disruption or interruption. This could in turn have a negative impacts 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 and physical controls are installed. The Chief Information Security Officer (CISO) reports directly to the CIO, who also has the responsibility of Business Resilience. It includes for instance the capacity to anticipate major problems and risks and to put in place the right action plans. A cyber roadmap to enforce controls that protect against cyber threats and prevent compliance breaches has been defined and is being implemented.
- An independent Data Protection Officer has been appointed and various trainings are organized for high risk profile employees who have access to personal data. Actions to protect data and ensure compliance with GDPR including continuous assessment of suppliers as well as a dedicated department in charge of GDPR related topics have been put in place.

› WORKFORCE RECRUITMENT AND RETENTION

Risk description

Risks of D'leteren Automotive being to recruit and retain qualified employees to ensure optimal staffing levels.

Potential impact

D'leteren Automotive's inability to attract and retain qualified employees can harm its operational efficiency and have an impact on competitive positioning, service quality, customer satisfaction and reputation. This could in turn have a significant financial impact.

Mitigating actions

- The Human Capital Management team aims to empower and give autonomy to managers to fully support the growth of D'leteren Automotive's high-performance organisation.
- Performance planning, talent development plans and talent review processes are in place to help assess individual performance, detect development needs, reduce churn and anticipate talent needs.

› SUPPLY CHAIN DISRUPTIONS

Risk description

Risks related to potential supply chain disruptions.

Potential impact

Supply chain disruptions can lead to the inability to deliver ordered vehicles or provide after-sales services, and induce negative customer satisfaction and can have a severe financial impact.

Mitigating actions

- D'leteren Automotive is dependent on the delivery of cars by VW factories. In case of disruptions in supply chains, D'leteren Automotive maintains close dialogue with the VW Group and manages the customer relationships.
- D'leteren Automotive has been relatively agile in financially mitigating the effects of lower production levels since 2021.

In addition to the risks detailed above, D'leteren Automotive is also exposed to governance, global health, geopolitical, macroeconomic and climate-related risks, which are included in D'leteren Group's overall risk profile.

BELRON

› COMPETITION LAW

Risk description

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.

Potential impact

An infringement could result in legal proceedings, regulatory fines or remedies, damages to affected parties and potential criminal charges.

Mitigating actions

- Established policies, procedures, and guidance/training related to such risks are in place as appropriate and are updated as necessary.
- Internally- and externally-led Competition law audits/assessments are carried out where necessary, across the business.
- Outcomes arising from this assurance work are separately reported to the Audit Committee and/or the Board.

› MAJOR TECHNOLOGY PROJECTS

Risk description

Risk of failure to deliver the benefits of major projects, including the Acceleration & Transformation (Fit for Growth) project, due to a high level of breadth and depth of programmes / requirements.

Potential impact

The ability of Belron to achieve its growth and profit ambition is fundamentally dependent on the success of strategic projects, including the Fit for Growth programme. Failure to deliver the benefits could lead to loss of turnover and service delay whilst rectifying any issues.

Failure to deliver projects on time and in full could also lead to additional costs.

Mitigating actions

- Belron has established a comprehensive Programme Management approach for the Acceleration & Transformation (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.
- Belron has ongoing independent third-party assurance reviews on its Programme Management approach and activities, the results of which have been and will continue to be incorporated into the Fit for Growth project.
- Financial and non-financial performance metrics have been developed for each work stream which are collected, reviewed, and acted upon monthly.

› CYBER SECURITY

Risk description

Risk of a successful cyber-attack or system penetration, which could lead to a prolonged IT system outage and / or a data privacy event.

Potential impact

A successful cyber-attack or system penetration leading to prolonged system outage or data privacy event could significantly impair customer service, damage reputation, and result in regulatory fines.

Mitigating actions

- The global cybersecurity programme continues to be enhanced, including implementation of global cybersecurity tools, the launch of a global employee awareness campaign and the establishment of revised governance framework over the past year.
- 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, including a disaster recovery plan and a business continuity plan with Management oversight.

› IT INFRASTRUCTURE

Risk description

A prolonged failure of IT systems

Potential impact

A prolonged system outage could lead to delays in service delivery, negative impact on reputation and potential compliance breaches.

Mitigating actions

- Disaster recovery plans are in place for all key systems across the business, which continue to be reviewed to assess their adequacy and identify any areas of improvement.
- Belron has undertaken a Technical Discovery Programme to assess its IT systems / functionality in relation to the transformation programme and sequencing of systems being replaced.

› SUPPLY CHAIN DISRUPTIONS

Risk description

Risk of external event or geo-political situation impacting Belron's supply chain (e.g. suppliers, materials, workforce, transport).

Potential impact

An external event or geo-political situation impacting any step of the supply chain (namely a distribution centre or key supplier) could lead to prolonged period of supply chain disruption and impact Belron's ability to execute vehicle glass repair, replacement, or recalibration services. This may affect its customer service levels, impact financial performance and damage reputation.

Mitigating actions

- 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 centres, and its property insurers perform regular, routine inspections of key sites.
- The Belron Supplier Code of Conduct sets out the underlying principles on which supply chain relationships at Belron are based, including environmental considerations, responsible sourcing, and sustainability.
- A Supplier Sustainable Procurement programme monitors suppliers' adherence to the Code of Conduct and supplier due diligence/ audits are carried out on an annual basis to help support the transparency/robustness of the supply chain

› VEHICLE TECHNOLOGY AND KEY PRODUCTS

Risk description

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.

Belron's services may become obsolete if it is unable to gain appropriate access to key products, in particular vehicle repair and maintenance information (RMI), including from in-vehicle data systems.

Potential impact

An inability to access the necessary RMI may impact the ability of Belron to perform certain jobs/ADAS recalibrations and could impact a key revenue stream.

Mitigating actions

- Belron monitors the potential introduction, or changes, to industry regulation, and determines appropriate responses and actions.
- 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, to allow for a healthier competitive environment.

› HEALTH & SAFETY

Risk description

Risk of significant employee health & safety incident.

Risk of a serious customer health & safety incident resulting from an error in fitting, recalibration or a defect product.

Potential impact

A serious employee(s) or customer(s) health and safety incident may result in significant / life changing injury(ies) or loss of life (lives), reputational damage, and potential lawsuits.

Mitigating actions

- The Belron 'Way of Fitting' processes include safety standards 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.
- Belron has developed robust action plans in response to a number of requested health & safety reviews carried out by an independent third-party in key areas of the business.
- Established processes are in place to identify, assess and respond to product defects.

› TALENT & SUCCESSION PLANNING

Risk description

Risk of depletion of knowledge transfer when there is loss of key personnel.

Risk of failure to recruit and retain technicians with the appropriate skills and experience.

Potential impact

A lack of effective succession planning and technician recruitment and retention could have a negative impact on the continued success of the Belron business, its service levels, and its financial performance.

Mitigating actions

- There is an established talent and succession planning strategy in place, that includes ongoing review and discussion at country-level, senior leadership and at the Group Executive Committee.
- An annual Global Employee Engagement survey monitors employees' level 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 on leadership development and ongoing training.

In addition to the risks listed above, note that geopolitical and macro-economic risks are considered and reviewed in the Belron risk profile, and climate-related risks are in their watchlist. However, for the purposes of this report they have been included in the overall D'leteren Group risk profile.

MOLESKINE

› DATA PRIVACY

Risk description

Risk of non-compliance with GDPR.

Potential impact

A breach in data privacy could affect the reputation, lead to a loss of trust of customers, factories and employees, and even to fines.

Mitigating actions

An external Data Protection Officer monitors the compliance of data treatment processes. Moleskine updates and maintains continuously its privacy processes and procedures. The cookie policy has been recently reviewed to be compliant with the new 2022 guidelines.

› MARKET SHIFTS AND CONDITIONS

Risk description

Risks of failure of large distributors, retailers, customers.
Risk of changes in customers' perception of the brand.

Potential impact

Too high business concentration can have a significant impact on sales in case of failure of large distributors, retailers, or customers. A failure to adapt fast enough to changing customer behaviour (e.g. different sourcing requirements and other distribution channels) would impact sales negatively.

Mitigating actions

- Moleskine's multi-channel strategy, including wholesale, Strategic Partnerships, retail and e-commerce also ensures diversification which mitigates the risks.
- In its 5-year plan, some strategies aim to limit the company's exposure to such risks:
  - Move to direct sales in some regions where Moleskine already operates;
  - Qualify with larger distributors in growing markets;
  - Accelerate growth through joint business plans when suitable.
- Moleskine focuses and invests on positioning and branding and on technology in order to keep its premium positioning and brand value.

› SUPPLY CHAIN

Risk description

Risks related to the supply chain and outsourced production.

Risk related to supplier concentration.

Risks related to unethical supply chain (both on the environmental and social fronts).

Potential impact

Revenues and results could suffer if suppliers fail to fulfill their contractual obligation. An increasing cost of paper, leather, and water (triggered by climate change) could also affect the revenues and results.

A failure to ensure ethical and low-emissions supply chains could be harmful to reputation.

Mitigating actions

- Many initiatives have been put in place to reduce dependence on finished products and raw materials suppliers as setting up a strategic sourcing role, a project to bring three production centers closer to the final market and, assuring at least two suppliers on strategic items.
- Moleskine is committed to engaging its supply chain partners in sustainable sourcing. In 2022, 100% significant suppliers of goods were compliant with ISO140001 and 100% in line with SA8000. The paper used by Moleskine is 100% FSC-certified (See NFD p.195)

› INVENTORY MANAGEMENT

Risk description

Risk of high inventory level/cost of depletion of old inventory.

Potential impact

Excess or obsolete inventories might lead to negative financial impact.

Mitigating actions

A new inventory optimization tool and sales forecasting system being implemented with a new forecasting system aiming to reduce inventory risks. A team has been dedicated to the destocking.

› TALENT & LEADERSHIP

Risk description

Risk of potential loss of talents, know-how, expertise, and competencies.

Potential impact

The inability to continue to identify, attract and retain the best people could have a negative impact on strategy execution and performance.

Mitigating actions

Moleskine pays great attention to talent retention through several initiatives encompassing talent development & career plans, assignment of responsibilities and rewards systems (see NFD p.192).

› INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risk description

Risk related to failure or interruption of critical IT services and applications.

Potential impact

Failure of IT systems or cyber-attacks could lead to severe business disruptions which would negatively impact sales and financial results. It would also cause reputational damage.

Mitigating actions

While the cybersecurity maturity assessment has been completed, a number of actions have already been implemented in 2022 such as the training on cyber risks for employees, phishing campaign, segregation of duties assessment and third party risk management policy. The full roadmap to reach the expected maturity level has been approved by the Audit Committee.

In addition to the risks listed above, geopolitical and macro-economic risks are also considered and reviewed in the Moleskine risk profile, however, for the purpose of this report they have been included in the overall D'Ieteren Group risk profile.

TVH

› MARKET SHIFTS AND CONDITIONS

Risk description

Risks related to economic downturn, disruptive technologies or competition, changing customer behavior.

Potential impact

Economic conditions, changes in market trends & regulations, changes in the competitive environment (notably with regards to OEM warranty periods), or disruptive technologies may impact TVH financials.

Mitigating actions

- TVH has historically grown in markets that have shown resilience to economic cycles and is constantly monitoring and responding to changes in the market, and in customer or supplier behaviors, including OEMs.
- TVH benefits from a low relative concentration of customer and supplier base, active in very different markets (i.e. different equipment types such as material handling, construction, industrial and agricultural equipment) and geographies, making its operating model relatively resilient to sudden disruptions.

› PROJECT RISK

Risk description

Risks related to any major project that are important for the execution of the strategy.

Potential impact

Strategic projects, including potentially transformative M&A operations, entail significant operational, financial and reputational risks.

Mitigating actions

- There is a governance framework in place for each project (Operational, IT, M&A project,etc.). Projects are governed through project steering committees, sponsors, project lead and team.
- There is a corporate programme management & change team, regularly reviewing project progress, KPIs and milestones. The project portfolio is monitored by the Global Management Team on a regular basis.

› IT INFRASTRUCTURE, DATA, DIGITAL AND CYBERSECURITY

Risk description

Risks related to information security (including payment processing, data privacy, ...).

Risks related to cyber-crime, including (ransomware) attacks or those of key third parties.

Risks related to the malfunctioning of customer platforms.

Potential impact

Non-compliance to data-protection laws & regulations, or the loss of customer data, can lead to fines, loss of business and reputational damage.

A cyber-attack or any interruption in customer-facing platforms can lead to business interruptions, ransom payments, and have financial and reputational damage.

Mitigating actions

- TVH manages data protection through a set of processes, training and a GDPR-compliant policies. GDPR and data-compliance is managed by a specialist in the global legal department, who acts as the Data Protection Officer.
- TVH's global CISO, supported by a central cyber security team, sets the overall strategy and implements industry-standard capability in cybersecurity, guided by international standards and maturity targets (e.g., NIST). Significant investments in the last few years to ramp up cyber defense and disaster recovery have been made and are further planned.
- TVH conducts regular internal and external assessments of general IT controls, security and system risk.

› TALENT & LEADERSHIP

Risk description

Risks related to employee hiring, engagement, development, and staff turnover.

Potential impact

The departure of key personnel or the failure to attract new talents could have an impact on TVH's continued success, its reputation, its service levels, and its financial performance.

Mitigating actions

- TVH has a yearly global employee engagement survey and conducts intermediary engagement monitoring on specific smaller populations. Results are shared with employees and result in action plans that are periodically evaluated.
- TVH is investing further in people development, learning tools and leadership development.
- Employee retention is further managed by internal career possibilities, regular review of compensation and a global focus on employee wellbeing.

› CUSTOMER SATISFACTION

Risk description

Risks related to customer's experience and satisfaction.

Potential impact

A bad customer experience or failure to satisfy customer needs may lead to the loss of business and bad reputation.

Mitigating actions

- Customers net promoter score and customer effort score is measured continuously in all regions and other customer feedback is regularly solicited.
- Customer feedback is then analyzed and leads to management actions where and when necessary.

› SUPPLY CHAIN

Risk description

Risks related to potential supply chain disruptions (suppliers, parts manufacturers, transport).

Potential impact

Any disruptions in the supply chain and logistics may lead to delays in servicing the customers, which, in turn, may impact their satisfaction and TVH's reputation, and can lead to lost turnover or increased costs.

Mitigating actions

- TVH has (1) a very dispersed supplier base which allows generally to mitigate risks when one supplier is unable to deliver, and (2) there is a constant monitoring of demand and inventory levels, service levels and lead times.
- Moreover, TVH has built up significant inventory, which, particularly when faced with global supply chain issues and even with sudden increases in demand, has allowed to service customers.
- Inventory levels, stockouts, lead-times and customer delivery times are monitored and action is taken when KPIs deviate from the target.

› HEALTH & SAFETY

Risk description

Risks related to safety and health of employees.

Risks related to the consequences of defect product for the clients.

Potential impact

Non-compliance with safety regulations and internal policies, processes, and procedures could lead to serious injury to employees or to third parties.

These may in turn lead to reputational damage, lawsuits and fines

Mitigating actions

- TVH provides the necessary training for employees to be able to operate in a safe way.
- TVH has a Health & Safety Officer in place and monitors compliance with local regulation. Accident rates are monitored on a global level and are very low compared to industry standards.
- All samples received from suppliers are subjected to in-depth testing in the Quality Control Department. Random checks occur and result in a supplier rating score.

In addition to the risks listed above, geopolitical, macro-economic and climate-related risks are considered and reviewed on the TVH risk profile, however, for the purposes of this report they have been included in the overall D'Ieteren Group risk profile.

PHE

› MARKET SHIFTS AND CONDITIONS

Risk description

Risk related to changes in consumer behavior.

Risk related to increased competition.

Risk related to major technological change

Potential impact

Changing mobility trends, as a result of the Covid-19 pandemic or related to climate change, can have an impact on miles driven and, hence, on demand for auto parts.

The growing penetration of alternative powertrains (electric vehicles, etc.) and advanced driver assistance systems may have a negative impact on sales of spare parts.

The emergence of potential new disruptive players or warranty extensions by OEMs could affect PHE's market share and market pricing conditions.

Mitigating actions

- Given its market positioning, PHE has a very deep knowledge of any market trends and is well positioned to seize potential opportunities arising from the gradual shift towards electric powertrains or other changing technological specifications. It maintains a wide and diversified product offering to meet its customers' needs.
- PHE is constantly monitoring and responding to changes in the market, and in customer or supplier behavior, including OEMs. The markets in which PHE operates tend however to be fragmented and PHE is positioning itself as a consolidator to strengthen its market share and economies of scale. The company also differentiates itself on the basis of its wide product offering, better delivery times and offering of value-added services.

› IT INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risk description

Risk related to failure or interruption or the obsolescence of critical IT services and applications.

Risk of cyber-attacks (e.g. phishing, malware).

Risks linked to the management of master data.

Risk of breaches of privacy legislation (GDPR).

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 fines, reputational damage, loss of customers, factories and employees trust.

Mitigating actions

- PHE has implemented security policies governing its IT infrastructure (including hardware, network, websites, ordering platforms, applications and other IT platforms).
- PHE also employs a range of physical and digital safeguards designed to provide security around the collection, storage and access of information that it has in its possession.
- An external Data Protection Officer monitors the compliance of data treatment processes.

› M&A STRATEGY EXECUTION

Risk description

Risks that can arise from an ineffective execution of acquisition projects or the integration of newly acquired companies.

Potential impact

When making acquisitions, PHE assesses and anticipates certain cost savings and synergies following the acquisition of the acquired business.

A failure in anticipate cost savings, or an ineffective execution of acquisitions integration can have a significant financial impact.

Mitigating actions

- Active in a fragmented industry, PHE acts as a consolidator and has a strong track-record in M&A execution and integration.
- Its strong market knowledge as well as strict project management procedures should prevent PHE from inadequate assessment of potential synergies or a failure to integrate newly acquired targets.

› TALENT & LEADERSHIP

Risk description

Risks related to employee hiring, engagement, development, and staff turnover.

Potential impact

The departure of key personnel or the failure to attract new talents could have an impact on PHE's continued success, its reputation, its service levels, and its financial performance.

Mitigating actions

- PHE focuses on developing employees' skills, which are key to the Group's performance and business development. Training projects are organized around three pillars: 1) discovering employees' skills, 2) guiding employees throughout their development, and 3) training employees through in-person sessions and online learning.
- HR strategy is well structured and high-potential talents are identified and followed-up through an established people review system.
- A succession planning strategy is in place for key executives. PHE organizes satisfaction surveys every 2 years across geographies (ex-Spain) and 2022 survey showed improvement in all dimensions.

› SUPPLY CHAIN

Risk description

Risks related to PHE's supply chain, distribution network and logistics operations.

Potential impact

An external event impacting any step of the supply chain could lead to a prolonged period of supply chain disruption and impact PHE's ability to service its customers. This may affect customer service levels, impact financial performance and damage reputation.

Mitigating actions

PHE maintains two distribution flows for spare parts: a direct delivery flow from suppliers to distributors and a platform-based flow from suppliers to distributors via the Group's logistics platforms, thereby reducing the risk associated with potential disruption. In addition, for some of PHE's logistics platforms, temporary disruptions may be partially or entirely offset by shifting operations to nearby logistics platforms.

› HEALTH & SAFETY

Risk description

Risks related to safety and health of employees.

Risks related to the consequences of defective products for clients.

Potential impact

Non-compliance with safety regulations and internal policies, processes, and procedures could lead to serious injury to employees or to third parties.

This may in turn lead to reputational damage, lawsuits and fines

Mitigating actions

- A risk and safety prevention plan, which has already been implemented throughout the company, is being further strengthened at several sites.
- PHE supports each person working on its sites by providing them with the information and tools necessary for their safety.
- PHE delivers dedicated employee trainings on safety, working conditions, fire safety and first aid.
- With respect to PHE's logistics platforms, Cora, Doyen and Geevers logistics platforms are ISO 9001-certified.
- Parts are rigorously selected and are subject to enhanced quality control.

› LIQUIDITY & FINANCING

Risk description

Risks related to the liquidity and financing of PHE.

Potential impact

Liquidity issues and / or insufficient financing at competitive interest rates can be detrimental to PHE's competitive position and financial performance.

Mitigating actions

- PHE closely monitors its financial and liquidity situation and its leverage is adapted to its strong cash flow generation profile and to its M&A strategy.
- Interest rate exposure is managed and partly capped through hedging policies.
- Based on the strong operating performance and resilience of PHE's operating model, Moody's and S&P upgraded the company's credit ratings in September 2022 to respectively B2 and B+, both with a stable outlook.

In addition to the risks listed above, geopolitical, macro-economic and corporate governance risks are considered and reviewed on the PHE risk profile, however, for the purposes of this report they have been included in the overall D'Ieteren Group risk profile.

D'IETEREN IMMO

› ENVIRONMENTAL REGULATIONS

Risk description

Risks related to environmental regulations and permits.

Potential impact

A failure of D'leteren 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'leteren Immo to fast changing environmental requirements might create higher costs to satisfy regulatory requirements in the future.

Mitigating actions

D'leteren Immo performs a strict follow up of its environmental permits and offers support to its customers with environmental permit applications where needed. The evolution in environmental regulations at different levels is monitored by both internal resources and external experts when needed. The necessary adaptations are taken when requested.

› CONSTRUCTION PROJECTS

Risk description

Risks related to the financial health of the builders and contractors, the safety of the building sites and cost overruns. This risk could intensify due to climate pressure and its potential consequences on raw material and energy prices or availability, as well as the potential additional cost of building adaptation to more intense and extreme weather events and patterns.

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'leteren Immo. During site meetings contractors are repeatedly reminded of the safety requirements.
- Projects are carefully scrutinized before being approved. D'leteren Immo has not only expertise in dealership real estate but also in other segments (e.g. offices, retail and residential). During construction an analysis is made when cost overruns occur in order to choose the best scenario: postpone, stop or adapt the timeline of the different phases of the construction project.
- Warranties are requested from the contractor in order to ensure the risk of responsibilities during construction phases.
- A climate impact analysis has made D'leteren Immo more aware of - the risk climate change poses to construction projects and the company continues its work to build climate resilience across its real estate assets.

› OCCUPANCY RATE

Risk description

Risks related to a decline in the occupancy rate of D'leteren Immo's buildings.

Potential impact

A loss of revenues and extra costs could occur if the occupancy rate declines.

Mitigating actions

D'leteren Immo's real estate assets are year by year diversifying (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'leteren Automotive. Some dealership sites that are no longer used by D'leteren Automotive are reused, transformed, reinvested or sold. A specific KPI is followed up by the team in order to reduce this risk.

› TALENT & LEADERSHIP

Risk description

Risks of failure to attract, motivate and retain skilled people.

Potential impact

The departure of key employees or the failure to attract new talents could have an impact on D'leteren Immo's ability to pursue its strategy and ongoing projects and have a negative financial impact.

Mitigating actions

One of the pillars of the Roadmap to Sustainability is to be a top employer. D'leteren Immo invests in its employees' development through high level (qualitative and quantitative) trainings and employee satisfaction through specific inquiries and action plan (See NFD p.214).

D'leteren Immo strives for an openminded and purposeful communication, for gender equality and offers competitive compensation packages.

In addition to the risks listed below, D'leteren Immo is also exposed to other risks such as macroeconomic environment, governance and global Health crisis, but for the purpose of this report they have been included in D'leteren Group's overall risk profile.

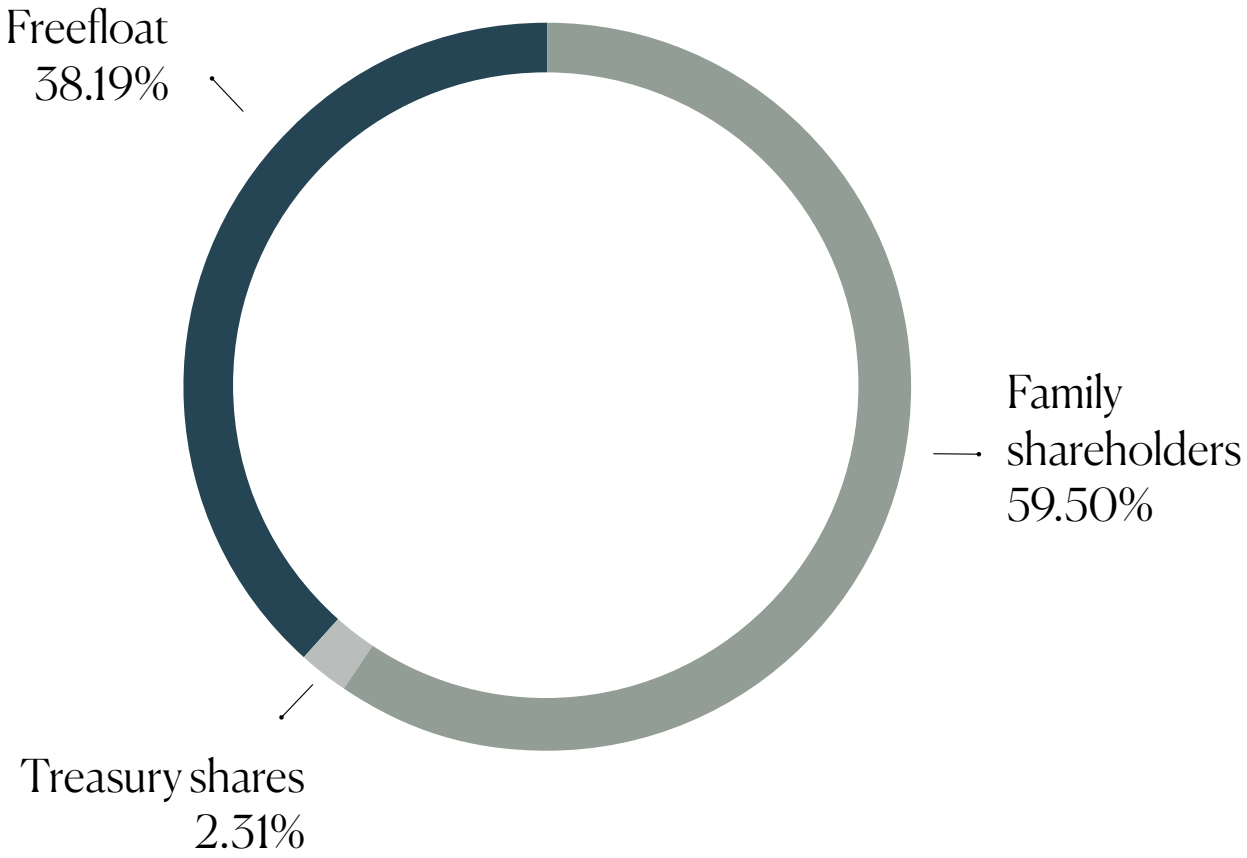
5. Capital information

5.1. Denominator

At 31 December 2022	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 2022		In share capital	In voting rights
Family shareholders		**59.50%**	**62.91%**
	of which Nayarit Group	32.54%	36.12%
	of which SPDG Group	26.96%	26.79%
Treasury shares		**2.31%**	**2.12%**
Freefloat		**38.19%**	**34.97%**



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 2022, on the basis of notifications received by the Company, is presented in Note 22 of the consolidated financial statement (page 73).

The Company is not aware of any subsequent notification modifying the information presented in Note 22.

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 22 of the Consolidated Financial Statements, page 73), 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 €60m. 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.

Non-Financial Disclosure

The 2023 Non-Financial Disclosure report encompasses all the information, both qualitative and quantitative, pertaining to D'leteren Group's sustainability strategy across its businesses. The first section is devoted to D'leteren Group as both an investment and a listed company. The following sections are dedicated to the reporting of D'leteren Automotive, Belron, Moleskine, and D'leteren Immo. This year's report also includes, for the first-time, the reporting of TVH. The latest acquisition, PHE, is not included in this report, due to its limited time in the D'leteren Group family.

Non-financial disclosure reporting has been guided by the Global Reporting Initiative's (GRI) reporting standards. The GRI index can be found on p.228. This type of reporting has evolved into a more quantitative disclosure supporting the sustainability strategies of our businesses and, by doing this, D'leteren Group is preparing for the forthcoming European reporting regulations. Non-financial information is reported annually, alongside the annual financial results.

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D'leteren Group Non-financial Disclosure

1. D'leteren Group

Based in Brussels, D'leteren Group is a family-controlled listed investment company with an international portfolio. The Group aims to build a family of businesses that reinvent industries in search of excellence and meaningful impact. The Group creates a positive impact by continuing to invest in purposeful companies and supporting their development. This vision is underpinned by a particular investment strategy characterised by long-term support to a limited number of companies. As a Group, it upholds five fundamental values: Entrepreneurship, Curiosity, Courage, Care, and Respect.

D'leteren Group consists of a team of 20 people, including two members of the Executive Committee (the CEO and the CFO), an eight-person investment team which is responsible for looking for new businesses and for accompanying existing ones, as well as eight experts involved in financial reporting and communication, legal affairs, digital, and ESG. In addition, the team is strengthened by two personal assistants who support the team, the Executive Committee and the Board.

Workforce					
KPI	Unit	2020	2021	2022	Change (2022 vs. 2021)
Total full-time equivalents (FTEs) as at 31 December	FTE	18.9	18.9	19.9	5.3%
Percentage of male FTEs as at 31 December	%	48%	48%	50%	2.20p.p.
Percentage of female FTEs as at 31 December	%	52%	52%	50%	-2.25p.p.

Additional background information on the calculations and formulas used for ESG data can be found on p.221

The Group is currently invested in six businesses:
- D'leteren Automotive (100%), the exclusive distributor of VW brands in Belgium which is evolving towards becoming a provider of mobility products & services.
- Belron (55.00% of the voting rights), a worldwide leader in vehicle glass repair, replacement & recalibration ("VGRRR").
- Moleskine (100%), an iconic and aspirational brand born from the heritage of a legendary notebook.
- D'leteren Immo (100%), responsible for managing the real estate assets owned by D'leteren Group in Belgium, most of which are rented by D'leteren Automotive.
- TVH (40%), a global one-stop shop for parts, accessories for material handling and industrial and agricultural equipment.
- PHE (91.4% of the voting rights), the omnichannel distribution leader in the independent aftermarket for vehicle spare parts, holding strong positions in Western Europe.

2. Strategy for Value Creation

D'leteren Group seeks to invest in growth platforms which have the proper management in place and a strong people approach; businesses that are or could become leaders in their market and have demonstrated the sustainability and scalability of their business model. D'leteren Group believes this to be the perfect formula for value creation. Thanks to this investment philosophy, a family of businesses has been created.

The investment and expert teams work daily to support these businesses on various aspects: purpose, ambition, strategy, execution, organisation, people, and reinvention. As a cross-cutting theme, sustainability has been integrated into each of these aspects. In so doing, D'leteren Group's team acts as an enabler to sustain value creation through its businesses, for employees, customers, shareholders and society.

D'leteren Group focuses on five priorities to create value together with its businesses:
- creating a fair and stimulating work environment which is able to trigger employee engagement,
- helping our businesses provide high-quality products and services to generate world-class customer satisfaction,
- helping our businesses monitor and reduce their environmental footprint,
- encouraging and supporting innovation within our businesses in the interests of all their stakeholders, and
- applying responsible governance.

To create shared value for all its stakeholders, the Group must understand their needs and expectations. As a family-controlled listed company, engaging with shareholders and investors and answering their questions is part of the day-to-day business. The Group has also initiated a dialogue with other stakeholders, such as financial authorities and civil society representatives. This dialogue approach is aimed at challenging sustainability focus areas and at ensuring that the expectations of its stakeholders are not taken for granted. In this perspective, D'leteren Group's materiality assessment is updated annually by the ESG/Sustainability Team.

3. ESG governance

3.1. Roles and responsibilities

ESG issues are addressed at all levels of governance.

D'leteren Group's Board of Directors ensures oversight of the Group-wide ESG strategy. Its members are updated at least twice a year on the evolution of the ESG strategy and the Group's performance. In addition, this year, the Board of Directors received a specific training on the evolving regulatory ESG landscape.

The Audit Committee reviews the risks, including ESG risks, faced by the Group and its businesses twice a year.

The Strategic Committee reviews ESG aspects in the context of new investments and monitoring businesses.

The Nomination and Remuneration Committee approves and reviews the ESG targets that are used to define the variable remuneration of the Group's Executive Committee and the CEOs at its businesses.

The Executive Committee supervises the development of the Group's ESG strategy and ensures its implementation at both the Group and the individual business level.

The ESG team is responsible for developing and implementing the Group's ESG approach. Its members also support businesses in developing and implementing their sustainability strategy. In addition, they engage in a dialogue with the Group's stakeholders and keep abreast of the evolving trends in the fields of ESG and sustainable finance in order to act as a knowledge centre in support of the whole team, thereby ensuring effective ESG integration. ESG, being in constant evolution, means the team must continuously develop and grow its ESG expertise. Therefore, its members have attended numerous training courses and obtained the EFFAS ESG Analyst certification in 2022.

The Investment Team is responsible for ensuring that ESG aspects are embedded in each stage of the investment cycle. Throughout the process, they liaise with the ESG Team to ensure that key ESG drivers are properly incorporated into their analyses. In addition, the Investment Team is continuously trained by the ESG team.

Businesses are expected to appoint at least one person to coordinate their sustainability approach. D'leteren Group's ESG team members, accompanied by investor managers, hold regular discussions with their counterparts in the businesses about progress on sustainability roadmaps and closely collaborate with them to produce their annual reports. At least once a year, Businesses' Sustainability Experts gather at D'leteren Group's headquarters to discuss their ESG performance, strategies, and the changes to come but also to receive training on significant ESG trends.

3.2. Group-level policies

As an investment firm, D'leteren Group has adopted policies covering its investments strategy and rules of conduct at the holding level.

First, the Responsible Investment Charter drives D'leteren Group behaviour across its entire investment cycle, from screening to its active ownership approach. However, due diligence does not stop with the investment decision: being an active owner includes important responsibilities regarding the impact of the various investments. As a responsible owner, the Group ensures that each of its activities has the relevant policies in place to the environmental and social impacts of their operations and value chain. With the EU's new impetus, D'leteren Group commits to support its businesses in their efforts in this regard.

Second, D'leteren Group formalised certain policies and guidelines to drive the corporate conduct of its own corporate team. The Code of Conduct, implemented in 2022, sets minimum standards in selected areas to which each employee is expected to adhere. It sets guidelines for business management and compliance with legal and ethical standards. It also expects suppliers, service providers, and other business partners to be aware of and to comply with the provisions of the Code of Conduct that concern them.

The Code of Conduct covers several important topics:
- Promoting equality and inclusion within the context of D'leteren Group operations and prohibiting any form of discrimination against employees or applicants;
- Ensuring the best possible working environment, whether it is a question of work-life balance or employee mental health;
- Committing to uphold the UN Universal Declaration of Human Rights and the conventions and recommendations of the International Labour Organisation;
- Defining and implementing a process to follow in the event of a conflict of interest or related-party transaction;
- How D'leteren Group should interact with its suppliers and business partners;
- Complying with the Dealing Code to prevent market abuse and to ensure the confidentiality of inside information;
- Complying with the GDPR in terms of data protection, linking to a more detailed Privacy Policy;
- Prohibiting any act of corruption or bribery, as well as money laundering, including prohibiting the financing of political parties.

Compliance with the Code of Conduct is everyone's responsibility. The legal team provided specific training in 2022 to the entire team and will make sure to provide similar training to new employees and new parties to a contractual relationship. The legal team, due to the small size of the D'leteren Group Corporate team, is easily approachable as an advisor in the implementation of these policies.

D'leteren Group's legal department is, furthermore, responsible for monitoring and reporting any incidents related to the Code of Conduct. The principle of non-retaliation is applicable and the whistleblowing policy will be implemented in 2023. In the event of a transgression, action will be taken (e.g., warning, suspension with or without pay, or dismissal for cause).

Both the Responsible Investment Policy and the Code of Conduct have been approved by the Board of Directors and will be reviewed every three years.

4. Responsibility as an Investor

4.1. ESG roadmap

Conscious of the key role businesses play in building a sustainable future, the Group has adopted an integrated approach in which sustainability is embedded at every level of the organisation. D'leteren Group considers environmental, social, and governance aspects when pursuing its two main operating missions: supporting its businesses and searching for new ones.

The ESG roadmap reflects its determination to integrate sustainability at the various levels of its operating model.

Three years after launching this roadmap, D'leteren Group is already getting close to its 2025 ambition. Next year, together with the launch of a double materiality analysis, the Group will review this ESG roadmap to make it even more ambitious and to fit with the evolving European requirement.

Investment / Ownership	Operating model level	Ambition 2025	2022 status
Responsible investment	Investment process	ESG is embedded in every stage of the investment process.	Achieved
	Non-financial reporting	Non-financial reporting gets limited independent assurance and is aligned with the most recognised standards and recommendations. This ambition will evolve to fit the new EU standards.	On track
Active ownership	Group-wide aspects	Every activity measures the Group's three non-financial KPIs - People engagement, Customer Satisfaction, and CO_2 emissions – aiming to reach a level of excellence therein.	On track
	Business-specific aspects	Every activity has a strong sustainability strategy focusing on its most material aspects, including quantitative targets and a proper progress measurement process.	On track

4.2. Responsible investment

In 2021, D'leteren Group formalised its responsible investment approach covering the entire investment cycle, from screening investment opportunities and formulating investment theses to the phases of due diligence, deal completion, and ownership.

On top of the minimum safeguards and legal and ethical principles, D'leteren Group excludes investments in companies directly involved in the following sectors: tobacco, weapons, pornography, and gambling. Considering the impact of energy obtained from fossil fuels on climate change, no investments are made in companies with revenues predominantly derived from coal, oil or gas extraction.

ESG requirements were integrated into the investment processes leading to the acquisition of TVH and PHE. The Group is also supporting them in launching their integrated sustainability strategy. At TVH, a Sustainability Manager has been appointed and has already attended the annual ESG workshop, gathering all Sustainability Managers from our family of businesses.

Regarding non-financial reporting, in 2022, D'leteren Group continued its trajectory to broaden the scope of limited independent assurance and deepend its work on TCFD and the EU taxonomy.

4.3. Active ownership

Given the nature of D'leteren Group's investment strategy (long-term investment in a limited number of companies with the potential to become leaders in their markets), the Group's responsible investment approach focuses mainly on its active ownership practices.

4.3.1. GROUP-WIDE ASPECTS

In addition to the business-specific sustainability strategies, the Group helps its businesses become or remain top performers in its three non-financial priority areas (customer satisfaction, employee engagement, carbon emissions) and, therefore, supports them in implementing a robust measurement process in each of these fields.

In 2022, D'leteren Group committed to the Science Based Target initiative (SBTi), to have 100% of its portfolio covered by a validated SBT by the end of 2025.

	Belron	D'leteren Automotive	Moleskine	D'leteren Immo	TVH	PHE
People engagement	86.2 ✓	84.5 ✓	3.7 out of 5 ✓	84.4 ✓	81 ✓	Work in progress
Customer Satisfaction	82.2 ✓	S:61.5 AS:51.2 ✓	-	25 ✓	52.5 ✓	
CO_2 emission Scopes 1 & 2	145,291	5,514	276 ✓	112	11,830	

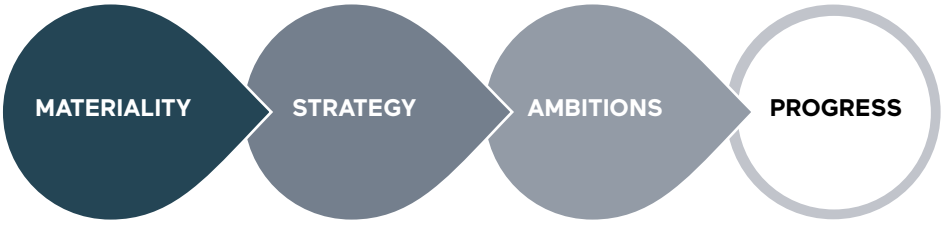
S: Sales / AS: After-sales

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

4.3.2. BUSINESS-SPECIFIC ASPECTS

To support businesses in addressing the ESG aspects that are most critical to them, D'leteren Group encourages them to conduct a materiality assessment and acts as a facilitator of this process. Building on the results from the materiality assessments, the businesses develop or challenge their sustainability strategy. More concretely, they set a limited number of strategic pillars associated with ambitions and KPIs. Where appropriate, they also develop new measurement processes to assess the progress being made towards those targets. This exercise was done for Belron, D'leteren Automotive, D'leteren Immo, and Moleskine in 2020.

Of course, as the environment in which companies operate evolves, so do the material issues. Businesses should, therefore, keep track of all the impacts they have or could have but they must also be aware of any sustainability risks and opportunities. This is the reason why the Group supports its portfolio in a new exercise of double materiality (compliant with the new EU reporting directive requirement). Some training sessions have already been held in 2022 in order for the concept to be well understood before the launch of the analysis.



4.3.3. PURPOSE-DRIVEN COMPANIES

D'leteren Group believes that a business purpose reflects its most significant impact on customers, people, and society. Therefore, the Group encourages its businesses to see their corporate purpose as an integral part and key driver of their business strategy.

For this reason we include the 'purpose' aspect as one of the seven key drivers that we monitor and about which we provide insights to businesses. D'leteren Group ensures that a business' purpose is clear and present at all levels of their organisation by ensuring it is embedded in their corporate culture and strategic orientation. To ensure that a company's purpose generates concrete achievements, the Group encourages its businesses to set purpose-specific targets, accompanied by dedicated indicators to measure progress.

Its two new acquisitions are no exception to the rule;
- TVH, Keep you going and growing
- PHE, Provide affordable and sustainable mobility

4.3.4. COMMITMENTS AND RATINGS

D'leteren Group received an ESG rating of 11.3 (down from 14.3 in 2020) from Sustainalytics, reflecting a low risk of experiencing material financial impacts from ESG factors. D'leteren Group was placed in the fourth percentile in the Diversified Financials industry, assessed by Sustainalytics. The Group also received an AA score from MSCI. Since October 2020, D'leteren Group has been a signatory of the United Nations Principles for Responsible Investment (PRI), the world-leading network of investors working together for a more sustainable global financial system. This engagement not only reflects the Group's commitment to include environmental, social, and governance (ESG) criteria in its investment choices and active ownership approach, but also demonstrates its willingness to continue developing practices and policies in this area.

5. Responsibility as a listed company

5.1. Priorities and Ambitions

D'leteren Group is committed to acting responsibly and fairly in all its operations. The materiality exercise completed in 2021 enabled the Group to reflect deeply on the impact it has as a company.

D'leteren Group as a listed company		
Priorities	**Ambition**	**2022 status**
ESG risk management & internal control	Strong ESG risk management process and disclosure aligned with the new upcoming EU regulations.	Sustainability and Risk managers of the businesses have been trained to ESG risk management.
Climate change vulnerability	To provide financial markets with clear, comprehensive, high-quality information on the impacts of climate change these are managed in terms of governance, strategy, risk process, and measurement actions.	The TCFD exercise has been strengthened this year for Belron, D'leteren Automotive and TVH. The methodology used is given on p.153
Group Impact on Climate Change	To promote environmental values and adopt an emission-reduction path in line with the Paris Agreement.	D'leteren Group commits to reduce absolute scope 1 and scope 2 GHG emissions by 30% by 2027 from a 2021 base year. It has also committed to having 100% of its portfolio covered by a validated SBT by the end of 2025.

D'leteren Group as a listed company		
Priorities	**Ambition**	**2022 status**
Corporate Team Training & Development	To maintain a skilled corporate team able to deliver the Group's ambition.	The entire team is encouraged to attend any external training they may need. Conferences on various topics with external and internal experts are organised for the team on a regular basis.
Business Ethics (incl. anti-bribery, corruption & whistleblowing)	To continue to conduct business ethically and responsibly and to establish a due diligence mechanism to ensure that.	A new Code of Conduct was implemented in 2022. The whole team has been trained on this code.

5.2. Environmental performance

The urgency of the climate crisis is unprecedented and D'leteren Group takes its responsibility seriously. It wants to contribute to the effort to keep a rise in temperature to 1.5°C above pre-industrial levels, which is in line with the Paris Agreement.

To do that, D'leteren Group is committed to reducing absolute scope 1 and scope 2 GHG emissions by 30% by 2027 from a 2021 base year. To support this plan, the holding switched to green electricity in 2021 and plans to keep it that way.

The environmental impact of D'leteren Group as a company is less significant than the impact of its portfolio. However, it is essential that D'leteren Group contributes its part. To this end, an external consultant helps D'leteren Group measure its carbon footprint and identify areas where it can be reduced.

Environmentally-friendly mobility solutions are also supported by an advantageous mobility budget. A first brainstorming session on mobility was organised with team members to reflect on ways to reduce the team's emissions. The goal was to make everyone responsible for their footprint while respecting their personal and professional life circumstances in commuting. This approach is backed by a new environmental policy which is being written considering the feedback from the whole team.

GHG emissions & energy consumption					
KPI	**Unit**	**2020**	**2021 (1)**	**2022**	**Change (2022 vs. 2021)**
Greenhouse gas emissions					
Greenhouse gas emissions scopes 1,2 & 3	**Tonnes CO_2e**	**83,532**	**89,736**	**91,689**	**0.5%**
Greenhouse gas emissions scope 1	**Tonnes CO_2e**	**118**	**98**	**77** ✓	**-20.9%**
Greenhouse gas emissions from cars	Tonnes CO_2e	69	46	45	-0.8%
Greenhouse gas emissions from natural gas	Tonnes CO_2e	48	52	32	-38.5%
Greenhouse gas emissions from refrigerant leakage	Tonnes CO_2e	2	0	0	-
Greenhouse gas emissions scope 2 (2)	**Tonnes CO_2e**	**20**	**0**	**0** ✓	-
Greenhouse gas emissions, market based	Tonnes CO_2e	20	0	0	-
Greenhouse gas emissions scope 3	**Tonnes CO_2e**	**83,394**	**89,639**	**91,612**	**2.2%**
Greenhouse gas emissions from commuting	Tonnes CO_2e	-	12	29	144.8%
Greenhouse gas emissions from business travel	Tonnes CO_2e	96	10	47	377.8%
Greenhouse gas emissions from upstream emissions scopes 1 & 2	Tonnes CO_2e	31	23	18	-21.5%
Greenhouse gas emissions from investments (4)	Tonnes CO_2e	83,268	89,594	91,517	2.1%
Greenhouse gas emissions intensity					
Greenhouse gas emissions scope 1 per FTE	Tonnes CO_2e	6.24	5.17	3.88	-24.9%
Greenhouse gas emissions scope 2 per FTE	Tonnes CO_2e	1.06	0.00	0.00	-
Greenhouse gas emissions scopes 1 & 2 per FTE	Tonnes CO_2e	7.30	5.17	3.89	-24.8%
Energy consumption					
Total car petrol consumption	Litre	29,915	37,359	17,473	-53.2%
Total car diesel consumption	Litre	144	9,765	2,704	-72.3%
Heating, natural gas consumption	MWh	260	282	174	-38.5%
Grey electricity consumption	MWh	118	0	0	-
Renewable electricity consumption	MWh	33	105	65	-38.1%
Renewable electricity production	MWh	5	4	6	53.7%
Cogeneration electricity production	MWh	28	32	11	-65.9%

(1) As restated to reflect the continuous improvement of GHG data collection and measurement which has allowed for a refinement of the perimeter used.

(2) D'leteren Group (Holding) switched to green electricity in 2021.

(3) Natural Gas consumption reduction is mainly explain by a warm winter.

(4) The scope 3 category greenhouse gas emissions from investments includes the scope 1 & 2 emissions from D'leteren Automotive (historical scope), D'leteren Immo, Moleskine, 55,67% of Belron and 40% of TVH (as from 2022).

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

5.3. Social Performance

5.3.1. CORPORATE TEAM TRAINING & DEVELOPMENT

D'leteren Group believes it is essential to offer people a safe and fulfilling work environment that enables them to reach their full potential. Therefore, each year, an employee engagement survey is undertaken and the results are shared with the whole team followed by an action plan to improve employee well-being and fulfilment. In 2022, the results reflected a strong team spirit which D'leteren Group explained by its substantial value of care and its family culture. Low employee turnover is also a good indication of the intense dedication of the corporate team.

The small size of the team allows for learning on the job and vibrant daily exchanges. The Group continuously sustains a working environment which is favourable to dialogue, critical thinking, questioning, and coaching. Thanks to a flexible schedule, experts are encouraged to attend any external training courses they may require. Some collective training sessions were organised as needed but also arranged during the annual workshop involving the whole team. For example, ESG and Digital were two important subjects at the 2022 workshop. It is essential that employee skills and knowledge meet the Company's needs and match its ambitions to support organisational performance, form productive teams, and drive innovation.

D'leteren Group ensures its employees receive appropriate incentives through favourable compensation and compliance with national laws regarding pay. Once a year, a formalised performance appraisal takes place where bonuses, potential pay rises, and succession planning are discussed, and where targets for the following year are set. In 2022, each employee was also granted stock options as part of their remuneration. These incentives, combined with a strong feedback culture, allow employees to perform to the best of their abilities and reach their full potential.

5.3.2. DIVERSITY AND INCLUSION

As an employer, D'leteren Group promotes a positive, diverse, and inclusive workplace for all, with a zero-tolerance policy for any form of discrimination, or any sexual or non-sexual harassment. This means no discrimination will be tolerated against any employee or applicant based on race, ethnicity, religion, nationality, gender, sexual orientation, disability, health condition, age, marital status, or any other basis (for more information see the Code of Conduct). With the launch of the new Code of Conduct in 2022, every employee received training on this topic. Even if such values are deeply rooted in the company's culture, people were reminded that any questionable behaviour should be reported and that serious consequences could follow.

The team has a fair gender balance thanks to the recruitment approach based on merit, skills, talent, and value fit. The Group strongly encourages its employees to treat each other with mutual respect, dignity, and fairness. It makes sure equal opportunities are given to all team members in terms of development and remuneration. Further details of D'leteren Group's diversity policy, as applied to the governance bodies, can be found in the Corporate Governance Statement.

Diversity and inclusion					
KPI	Unit	2020	2021	2022	Change (2022 vs. 2021)
Diversity in the Board of Directors					
Total number of directors on the Board of Directors[1]	Number	11	9	10	11.1%
Percentage of male directors on the Board of Directors	%	64%	67%	70%	3.00p.p.
Percentage of female directors on the Board of Directors	%	36%	33%	30%	-3.00p.p.
Diversity in Executive-level positions					
Total headcount in Executive-level positions[2] as at 31 December	Number	4	4	4	0.00%
Percentage of male headcount in Executive-level positions as at 31 December	%	75%	75%	75%	0.00p.p.
Percentage of female headcount in Executive-level positions as at 31 December	%	25%	25%	25%	0.00p.p.
Gender pay gap					
Unadjusted gender pay gap[3]	%	-	-	4.4%	-

(1) In 2023, new directors are expected to be appointed to reach 33% of female directors.

(2) As restated to reflect the adjustment in the definition of executive level position. This includes CEO, CFO, CLO and Head of Investment.

(3) CEO and CFO are not included since they are self-employed. The gap is influenced by the small size of the team. Details on calculation on p.221

5.3.3. ADDITIONAL WORKFORCE DATA

Workforce data					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Headcount					
Total headcount as at 31 December	Number	19	19	20	5.3%
Percentage of male headcount as at 31 December	%	47%	47%	50%	3.00p.p.
Percentage of female headcount as at 31 December	%	53%	53%	50%	-3.00p.p.
Headcount interns					
Total number of interns employed	Number	3	5	6	20.0%
Headcount by contract (fixed-term/open-ended)					
Total headcount with fixed-term contracts as at 31 December	Number	0	0	0	-
Total headcount with open-ended contracts as at 31 December	Number	19	19	19	0.0%
Percentage of male headcount with open-ended contracts	%	47%	47%	50%	3.00p.p.
Percentage of female headcount with open-ended contracts	%	53%	53%	50%	-3.00p.p.
Headcount full-time/part-time					
Total headcount with a full-time contract as at 31 December	Number	18	18	19	5.6%
Percentage of male headcount with a full-time contract	%	50%	50%	53%	2.63p.p.
Percentage of female headcount with a full-time contract	%	50%	50%	47%	-2.63p.p.
Total headcount with a part-time contract as at 31 December	Number	1	1	1	0.0%
Percentage of male headcount with a part-time contract	%	0.0%	0.0%	0.0%	-
Percentage of female headcount with a part-time contract	%	100	100%	100%	0.0%
Own employee turnover					
Turnover rate	%	11.8%(1)	0.0%	10.8%	-
Number of hours worked					
Total number of hours worked in the reporting year by all employees (incl. interns)	Hours	27,506	30,256	33,932	12.1%
Lost time injury (LTI) at the workplace					
Total number of lost time injury	Number	0	0	0	-
Frequency rate	LTI/1,000,000 hours worked	0	0	0	-
Work-related fatalities					
Total number of work-related fatalities	Number	0	0	0	-
Lost time days at the workplace					
Lost time days due to work accidents	Days	0	0	0	-
Severity rate	LTD/1,000 hours worked	0	0	0	-
Absenteeism (illness and lost time injuries)					
Total days absent because of illness, lost time injuries or unknown reasons	Days	18.19	6.58	9.00	36.8%
Absenteeism rate	%	0.38%	0.14%	0.18%	0.04p.p.

(1) Turnover 2020, as restated to reflect the adjusment in the calculation method.

5.4. Governance

5.4.1. ETHICS

The Code of Conduct implemented in 2022 sets minimum standards in selected areas and applies to each person working for D'leteren Group. It helps recipients apply D'leteren Group's key values on a daily basis and do the right thing. D'leteren Group is committed to carrying out its business ethically and in accordance with all applicable regulations. No unethical behaviour is tolerated from any of its employees, suppliers or partners. The Code sets out ethics and compliance principles (Anti-bribery and Corruption, Data Privacy, etc.), important standards to follow in the work environment (Health & Safety, Human Rights, Freedom of association, etc.) and business practices (Conflict of Interest, Relationships with Suppliers & Partners,etc.). It also makes reference to other policies that complement the Code of Conduct, such as the Dealing Code or the Privacy Policy. Each employee in the Group has received training on this new Code of Conduct.

Governance-related data					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Ethics					
Percentage of headcount that has received training on business ethics (e.g., on the Code of Conduct)	%	0.0%	0.0%	100%	100.00p.p.
Anti-bribery & Anti-corruption					
Monetary amount of legal and regulatory fines and settlements (over €10,000) linked to:	€	0	0	0	0.0%
- Violations of bribery, corruption, or anti-competitive standards					
- Environmental, ecological or social issues					
- Data security breaches					
Number of confirmed incidents of corruption or bribery	Number	0	0	0	0.0%
Non-monetary sanctions					
Number of instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	Number	-	-	0.0%	-
Employees covered with regulatory proceedings					
Percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	%	-	-	0.0%	-

5.4.2. HUMAN RIGHTS

D'leteren Group pays great attention to the respect for human rights in its value chain. It plans to establish and maintain effective, ongoing relationships based on trust and mutual respect with its suppliers, service providers, and other third parties. The Group expects its businesses to comply with the laws and the collective labour agreements in the countries in which they operate. Respect for personal dignity, privacy and the rights of each individual with whom they work must be guaranteed and no human rights violations will be tolerated. D'leteren Group endorses the United Nations Universal Declaration of Human Rights and the conventions and recommendations of the International Labour Organisation. The Group also takes human rights criteria into consideration in its ESG due diligence procedure for all investment opportunities.

Collective bargaining agreement					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Collective bargaining agreement					
Percentage of headcount bound by a collective bargaining agreement (CBA)[1]	%	89%	89%	90%	0.53p.p.

(1) As restated to reflect improvement in definition used and data collection methods. The CEO and CFO due to their self-employement status are not covered by a collective bargaining agreement.

5.4.3. PHILANTHROPY

D'leteren Group actively contributes to meaningful non-profit projects. In addition to participating in the fundraising initiatives of its businesses (such as the yearly Spirit of Belron Challenge or the D'leteren Automotive Give and Gain Challenge), D'leteren Group has its own philanthropic approach. The Philanthropic Committee has identified two areas of specific interest: 1) support for children who have been separated from their families; and 2) equal opportunities in accessing a rewarding career. A variety of projects were supported in 2022.

Community engagement					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Total donations	€	200,000	285,000	244,001	-14.4%

6. EU Taxonomy

6.1. Reporting on the EU Taxonomy

To tackle the sustainability challenges the world is facing, the European Union has developed the EU Green Deal. The aim of the Green Deal is to work towards becoming a climate-neutral continent by 2050. Two conditions have been identified to achieve this goal: firstly, to reorient capital flows towards sustainable investments, and secondly, to increase transparency in the market. Therefore, a classification system for sustainable activities is being developed, the so-called EU Taxonomy. The aim of the EU Taxonomy is to scale up sustainable investments by providing a common European definition of what can be categorised as an "environmentally sustainable" activity. Under the EU Taxonomy, companies are to disclose which part of their Turnover, CapEx, and OpEx meet the criteria set in the EU Taxonomy for their company-specific economic activities. This creates a common language that allows investors and other stakeholders to make better informed (investment) decisions within Europe and beyond.

In total, six annexes with environmental objectives concerning climate change mitigation, climate change adaptation, water, pollution, biodiversity, and circularity will be published. Last year, companies falling under the scope of the EU NFRD (Directive 2014/95/EU), which was the case for D'leteren Group, reported, for the first time, their share of eligibility for Annex 1 (Climate Change Mitigation) and Annex 2 (Climate Change Adaptation). This year, alignment for both of these objectives was required.

In accordance with the guidance provided by the legislation, D'leteren Group will only include the information required by the EU on alignment and eligibility for the two climate objectives in its reporting for FY 2022. Based on the draft text of the Platform on Sustainable Finance on the other four environmental objectives, D'leteren Group has already performed a preliminary analysis on possible eligibility for its businesses, showing potential eligibility for the circular economy-related Annex. D'leteren Group has chosen to wait for the publication of the final Delegated Acts on this objective to disclose its findings on the matter.

With the EU Taxonomy being a living document, new economic activities, new or adjusted technical screening criteria, and changing timelines are expected for the coming years. D'leteren Group will continue to develop its Taxonomy reporting based on any future amendments to the EU Taxonomy Legislation.

6.2. Conclusions based on the analysis

For 2022 reporting at the Group level, D'leteren Group has included two businesses that are eligible for the mitigation and adaption climate objectives: D'leteren Automotive and D'leteren Immo. Since both of these businesses have not yet obtained all the information necessary to determine alignment, D'leteren Group will report a 0% alignment for turnover, CapEx, and OpEx for FY 2022.

D'leteren Automotive's major economic activity is the selling of motor vehicles and associated services. Since the activity of vehicle sales is not included in the EU Taxonomy, D'leteren Automotive's eligibility is limited. D'leteren Automotive is convinced, however, that it still has an important role to play in mitigating climate change via the electrification of the motor vehicle fleet.

Eligibility at this point is limited to two groups of activities: the extension of new mobility services and products and the repair activities. For more details on D'leteren Automotive's Taxonomy disclosures, see the non-financial disclosures (NFD) for D'leteren Automotive (p.157).

D'leteren Immo's economic activities can be bundled under the Taxonomy activity of the acquisition and management of the real estate assets that are owned by D'leteren Group. Almost all of D'leteren Immo's activities are eligible under the EU Taxonomy. For more details, see the NFD for D'leteren Immo (p.208).

Moleskine's and PHE's economic activities are not eligible under the climate objectives of the EU Taxonomy and their eligibility and alignment is 0% for this year on Turnover, CapEx, and OpEx (see p. 197).

As D'leteren Group has joint control over Belron and TVH, these are accounted for as equity-accounted investees and have not been included in this year's analysis for the Taxonomy. D'leteren Group will consider in the coming years the inclusion of those entities in the taxonomy disclosures as point 1.2.3. of Annex I of the Delegated Acts allows companies to disclose KPIs based on turnover, Capex, Opex that include investments in equity accounted in joint ventures, on a pro rata basis corresponding to their share in the equity of the joint venture.

6.3. Disclosures

The Group's taxonomy KPIs (turnover, capex & opex) have been computed based on the Group's consolidated figures.
The denominator of the Group's turnover KPI therefore reconciles with the FY-22 total consolidated turnover (please refer to the consolidated statement of profit or loss in the consolidated financial statements).

The denominator of the Group's capex KPI includes the additions to partly tangible and intangible assets performed during FY-22 as defined in the additional notes and methodology section of the disclosure of non-financial information and reconciles with the information disclosed in the notes of the consolidated financial statements.

The denominator of the Group's opex KPI includes the costs defined in the additional notes and methodology section of the disclosure of non-financial information and have been extracted from the Group's consolidated operating expenses (refer to Note 6 of the consolidated financial statements).

Please note that the figures used to compute the turnover, capex and opex KPIs in the disclosures of non-financial information of D'leteren Automotive, Moleskine and D'leteren Immo include some intercompany transactions between those businesses that have not been eliminated for the purpose of the reporting at the level of these businesses. D'leteren Immo's turnover comes mainly from internal sales to D'leteren Group or is included in other operating income and, therefore, not part of the total Group Turnover.

The eligibility percentage for D'leteren Group's turnover is 5%. The improved understanding of the EU Taxonomy, as well as the additional guidance allowing for more eligible activities under D'leteren Automotive has resulted in an increase of 4.6%, despite the increased amount of non-eligible turnover due to the acquisition of PHE.

The CapEx of D'leteren Group comprises the financial figures of D'leteren Automotive, Moleskine, PHE, and of the corporate & unallocated segment (including D'leteren Immo). The total eligible CapEx for D'leteren Group for FY 2022 is approximately 5% (vs. 32% in 2021). The main reason for the significant decrease is the inclusion in non-eligible CapEx of PHE CapEx. For the reasons previously given, D'leteren Group reports 0% CapEx alignment.

The OpEx of D'leteren Group also comprises the financial figures of D'leteren Automotive, Moleskine, PHE, and of the corporate & unallocated segment (including D'leteren Immo). The total eligible OpEx for D'leteren Group is approximately 44% (vs. 75%). The lower eligibility figure is mainly the result of the inclusion of PHE in the 2022 reporting and the improvement in the calculation method. For the reasons previously given, D'leteren Group reports 0% OpEx alignment.

Apart from acquiring the necessary data to assess alignment with the criteria for substantial contribution and the "does not significantly harm" criteria, D'leteren Group will work towards improved compliance with the minimum safeguards. This entails taking further steps towards the implementation of processes to ensure the protection of human & labour rights in the value chain, as well as an in-depth analysis of the governance processes for bribery, taxation, and fair competition.

TURNOVER

Economic activity	Absolute turnover (in millions)	Proportion of turnover	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of turnover for 2022	Taxonomy aligned proportion of turnover for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
D'leteren Automotive	237.2	5.0%								
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	237.2	5.0%								
Total (A.1. + A.2.)	**237.2**	**5.0%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy-non-eligible activities (B)	4,477.4	95.0%								
Total (A + B)	**4,714.6**	**100%**								

CAPEX

Economic activity	Absolute CapEx (in millions)	Proportion of CapEx	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of CapEx for 2022	Taxonomy aligned proportion of CapEx for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
D'leteren Automotive	23.8	3.3%								
D'leteren Immo	11.8	1.6%								
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	35.6	4.9%								
Total (A.1. + A.2.)	**35.6**	**4.9%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities (B)	690.3	95.1%								
Total (A + B)	**725.9**	**100%**								

OPEX

Economic activity	Absolute OpEx (in millions)	Proportion of OpEx	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of OpEx for 2022	Taxonomy aligned proportion of OpEx for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
D'leteren Automotive	6.3	14.8%								
D'leteren Immo	12.6	29.4%								
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	18.9	44.2%								
Total (A.1. + A.2.)	**18.9**	**44.2%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities (B)	23.8	55.8%								
Total (A + B)	**42.7**	**100%**								

7. Climate-related Financial Disclosure – TCFD

7.1. D'leteren Group's Approach to Climate Change

Since a long-term view on value creation is at the core of its business strategy, D'leteren Group acknowledges the potential financial risks presented by climate change, including those arising from physical climate changes and the transition to a low-carbon economy. On the other hand, the low-carbon transition presents significant opportunities for the Group to invest and grow in businesses that are mitigating and adapting to climate change. This implies having a robust view on the impact of climate change on its businesses to determine how the Group will adapt itself.

Since 2021, D'leteren Group has used the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) to improve its understanding of the materiality of climate change for its businesses, as well as in its due diligence processes. This year the Group has made significant progress by using a scenario analysis in its approach to identifying and assessing the exposure of its portfolio to climate-related issues.

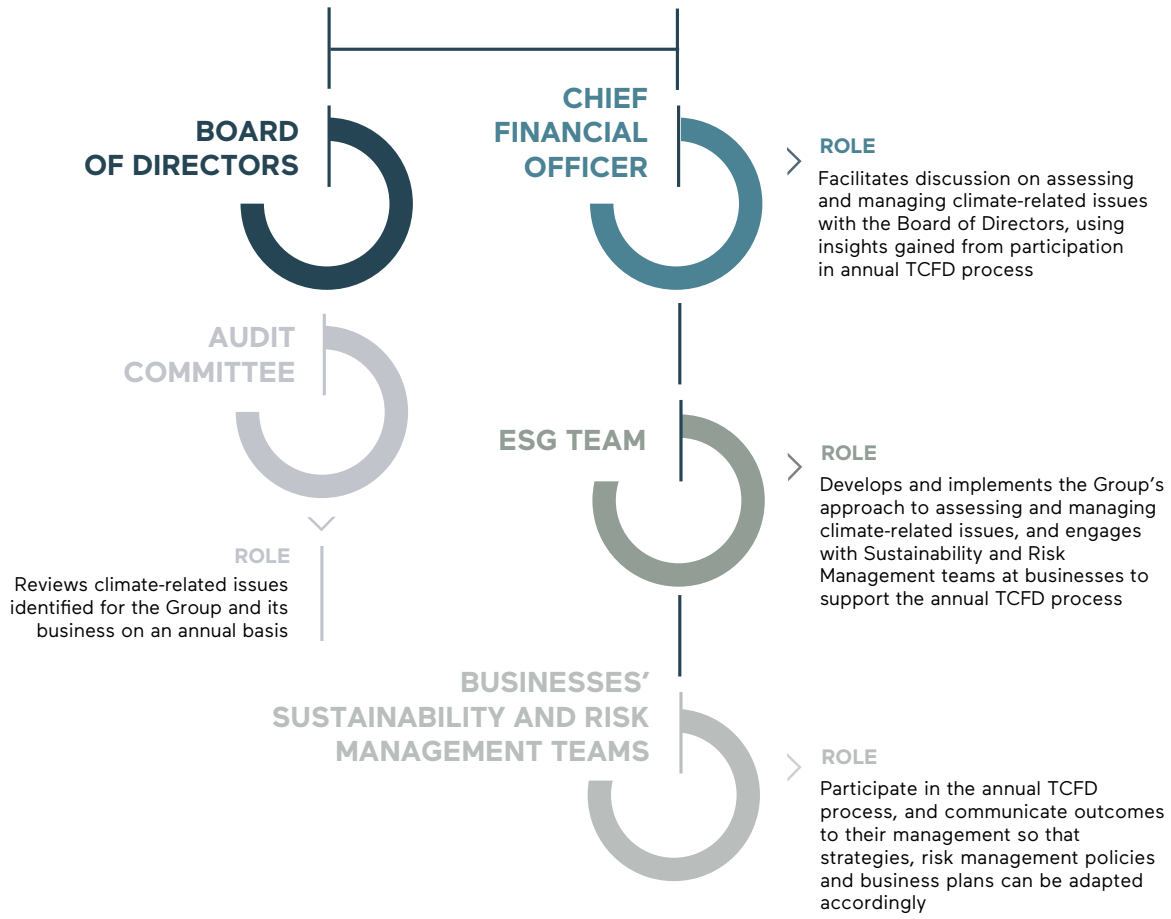
The following sections provide a summary of D'leteren Group's progress to align with the four thematic areas of the TCFD (Governance, Strategy, Risk Management, and Metrics and Targets), with the final section setting out its ambitions and plans in relation to these for 2024.

7.2. D'leteren Group's Climate Change Governance Model

D'leteren Group's governance around climate change is an integral part of its ESG strategy, and allows the Group to oversee, assess and manage climate-related issues across its businesses effectively. Climate change governance at the company is twofold, beginning with the Group's Board of Directors and Executive Committee and extending through to the management team at each business. Supported by the internal ESG team, the D'leteren Group's Chief Financial Officer has overall accountability for climate change and is involved in the annual process of assessing climate-related issues, to ensure they are discussed at the highest levels of the Group and then managed appropriately.

As climate change primarily has the potential to impact the Group's businesses, the assessment processes focus on engaging with their Sustainability and Risk Management teams to improve the existing understanding and approaches to managing climate-related issues. The results from the assessments enable the Group to identify how it can help businesses address the most severe impacts of climate change, whilst capitalising on the associated opportunities. The Sustainability and Risk Management teams also raise the outcomes of the assessments with their management, so considerations of climate-related issues can be integrated across their strategies, risk management policies, and business plans.

At the Group level, the Audit Committee is also informed of and reviews the climate-related issues identified for the Group and its businesses on an annual basis. This allows the Group to monitor relevant risks and opportunities emerging across the portfolio and to incorporate the results into investment decisions and strategic decision making, thereby creating shared value for all stakeholders.

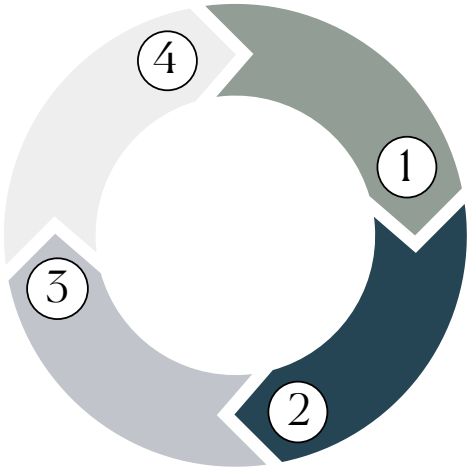


7.3. Impacts of Climate-related Issues on D'leteren Group's Strategy

7.3.1. SCENARIO ANALYSIS PROCESS

To build on the climate impact analyses conducted in 2021 and enhance understanding of the resilience of its strategy regarding climate change, D'leteren Group has worked with a global sustainability consultancy firm to further assess its exposure to climate-related risks and the opportunities that might arise using scenario analysis. The process this year has focused on Belron, D'leteren Automotive, and TVH which together totalled 90.7% of the Group's combined sales in 2022.

The process started with an identification of the physical and transition risks and opportunities from the TCFD taxonomy that have the potential to impact our businesses. The identified risks and opportunities were assigned impact and uncertainty ratings, which were validated by business representatives to ensure that the climate-related issues most pertinent to each business activity were captured. Uncertainty was considered here to determine key areas of unpredictability on how risks or opportunities might play out in different plausible futures, recognising that items that could have a high impact and are highly uncertain should be further evaluated to understand the range of potential outcomes for each business.



1 RISK & OPPORTUNITY IDENTIFICATION
Identify climate-related risks and opportunities potentially affecting the portfolio, and prioritise by impact and uncertainty.

2 SCENARIO & TIME HORIZON SELECTION
Select climate-related scenarios and associated time horizons to apply in scenario analysis.

3 SCENARIO ANALYSIS
Develop understanding of how climate-related risks and opportunities may change under different scenarios.

4 FINANCIAL MODELLING
Assess financial impact of potentially material climate-related risks and opportunities.

The climate-related risks and opportunities with the highest combined impact and uncertainty ratings for each business were prioritized for further assessment using scenario trends, based on the physical and transition scenarios outlined in Table 1. In line with TCFD guidance, the Group assessed these risks and opportunities on a short- (2030) and long-term (2050) basis, whilst also considering transition risks and opportunities on a more immediate short- (2025) and medium-term basis (2040). The time horizons used in the scenario analysis align with D'leteren Group's five-year strategic planning cycle, with the consideration of a long-term time horizon also reflecting our position as longstanding shareholders with no specific exit horizons.

TABLE 1. PHYSICAL SCENARIOS AND TIME HORIZONS CHOSEN FOR THE SCENARIO ANALYSIS

Scenarios and time horizons used to assess potential risks resulting from changes in the frequency and/or intensity of different physical climate hazards. These can be acute (e.g., floods), or chronic (e.g., sustained higher temperatures).

Scenario	**Shared Socio-economic Pathway (SSP) 1-2.6**	**Shared Socio-economic Pathway (SSP) 5-8.5**
Source	**Intergovernmental Panel on Climate Change (IPCC)**	
Warming by 2100	**+1.8°C**	**+4.4°C**
Description	This scenario is aligned to the current commitments under the Paris Agreement. The world shifts towards a more sustainable path, emphasising more inclusive development, driven by an increasing commitment to achieving development goals.	This is a high emissions scenario with no additional climate policy (business-as-usual). The push for economic and social development is coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy intensive lifestyles around the world.
Key Assumptions	- Global net zero reached in 2050 - Renewables account for more than half of the energy supply by 2050 - Few challenges to climate mitigation and adaptation	- Energy demand triples by 2100, dominated by fossil fuels - Current CO_2 levels double by 2050 - Many challenges to climate mitigation, with few challenges to adaptation
Time horizons	**2030 and 2050**	
Rationale for time horizon selection	- To capture meaningful changes in acute and chronic physical risks, noting that these are likely to manifest over longer timescales than transition risks and opportunities. - Consideration of 2050 also reflects our investment strategy, which focuses on long-term support (through control or co-control).	

TABLE 2. TRANSITION SCENARIOS AND TIME HORIZONS CHOSEN FOR THE SCENARIO ANALYSIS

scenarios and time horizons used to assess potential risks and opportunities resulting from the transition to a lower-carbon economy (e.g., policy, legal or market shifts).

Scenario	**Net Zero 2050**	**Current Policies**
Source	**Network for Greening the Financial System (NGFS)**	
Warming by 2100	**+1.5°C**	**+3.0°C**
Description	This is an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO_2 emissions around 2050.	This scenario assumes that only currently implemented policies are preserved, with an expected temperature outcome of ~3°C.
Key Assumptions	- Ambitious climate policy is introduced immediately - Global net zero reached in 2050 - IPCC's SSP2 'Middle of the Road' socioeconomic assumptions adjusted for COVID-19 impact	- Emissions peak in 2080 - IPCC's SSP2 'Middle of the Road' socioeconomic assumptions adjusted for COVID-19 impact
Time horizons	**2025, 2030, 2040 and 2050**	
Rationale for time horizon selection	- Up to 2030 selected to align with our five-year strategic planning cycle. - Between 2030 and 2050 reflects key international and national climate policy milestones, including net zero commitments under the Paris Agreement. - Consideration of 2050 also reflects our investment strategy, which focuses on long-term support (through control or co-control).	

7.3.2. CLIMATE-RELATED ISSUES IDENTIFIED OVER FUTURE TIME HORIZONS

The scenario analysis revealed several physical and transition risks and opportunities arising from climate change that could impact the Group's businesses and strategy, closely aligned with those defined by the TCFD. The results, to be released next year when the process is finalised, will be used to inform the Group's due diligence processes, and to guide investment.

7.4. D'Ieteren Group's Processes for Managing Climate-related Issues

D'Ieteren Group's management of climate-related risks is constantly maturing as it grows its understanding of the impact of climate change on the company, and supports its business activities in doing the same. Building on the TCFD process, the Group will focus on prioritising any potentially material items as validated by its businesses, characterised by a high impact-uncertainty rating and significant future trend, for further assessment and management. Engaging with its businesses throughout this process has enabled the Group to encourage better practices related to climate-related risks, whilst increasing access to data on key trends to improve its ability to assess these issues going forwards.

Based on the climate impact analyses conducted last year, the Group has implemented several measures to manage its climate-related risks and increase resilience, including:

- Committing to the Science Based Targets initiative (SBTi) and encouraging its businesses to develop or initiate the development of a carbon emissions reduction plan in line with SBTi.
- Providing upskilling and coaching sessions to its businesses focused on ESG topics relevant to climate-related risks. This has included awareness sessions on new reporting frameworks, like the Corporate Sustainability Reporting Directive (CSRD), ESG risk management training, and sustainability strategy progress monitoring.
- Supporting individual businesses in challenging their business strategy based on the most significant risks and opportunities which have been identified.

7.5. Metrics and Targets Used to Assess and Manage Climate-related Issues

D'Ieteren Group has several metrics and targets in place to help measure and manage its climate-related risks and opportunities and address its impact on climate change. Among the climate-related metrics that we collect at the Group and business level are:

- GHG emissions by scope 1, 2 and 3, where possible, and emissions intensity.
- Total energy consumption, including the renewable proportion.
- KPIs related to waste management for each business, including the recycled waste proportion.

These are reported in full detail in D'Ieteren Group's and each business's respective non-financial disclosures.
D'Ieteren Group has also committed to the SBTi, with the goal of having all its businesses set emissions reduction targets aligned with a 1.5°C pathway and obtain validation of these by 2025. Belron has made significant progress towards this by finalising and submitting its target to be validated in 2023.

7.6. D'leteren Group's Ambitions for Next Year

In 2023, the Group will continue to work with its businesses to implement the recommendations issued by the TCFD in its journey towards the CSRD reporting. To focus its efforts and monitor progress, the following key actions will be prioritised :

- As a next step in the scenario analysis process, to quantify the financial impact of two potentially material climate-related risks across the Group. The results from the quantification will be used to determine the impacts of the items on D'leteren Group's financial performance and position.
- To extend the scenario analysis process to PHE in order to broaden the understanding of climate-related issues across the portfolio.
- To continue to support each business's management team in adjusting their strategies to avoid adverse impacts on their financial performance and position in the long term. This will involve increasing their resilience by incorporating opportunities into their business strategies and implementing mitigation measures to address their most significant risks.
- To integrate climate-related issues into the overall risk management framework and processes and to promote a consistent approach to identifying, assessing, and managing these matters across the Group.
- To further define relevant climate-related metrics and targets to monitor and communicate progress, ensuring that these are aligned with international standards and requirements to ensure clarity and comparability for stakeholders.

By increasing its understanding of climate-related issues through these steps, D'leteren Group will enhance its risk management and strategic planning, whilst reducing its impact on climate change, thereby continuing to generate long-term value for its various stakeholders, including customers, employees, civil society, the environment in which it operates, and its shareholders.

D'leteren Automotive

For the comfort of reading, D'leteren Automotive will be called by its commercial name, 'D'leteren'.

1. Business model and value creation

Leader in the mobility market in Belgium, D'leteren supports the transition to seamless and sustainable mobility for everyone. The company is actively engaged in implementing a sustainable business model. D'leteren recognizes its role and responsibility in addressing the challenges of climate change. The company understands the impact of its operations on the environment and is committed to reducing its carbon footprint and promoting sustainable mobility solutions. By aligning its operations with the goals of the Paris Agreement and the European Green Deal, D'leteren aims to contribute to the transition to a low-carbon, sustainable future, and help to achieve carbon neutrality in Europe by 2050. To this end:

- D'leteren is **promoting electromobility** in Belgium. It relies on its long term partnership with the Volkswagen Group brands – from the city car to the top-of-the-range sports car – and deploys complementary services integrating, among other things, the installation of charging stations together with photovoltaic panels and batteries with EDI-Electric by D'leteren, and financing solutions from Volkswagen D'leteren Finance.
- D'leteren is also extending its **expertise to the used vehicle market and across the whole lifecycle of the vehicles** with its brands My Way (used car), Wondercar (Bodyshop smart repair) and Wonderservice (Spare parts), thereby prolonging the life of these vehicles with adequate maintenance and repair activities.
- The company is **developing an extensive portfolio of new mobility services**: free-floating car sharing with Poppy, the management of autonomous vehicles with USH, paid passenger transport with Husk and Taxis Verts, a multimodal application Skipr for planning, booking, and paying for a journey, jockey services with Mobvious, etc.
- D'leteren is extending its **position in the (e)bike retail market** with Lucien to become a leading retailer offering new bikes, used bikes and after sales services.
- In 2022, D'leteren has entered, with Microlino, **into a new urban mobility segment** by plugging the gap between cars and two-wheeled vehicles. Microlino is a new kind of electric microcar enabling efficient, light urban CO_2-free mobility.

D'leteren today is composed of several businesses well placed to take an active role in developing a new all-inclusive mobility ecosystem. Together they can meet the needs of the majority of mobility-users, whether individuals or professionals. Moreover, they enable D'leteren to expand by effectively contributing to developing multimodal mobility policies for its B2B customers.

For all the ESG data except for the carbon footprint, the general scope for 2022 is provided in two scoping categories.
- D'leteren Automotive excluding its subsidiaries
- D'leteren Automotive including subsidiaries in which it has a majority ownership (D'leteren Mobility Company (previously Sopadis, D'leteren Centers, Porsche Centre Brussels, Porsche Centre Antwerp), Lab Box, Wondergroup, Lucien)

Geographies & Workforce		Excluding Subsidiaries		Including Subsidiaries		
KPI	Unit	2021	2022	2021	2022	Change (2022 vs. 2021 Exc. Subsidiaries)
Total full-time equivalents (FTEs) as at 31 December	FTE	780.2	799.3	2,039.9	2,400.6	2.4%
Percentage of FTEs in the Eurozone (Belgium)	%	100%	100%	100%	100%	0.00p.p.

Additional backgound information on the calculations and formulas used for ESG data can be found at p.220

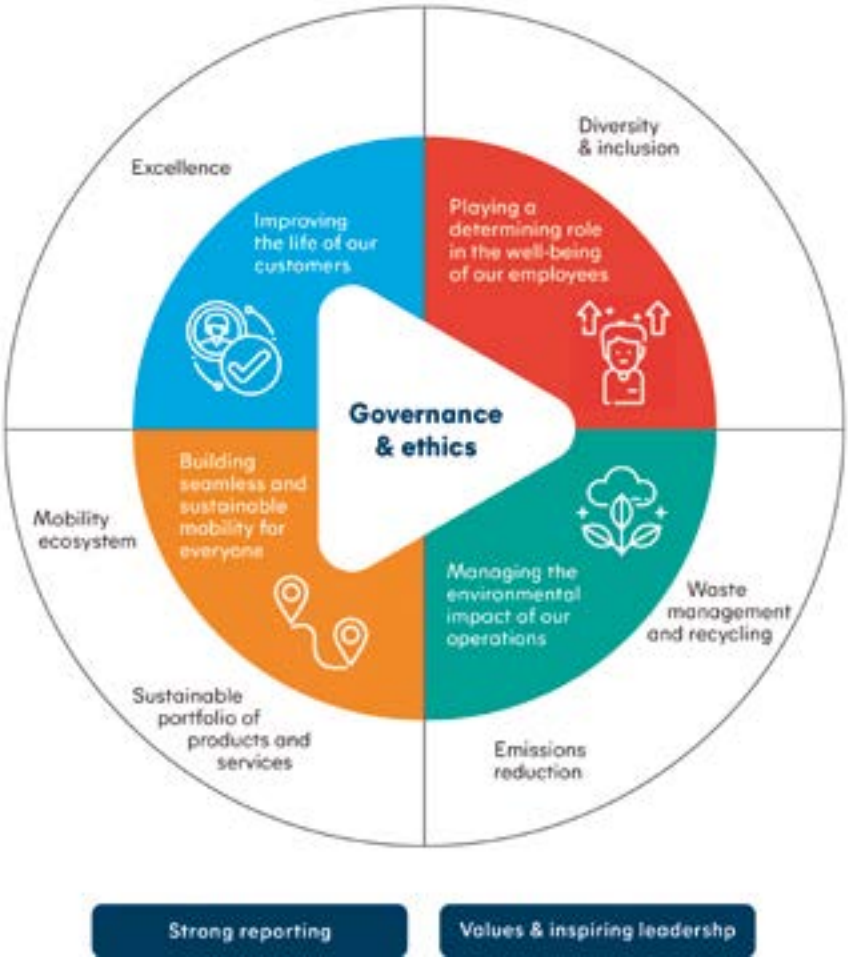
2. Sustainability strategy

2.1. Materiality

In 2020, D'leteren carried out a materiality analysis with the help of an external partner. A dialogue with a selection of stakeholders and the management team, in the form of an online survey and interviews, was set up. More than 200 customers, employees, dealers, shareholders, suppliers, and experts were invited to give their opinions. This analysis led to an identification and prioritization of the business's most critical non-financial (so-called 'material') aspects. The most material topics identified are 'alternative and flexible mobility solutions', 'customer care', and 'emissions from operations and from the sold & leased fleet'. In addition to these topics, D'leteren is committed to being an employer of choice in Belgium and has added 3 more topics: diversity and inclusion in the workplace, employee well-being, and responsible corporate governance.

2.2. Sustainability roadmap

Building on the materiality analysis, D'leteren developed a sustainability roadmap focusing on protecting the environment, customer excellence, well-being and diversity for its staff, responsible governance, and ethics.



To demonstrate its commitment to reduce the carbon footprint of its activities, D'leteren has linked its financial policy to its environmental commitment by signing a Sustainability-Linked Loan in December 2021. The financing conditions are indexed to its objective of reducing its emissions by 50% by 2025 and to D'leteren's active participation in the greening of the Belgian car fleet, committing to reach 28% of electric vehicles among its sales by 2025.

The ESG ambition is also translated through the integration of sustainability-linked KPIs in the Executive Committee's variable remuneration.

2.3. Sustainability governance

The Sustainability Manager, appointed in January 2023, is in charge of defining the sustainability strategy and roadmap, together with the Executive Committee. The Sustainability Manager is also at the forefront of the development and oversight of environmental, social and corporate governance policies and procedures as well as developing and supporting ESG strategic initiatives.

ESG initiative owners have been assigned within relevant departments to ensure the deployment of specific actions to achieve their objectives

- Employee well-being and Diversity & Inclusion: Human Resources
- Customer Satisfaction: Marketing Department
- As the environment and sustainable mobility topics are transversal to D'leteren and all its subsidiaries, the initiatives carried out on these subjects are monitored by the Sustainability manager.

The ESG initiative owners, the Sustainability Manager and the financial teams are also in charge of non-financial reporting. Therefore, they are regularly informed and trained on the legal framework and developments in ESG matters.

Two critical governance bodies review ESG status updates and have different roles:

- The Ethics Committee (once per quarter) serves as a Sounding Board to the Executive Committee, providing input to and new ideas on ESG strategic initiatives; it was composed in 2022 of the CEO, the Human Resources Director, the Sustainability Manager, representatives of the legal and audit department for D'leteren and representatives of subsidiaries;
- The Executive Committee takes strategic decisions linked to ESG topics and ensures progress is in line with the company's non-financial ambition and objectives.

The progress made on the main ESG initiatives is regularly communicated to the senior management teams of D'leteren and then relayed to all employees via its internal communication tools as well as to its external stakeholders.

In the summer 2022 an internal audit was carried out on the governance, risk assessment, KPI monitoring and reporting related to ESG. The main conclusions were the need to formalize internal procedures, implement ESG reporting tools and align the reporting scopes for the different KPIs. An action plan for improvement has been established, as well as responsibilities within a defined timeframe. Since 2020, D'leteren successfully passed the external assurance process for ESG strategic KPIs. In 2023, D'leteren will focus on a broader perimeter, including all its subsidiaries, confirming the company's commitment to improving the transparency and data quality of the ESG reporting process.

2.4. Connectivity table

ESG area	Strategic pillar	Impact on Society	Sustainability-related Risks/opportunities	KPI	2025 Ambition	Value in 2022	Policies & Action plans
Environment	Managing the environmental impact of our operations	D'leteren's activities and operations generate direct and indirect GHG emissions, which have an impact on climate change	**Risk** Climate change is a global emergency that requires urgent actions. D'leteren has a responsibility to monitor, manage and reduce its emissions.	% reduction GHG emissions (vs. 2019)	50%	42.5%	3.1.
				% GHG emissions offset (scopes 1,2 and limited scope 3)	100%	100%	
	Building seamless and sustainable mobility for everyone	New mobility patterns which are increasingly seamless and sustainable emerge, decreasing traffic and related CO_2 emissions	**Risk** Decarbonizing individual mobility is essential for D'leteren to meet the growing pressure from a variety of stakeholder groups (regulators, public-interest groups, NGO's,...) and to retain customers looking for fiscally attractive mobility solutions **Opportunity** As new forms of mobility emerge, D'leteren is expanding into new, adjacent markets to its core business with the opportunity to build a long-lasting leadership position	Share of BEVs in registrations (% of volume)	28%	11.3%	3.2.
				Share of Key Accounts to which D'leteren provides alternative mobility solutions	25%	6.8%	

ESG area	Strategic pillar	Impact on Society	Sustainability-related Risks/opportunities	KPI	2025 Ambition	Value in 2022	Policies & Action plans
Social	Playing a determining role in the well-being of our employees	D'leteren offers a workplace where people can grow, feel supported, and focuses on a good work-life balance which has been at the center of employees' needs since the pandemic	**Opportunity** Creating a positive working environment by minimizing stress levels, improving employee satisfaction and engagement, and ultimately helping employees thrive at work is essential for a better performance and a higher productivity as well as for the attraction and retention of talents	Employee engagement score	75%	84.5% ✓	3.3.
				Survey participation rate	66%	84%	
	Increasing diversity and inclusion in our workplace	D'leteren can have a positive impact on society by creating a workplace where everyone feels included and accepted	**Risk** Too much convergence of like-minded people can be dangerous for business and prevent it from flourishing **Opportunity** Diverse and inclusive workplaces earn deeper trust and more commitment from employees.	Percentage of women in CVs presented to the hiring manager for employee positions	50%	31%	3.4.
				Percentage of women in management committees	25%	23% ✓	
	Improving the life of our customers	In a society where individuals face increasing challenges in balancing various aspects of their lives, the significance of fluid mobility cannot be overstated.	**Opportunity** Happy and satisfied customers are more likely to be loyal to D'leteren, strengthening its position as market leader	NPS for sales of new cars	62	61.5 ✓	3.5.
				NPS for aftersales	54	51.2 ✓	
Governance	Implementing responsible corporate governance	It enables companies to focus on long-term sustainable value creation rather than short-term benefits	**Risk** A governance default could lead to adverse reputational and financial impacts, including claims and fines **Opportunity** The D'leteren values & ethics supported by its culture help to maintain its highly engaged workforce and supports the development and maintenance of talent	No strategic KPI	-	-	3.6.

Data marked with ✓ is in the scope of the independent limited assurance performance performed by PwC.

3. ESG Performance

3.1. Managing the environmental impact of our operations

D'leteren is striving to reduce the CO_2 emissions linked to its operations and has set itself the target of reducing the carbon footprint of its operations by 50% between 2019 and 2025.

At the end of 2022, D'leteren has already reduced its emissions by 42.5%, despite an expected rebound in 2022 due to a return to more normality following two years impacted by Covid-19. This evolution is explained by the success of the actions taken to achieve this target.

Strategic KPI	2021 Value	2022 Value	Target 2025
% GHG reduction	32%	43%	50%

The scope was defined in the 2019 baselining exercice and include scope 1, 2 and specific elements of scope 3 (Logistics, Business travel and commuting). The scope includes the activities of D'leteren (excluding subsidiaries), Porsche Centre Brussels, Porsche Centre Antwerp, and D'leteren Centers. The reason of maintaining that scope is that D'leteren has committed externally to a target (-50% by 2025 vs. 2019) on this scope and the scope is used as part of the Sustainability-Linked Loan.

Several actions have been taken to decrease these emissions and the progress already made is greater than expected.

- Electric cars are largely offered as part of the mobility policy and their adoption rate will rise in the next few years. To further promote electromobility, D'leteren has taken on a significant part of the financing of charging stations at home for its employees who have a company car with more than 440 charging stations installed since 2021.
- Large projects aimed at optimizing the footprint, including the construction of new, low-emission buildings, are currently ongoing in collaboration with D'leteren Immo and results should be seen by 2025. Moreover, D'leteren has been sourcing most of its electricity from green suppliers since 2021.
- D'leteren encourages teleworking and remote conferencing, leading to less employee commuting and less business travel.
- The temperature in the offices was lowered to 19 degrees and the size of the headquarters was reduced to match the office occupancy rate, two initiatives contributing to the reduction of CO_2 emissions.

Additional measures will be taken by 2025 to ensure that the target is met. These will include an increase in the number of electric vehicles in the internal fleet, a possible switch to green gas, a strict monitoring of business travel, etc.

The next step is to establish an emissions reduction target for 2030 in line with the requirements of the Paris Agreement. As a result, the company will now extend the measurement of its emissions to Scope 3, including emissions related to the production, use and end of life of the products it market. This will enable D'leteren to submit an emission reduction target to SBTi for validation. In this context, D'leteren has also joined the Belgian Alliance for Climate Action, which brings together nearly 200 Belgian companies and organisations committed to the climate. An awareness and training program for senior management has been set up in parallel in order to align and get staff on board with the CO_2 emission reduction programs that will be implemented at all levels.

GHG emissions & energy consumption		Historical Scope			
KPI	Unit	2020	2021	2022	Change (2022 vs. 2021)
Greenhouse gas emissions					
Greenhouse gas emissions (Scopes 1, 2 & 3)	Tonnes CO_2e	**16,243**	**13,715**	**11,649** ✓	**-15.1%**
Greenhouse gas emissions scope 1	Tonnes CO_2e	**6,760**	**7,204**	**5,486**	**-23.8%**
Greenhouse gas emissions from cars	Tonnes CO_2e	2,576	2,452	2,688	9.6%
Greenhouse gas emissions from natural gas	Tonnes CO_2e	4,041	4,673	2,746	-41.2%
Greenhouse gas emissions from refrigerant leakage	Tonnes CO_2e	111	52	52	0.4%
Greenhouse gas emissions from owned logistics	Tonnes CO_2e	31	27	-	
Greenhouse gas emissions scope 2	Tonnes CO_2e	**1,004**	**17**	**28**	**63.7%**
Greenhouse gas emissions, market-based	Tonnes CO_2e	1,004	17	28	63.7%
Greenhouse gas emissions scope 3	Tonnes CO_2e	**8,479**	**6,495**	**6,135**	**-5.5%**
Greenhouse gas emissions from commuting	Tonnes CO_2e	1,142	638	566	-11.2%
Greenhouse gas emissions from business travel	Tonnes CO_2e	148	43	251	480.7%
Greenhouse gas emissions from upstream emissions, scope 1 & 2	Tonnes CO_2e	1,783	1,649	1,406	-14.7%
Greenhouse gas emissions from upstream logistics	Tonnes CO_2e	5,380	4,041	3,849	-4.8%
Greenhouse gas emissions from waste	Tonnes CO_2e	25	123	63	-49.2%

GHG emissions & energy consumption		Historical Scope			
KPI	Unit	2020	2021	2022	Change (2022 vs. 2021)
Greenhouse gas emission intensity					
Greenhouse gas emissions, scope 1 per FTE	Tonnes CO_2e	4.90	8.93	6.86	-23.1%
Greenhouse gas emissions, scope 2 per FTE	Tonnes CO_2e	0.73	0.02	0.03	59.8%
Greenhouse gas emissions, scope 1 & 2 per FTE	Tonnes CO_2e	5.63	8.95	6.90	-22.9%
Energy consumption					
Total car gasoline/petrol consumption	Liter	956,618	900,962	1,006,696	11.7%
Total car diesel consumption	Liter	169,189	195,215	190,057	-2.6%
Heating, natural gas consumption	MWh	21,845	25,260	14,843	-41.2%
Grey electricity consumption	MWh	5,939	106	131	24.1%
Renewable electricity consumption	MWh	4,340	6,075	5,000	-17.7%
Renewable electricity production	MWh	2,714	2,439	2,734	12.1%
Cogeneration electricity production	MWh	2,831	2,959	1,855	-37.3%

For the KPIs related to the carbon footprint and energy, the scope as reported since 2019 is kept (HISTORICAL SCOPE). The reason is that D'leteren has committed externally to a target (-50% by 2025 vs 2019) on this scope and the scope is used as part of our Sustainability-Linked Loan. This scope includes the activities of D'leteren (excluding subsidiaries), Porsche Center Brussels, Porsche Center Antwerp and D'leteren Car Centers.
A decrease in heating and the closure of sites explain the decreasing scope 1. For scope 3, the closure of sites led to decreasing waste emissions and business travel are increasing in a post-covid rebound.
D'leteren's Scope 2 emissions experienced a considerable reduction in 2021 as a result of the company's transition to green electricity. However, the emissions data for one of their sites still reflects the use of grey electricity, which contributes to the company's Scope 2 emissions.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

WASTE MANAGEMENT

In disposing of and recycling its waste, D'leteren collaborates with waste management companies, such as Veolia (for all waste), Oilco (for used oil), Dechamps (for scrap metal). A project coordinator from the main waste collection company (Veolia) makes regular site visits to monitor and optimize waste management on site. D'leteren also facilitates the recycling of used vehicles by offering an additional allowance to people who provide their vehicles for recycling. D'leteren works with Febelauto whose mission is to organize and monitor the management of end-of-life vehicles by the European Directive. Currently, Febelauto recycles around 97% of the weight of these vehicles in an approved and controlled way.

Waste-related data		Excluding Subsidiaries		Including Subsidiaries		
KPI	Unit	2021	2022	2021	2022	Change (2022 vs. 2021 Excl. Subsidiaries)
Total waste generated	**Tonnes**	**512**	**494** ✓	**1,795**	**1,666**	**-3.5%**
Total hazardous waste generated	**Tonnes**	**13**	**8**	**416**	**454**	**-36.5%**
Total hazardous waste directed to landfill	Tonnes	0	0	12	0	
Total hazardous waste directed to incineration (without energy recovery)	Tonnes	0	0	0	0	-
Total hazardous waste directed to incineration (with energy recovery)	Tonnes	1	1	31	20	48.3%
Total hazardous waste diverted from disposal to re-use	Tonnes	2	1	72	179	-28.1%
Total hazardous waste diverted from disposal to recycling	Tonnes	11	6	302	255	-44.8%
Total non-hazardous waste generated	**Tonnes**	**498**	**485**	**1,379**	**1,211**	**-2.6%**
Total non-hazardous waste directed to landfill	Tonnes	0	0	20	16	-
Total non-hazardous waste directed to incineration (without energy recovery)	Tonnes	0	0	72	152	-
Total non-hazardous waste directed to incineration (with energy recovery)	Tonnes	89	79	264	219	-10.7%
Total non-hazardous waste diverted from disposal to re-use	Tonnes	0	0	115	47	-
Total non-hazardous waste diverted from disposal to recycling	Tonnes	409	406	909	777	-0.8%

Note that D'leteren Immo and D'leteren Group Holding' s waste data are included in the waste data of D'leteren. Maintenance parts are not included in the waste reported for D'leteren. Hazardous waste directed to landfill is assumed to be 0 for D'leteren Mobility Company and Lab Box due to their size and type of activities.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC

3.2. Building seamless and sustainable mobility for everyone

D'leteren is not only Belgium's largest vehicle distributor. The company has transformed itself over the last 4 years to offer a holistic approach to mobility and meet the needs of all mobility-users, both individuals or professionals. D'leteren offers a wide range of diversified mobility solutions.

This portfolio of activities has been built on the results of the Polaris mobility survey conducted by D'leteren in 2021, targeting professional customers. This survey showed that B2B customers will be catalysts for adopting new mobility patterns, for example, by offering mobility budgets to their employees who wish to travel or commute with alternatives to company cars.

Given the importance of B2B customers, D'leteren has set up a 'Group Mobility Solutions' team to inform B2B customers of the new mobility possibilities for companies and to offer B2B customers a one-stop-shop solution for all their mobility solutions. A web platform has been developed to provide customers with regularly updated information on electrification, taxation and new mobility solutions.

3.2.1. ELECTRIFICATION OF THE CAR FLEET

D'leteren is leader in this segment in Belgium with 11.3% of its volume of registrations being electric vehicles (vs 7.4% in 2021). This demonstrates the relevance of its strategy focusing among others on fleet customers with Group Mobility Solutions helping them to shape new electric mobility policies, with an array of Battery Electric Vehicles (BEV) products and solutions provided by EDI-Electric by D'leteren.

Founded 3 years ago, EDI is now the leader in Belgium, with 6,783 charging stations installed in 2022 and the ambition to double this figure in 2023. In addition to the sales and installation of charging stations, EDI Network has been created to promote the development of electrical infrastructure in private facilities accessible to the public. This allows companies, commercial spaces, sports centers, etc. to offer charging solutions to their customers, with EDI Network taking care of all the billing aspects. In 2022, EDI also entered the green energy market by acquiring GO SOLAR, a key player in Belgium installing photovoltaic panels and home batteries. This acquisition is a strategic operation that simplifies the customer experience by providing a complete electromobility offer.

Strategic KPI	2021 Value	2022 Value	Target 2025
Percentage of Battery Electric Vehicles (BEV) in registrations (% of volume imported by D'leteren)	7.4%	11.3%	28%

Scope: 6 main brands in the passenger car segment (Volkswagen, SEAT, CUPRA, Audi, SKODA and Porsche)

3.2.2. ALTERNATIVE AND FLEXIBLE MOBILITY SOLUTIONS

While individual cars remain the most important mode of transport, other forms of mobility are growing and D'leteren is taking a series of initiatives to shape their respective markets.

D'leteren continues to invest in Lab Box, its mobility start-up studio that develops and supports ventures covering a wide-range of new mobility activities, with the ambition to make cities more livable and enjoyable in the future.

- Poppy is a shared mobility platform with over 200,000 users to date and currently offers 1,000 cars, 50 vans, 2,000 e-scooters and 160 e-bikes. In order to meet the growing demand, Poppy Mobility will progressively expand its fleet in 2023 with 2,000 new cars. The shared mobility app is available in Brussels, Antwerp, Mechelen, Ghent, Liège, Lier and at Belgian airports.
- The Brussels cab company Taxis Verts joined D'leteren in 2022. With this acquisition, Lab Box and D'leteren want to make Taxis Verts the national champion in its field and take initiative to electrify the taxi fleet and digitalize the offering
- Mob Box supports companies to make better data-driven mobility decisions with better environmental impact and user satisfaction.
- Mbrella is an HR platform to manage flexible mobility including public transport subscriptions, commuting allowance, mobility budgets etc.
- USH is the company behind the first autonomous vehicle on open roads in Wallonia and, since 2022, in Flanders.
- Skipr is a Mobility-as-a-Service application enabling the deployment of a mobility budget for employers.

2022 was marked by D'leteren's entry into the e-bike retail market with Lucien and its chain of more than 10 stores in the Brussels and Antwerp regions. D'leteren wants to promote this active and emission-free mode of transportation in cities across Belgium.
End of 2022, D'leteren announced the marketing in Belgium of Microlino, underlining its willingness to promote environmentally friendly modes of travel that are convenient for urban mobility.

Consequently, D'leteren has a wide range of complementary or alternative mobility solutions to the car. These offers are welcomed with success, especially by B2B customers. More than 6% of them now include one of these solutions in their mobility policy. D'leteren intends to promote them as much as possible in order to reach its objective of 25% integration of these solutions in the purchases of professional customers by 2025.

Strategic KPI	2021 Value	2022 Value	Target 2025
Percentage of Key Accounts to which D'leteren provides alternative mobility solutions	<1%	6.8%	25%

Scope: excluding Lucien & EDI

3.3. Playing a determining role in the well-being of its employees

D'leteren is creating a great place to work where everyone is able to perform to the best of their abilities. The company's performance depends on its employees and their involvement in improving their personal and collective performance.

Therefore, two main initiatives were pursued in 2022: the 'Living our Values' programme and the well-being programme. As part of the 'Living our Values' programme, every employee participated in workshops to share how they can apply the D'leteren values in their day-to-day work. The well-being programme involves various training opportunities throughout the year on managing energy, teleworking, healthy food, etc.

Moreover, in a rapidly changing sector, D'leteren takes its responsibilities for preparing its employees to meet future challenges and gives them the opportunity to develop themselves. Its D'leteren Academy plays an active role in developing skills internally and throughout the dealership network. Its transversal platform, named MyAcademy, provides easy access to a large set of learning solutions, both digital and in-person. The offer is constantly renewed and structured into a diversified portfolio of training sessions linked directly to the company's strategy and needs, for example, inducting newcomers, a leadership curriculum, developing their transversal strategic skills and talent development programmes.

D'leteren is also taking care to foster the gathering of teams after many months of teleworking and social distancing linked to the Covid years. For the first time in 2022, the company organized the D'leteren Festival for its 2,300 employees in a spirit of celebration and entertainment. The company also regularly organizes general information meetings for all its teams to reinforce alignment team cohesion.

D'leteren has furthermore entered a vast plan for converting its offices into a great place to work. D'leteren Park should be completed by the end of 2024 and will bring together the majority of D'leteren and Volkswagen D'leteren Finance employees in a single location. D'leteren Park is much more than just offices. It is a whole new way of working that will be promoted to stimulate collaboration, curiosity, exchange and innovation. This project is being developed in close collaboration with the staff, particularly with some of them whose role is to participate in the organizational choices and to communicate on these topics to their respective teams.

Every year in November, D'leteren measures employee engagement through a specific survey. Other surveys are also deployed and the results were shared in teams in order to identify and implement any necessary actions. Although employee engagement remained very high, the high workload was highlighted by . The Executive Team is taking appropriate measures to manage this situation, including offering 1 day of rest to every employee during the holiday season and prioritizing projects by entities, as well as organizing sessions with Executive Committee members for the whole organization to strengthen the proximity with and clarity on the company's vision and 5-year plan.

Strategic KPI	2021 Value	2022 Value	Target 2025
Employee engagement score	88%	84.5% ✓	75%
Survey participation rate	88%	84%	66%

Scope: D'leteren and all subsidiaries; 2021 and 2022 scope excuded D'leteren Mobility company following the restructuring plan.

Engagement score is defined as the percentage of employees answering "agree" or "rather agree" across 4 statements : "I am committed to supporting my department's vision and plans for the coming years", "I am proud to work for my company", "I am motivated to invest in my work to build our future" and "My work gives me a sense of personal accomplishment".

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC

Training		Excluding Subsidiaries			Including Subsidiaries		
KPI	Unit	2020	2021	2022	2021	2022	Change (2022 vs. 2021 Excl. Subsidiaries)
Average number of training hours by FTE	Hours/ FTE	7.8	18.9	23.8	12.7	14.5	26.1%

Health & safety data		Excluding Subsidiaries			Including subsidiaries		
KPI	Unit	2020	2021	2022	2021	2022	Change (2022 vs. 2021 Excl. Subsidiaries)
Lost time injury (LTI) at the workplace							
Total number of lost time injuries	Number	32	10	11 ✓	66	30	10.0%
Frequency rate	LTI/1,000,000 Hours worked	16.68	8.60	9.3 ✓	21.96	9.71	7.9%
Work-related fatalities							
Total number of work-related fatalities	Number	0	0	0	0	0	-
Lost time in days at the workplace (LTD)							
Lost time in days due to work accidents	Days	901	210	113	1,210	251	-46.2%
Severity rate	LTD/1,000 Hours worked	0.47	0.18	0.10 ✓	0.40	0.08	-47.2%
Absenteeism (illness and lost time injuries)							
Total days absent because of illness, lost time injuries or unknown reasons	Days	21,493	11,809	12,323	49,499	37,217	4.3%
Absenteeism rate	%	6.13%	5.96%	6.07%	9.55%	6.10%	0.11p.p.
Health and safety training							
Total health and safety training hours	Hours	1,282	1,434	1574	1,840	2,399	9.8%

Definitions and formulas for LTI, frequency rate and severity rate can be found at the end of the NFDs (p.221).

Social data		Excluding Subsidiaries			Including Subsidiaries		
KPI	Unit	2020	2021	2022	2021	2022	Change (2022 vs. 2021 Excl. Subsidiaries)
Hours worked, subcontractor staff							
Total number of hours worked by subcontractor staff during the reporting period	Hours	0.00	53,989	47,136	109,758	144,924	-12.7%
Headcount, own employees							
Total headcount as at 31 December	Number	1,388	787	806	2,081	2,499	2.4%
Percentage of male headcount as at 31 December	%	80%	74%	74%	82%	80%	-0.14p.p.
Percentage of female headcount as at 31 December	%	20%	26%	26%	18%	20%	0.14p.p.
Headcount by contract (fixed-term/open-ended)							
Total headcount with fixed term contracts as at 31 December	Number	25	10	13	18	106	30.0%
Percentage of male headcount with fixed term contracts	%	80%	100%	92%	100%	91%	-7.69p.p.
Percentage of female headcount with fixed term contracts	%	20%	0%	8%	0%	9%	8.00p.p.
Total headcount with open-ended contracts as at 31 December	Number	1,363	777	793	2,063	2,322	2.1%
Percentage of male headcount with open-ended contracts	%	80%	74%	74%	82%	80%	-0.11p.p.
Percentage of female headcount with open-ended contracts	%	20%	26%	26%	18%	20%	0.11p.p.
Headcount full-time/part-time							
Total headcount contracted on a full-time basis as at 31 December	Number	1258	706	720	1931	2245	2.0%
Total headcount contracted on a part-time basis as at 31 December	Number	130	81	86	150	210	6.2%
Own employee turnover							
Turnover rate	%	6.38%	7.54%	8.16%	16.60%	16.25%	0.62p.p.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC

3.4. Increasing diversity and inclusion in the workplace

The importance of inclusion and diversity at D'leteren is based on the belief that a diverse and inclusive workplace can lead to better business results and a more positive work environment. A diverse and inclusive workplace can bring a wider range of perspectives and ideas to the table, leading to more innovative solutions and a more engaged workforce. In addition, promoting inclusion and diversity helps to create a positive company culture and reputation, and can improve employee satisfaction and retention. Overall, D'leteren considers inclusion and diversity to be a key factor in its success and continues to take steps to ensure that all employees feel valued and respected in the workplace. Consequently, all decisions relating to employment, including hiring, performance appraisal, promotion, training, remuneration and development, are made solely on the basis of objective factors such as skills, qualifications, merit, performance and other professional considerations. As mentioned in its Code of Conduct, D'leteren prohibits any form of discrimination based on age, gender, ethnic origin, nationality, religion etc.

Along with the initiatives taken in terms of professional development or regular measurements of employee satisfaction, D'leteren has decided to set up a programme to foster gender diversity in the company, from recruiting, training and mentoring women, to increase their representation in the company's management committees. This programme includes:

- Training the recruiting team and hiring managers on the biases that can exist
- Reviewing the website's career page to align it with D'leteren's values and highlight initiatives to support female employees
- A leadership programme for women, including group and peer-to-peer coaching to support them in their personal and professional development
- Internal networking events to encourage women to meet each other to create a real network of women in mobility

Strategic KPI	2021 Value	2022 Value	Target 2025
Percentage of CVs from women presented to the hiring manager for an employee position	33%	31%	50%
Percentage of women in management committees	23%	23% ✓	25%

Scope : D'leteren Automotive (excluding subsidiaries).

The share of women in management committees covers D'leteren Automotive (excluding subsidiaries). Management Committees are defined as the leadership teams of the departments. They are made of directors and direct reports collectively in charge of the deployment of the strategy.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

Diversity & Inclusion		Excluding Subsidiaries		Including Subsidiaries	
KPI	Unit	2021	2022	2021	2022
Diversity in executive level positions					
Total headcount in executive level positions as at 31 December	Number	7	6	9	41
Percentage of male headcount in executive level positions as at 31 December	%	86%	83%	89%	85%
Percentage of female headcount in executive level positions as at 31 December	%	14%	17%	11%	15%
Diversity on the Board of Directors					
Total headcount on the Board of Directors	Number	6	6	-	-
Percentage of male directors on the Board of Directors	%	83%	83%	-	-
Percentage of female directors on the Board of Directors	%	17%	17%	-	-

3.5. Improving the life of its customers

Improving the life of its customers, by aiming for excellence in the services provided throughout each customer journey, is one of the strategic axes on which D'leteren is working to achieve its mission to be a leader in the mobility market with a wide offering to offer fluid and sustainable mobility for all.

D'leteren is using the Net Promoter Score (NPS) as main KPI to measure customer satisfaction at several moments in a customer journey: the website visit, the offer request, the delivery of the car, maintenance, etc. The results from these surveys are used in several ways. Unsatisfied customers are called back by their dealer, who investigate the issue and suggest possible solutions. Customer feedback is also analyzed by the importer team to identify any structural pain points in the customer journey and to implement projects to improve the overall customer experience. For example, on the basis of similar analysis, new procedures have been implemented to ensure customers receive an answer to their sales requests more rapidly. Finally, the NPS is also used to support their dealers in benchmarking themselves against their peers and improving their customer service.

To raise awareness among its staff, D'leteren has set up in 2022 training modules to explain why the company places the customer at the heart of its strategy and how each of them can contribute to it on a daily basis. The modules deal with customer centricity, customer satisfaction, the customer journey, customer profiles and everybody's contribution. In 2022, more than 120 D'leteren employees were trained on that topic. This training is now integrated into the onboarding program for new employees and will be intensified in 2023, particularly for people working in the after-sales service.

Strategic KPI	2021 Value	2022 Value	Target 2025
NPS for sales of new cars	60	61.5 ✓	62
NPS for aftersales	53	51.2 ✓	54

Net Promoter Score given by customers visiting the official network for buying a new car or visiting their mechanical or bodywork aftersales workshops. For the calculation of the scores weights were used based on forecasted sales.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3.6. Governance and business ethics

D'leteren is committed to apply the highest ethical standards and comply with all applicable laws.

Its Code of Conduct, The WayWeWork, is the company's set of values and ethics that provides clarity on acceptable behavior across the company. It applies to every staff member from all D'leteren subsidiaries. The WayWeWork provides general guiding principles regarding the values the organization believes in, day-to-day business practices and how staff member must interact with colleagues as well as with external parties. These principles also form the basis for company policies and procedures. In 2021, D'leteren published a third version of its Code of Conduct and in order to ensure that stall members adhere and understand the Code's contents, D'leteren organized compulsory training sessions on the main ethical principles. In addition, the company continued to promote its whistleblowing procedure with the belief that transparency and the opportunity to remedy any ethical fault are key to the success of its ethical approach. Whether the alert is confirmed or not, D'leteren ensures in each case that its internal procedures are applied if necessary.

D'leteren also expects third parties acting on behalf of its businesses to follow the principles set out in this Code of Conduct. A specific Code of Conduct for suppliers has been developed in 2022 and will be released in 2023 to engage them more actively in achieving the highest levels of ethical, social and environmental performance. When contracting with D'leteren, suppliers will commit in particular to training and raising the awareness of their teams regarding the principles of integrity, taking any reasonable measures to prevent, detect and remedy breaches, notifying D'leteren immediately of any identified risks or breaches, agreeing to record-based or on-the-spot integrity checks conducted by D'leteren and informing their teams about D'leteren Integrity Alert System. This allows them to report in good faith any dilemma or suspicion of any breach of ethical and compliance principles.

Governance		Excluding Subsidiaries			Including Subsidiaries		
KPI	Unit	2020	2021	2022	2021	2022	Change (2022 vs. 2021 Excl. Subsidiaries)
Ethics							
Percentage of headcount that received training on business ethics (e.g. on the Code of Conduct)	%	0%	94%	85%	42%	37%	-9.29p.p.
Number of registered incidents on unethical work-place behaviour or discrimination	Number	0	2	2	2	3	0.0%
Anti-bribery & anti-corruption							
Monetary amount of legal and regulatory fines and settlements (over €10,000) connected with:	€	0	0	0	0	0	-
- Breaches of bribery, corruption or anti-competitive standards							
- Environmental, ecological or social issues							
- Data security breaches							
Number of confirmed incidents of corruption and bribery	Number	0	0	0	0	0	-
Non-monetary sanctions							
Number of instances of non compliance with laws and regulations for which non-monetary sanctions were incurred	Number	-	-	0	-	0	-
Collective bargaining agreement							
Percentage of headcount bound by a collective bargaining agreement (CBA)	%	99%	99%	99%	88%	89%	0.02p.p.

3.7. Community engagement

Community engagement is important for D'leteren as it provides an opportunity for the company to give back to society and make a positive impact.

To raise awareness of road safety among the youngest, Wondercar and the Vias Insitute, the Belgium Institute for Road Safety, the Belgium Institute for Road Safety, have joined forces through a new campaign called "Wonder Robot". This kids-friendly character was created to help and assist parents and teachers in educating children about road safety via a playful and entertaining learning. The initiative was completed with the equipment of "Wonder Robot" safety vest for about 10,000 kids across Belgium.

Furthermore, D'leteren pursues its 'Give & Gain' charity programme that reflects not only the company's full commitment to causes that are close to its businesses but also the commitment of its employees.

In 2022, sport and well-being sessions were completed by more than 200 participants to raise money for programs to protect the environment, notably in collaboration with WWF. The commitment of D'leteren 's employees has also resulted in the distribution of kid trolleys to hospitals and nursing homes.

In addition to its recurring actions, D'leteren supported people impacted by the via Consortium 12-12.

In line with its mission to work towards fluid and sustainable mobility, D'leteren decided to support a mobility study, conducted by Mob Box for the Cliniques Universitaires Saint Luc in Brussels, one of the largest hospitals in Brussels. This support aims at facilitating access to the hospital and, therefore, to the health care for all patients and staff working there. The analysis will be conducted in 2023.

Community engagement		Excluding Subsidiaries		Including Subsidiaries		
KPI	Unit	2021	2022	2021	2022	Change (2022 vs. 2021 Excl. Subsidiaries)
Donations						
Total donations	€	145,262	94,847	163,712	97,297	-34.7%

4. EU Taxonomy

D'leteren's major economic activity is the sale of motor vehicles which, currently, is not included in the EU Taxonomy. The Taxonomy description only includes the purchase, financing, leasing, rental, and operation of vehicles and excludes selling as an eligible activity. Since D'leteren is the largest provider of new vehicles in Belgium, D'leteren believes it plays a crucial role in the transition from fossil-fuel-driven motor vehicles to electric motor vehicles. D'leteren Automotive is also playing a role in offering a wide range of alternative mobility services.

All the initiatives clustered under Lab Box, which is D'leteren's research and development entity that focuses on the future of mobility, are included this year as eligible. Indeed, those activities help mitigate climate change, by promoting and developing new sustainable mobility solutions.

In comparison to last year's Taxonomy disclosures, D'leteren has extended its eligible Turnover, CapEx, and OpEx. The increased eligibility is mainly due to the extra guidance given by the EU on the 'manufacture of low-carbon technologies for transport'. This additional guidance[1] mentions the following:

'The qualifiers, such as 'low-carbon' vehicles or 'low-carbon' vessels for the purpose of Section 3.3 in Annex I to the Climate Delegated Act ('manufacture of low-carbon technologies for transport'), which are not defined in a clear way, should only be considered for the purposes of determining compliance with the technical screening criteria and are, therefore, not relevant for the reporting on eligibility.'

This extra guidance extends the description of activity 3.3, which is the "Manufacture, repair, maintenance, retrofitting, repurposing, and upgrade of low-carbon transport vehicles, rolling stock and vessels"[1] to all rolling stock and vessels, regardless of their low-carbon character. Hence all of D'leteren's repair, maintenance, retrofitting, repurposing, and upgrading activities can also be deemed eligible. Given the guidance, D'leteren feels confident about including an additional eligible segment of mechanical and bodyshop repair (WonderGroup and Retail).

Other additional economic activities in comparison to last year's analysis are the renewable energy activities that have grown strongly (EDI, EDI Network, and GoSolar).

This leads to the following list of Taxonomy activities from the climate objectives that are applicable to D'leteren's activities:

#	D'leteren economic activity	Taxonomy activity
1	Sale of bicycles & accessories (Lucien)	6.4. Operation of personal mobility devices, cycle logistics (CCM & CCA)
2	Leasing of bicycles (Joule)	6.4. Operation of personal mobility devices, cycle logistics (CCM & CCA)
3	Shared mobility services (Poppy)	6.5. Transport by motorbikes, passenger cars and light commercial vehicles (CCM & CCA)
4	Mechanical & Body shop repair (WonderGroup, Retail)	3.3. Manufacture of low-carbon technologies for transport
5	Sale & installation of BEV charging stations (EDI)	6.15. Infrastructure enabling low-carbon road transport and public transport
6	Operation of BEV charging stations i.e. selling KWh's (EDI Network)	6.15. Infrastructure enabling low-carbon road transport and public transport
7	Sale & installation of PV panels and stationary batteries (GoSolar)	7.6. Installation, maintenance and repair of renewable energy technologies (CCM & CCA)
8	Mobility as a Service (Mbrella)	8.2 Data-driven solutions for GHG emissions reductions (CCM)
9	Taxi dispatching (Taxi Verts, Husk)	8.2 Data-driven solutions for GHG emissions reductions (CCM)
10	Lab Box SA	8.2 Data-driven solutions for GHG emissions reductions (CCM)

In total, this year's eligible turnover has increased from 0.5% to 6.6%. The reason for this is threefold:
1. Increased granularity in the link between the economic activities and the link to the EU Taxonomy
2. Improved data management systems to link the EU Taxonomy's data requirements to internal data systems
3. Improved EU guidance on certain interpretations of the EU Taxonomy

The biggest change (4.4% increase of total eligibility) is due to the inclusion of certain activities under activity 3.3, the 'Manufacture of low-carbon technologies for transport.

The eligible CapEx this year almost doubled from 16.3% to over 35.2%. This is due to the increased scope of eligible activities, improved data collection, as well as the increased expenditures within Poppy (fleet expansion).

The eligible OpEx decreased from 39.1% to 19.2%, mainly driven by higher granularity in the different business activities and more granular data systems which, together, caused a reallocation of certain costs to become non eligible.

D'leteren has not been able to gather all the necessary information to assess its alignment. It will work towards improving data collection in the years to come and, therefore, D'leteren will report 0% aligned turnover, CapEx and OpEx for this financial year.

1. Q9, FAQ (originally published in February 2022) https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52022XC1006(01)&from=EN

TURNOVER

Economic activity	Absolute turnover (in millions)	Proportion of turnover	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of turnover for 2022	Taxonomy aligned proportion of turnover for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
3.3. Manufacture of low-carbon technologies for transport	157.3	4.4%								
6.4 Operation of personal mobility devices, cycle logistics (CCM)	22.5	0.6 %								
6.5. Transport by motorbikes, passenger cars and light commercial vehicles (CCM & CCA)	8.0	0.2%								
6.15 Infrastructure enabling low-carbon road transport and public transport (CCM)	12.9	0.4%								
7.6. Installation, maintenance and repair of renewable energy technologies (CCM)	24.4	0.7%								
8.2 Data-driven solutions for GHG emissions reductions (CCM)	12.1	0.3%								
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	237.2	6.6%								
Total (A.1. + A.2.)	**237.2**	**6.6%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy-non-eligible activities (B)	3,372.4	93.4%								
Total (A + B)	**3,609.6**	**100%**								

CAPEX

Economic activity	Absolute CapEx (in millions)	Proportion of CapEx	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of CapEx for 2022	Taxonomy aligned proportion of CapEx for 2021	Category (Enabling activity or)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
3.3. Manufacture of low-carbon technologies for transport	2.6	3.8%								
6.4 Operation of personal mobility devices, cycle logistics (CCM)	5.7	8.5%								
6.5. Transport by motorbikes, passenger cars and light commercial vehicles (CCM & CCA)	11.3	16.7%								
6.15 Infrastructure enabling low-carbon road transport and public transport (CCM)	0.4	0.6%								
7.6. Installation, maintenance and repair of renewable energy technologies (CCM)	1.5	2.2%								
8.2 Data-driven solutions for GHG emissions reductions (CCM)	2.3	3.4%								
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	23.8	35.2%								
Total (A.1. + A.2.)	**23.8**	**35.2%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities (B)	43.8	64.8%								
Total (A + B)	**67.6**	**100%**								

OPEX

Economic activity	Absolute OpEx (in millions)	Proportion of OpEx	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of OpEx for 2022	Taxonomy aligned proportion of OpEx for 2021	Category (Enabling activity or)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
3.3. Manufacture of low-carbon technologies for transport	2.4	5.6%								
6.4 Operation of personal mobility devices, cycle logistics (CCM)	0.8	2.0%								
6.5. Transport by motorbikes, passenger cars and light commercial vehicles (CCM & CCA)	0.2	0.6%								
6.15 Infrastructure enabling low-carbon road transport and public transport (CCM)	0.5	1.2%								
7.6. Installation, maintenance and repair of renewable energy technologies (CCM)	0.1	0.3%								
8.2 Data-driven solutions for GHG emissions reductions (CCM)	4.0	9.5 %								
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	8.1	19.2%								
Total (A.1. + A.2.)	**8.1**	**19.2%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities (B)	34.3	80.8%								
Total (A + B)	**42.4**	**100%**								

Belron

1. Business model and value creation

Belron is the worldwide leader in vehicle glass repair, replacement and recalibration (VGRRR) with brands present in 37 countries through wholly owned businesses and franchises, with market leading brands – including Autoglass® and Laddaw® in the UK, Carglass® across Europe, Lebeau Vitres d'autos® Speedy Glass® Apple Auto Glass ®, Duro ® vitres d'autos and Vanfax ® in Canada, Safelite® Autoglass in USA, O'Brien® in Australia and Smith&Smith® in New Zealand. Belron also manages vehicle glass and other insurance claims on behalf of insurance companies and provides plumbing and electrical solutions to home and business owners across Australia and New Zealand through its Laser® brand.

Belron 2022 revenue by region	**€m**
Eurozone	1,511.5
North America	3,368.2
Rest of the World	694.6

Geographies & Workforce					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Total full-time equivalents (FTEs) as at 31 December	FTE	25,370.0	29,388.0	29,799.4	1.4%
Percentage of FTEs in the Eurozone	%	34%	29%	29%	0.13p.p.
Percentage of FTEs in North America	%	50%	57%	57%	0.34p.p.
Percentage of FTEs in the Rest of the World	%	16%	14%	15%	1.05p.p.

The ESG data for Belron covers 100% of wholly owned businesses and central office.

Additional background information on the calculations and formulas used can be found at p.219.

Belron has a deep and longstanding commitment to its purpose to 'make a difference with real care' to its customers, people, shareholders and to society. This purpose is communicated and shared across the whole business and is also the driving force behind its Responsible Business Framework.

Belron has a 'repair first' approach which along with vehicle glass replacement and the recalibration of Advanced Driver Assistance Systems (ADAS) means that it can create value for the customers, maintaining their mobility and extending the life of windscreens and ultimately that of vehicles. This reduces costs for customers, reduces waste and avoids carbon emissions from the production of new glass and new vehicles.

Belron activities have the ability to contribute to several of the United Nations Sustainable Development Goals. These were considered as part of the strategy review undertaken in 2020 and in the development of the Belron Responsible Business Framework. The two strategic pillars of the Framework: Sustainable Products & Services and Investing in People & Society, focus on having a meaningful impact on the following goals which have the most relevance to its business operations and activities:

Goal 12 – Responsible Consumption and Production
Goal 13 – Climate Action
Covers the targets under Sustainable Products & Services
- Reducing waste and building a circular economy
- Driving down emissions
- Sustainable procurement

Goal 8 – Decent Work and Economic Growth
Goal 10 – Reduced Inequalities
Covers the targets under Investing in People & Society
- Promoting diversity, equity, inclusion & well-being
- Giving opportunity
- People safety

2. Sustainability strategy

2.1. Materiality

In 2020, Belron took part in a high-level materiality analysis conducted by D'leteren Group and supported by an external partner. As part of the materiality analysis process, a short survey was sent to stakeholders and leaders, asking them to indicate which ESG topics they considered as most relevant to Belron. Interviews were conducted with internal representatives of key stakeholders including insurance and fleet partners, suppliers, customers, employees and NGOs in order to gather further qualitative insights into their priorities for Belron.

The material topics highlighted included waste management, people safety, customer care, diversity and well-being. Belron used the output of the analysis as it partnered with a leading sustainability consultancy to review all aspects of its corporate responsibility and refine its materiality topics. The review culminated in the creation of the Belron Responsible Business Framework which was introduced in 2021.

2.2. Responsible Business Framework

The Belron Responsible Business Framework brings together all aspects of how the company views 'Doing Business Responsibly', which is derived from Belron's purpose and values. Belron wants to continue to be "a trusted and respected company in the eyes of its people, customers, partners and society, by doing the right thing every day and behaving with integrity in everything it does".

The Framework has two strategic pillars: Sustainable Products & Services and Investing in People & Society. Its priorities under these pillars are to:

- Reduce waste and work towards a circular economy
- Drive down emissions
- Integrate environmental and social considerations into all procurement decisions
- Promote diversity, equity, inclusion and well-being
- Continue giving back to drive positive change
- Prioritise the safety of its people

In addition, and underpinning the Framework, are foundations of; strong governance and inspiring leadership. The company continues to focus on its values and ethics, while developing robust reporting and measurement around its responsible business activities.

DOING BUSINESS RESPONSIBLY

Every day we are united by a common purpose: 'making a difference with real care'. We want to become the most trusted and respected company in the eyes of our people, customers, partners and society, and we'll achieve this by doing the right thing every day and behaving with integrity in everything we do. This renewed commitment to doing business responsibly stems from our values, it reinforces our culture, The Spirit of Belron, and lies at the heart our mission to become the world's natural choice in vehicle glass repair, remplacement and recalibration.

Sustainable products and services

Reducing waste and building a circular economy

As the world's leading VGRRR company, it is our responsibility to lead the sector on solutions that **eliminate waste**. Building on the success of our recycling and 'repair first' strategies, we will leverage our world class technical expertise and strong partnerships to close the loop on glass and associated products.

Driving down emissions

Climate change is a global emergency that requires urgent action. We are committed to understanding and actively reducing our **emissions to zero** and supporting our partners to reduce their impact, working together to do what is right. We will also support the low carbon transition by investing in renewables and carbon offsets.

Investing in people and society

Promoting diversity equity, inclusion and well-being

As part of our ambition to be 'the best place you will ever work', we are committed to prioritising equity, inclusion and well-being. Our product is our people and the service experience - and **our commitment to diversity, equity, inclusion and well-being** will ensure we remain a top employer where talented people thrive.

Giving opportunity

We have a deep-rooted sense of responsibility towards the communities we serve which is guided by our heritage and values. We will continue our **commitment to giving back** to drive positive change and build on this by **sharing our time and skills with young people** to support their career aims.

Sustainable procurement

Integrating environmental and social considerations into all our procurement decisions

People safety

Prioritising the safety of our people

Strong governance & inspiring leadership

Our values & ethics

Robust reporting & measurement

2.3. Sustainability Governance

Chief People Officer, Susan Ormiston is the Executive Team member responsible for ESG. Susan along with CEO Gary Lubner* and Richard Tyler, the Group Customer Director, sponsor the two strategic pillars of the Belron Responsible Business Framework. ESG is reviewed at a minimum, on a monthly basis, by the Executive Team and at least five times per year at Belron Group SA Board meetings.

Reporting into the Executive Team, Belron has a central sustainability team who are responsible for: coordinating and facilitating company-wide activity; monitoring progress and performance; and providing knowledge and expertise to support the implementation of the Responsible Business Framework by each country. In 2022, the central team was strengthened to include a team to drive health & safety best practice and enhanced processes across the business and additional resource to support sustainability activities on waste and emissions.

The country leadership teams are responsible for their individual ESG performances and how this contributes to the overall objectives of the Framework. There is a network of Responsible Business Ambassadors, environmental reporters and in-country subject matter experts who support the ESG agenda locally. In larger markets such as France, Germany and the UK, there are dedicated CSR / sustainability teams in place.

*Gary Lubner stepped down as Belron CEO in early 2023. The co-sponsorship will now sit with Belron's new CEO, Carlos Brito.

2.4. Connectivity table

ESG area	Strategic pillar	Impact on society	Sustainability-related risk/opportunity	KPI	Ambition	Value in 2022	Policies & Action plans
		Customer experience Belron works to consistently provide a high-level service, in the right place and at the right time, with the right piece of high-quality glass, ensuring the customer's mobility is maintained.	Satisfied customers become the company's promoters, they return when required, trust the business and are therefore more likely to be a VAPS (Value Added Products & Services) customer too. Unsatisfied customers do not return and are negatively impacting brand reputation.	NPS	Maintain world-class customer delight	82.2 ✓	3.1.1.
		Customer welfare and safety Belron's highly trained technicians ensure that every VGRRR job they complete for every customer is carried out to the highest standards. Not doing so would put the customer's safety and other road users at risk.	Not carrying out a job to the highest standards could negatively impact brand reputation. The business needs to maintain and enhance its knowledge as windscreens and glass technology changes to ensure the process continues to be efficient. This can be a key differentiator.	R&D budget	To recalibrate every customer vehicle, right first time, irrespective of the complexity of the safety systems and technology fitted. This will ensure that every vehicle is returned to the road with all of its safety (ADAS) systems fully functional, which is fully aligned with the Belron purpose of serving every customer with real care.	€ 3.1m	3.1.2.
E	Sustainable products and services	**Reducing waste and building a circular economy** The most significant waste product for Belron is glass that cannot be repaired, and a replacement is necessary. The company has a responsibility to ensure effective management of glass waste to minimise negative environmental impact. Repairing a windscreen avoids the resource consumption involved in producing a new windscreen and cost and time for the customer. Repair, replacement and recalibration extends the life of the vehicle.	The risk of not managing glass waste responsibly is closely linked to necessary advancements in the recycling industry to support Belron's glass waste management efforts. Failure to do so could lead to negative brand impact and potential fines.	% vehicle glass waste recycled	To recycle 100% of vehicle glass waste where possible	89%	3.2.1.
		Driving down emissions Belron has a direct and indirect impact on climate change from the CO_2 generated by its business operations. It therefore has a responsibility to monitor, manage and reduce its emissions. In doing so, to help it reach its targets it needs to keep pace with the changes in transitioning to a net zero business.	The more that Belron is able to reduce its emissions at pace, the less dependent it will be on fossil fuels which will help to future proof operations, enhance the brand and respond to stakeholder expectations.	CO_2e scopes 1, 2 & categories 1 to 5 of scope 3	Belron is committed to understanding and actively reducing its emissions to net zero and support its partners to reduce their impact, working together to do the right thing. They will also support the low carbon transition by investing in renewables and carbon offsets. Belron has committed to achieve a validated SBT from the Science Based Target initiative by the end of December 2024.	823,986 CO_2e	3.2.2.
		Sustainable procurement Poor financially run or operationally managed suppliers are not only a risk to the supply chain, but also on the people who work within it and can cause negative environmental impact.	Through the application of strict standards and monitoring for suppliers, the company's needs for goods and services are met in a way that achieves value across Belron and all its key stakeholders. From a brand perspective, if suppliers are using unethical practices this can reflect negatively on the reputation of Belron.	Number of supplier site audits	To make a real difference to the societal and environmental impact of its supply chain.	37	3.2.3.

ESG area	Strategic pillar	Impact on society	Sustainability-related risk/opportunity	KPI	Ambition	Value in 2022	Policies & Action plans
S	Investing in people and society	**Promoting diversity, equity, inclusion and well-being** As a responsible business Belron is committed to ensuring its people reflect the society it serves and being an inclusive organisation.	With a focus on well-being, engagement and providing support to its people absenteeism is reduced, and talented people are retained.		Improvement in diversity amongst the Belron Leadership Group and improvement in the gender mix across the Belron family of businesses.		3.3.1.
				Employee Engagement Score	Maintain engagement score in the mid 80% range	86.2% ✓	3.3.2.
		People safety Belron aims to 'make a difference with real care' to all its stakeholders and through its training and tools available, it ensures that safety of its people and its customers is prioritised.	The company's focus on health and safety training maintains the well-being of its people, reduces absenteeism and helps retain talent. Injury or harm to an employee while doing their work is a risk not only to the individual but could also lead to negative impact on the brand of the business.	Lost Time Injury Frequency Rate (LTIFR) Lost Workday Severity Rate (LWDR) Total Recordable Injury Frequency Rate (TRIFR)	To prioritise the safety of its people – a core part of every employee's experience at Belron and its family of businesses.	LTIFR: 16.90 LWDR: 466.58 TRIFR: 36.04	3.3.3.
		Giving opportunity Through its Giving Back agenda, the company can have a positive impact on the society it serves.	By harnessing the passion and energy of its people, the Belron Giving Back agenda and activities have a positive impact not only on the charities and causes supported but also on people engagement.	Donations (€)	Continue their commitment to giving back to drive positive change and to sharing their time and skills with young people to support their career aims.	€ 8.5m	3.3.4.
G	Doing business responsibly	**Values and Ethics**	The Belron values and ethics supported by its culture help to maintain its highly engaged workforce and supports the development and maintenance of talent. It is a key foundation to the company's approach of 'doing business responsibly'. An ethical breach could seriously damage the reputation of the business and result in significant legal consequences.				3.4.1.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3. ESG performance

3.1. Making a difference with real care

3.1.1. CUSTOMER EXPERIENCE

Belron has an unwavering commitment to deliver world class customer service every time. This requires focus and investment in every aspect of the delivery from the experienced and highly trained technicians to the most advanced tools and technology. To ensure a consistent, high-level of service, in the right place and the right time, with the right piece of high-quality glass Belron continually looks at improved ways of working, monitors quality, and listens to customer feedback.

Feedback from the customer is captured through the Net Promoter Score (NPS) survey. Belron strives to invite every customer to complete the NPS survey once a job has been carried out by one of its businesses. The customer is able to score their experience as well as provide verbatim comments. All the Belron businesses report NPS to which a weighting is applied based on the volume of jobs in the country, and a group average is calculated. Belron is proud of its consistently high, world-class NPS score of above 80. For 2022, the Belron NPS is 82.2.

In order to achieve its ambition of maintaining world class customer delight, in 2022 Belron embarked on a process of implementing a new framework that will allow it to align the Belron businesses on best practice methods for gaining more actionable insights. It will also allow the business to explore feedback to better understand the strengths and weaknesses in its service offering.

Further to initial research carried out in 2021 on the experience of recalibration (ADAS) customers, in 2022 the company conducted an in-depth root-cause analysis. During this analysis it was able to identify specific 'pain points' experienced by ADAS customers vs their non-ADAS counterparts. The increase in ADAS recalibration requirements has driven more customers into a branch to complete the job and analysis has shown that for some markets branch customers score their experience lower than mobile customers. The gap is largest in countries with a historically large mobile footprint. Going forward, the analysis will generate insights of the branch vs mobile experience to better understand customer expectations and sharing best practice from countries that have successfully closed the gap.

A key focus for 2023 will also be improving the experience of online booking. Amongst the businesses there is a variety of practices in terms of how the companies present the appointment to online customers. As more and more Belron customers are booking through this channel it is important to create a great experience that is consistent across all the Belron family of businesses.

Strategic KPI	2021 Value	2022 Value	Ambition
Net Promoter Score (NPS)	83.4	82.2 ✓	Maintain world class customer delight and increase survey response rate

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.
Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3.1.2. CUSTOMER WELFARE & SAFETY

Belron's purpose is to 'make a difference with real care' and this applies to every customer it serves. It has a responsibility to ensure that the customer's safety on the road is prioritised and that the customer has the best experience possible during their interaction with the business.

To maintain consistency across the Belron family of businesses, the highly trained technicians work to the Belron Way of Fitting. This process captures the expertise and know-how of Belron technicians around the world and defines a best practice approach to repairing and replacing vehicle glass. Every job is carried out in the same way using the tools and processes developed by Belron technical (the company's research and innovation team, focused on continuously improving technical standards). This process helps to ensure safety, drives technical quality to the highest standards and means the company can continuously improve the service it offers.

With the increasing introduction of ever more complex automotive technologies, such as those found on electric vehicles (EVs), the Belron Technical focus has been on developing training material and a replacement and a recalibration playbook, to ensure it serves customers right first time, keeping them and the technicians safe. Belron Technical has continued to support the growth of recalibration across the Belron family of businesses through the sharing of best practice learnings.

Belron has partnered with Bosch, a manufacturer of aftermarket diagnostic technology that supplies the vehicle manufacturers with many ADAS related sensors and systems. The technology utilises a vision system that helps to align the equipment with the customer vehicle, which in turn ensures accuracy on every job. In 2022, there has been a focus on implementing the Bosch diagnostic and recalibration technology. The tool has now been implemented across North America and Australasia with full implementation across Europe to be reached in the first half of 2023.

In 2022, Belron Technical also supported the businesses with the implementation of a primerless adhesive system called APEX, developed and manufactured by DuPont. This state-of-the-art system is exclusive to Belron and helps to improve quality and safety by simplifying the fitting process and reducing the amount of waste generated. Implementation of the APEX in France and Germany in early 2023 will complete the full implementation across the whole business.

3.2. Sustainable products and services

3.2.1. REDUCING WASTE AND BUILDING A CIRCULAR ECONOMY

As the world's leading VGRRR company, Belron believes it has a responsibility to lead the sector on solutions that eliminate waste and contribute to building a circular economy particularly around vehicle glass, its most significant waste product. This glass waste is created when a windscreen cannot be repaired and must be replaced.

In 2022 Belron made great progress and further increased its global waste vehicle glass recycling to 89% up from 72% in 2021 and 64% in 2020. This was achieved through a focus on recycling, particularly in countries outside Europe and the UK where waste and recycling industries are less well established. The US and Canada instigated projects to improve collection of waste vehicle glass from branches and Australia and New Zealand identified new suppliers and alternative end uses of waste vehicle glass. The Belron businesses in Austria, Belgium, France, Germany, Italy, Netherlands, Switzerland, the Nordics and the UK achieved 100% vehicle glass recycling. Going forward, Belron expects progress on vehicle glass waste recycling to slow due to the difficulties of recycling in immature waste markets.

During 2022, Belron began working with key supplier partners to explore how and when they could use waste vehicle glass to manufacture new windscreens. As part of this work, Belron will be supplying vehicle glass for pilot projects. Today the majority of Belron's waste vehicle glass is recycled into building insulation which has a 40+ year life and saves energy, while the laminate film in windscreens, Polyvinyl Butyral (PVB) is used to make carpet backing, paint and waterproof coatings.

In 2022, Belron generated 54,594 tonnes of general waste. Of this, 51% was sent to landfill along with 11,928 tonnes of vehicle glass waste which was not recycled. In total the amount of waste sent to landfill reduced by 35% on 2021. The reduction in general waste is a result of a focus on reducing the levels of inbound packaging, finding new routes to recycle more of the essential packaging received and the significant improvement in the recycling of vehicle glass. The company introduced quarterly general waste reporting providing management and leadership visibility on all waste streams. The company will increase the frequency of these reports to monthly from January 2023 and focus on reducing the amount of waste being sent to landfill.

Belron has instigated a number of waste reduction projects including: transport and delivery of windscreens without plastic bags; reducing the amount of packaging used for adhesives; and removing unnecessary waste associated with wipers. In 2022 Belron introduced a new adhesive system which was developed with partner Dupont that removes the need for a separate primer supplied in bottles. This will equate to avoiding 23 tonnes of metal and 2 tonnes of plastic caps waste annually.

Belron's general and hazardous waste continues to be managed by each business in line with local regulations. Hazardous waste, which represented 3% of Belron's general waste in 2022, is collected and disposed of via specialist contracts. The company continues to look at ways to reduce this waste stream and through redesigning components eg. longer product life products, such as batteries.

Strategic KPI	2021 Value	2022 Value	Ambition
% vehicle glass waste recycled	72%	89%	100% vehicle glass waste recycled

Waste management					
KPI	Unit	2020	2021	2022	Change (2022 vs.2021)
Total waste generated	**Tonnes**	**165,561**	**168,707**	**161,104** ✓	**-4.5%**
Total hazardous waste generated	**Tonnes**	**1,675**	**1,924**	**1,519**	**-21.0%**
Total hazardous waste directed to landfill	Tonnes	1,407	1,538	1,379	-10.3%
Total hazardous waste directed to incineration (without energy recovery)	Tonnes	0	16	33	110.2%
Total hazardous waste directed to incineration (with energy recovery)	Tonnes	268	119	67	-43.7%
Total hazardous waste diverted from disposal to recycling	Tonnes	0	251	40	-84.1%
Total non-hazardous waste generated	**Tonnes**	**163,886**	**166,783**	**159,585**	**-4.3%**
Total non-hazardous waste directed to landfill	Tonnes	68,411	63,767	40,025	-37.2%
Total non-hazardous waste directed to incineration (without energy recovery)	Tonnes	594	0	93	-
Total non-hazardous waste directed to incineration (with energy recovery)	Tonnes	3,616	8,050	5,274	-34.5%
Total non-hazardous waste diverted from disposal to recycling	Tonnes	91,265	94,966	114,193	20.2%

A continued focus on vehicle glass waste recycling, particularly in countries where waste and recycling industries are less well established. For general waste, a focus on reduction in levels of inbound packaging and finding new routes to recycle more of the essential packaging received.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3.2.2. DRIVING DOWN EMISSIONS

Belron has operations across the world with a wide network of branches, service centres, distribution centres and a large mobile fleet. The company therefore has a direct and indirect impact on the climate through its carbon emissions and has a responsibility to monitor, manage and reduce these emissions.

Belron has a goal to become a net zero emission business in the future and under the terms of the sustainability linked loan agreed in March 2021, Belron committed to have a validated Science Based Target from the Science Based Targets Initiative (SBTi) by the end of December 2024. In 2022, they saw a small decrease in total emissions scopes 1, 2 and 3 (categories 1 to 5) of 0.5% on 2021. This is despite an increase of 7.3% of total jobs (prime jobs and recalibrations) to 15 million and a sales increase of 20%.

In 2022, Belron completed a full GHG Protocol assessment for the first time with the support of external advisors. This was done to establish a baseline using 2021 data, from which to set carbon reduction targets for submission to the SBTi. Belron submitted a Commitment Letter to the SBTi in November and submitted company-wide near-term and long-term emissions reduction targets to the SBTi for validation in December. We expect to make progress on target validation in the course of 2023.

Belron now has a detailed understanding of its scope 1 and 2 data and has completed a full GHG Protocol scope 3 assessment. Going forward the focus of carbon reduction work and reporting for scope 3 will be on the five categories which represent 92% (on a 2021 base line and in line with SBTi requirements) of the total, these are: purchased goods and services; capital goods, fuel and energy-related activities; upstream transport and distribution and waste generated in operations. The remaining categories are either not applicable, immaterial or optional for SBTi targets. Belron has therefore chosen to restate its 2021 GHG emissions in line with this approach.

In 2022, work has also continued to reduce carbon emissions in key areas, including fleet and through the use of renewable energy.

Belron's global fleet of over 11,000 vehicles is the largest single source of its direct carbon emissions (scope 1) and it has an overall ambition to reduce its global fleet emissions by at least two-thirds by 2030. This will be delivered through a combination of fewer vehicles, small vehicles and different powertrains, including hybrid and electric. The company expects to have at least 50% of its global fleet fully electrified by 2030. Starting in 2023, Belron will begin to replace some of its combustion-engine vans with electric vans in France and the US; with the UK and others to follow in 2024.

The company car fleet is further along this journey. In 2022, the UK and France changed their car policies to only order EV (UK) or Hybrid and EV (France). The US started ordering hybrid cars in 2022 and will continue to do so in 2023, alongside the introduction of a small number of EVs for the first time. Germany has begun to migrate its courtesy car fleet to electric with the ambition of being fully electric by the end of 2024.

Like everyone, Belron was faced with increased cost for electricity in 2022, particularly in Europe and the UK. However, Belron continued to prioritise the purchase of renewable energy, with 24% coming from renewable sources during 2022, maintaining the level achieved in 2021. In 2023, the company will develop a renewable energy strategy and plan.

In addition, a number of energy efficiency programmes were initiated in 2022, including a 'lights off' programme in Germany where exterior lighting at all branches was turned off from May to September 2022 avoiding an estimated 100 tonnes of carbon.

Strategic KPI	2021 Value	2022 Value	Ambition
CO_2 emissions (scope 1 & 2, and categories 1 to 5 of scope 3)	827,879 CO_2e	823,986 CO_2e	Reducing the company's emissions to net zero.

Categories refers to the GHG protocol.

GHG & energy consumption					
KPI	Unit	2020	2021[1]	2022	Change (2022 vs.2021)
Greenhouse gas emissions					
Greenhouse gas emissions scopes 1,2 & 3	**Tonnes CO_2e**	**221,162**	**827,879**	**823,986**	**-0.5%**
Greenhouse gas emissions scope 1	**Tonnes CO_2e**	**118,106**	**121,289**	**115,966 ✓**	**-4.4%**
Greenhouse gas emissions from company owned vehicles	Tonnes CO_2e	94,685	95,712	91,438	-4.5%
Greenhouse gas emissions from natural gas	Tonnes CO_2e	22,268	23,372	23,019	-1.5%
Greenhouse gas emissions from heating fuel oil	Tonnes CO_2e	715	1,175	690	-41.5%
Greenhouse gas emissions from heating Propane/LPG	Tonnes CO_2e	277	751	684	-9.0%
Greenhouse gas emissions from refrigerant leakage	Tonnes CO_2e	160	279	135	-51.5%
Greenhouse gas emissions scope 2	**Tonnes CO_2e**	**20,626**	**29,065**	**29,325 ✓**	**0.9%**
Greenhouse gas emissions market based	Tonnes CO_2e	20,626	29,065	29,325	0.9%
Greenhouse gas emissions location based	Tonnes CO_2e	25,955	25,225	24,447	-3.1%
Greenhouse gas emissions scope 3	**Tonnes CO_2e**	**82,430**	**677,525**	**678,695**	**-0.2%**
Greenhouse gas emissions from upstream emissions scope 1 & 2	Tonnes CO_2e	33,307	31,814	37,954	19.3%
Greenhouse gas emissions from upstream logistics	Tonnes CO_2e	-	110,358	108,462	-1.7%
Greenhouse gas emissions from purchased goods & services	Tonnes CO_2e	-	497,376	495,504	-0.4%
Greenhouse gas emissions from capital goods	Tonnes CO_2e	-	16,783	19,495	16.2%
Greenhouse gas emissions from waste generated in operations	Tonnes CO_2e	-	21,194	17,280	-18.5%
Greenhouse gas emissions intensity					
Greenhouse gas emissions scope 1 per FTE	Tonnes CO_2e	4.66	4.13	3.90	-5.5%
Greenhouse gas emissions scope 2 per FTE	Tonnes CO_2e	0.81	0.90	0.89	-1.2%
Greenhouse gas emissions scopes 1 & 2 per FTE	Tonnes CO_2e	5.47	5.02	4.78	-4.8%
Energy consumption					
Total car petrol consumption	Liter	347,163,640	33,855,310	31,391,448	-7.3%
Total car diesel consumption	Liter	7,682,336	8,535,805	9,103,987	6.7%
Total car consumption (other fuels)	Liter	-	73,320	124,393	69.7%
Heating, natural gas consumption	MWh	114,094	119,629	125,102	4.6%
Heating, fuel oil consumption	MWh	2,660	2,753	2,740	-0.5%
Heating propane / LPG consumption	MWh	1,202	2,898	3,190	10.1%
Grey electricity consumption	MWh	74,488	73,854	73,096	-1.0%
Renewable electricity consumption	MWh	22,614	23,122	23,279	0.7%
Renewable electricity production	MWh	0	0	1,421	-
Cogeneration electricity production	MWh	0	0	0	-

(1) Belron now has a detailed understanding of its scope 1 and 2 data and has completed a full GHG Protocol scope 3 assessment. Going forward the focus of carbon reduction work and reporting for scope 3 will be on categories 1 to 5 which represent 92% (on a 2021 base line and in line with SBTi requirements) of the total. The remaining categories are either not applicable, immaterial or optional for SBTi targets. Belron has therefore chosen to restate its 2021 GHG emissions in line with this approach and emissions from business travel and subcontracted vehicles are not included. For both 2021 and 2022, the location and market-based emissions have been revised to reflect the latest publicly available emissions factors for each country.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3.2.3. SUSTAINABLE PROCUREMENT

Belron sources and manages the procurement of certain core products and services globally. Centrally procured products include vehicle glass, trims, adhesives, workshop equipment, tools, consumables, and products for resale. Centrally procured services include IT software and maintenance, professional services, and vehicle lease (fleet) providers. Other products and services required by the Belron family of businesses are sourced and managed through their own local supplier networks.

Belron's Sustainable Procurement programme aims to embed sustainability at the forefront of all purchasing strategies and buying decisions. The high standards and expectations of Belron's suppliers that must be met in order to become and remain a Belron supplier are set out in the Supplier Code of Conduct. Compliance of suppliers with the company's expectations, and their performance against sustainability targets, are all critical requirements of doing ongoing business with Belron.

The Sustainable Procurement Programme continued to develop in 2022, both through increasing the resource dedicated to the programme, and increasing the scope of the programme itself. A further dedicated role was created with the purpose of driving the sustainability dialogue with key suppliers. This not only focuses on supporting the suppliers' own sustainable development plans but also on key areas which can have a direct impact on Belron's own sustainability goals such as reducing emissions in manufacturing and waste reduction. Additional suppliers have been included within the scope of the programme to ensure it covers all suppliers that either bring a specific risk or have the potential to make a positive contribution to Belron's sustainability objectives.

Belron has continued to assess the risks present in its supply chains and are in the process of implementing new tools to assess a broader range of risks on an ongoing real-time basis, removing the need for the risk assessment to be done manually, allowing it to run constantly and to trigger alerts if anything needs specific attention. These new tools also bring the ability for Belron to remotely assess its suppliers, and capture information and data on their ESG performance, including their emissions data.

The on-site audit programme continues in partnership with TÜV and Elevate, using a bespoke audit structure to assess the performance of supplier sites around the world. All required corrective actions from site audits are captured along with required resolution times and are tracked through to completion. In 2022 Belron completed 37 supplier site audits against a target of 35.

In 2022, Belron conducted its first full supply chain assessment where it tracked key materials through supplier tiers back to raw materials, assessing all risks and impacts on ESG performance along the way. Going forward, the assessment will be conducted on a number of key Group-level suppliers.

The Sustainable Procurement team also launched a sanctions screening policy to ensure the company is not trading with any supplier who appear on global sanctions lists. The policy states that all current and new suppliers are checked against real time sanctions list with the use of a third-party screening tool.

Belron's focus for 2023 includes a continuation of the audit programme by completing remote assessments and on-site audits of all Group managed suppliers; facilitating social and environmental improvement in the supply chain through deep dialogue and setting site specific targets with key suppliers; improving the safety of suppliers' employees where required and; working with the Belron fleet team to enhance safety and reduce emissions.

The team will also continue to work with the Belron family of businesses to share best practices and the central programme framework to support them in managing and monitoring their local supply chains.

Strategic KPI	2021 Value	2022 Value	Target 2023
Number of supplier site audits	31 supplier site audits	37 supplier site audits	Supplier site audits on remaining Group suppliers to achieve 100%

3.3. Investing in people and society

3.3.1. PROMOTING DIVERSITY, EQUITY AND INCLUSION

Belron continues to recognise the critical importance of diversity, equity and inclusion (DE&I) to its business and all its key stakeholders. Enabling everyone to bring their whole selves to work, creating a diverse workforce and fostering inclusion is key to the company's culture and values.

DE&I is a global priority for the business and is a key component of the Belron Responsible Business Framework. The company's ambition is to continue to have an organisation that protects its people and values difference in all its forms, creating an environment which enables everyone to participate and reach their full potential. Belron is committed to hiring and promoting people on the basis of their ability for a role , their appreciation of and alignment with the company's culture. By 2025, Belron's ambitions are to improve its gender mix across the business and improve the overall diversity of the Belron Leadership Group.

During this year Belron has focused on the following six key areas to continue to make progress on DE&I:

1. Having established a philosophy, approach and goals on DE&I in 2021 they have focused on sharing this Group wide framework through engagement and storytelling with senior leaders across the business.
2. For the second year they have continued to track progress on DE&I by asking focused questions of all employees through the Annual Engagement Survey. The results show a year-on- year improvement in all DE&I questions asked. They have also seen improvement in diversity among the Belron Leadership Group and the gender mix across the wider Belron Group continues to be tracked with some notable improvements from 2021.
3. Building understanding, educating and creating awareness is a key pillar of the DE&I approach. To support this Belron has designed and piloted a one-day DE&I immersion session with its senior leadership group. The coming year will see this shared wider in the business to continue the journey of education and awareness.
4. The Belron DE&I global calendar of events continued during 2022 taking time to celebrate, recognise and create awareness of different groups and activities including International Women's Day, Pride month, Global Mental Health Day and International Day of Disabled Persons. Alongside these global events each country also recognises and celebrates local activities and groups that are relevant to them.

5. Recruitment and attraction continue to be areas of focus with particular emphasis on increasing the number of females in field operation and technician roles. The businesses continue to evaluate and monitor their current approaches to gain a deeper understanding of the experiences and needs of this group and to share learnings across Belron. This focus has shown positive improvement and will continue to build momentum as they move into 2023.
6. Every country continues to drive its DE&I agenda building off the global framework and activities alongside its own plans focused on its own specific needs, requirements, country culture and business priorities.

Strategic KPIs	Status	2022 Value	Ambition
Improvement in diversity amongst the Belron Leadership Group and improvement in the gender mix across the Belron family of businesses.	70% male 30% female Total of 7,102 females	An increase of 29% of female executives since 2021. An increase of 735 female employees since 2021.	Continued focus over the coming years with support, engagement and role modelling.

Additional data on diversity and inclusion					
KPI	Unit	2020	2021	2022	Change (2022 vs.2021)
Diversity in executive level positions					
Total headcounts in executive level positions as at 31 December	Number	133	145	208	43.4%
Percentage of male headcount in executive level positions as at 31 December	%	75%	74%	69%	-5.25p.p.
Percentage of female headcount in executive level positions as at 31 December	%	25%	26%	30%	4.77p.p.
Diversity in the Board of Directors					
Total number of directors in the Board of Directors as at 31 December	Number	6	8	8	0.0%
Percentage of male directors in the Board of Directors as at 31 December	%	100%	100%	100%	0.00p.p.
Percentage of female directors in the Board of Directors as at 31 December	%	0%	0%	0%	0.00p.p.
Diversity in the entire workforce (FTE)					
Total full time equivalents (FTEs) as at 31 December	FTE	25,370	29,388	29,799	1.4%
Percentage of male FTEs as at 31 December	%	-	79%	76%	-2.12p.p.
Percentage of female FTEs as at 31 December	%	-	21%	22%	1.16p.p.
Percentage of FTEs with no designation for gender as at 31 December	%	-	0.33%	1.30%	0.96p.p.
Diversity in the entire workforce (headcount)					
Total headcount as at 31 December	Number	-	30328	30598	0.9%
Percentage of male headcount as at 31 December	%	-	77%	75%	-2.00p.p.
Percentage of female headcount as at 31 December	%	-	22%	23%	0.91p.p.
Percentage of headcount with no designation for gender as at 31 December	%	-	0%	1%	1.09p.p.

3.3.2. EMPLOYEE ENGAGEMENT

Belron employees are at the heart of the business. The company's performance and achievements are the result of the engagement and commitment of its people. Their well-being, engagement and overall employee experience continue to remain key priorities for Belron.

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, creating an environment which enables everyone to participate and reach their full potential.

The company maintains policies and procedures with regards to its employees at each business unit level. The employee engagement initiatives in place include training and development, recognition through local in-country programmes as well as the global Belron Exceptional People Awards, flexible working options, feedback channels, and community involvement through the Giving Back agenda.

In 2022, a number of global initiatives were introduced across the Belron family of businesses to further support the employee engagement, including a global HR system, performance management approach and a learning management system. Focus on DE&I and creating an environment where everyone can be themselves continue to be a key initiative.

Following the first global Annual Engagement Survey in 2020, Belron has now conducted its second Progress Pulse Survey in March 2022. This enabled the company to continue following up with all its people to understand whether they had seen the results of the second annual survey in 2021 and had been involved in action planning. Three out of four of Belron people had been involved at that point in creating actions to improve engagement and had seen progress since the goals were set.

This was followed in October 2022 by a third global survey. For the first time the company included a question on retention which helps it to understand how many employees are considering leaving the business. The response rate for the third global survey was 86%, meaning over 25,000 people completed the online survey. The engagement score showed 86.2% of people are actively engaged.

Once again, the results of the 2022 Annual Engagement Survey and the verbatim comments were shared through the team leaders across the Belron family of businesses to discuss and create action plans for improvement for their own teams, as well as building upon what already works well. This will be followed up by a Progress Pulse Survey in Q1 2023.

Strategic KPI	2021 Value	2022 Value	Ambition
Employee engagement score	86%	86.2% ✓	Maintain engagement score in the mid 80% range

The engagement score covers all Belron business units (excluding franchise countries) and is calculated by taking the average of the total favourable score (ie, people that answered 'agreed' and 'tend to agree' on a 5-point rating level) across 3 questions that measure the definition of engagement in Belron ie, 'Being Proud and Committed' in a global Annual Engagement Survey.
Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3.3.2. PEOPLE SAFETY

The Belron purpose is to 'make a difference with real care', and this means that it is: driven to continuously develop a positive safety, health and well-being culture; collaborate to operate its businesses without causing harm to people (employees, partners and members of the public); and this is because it genuinely cares about its people, its customers and others. This is important because Belron believes that Safety, Health and Well-being (SHW) excellence is intrinsic to good business and is a key enabler to becoming the company of choice for its customers and employees.

Based on the learning from its safety review assessments, undertaken through its partnership with ERM, in 2022 it set out to develop an enhanced, Group-level SHW strategy and to further develop the health and safety capability across the Group. This has involved:

- the introduction of best-in-class safety metrics from January 2022
- board-level monthly reporting of performance
- targeted improvement campaigns
- enhancing SHW capability through the expansion of the Group-level SHW team
- the development of The Global Standards concept: a practical approach to managing, leading and improving safety, health and well-being (SHW) across the group.

The Belron Safety, Health & Wellbeing Global Standards were designed and developed during 2022 and will be launched to the business in the first half of 2023. It will ensure that Belron continues to effectively lead and manage SHW, and that it embeds a continuous improvement cycle to deliver a genuine SHW culture across the Group. It will achieve this through effective leadership of SHW and the consistent application of a set of minimum global standards across all the Belron family of businesses.

In addition, during 2023 Belron will:

- Further review and improve its successful training programmes for technicians (STOP – how technicians look after Self, Tools, Organise their work and follow the right Process; and Quality Starts with Safety – an awareness course emphasising the importance of following the right processes).
- Deploy focussed improvement campaigns on key risk areas, such as cuts and lacerations, and manual lifting and handling.
- Begin a SHW audit and assurance programme to ensure that there are consistent standards in place across the Group.

Strategic KPIs	Status	2022 Value	Ambition
Lost Time Injury Frequency Rate (LTIFR) Lost Work Day Severity Rate (LWDR) Total Recordable Injury Frequency Rate (TRIFR)	New KPIs introduced in January 2022.	LTIFR: 16.90 LWDR: 466.58 TRIFR: 36.04	To prioritise the safety of its people – a core part of every employee's experience at Belron and its family of businesses.

Health & safety					
KPI	Unit	2020	2021	2022	Change (2022 vs.2021)
Work-related fatalities					
Total number of work-related fatalities	Number	0	0	1	-
Lost time injury (LTI) at the workplace					
Lost Time Injury Frequency	LTI/1,000,000 hours worked	-	-	16.9	-
Lost time days at the workplace					
Lost Workday Rate	LTD/1,000 hours worked	-	-	466.58	-

It is with great sadness that Belron report that one warehouse driver was involved in a fatal accident while driving between vehicle glass drop offs. After a thorough investigation, it was determined that tragically he was the victim of careless driving by another person.

3.3.4. GIVING OPPORTUNITY

Belron has a deep-rooted sense of responsibility towards the communities it serves which is guided by its heritage and values. 'Giving Back' continues to be a key aspect of the Belron culture – the Spirit of Belron – and is common to all Belron people wherever they are. Each business sets its own 'Giving Back' agenda and through this approach, its people experience a greater sense of personal involvement and achievement. In 2022, the Belron family of businesses supported their local charities and organisations focusing on in-country societal needs such as foodbanks mental health organisations and many vulnerable community groups, through various activities and donations totalling just over €4.2m.

In 2022, Belron brought together both virtually and in-person, close to 10,000 people for the Spirit of Belron Challenge. For the first time, the company combined both its virtual Round the World event and its day of sports at Dorney Lake in the UK. With 27 countries taking part, Belron colleagues, their friends, families, suppliers and partners travelled 184,751 kilometres by swimming, cycling, running, walking or travelling by wheelchair. The Challenge raised over €2.2m for its longstanding charity partner, Afrika Tikkun. Belron is proud of its 20-year partnership with the charity that supports thousands of vulnerable children and young people in some of the poorest parts of South Africa. This support is provided through a wide range of core programmes from early childhood development to supporting young people as they transition from education to jobs and careers.

The Belron Ronnie Lubner Charitable Foundation continued to accept applications from Belron people to support charities that they are personally connected to either by being a volunteer, a beneficiary or a long-term supporter. It also responded to the humanitarian crisis resulting from the war in Ukraine and the impact of the flood disaster in Pakistan. The Trustees continued to build on the work completed in 2021, further developing the Foundation's impact and giving strategy. In total, the Foundation donated €2.18m in 2022.

Overall, donations for the year from local giving, the Spirit of Belron Challenge and the Belron Ronnie Lubner Charitable Foundation totalled €8.5m.

Strategic KPI	2021 Value	2022 Value	Ambition
Total donations	€7.3m	€8.5m	Continue to give back to drive positive change and build on this by sharing time and skills with young people.

Amount of funds raised for Afrika Tikkun through the Spirit of Belron Challenge, amount of donations made by the Belron Ronnie Lubner Charitable Foundation, and the amount of funds raised and donated through the Belron family of businesses' local giving back agendas.

3.4. Responsible Business Foundations

3.4.1. STRONG GOVERNANCE AND INSPIRING LEADERSHIP

Strong governance and inspiring leadership are important when ensuring the company continues to operate as a highly responsible business, particularly as it grows in size and scale. Belron is committed to ensuring it builds best-in-class governance throughout the organisation, led by a talented set of inspiring leaders.

The Best-in-Class Governance programme focuses on how Belron manages its key enterprise risks, increasing the maturity of its control environment, protecting itself with relevant insurance policies and operating a robust and fit-for-purpose internal audit function. The programme has progressed well since its launch in 2021 and progress made includes:

- the **Enterprise Risk** programme, has further embedded a transparent risk culture through quarterly risk reporting from all business units. Belron has reviewed and refreshed its key Group risks with the GLTM (Global Leadership Team) and Board and assigned risk owners across all countries and functions who provide ongoing updates on their methodology and investment in mitigating risks. The Enterprise Risk Management Steering Committee, with representation from across functions, regularly meets to hear from Group risk owners, and discuss the adequacy of risk, current risk mitigation activities and future mitigation plans. Belron has also established an emerging risk identification process, which includes a forum that conducts risk horizon scanning exercises.
- Belron's large **technology transformation programmes** continue to ensure controls are built as part of the design, with the programmes now delivering those controls to its business units as part of the deployments. The centralised controls team are working to ensure those controls are embedded in the business-as-usual operations through identifying individual control operations, training and providing supporting material such as the controls playbook.
- the recently relaunched **internal audit function** continues to perform risk-based independent internal audit reviews, along with its external co-source partners, and reports to the Belron Audit Committee four times per year.
- As part of the **Global Insurance Programme**, Belron continues to work closely with its partners to evaluate the long-term strategy for the company's insurance programme, ensuring it has adequate coverage across the business.

Belron continued the work to embed its global talent and succession approach by conducting its third review cycle. The company now has visibility of the potential of over 500 of its global leaders and a clear view on the succession pipeline for its top critical roles with continued action plans in place for key changes over the next 12-18 months.

The Belron Way of Performance (including development and career conversations) is being rolled out across all businesses to support the talent and development conversations of all individuals. For the first time, Belron has created an Inspiring Leadership Experience for the highest potential senior leaders. The Inspiring Leadership Experience aspires to create a community of leaders who are the custodians of the company's future, its culture, and the way the business operates. The programme is a 12-month experience, and the first group was launched in June 2022.

3.4.2. BELRON'S VALUES AND ETHICS

Belron's guiding principles of integrity, respect and trust are the foundation of the company's Code of Ethics – Our Way of Working ("the Code"). The Code is a set of values and ethical behaviours expected by all Belron employees regardless of role or location. The Code is key to promoting organisational values and ethical expectations throughout the Group and continually demonstrates the company's commitment to integrity and ethical values.

The Code covers how employees work together, including discrimination and harassment as well as health & safety expectations. There is guidance on how Belron works with its partners (customers and suppliers), and how it manages its business activities. Each Belron business is responsible for the development of its localised code of ethics based on a centralised framework. Training and communications on ethical behaviours are also conducted at local level.

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. Human rights are a fundamental pillar of ethics and are addressed in the Belron Code of Ethics and the Belron Supplier Code of Conduct. The company is also committed to continuing to embed the Ten Principles of Responsible Business as set out under the United Nations Global Compact to which it has been a Signatory since 2010.

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. 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, child labour, physical punishment or any other abuse.

The company has in place a Speak Up service operated by NAVEX Global, a leading provider, for anyone who wants to raise an issue or concern about something they have witnessed or are in a situation they are unsure about. Reports can be made by phone or online and it is there for all Belron employees to report concerns confidentially and anonymously in their local language. In 2023 the company plans to highlight awareness of the service as part of the updated Code of Ethics relaunch as well as ensure that new processes are in place in line with the EU Whistleblower Directive.

As reported in 2021, Belron worked with an external partner to review and evaluate its current Code of Ethics. In 2022, work continued on the development of an updated Code focusing on content and design. The next phase will include collaborating with the Belron businesses for their input as well as developing a global training programme for all Belron people, to be rolled out in 2023. This will incorporate best practice training delivery and annual certification and will provide additional training to individuals who have distinct obligations such as leaders, procurement managers and sales teams.

Governance related data					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs.2021)**
Anti-bribery & anti-corruption					
Monetary amount of legal and regulatory fines and settlements (over €10,000) associated with:	€	0	0	0	-
- Violations of bribery, corruption, or anti-competitive standards					
- Environmental, ecological or social issues					
- Data security breaches					
Collective bargaining agreement					
Percentage of headcount bound by a collective bargaining agreement (CBA)	%	-	32%	23%	-9.08p.p.

3.4.3. ROBUST REPORTING AND MEASUREMENT

As well as fulfilling mandatory requirements on ESG reporting, Belron is developing its reporting to meet the needs of its different stakeholders and to ensure robust and transparent reporting of all its responsible business activities. This currently includes the Non-Financial Reporting Disclosure within the D'leteren Group annual report as well as preparing to meet requirements of the UK's Climate-Related Financial Disclosure (CRFD) and the EU's Corporate Sustainability Directive (CSRD); the publication of the UN Global Compact Communication on Progress in which 2022 was the 12th consecutive year of reporting to this framework; and the publication of the Belron International statement in response to the UK Modern Slavery Act 2015. These reports are made available to all stakeholders via the company's website.

A majority of the Belron businesses continue to use the EcoVadis sustainability ratings to measure performance and benchmark themselves with other businesses in the areas of labour practices and human rights, environment, sustainable procurement and business ethics. In 2022, the Belron businesses in France, Germany, Italy, Netherlands, Finland, New Zealand and Sweden all retained their gold medal rating with high scores in all areas of the assessment, and the businesses in Spain and Canada retained their silver medal rating.

As reported in 2021, Belron has continued to evaluate its eligibility and level of alignment against the EU Taxonomy's published list of economic activities under 'Repair and Maintenance' within Transition to Circular Economy (Category 4). As further guidance became available during 2022, Belron continued to analyse all aspects of its operations. However, it was concluded that Belron activities are not in scope.

Moleskine

1. Business model and value creation

Moleskine is a global, multi-category, multi-channel brand whose purpose 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 and digital apps designed to nurture thinking, planning and making, and with services that help achieve creative potential. Its products include notebooks, diaries, bags, writing tools, apps, and hybrid products that migrate handwritten ideas to the infinite possibilities of the digital world. The Moleskine ecosystem gathers content and stories, people and partners, which enable and nurture creativity and self-expression.

Moleskine is present across a wide network of websites, blogs, online groups, and virtual archives, as well as within the brand's own online community, myMoleskine. Overall, it provides open platforms to enable the creation, communication, and sharing of ideas.

With its purpose, Moleskine contributes, via its products, services and digital platforms, to promote lifelong learning, which is in line with SDG 4 (Quality education). Moleskine extends its impact thanks to its partnership with the Moleskine Foundation. It supports creative communities worldwide by donating products which are repurposed into creative tools by the beneficiary organisations who deliver workshops, training sessions, and creative activities for the benefit of local communities. Moleskine also contributes to SDG 12 (Responsible consumption and production) with the objective of ensuring sustainable consumption and production patterns. It does so by developing eco-friendly solutions for its products and packaging and by implementing sustainable solutions for the end-of-life of its unsold objects.

Moleskine has approximately 360 employees and a vast network of partners. With its headquarters in Milan, Italy, the Moleskine Group also includes, among others, Moleskine America Inc., Moleskine Asia Ltd, and Moleskine Germany. The Group designs and sells its products through a multichannel distribution platform: Wholesale, strategic partnerships, retail and e-commerce. Production itself is outsourced to partner suppliers.

Breakdown of the 2022 core revenues, by significant sector:

Wholesale	**57%**
Strategic partnership	**28%**
Retail	**10%**
ecommerce	**5%**

Geographies & Workforce					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Total full time equivalents (FTEs) of as at 31 December	FTE	348.8	308.3	309.8	0.5%
Percentage of FTEs of in the Eurozone	%	57%	63%	64%	0.69p.p.
Percentage of FTEs of in North America	%	14%	13%	14%	0.56p.p.
Percentage of FTEs of in the Rest of the World	%	28%	24%	23%	-1.24p.p.

In general, Moleskine's 2022 ESG data covers all Moleskine's operations, including the stores that are managed by Moleskine. If the scope differs, this is described under the relevant table.
Additional background information on the calculations and formulas used can be found on p.221.

2. Sustainability strategy

2.1. Materiality

To identify where Moleskine has the greatest impact, the company conducted a materiality analysis in 2020 with the help of an external partner. Dialogue with a selection of stakeholders and the management team, in the form of an online survey and interviews, was set up. Among the key stakeholders, feedback was collected from: the Board of Directors, employees, shop assistants, wholesale distributors, customers, logistics partners, and suppliers of finished products.

This analysis enabled the brand to identify and prioritise the business's most critical (hereinafter "material") non-financial aspects. Specifically, the following material topics were identified: Environmentally friendly products, environmentally friendly suppliers, Social actions and education, Talent Development, Employee well-being and diversity, Responsible governance, and Ethical suppliers.

After sharing the results of the materiality assessment with the Executive Committee, the company made sure that all the material aspects were embedded into the Sustainability strategy and that the views and expectations of each stakeholder were taken into consideration.

2.2. Sustainability Roadmap (Sustainable Creativity)

The Moleskine journey toward Sustainability is rooted in the brand´s DNA. From the outset, corporate responsibility has been one of the brand's most important values (i.e. the Moleskine Foundation was established in 2006, FSC certification was achieved in 2008, and the Code of Ethics was adopted in 2012).

More recently, Moleskine decided to elevate the significance of sustainability across the enterprise and developed its Sustainability ambitions through an ESG strategy, which has been defined on the basis of the material topics:

- ENVIRONMENT: To build a sustainable brand by reducing the carbon footprint of its iconic products and to build a strong, circular economy strategy.
- SOCIAL: To bring about positive societal change by nurturing critical thinking and creativity whilst acting as an inclusive company and as a responsible, leading brand.
- GOVERNANCE: To set a long-term governance approach covering transparency, integrity, and ethical behaviour to build a solid, trusting relationship with stakeholders and to preserve the brand's reputation.

Moleskine is committed to moving forward by embedding ESG throughout its entire value chain, translating its Sustainability strategy into concrete actions, measurable results, and the continuous exploration of sustainable and innovative solutions.

2.3. Sustainability governance

The sustainability strategic pillars are included among the strategic levers for growth in Moleskine's strategic plan. The role of the Board of Directors at Moleskine regarding environmental, social and governance issues is to set priorities and oversee their progress. Moleskine has appointed an internal Head of Global ESG, who oversees coordinating and measuring the progress of the Sustainability strategy. The Head of Global ESG ensures that each Moleskine manager takes responsibility for the material issues under their control and implements the Sustainability strategy across the entire value chain. Periodic reporting and monitoring processes are in place at Business Review Meetings, where relevant KPIs are presented by the Head of Global ESG to the company's Executives through the ESG Dashboard. Moleskine has created a page on its website to communicate its ESG strategy and its progress. Periodic updates about specific initiatives and results are communicated through its social channels and company newsletters (in 2022, 4 newsletters were dedicated to ESG initiatives, as well as 9 posts on Instagram, 9 Instagram Stories, 3 posts on Linkedin, 3 posts on Twitter, and 3 posts on Facebook).

2.4. Connectivity table

ESG area	Strategic pillar	Sustainability-related risks/opportunities	Impact on society
E	Build a sustainable brand by reducing the company's footprint, and through environmentally friendly solutions for its iconic products	Moving to a circular economy model will allow Moleskine to improve its resource management, and meet customer demands.	Moleskine has a direct impact on the environment, which is partly due to the destruction of the waste generated by unsellable products.
		The reduction of its emissions will allow Moleskine to reduce its enviromental impact and meet customer demands.	Moleskine has a direct impact on climate change, which results from the GHG emissions from its own operations (design, distribution) and from its supply chain activities, as well as direct emissions from the day-to-day use of Moleskine's offices and the mobility of Moleskine's employees.
S	Bring positive change to society by nurturing critical thinking and creativity while acting as an inclusive company and a responsible, leading brand	Moleskine's effort to become a top employer will increase its workforce's sense of belonging.	Moleskine, as an employer, has a direct impact on its employees' well-being, not only with regard to a healthy and safe working environment, but also to guaranteeing equality, diversity, and inclusion in the workplace, treating employees with respect; and ensuring business is conducted in an ethical way.
		Moleskine, with the right talent management approach, will retain people and develop their potential, guaranteeing successors in key position.	Moleskine has a direct impact on its employee professional achievements, on nurturing employees motivation and growth.
		Diversity and inclusion in the workspace drive creativity and contribute to innovation Moleskine has a direct impact on trust in the organisation as a lack of diversity and inclusion can lead to communication issues and mistrust.	Moleskine can contribute to make workplaces more diverse and inclusive.
		Providing young people with unconventional educational tools and experiences that help foster critical thinking and creativity will allow Moleskine to generate positive social impact and meet customer demands.	Moleskine has a direct impact on society due to the responsibility coming from its own brand mission. A lack of commitment toward education implies a disregard of its mission.
G	Set a long-term governance approach covering transparency, integrity and ethical behaviour to build a solid, trusting relationship with stakeholders and to preserve the brand's reputation	Sustainable governance will generate loyalty from stakeholders.	Moleskine has a direct impact on society when procuring goods and select its suppliers. A lack of commitment towards sustainable sourcing could negatively impact the company and nurture irresponsible and unsustainable business practices.
		Ethical governance will generate loyalty from stakeholders.	Moleskine has a direct impact on society when conducting its businesses. A lack of committment toward ethics could negatively impact the company and nurture unethical business practices.

Data marked with a ✓ is in the scope of the independent limited assurance performed by PwC.

	KPI	Ambition 2025	Value in 2022	Policies & Action plans
	Tonnes of recycled products	100 tonnes	72.5 tonnes ✓	3.1.1.
	Tonnes of CO_2e (Scope 1, 2 & 3)	Set a SBT target by 2023	16,499 tonnes	3.1.2.
	Engagement and satisfaction score	4 out of 5	3.7 out of 5 ✓	3.2.2.
	Percentage of employees calibrated	100% of office and direcly-operated store employees calibrated	100% of office employees calibrated (which represent about 52% of total employees)	3.2.3.
	Percentage of the under-represented gender	Newly identified KPIs to be reported upon	31.9% of men	3.2.4.
	Number of donated creative tools Number of organisations reached	30,000 pcs 30 NGOs	25,700 pcs 27 NGOs	3.2.1.
	Percentage of SA8000 significant suppliers Percentage of ISO1401 significant suppliers FSC certification	100% 100% FSC certification	100% ✓ 100% ✓ FSC certification with annual surveil-lance audit successfully passed	3.3.1.
	Number of reported incidents of unethical behaviours	0	0	3.3.2.

3. ESG performance

3.1. Build a sustainable brand

3.1.1. WASTE MANAGEMENT AND A CIRCULAR ECONOMY

Since 2021, Moleskine has been committed to measuring waste coming from its operations or unsellable products. Thanks to its waste measurement efforts, Moleskine has been able to define guidelines to avoid generating waste. Prevent-Repurpose-Recycle are the three drivers of the Waste Elimination Project, whose project leader is the Head of Global ESG, working in strict cooperation with:

- the Innovation team, which is in charge of scouting for innovative solutions to prevent generating waste from product packaging
- the local Operations Teams, which are in charge of looking for recycling partners and solutions, in accordance with local regulations and technologies
- the Destocking Team, which is in charge of repurposing product surplus.

Through the application of these guidelines, Moleskine has identified a concrete set of actions that led to the following results.
In 2022, through prevention initiatives, Moleskine saved around 51 tonnes of waste (i.e. by replacing the leaflets telling the Moleskine Story with a QR code printed on the notebooks).
Adding to these prevention initiatives, in 2022, Moleskine repurposed about 8.5 tonnes of unsellable products into creative tools through the Creative Tools for Social Change programme and through donations to NGOs for humanitarian purposes.

Moleskine has also identified recycling solutions for 72.5 tonnes of product, by giving them a second life through a circular economy approach. Products are recycled to produce new materials and then converted into new products (i.e. new paper products).
The first Upcycling pilot project was launched in 2022 through the REDO backpacks: these "Bags that carry more" come from prototypes and second choice Moleskine products that have been upcycled into new, one-of-kind bags through the creativity of an Italian company and their socially disadvantaged workers. Moving forward with this pilot the company has decided on a wider second wave in 2023.

Strategic KPI	2021 Value	2022 Value	Ambition 2025
Tonnes of recycled products	11 tonnes	72.5 tonnes ✓	About 100 tonnes per year

Data marked with a ✓ is in the scope of the independent limited assurance performed by PwC.

Waste management					
KPI	Unit	2020	2021	2022	Change (2022 vs. 2021)
Total non-hazadous waste diverted from disposal to re-use	Tonnes	4.6	9.6	8.5	-11.5%
Total non-hazardous waste diverted from disposal to recycling	Tonnes	-	11.4	72.5	536.0%

Moleskine is currently working on monitoring its waste but is not able to report on all its waste streams in 2022.

3.1.2. IMPACT ON CLIMATE CHANGE

Moleskine is committed to reducing its impact on climate change by reducing carbon emissions derived from its business activities. Moleskine has been measuring the emissions generated from its offices and its stores since 2019, on an annual basis. In 2022, the brand worked on defining an emissions reduction plan aimed at setting a target in accordance with the Paris Agreement and that will be validated by the SBT Initiative.

Significant steps to reduce carbon emissions are being taken by strategic sourcing (identifying suppliers of products closest to the final market), logistics (optimising distribution processes), and product innovation (looking for lower carbon intensive materials for products, improving the recyclability of products).

Moleskine will continue to measure its scope 1 and 2 emissions, which have been measured since 2019 and certified since 2020. In addition, the company has started measuring its scope 3 emissions, thereby preparing for setting the emission reduction target. No specific reduction actions have been implemented in the year 2022, as the Company focused on the development of the reduction plan that will be submitted to SBT.

Strategic KPI	2022 Value	Ambition
% variation of CO_2 emissions on scope 1 & 2 (vs. 2021)	- 29%	SBTi validated target by 2023
% variation of CO_2 emissions on scope 1,2 & 3	+ 21%	Reduce scope 3 emissions

The baseline will be adapted with the launch of the SBTi validated emissions reduction plan.

GHG emissions & energy consumption					
KPI	Unit	2020	2021[1]	2022	Change (2022 vs. 2021)
Greenhouse gas emissions scopes 1,2 & 3	**Tonnes CO_2e**	**-**	**13,626**	**16,499**	**21.1%**
Greenhouse gas emissions scopes 1 & 2	**Tonnes CO_2e**	**478**	**391**	**276** ✓	**-29.0%**
Greenhouse gas emissions scope 1	**Tonnes CO_2e**	**72**	**73**	**68**	**-8.7%**
Greenhouse gas emissions from cars [2]	Tonnes CO_2e	28	25	51	101.0%
Greenhouse gas emissions from natural gas [3]	Tonnes CO_2e	44	48	17	-66.3%
Greenhouse gas emissions scope 2	**Tonnes CO_2e**	**406**	**318**	**208**	**-34.5%**
Greenhouse gas emissions market based	Tonnes CO_2e	406	318	208	-34.5%
Greenhouse gas emissions location based	Tonnes CO_2e	436	332	313	-5.7%
Greenhouse gas emissions scope 3	**Tonnes CO_2e**	**-**	**13,235**	**16,223**	**22.6%**
Greenhouse gas emissions from commuting [4]	Tonnes CO_2e	-	197	167	-14.9%
Greenhouse gas emissions from business travel[5]	Tonnes CO_2e	-	26	133	412.9%
Greenhouse gas emissions from upstream emissions scope 1 & 2	Tonnes CO_2e	-	98	78	-20.5%
Greenhouse gas emissions from upstream logistics[6]	Tonnes CO_2e	-	551	727	31.8%
Greenhouse gas emissions from waste[6]	Tonnes CO_2e	-	18	23	26.2%
Greenhouse gas emissions from purchased goods & services[6]	Tonnes CO_2e	-	7,265	8,785	20.9%
Greenhouse gas emissions from downstream transportation[6]	Tonnes CO_2e	-	1,407	1,697	20.6%
Greenhouse gas emissions from end-of-life of sold products	Tonnes CO_2e	-	3,301	4,202	27.3%
Greenhouse gas emissions from franchises	Tonnes CO_2e	-	0.55	1.13	105.5%
Greenhouse gas emissions from capital goods	Tonnes CO_2e	-	371	411	10.7%
Greenhouse gas emissions intensity					
Greenhouse gas emissions scope 1 per FTE	Tonnes CO_2e	0.21	0.24	0.22	-9.1%
Greenhouse gas emissions scope 2 per FTE	Tonnes CO_2e	1.16	1.03	0.67	-34.8%
Greenhouse gas emissions scope 1 & 2 per FTE	Tonnes CO_2e	1.37	1.27	0.89	-30.0%
Energy consumption					
Total car gasoline/petrol consumption[7]	Liter	-	435	8,286	1804.9%
Total car diesel consumption	Liter	11,265	9,751	13,523	38.7%
Heating natural gas consumption	MWh	239	378	91	-76.0%
Grey electricity consumption	MWh	1,000	978	972	-0.6%
Renewable electricity consumption[8]	MWh	67	36	378	940.2%
Renewable electricity production	MWh	13	10	-	-

(1) As restated to reflect the improvement in GHG emission measurement and the work undertaken for SBT submission.
(2) The number of company cars have increased.
(3) The share of natural gas natural gas in total consumption decreased, explained by a change of building in Milan.
(4)The reduction in emissions related to employees commuting is mainly due to Moleskine's smart working policy and the new HQ localisation in Milan offering a new path work-home for employees.
(5) Business travels have increased, mainly due to travel across the company offices in EMEA, America and APAC, suppliers visits and big customers meetings.
(6) The increase in purchased goods and services, upstream and downstream freight, as well as waste and end of life emissions is explained by an increase in the volume of products sold in 2022 compared to 2021.
(7) The increased in car gasoline consumption is explained by the increasing number of company cars and the post-covid effect.
(8) All Italian stores moved to green energy

Data marked with a ✓ is in the scope of the independent limited assurance performed by PwC.

3.2. Bringing positive changes to society

3.2.1. FOSTERING PEOPLE'S CREATIVITY AND CRITICAL MINDSET

THROUGH PRODUCTS AND BRAND/COMMUNICATION STRATEGIES

The company dedicates significant energy to identifying areas for innovation across every department and product category, whilst also seeking ways to innovate internal processes and the business model. Driven by a solid foundation of company purpose, brand evolution trajectory, and technical capabilities, the teams explore emerging consumer needs, seeking to deploy optimal solutions to empower creativity and knowledge and to drive positive social change.

From this perspective, several important projects were deployed in 2022 in various fields, from Product Innovation to Brand Events. After an enthusiastic and successful reception in Shanghai, Moleskine's signature event, Detour, continued its global tour by landing in two major creative capitals: Paris (2,000 visitors) and New York (40,000 visitors). In line with its original format, the exhibitions featured the Moleskine Foundation's collection of artwork, donated by internationally acclaimed artists, to support its mission of "Creativity for Social Change". At every step of the journey, the event managed to connect with local creative communities and offered a platform for stimulating discussions

and self-reflection on issues such as identity, culture, and community through the Moleskine Foundation's unconventional education programmes. Revenue from these Detour events was donated to the Creativity Pioneers Support Fund, a funding programme established by the Moleskine Foundation which provides resources to non-profit organisations that use creativity to power positive social change in communities across the globe. These two new chapters of the Detour journey received a very positive reception from the local public and media.

Another area of focus in the company's trajectory is related to product innovation with several significant new initiatives taking place, such as the REDO partnership based on a shared vision and shared values. REDO Upcycling firmly believes in creativity as a key driver of positive change in the world. As such, the company employs socially disadvantaged workers to handcraft its range of sustainably designed accessories. REDO employees are supported in their professional and personal growth, learning creativity-based skills and developing their individual talents. In line with REDO's sustainability ethos, Moleskine has partnered with them to create a limited collection of Made in Italy bags using reclaimed Moleskine stock. Each shopper pack is stitched from repurposed bags that are given a new life in a series of one-of-a-kind designs.

In line with the company's strategy to strengthen its Sustainability programme and communication both towards internal stakeholders and the public, in 2022 another milestone was achieved with the publication of a dedicated section on the corporate website. In this new chapter, the company highlights the brand's solid and unique Sustainability position by focusing on ethical and transparent processes and procedures, the commitment to nurturing a healthy work culture, defined by inclusivity and diversity, and its unique mission to leverage creativity as a strong engine for positive social change.

THROUGH OUR SOCIAL ACTIONS

Sustaining creativity and critical thinking within communities is integral to Moleskine's DNA. It is also an opportunity for the company to engage with creative people and learn from their experiences. Moleskine is committed to collaborating with the Moleskine Foundation by putting its network, its people, and its infrastructure at the Foundation's disposal. Moleskine has also approved a sizeable, annual contribution to the Foundation of 1% of EBITDA, or €0.5m, whichever is the greater. Moleskine and the Moleskine Foundation have joined forces on a long-term programme to support creative communities around the world, providing them with creative tools, such as notebooks and writing tools, as well as connecting organisations and promoting local activities. Creative Tools for Social Change (CT4SC) is built on the 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. In 2022, about 25,7000 notebooks were repurposed into creative tools to benefit the 27 organisations involved that year in the programme.

Strategic KPI	2021 Value	2022 Value	Ambition 2025
Number of donated creative tools*	18,000 pieces	25,700 pieces	30,000 pieces
Number of organisations reached	8 organisations	27 organisations	30 organisations

* Including CT4SC programme and humanitarian organisations.

3.2.2. EMPLOYEE SATISFACTION AND ENGAGEMENT

Strong employee engagement and satisfaction, which leads to staff retention, is crucial to the long-term success of the business. In line with the pillars of its culture (Care, Excellence, Passion, Learning, Resourcefulness), Moleskine wants to create a specific way of working and encourages its people to focus on delivery and effectiveness and act in a result-oriented way.

In 2022, Moleskine carried out a satisfaction survey for the second time. The People Survey aims to create a people-centric approach in the organisation to become a Top Place to work at a global level.

The key goals of the survey are:
- to give people a voice
- to measure and increase employee engagement
- to support organisational growth
- to reinforce the culture of feedback.

Specifically, the employee engagement and satisfaction score is measured through key drivers and 102 questions were sent to all Global Corporate People. Employees answered each question on a 5-point Likert scale. The average score from those questions makes up the engagement and satisfaction score.

As a development of the people survey, and to build a concrete action plan based on the results from last year's survey, Moleskine launched some internal focus groups to assess specific areas that the survey highlighted. Some of the output from these focus groups includes training initiatives (leadership/work smarter), a clearer salary review, 360° feedback for a group of employees, improving internal communication (HR sharepoint, periodically update organisation charts), communicating ESG strategy & projects, employer branding activities, more flexible annual leave policy, better benefits (higher amounts for meal tickets).

Strategic KPI	2021 Value	2022 Value	Ambition 2025
Engagement and satisfaction score	3.6 on a scale of 1 to 5 (5 being the highest satisfaction rate)	3.7 out of 5 ✓	4 out of 5

Data marked with a ✓ is in the scope of the independent limited assurance performed by PwC.

3.2.3. TALENT DEVELOPMENT

Talent Management and Professional Development processes involve every person in the organisation to ensure the best possible fit between people & their roles. A Talent Management process has been built to be fully integrated into the Moleskine People System.

Since 2021, Moleskine has implemented several development actions and processes to support talent and professional development:

- **Appraisal**: Employees share aspirations, international attitudes, and a personal development plan in 1-to-1 appraisal meetings. Managers assess their team members (based on potential & performance over time) and evaluate the retention risk. The HR department supports this appraisal process. For 2022, the people in scope are all corporate employees, while in 2021 only corporate employees who had an MBO goal were involved (MBO means Management By Objectives, a management technique used to set clear goals for a specific time period with progress being monitored regularly). In 2023, this will be extended to store managers
- **360° Broad-Based Feedback:** A process in which employees receive confidential, anonymous feedback from the people who work around them. The result from this process is an assessment of the person's strengths and weaknesses and the areas for improvement and development. The people in scope for 2021 were those who report directly to the CEO. In 2022, the process was extended to all direct reports of Chiefs. In 2023, the process will be extended again to a broader population.
- **Calibration:** All Managers discuss the assessment reports for their direct reports in a peer meeting to calibrate their perspectives and share evaluations and actions. The assessment is based on the performance and potential of the person. All Corporate employees and EMEA Store managers are included.
- **Training:** In 2022, on top of the now annual training on feedback, the Executive Committee received specific training in Leadership.

Strategic KPI	2022 Value	Ambition 2025
% of total employees calibrated	100% offices' employees calibrated (which represent about 52% on total employees)	100% office and directly operated stores' employees calibrated

Given the constant evolution of Moleskine's sustainability strategy, some strategic KPIs have been altered compared to last year. However, the Average number of training hours by FTE is still disclosed below.

Training					
KPI	Unit	2020	2021	2022	Change (2022 vs. 2021)
Training hours	Hours	576	693	2,496 ✓	260.2%
Average number of training hours by FTE	Hours/FTE	1.65	2.25	8.06	-32.8%

The offering of language lessons in English and Italian, which are dedicated to all employees worldwide, is the reason for the increase in training hours in 2022.

Data marked with a ✓ is in the scope of the independent limited assurance performed by PwC.

3.2.4. DIVERSITY & INCLUSION

Moleskine promotes diversity, rejects every form of discrimination, and applies the same standard of treatment towards every employee regardless of their religion, nationality, origin, gender or beliefs. This guiding principle is part of Moleskine's Code of Ethics that every employee joining the Group has to sign, by way of acknowledgement and acceptance, and that every third party that has a business relationship with the Group has to agree to adhere to. The Code of Ethics is published on the Group website.

Moleskine knows that diversity within the organisation greatly benefits the business thanks to the mix of different genders, mindsets, and cultural and professional backgrounds.

Diversity is part of the brand's DNA and the company is committed to creating a culture of fairness and equality across all geographies and all roles.

Moleskine's philosophy is reflected in its merit-based recruitment approach Additionally, the company takes steps to ensure that job postings are inclusive and attract a diverse range of candidates by using language that is welcoming and appealing to a broad audience.

In 2021, Moleskine created the "Generation Z Board", now composed of 18 young, talented people who embody the company's journey in terms of D&I. This Board includes people from all over the world - Europe, Asia, Africa, and the Americas - who reflect the international and diverse workforce at Moleskine. The members of the Generation Z Board work directly with the CEO to identify brand values that are relevant to their generation.

In Moleskine's working environment, women make up 60% of top and middle management and more than fifteen nationalities are represented among office employees.

Strategic KPI	2021 Value	2022 Value	Ambition 2025
% of the under-represented gender	33% of men	31.9% of men	Keep a gender-balanced workforce & Identify new D&I KPIs

Gender diversity					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Diversity in executive level positions					
Total headcounts in executive level positions as at 31 December	Number	9	9	9	0.0%
Percentage of male headcount in executive level positions as at 31 December	%	67%	67%	56%	-11.44p.p.
Percentage of female headcount in executive level positions as at 31 December	%	33%	33%	44%	11.44p.p.
Diversity in the Board of Directors					
Total headcounts in the Board of directors as at 31 December	Number	7	6	6	0.00%
Percentage of male directors in the Board of Directors as at 31 December	%	43%	50%	50%	0.00p.p.
Percentage of female directors in the Board of Directors as at 31 December	%	57%	50%	50%	0.00p.p.
Diversity in the entire workforce					
Percentage of male FTEs as at 31 December	%	33%	34%	33%	-0.55p.p.
Percentage of female FTEs as at 31 December	%	67%	66%	67%	0.55p.p.

3.2.5. ADDITIONAL SOCIAL DATA

Social data					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Headcount					
Total headcount as at 31 December	Number	390	352	361	2.6%
Percentage of male headcount as at 31 December	%	33%	33%	32%	-1.14p.p.
Percentage of female headcount as at 31 December	%	67%	67%	68%	1.14p.p.
Headcount by contract (fixed-term/open-ended)					
Total headcount with fixed term contracts as at 31 December	Number	9	30	38	26.7%
Percentage of male headcount with fixed term contracts	%	22%	30%	26%	-3.68p.p.
Percentage of female headcount with fixed term contracts	%	78%	70%	74%	3.68p.p.
Total headcount with open-ended contracts as at 31 December	Number	381	322	323	0.3%
Percentage of male headcount with open-ended contracts	%	33%	34%	33%	-1.49p.p.
Percentage of female headcount with open-ended contracts	%	67%	66%	67%	1.49p.p.
Headcount full-time/part-time					
Total headcount contracted on a full-time base as at 31 December	Number	281	242	249	2.9%
Total headcount contracted on a part-time base as at 31 December	Number	109	110	112	1.8%
Own employee turnover					
Turnover rate	%	18.5%	43.7%	41.2%	-2.43p.p.
Worked hours subcontractors staff					
Total number of worked hours by subcontractor staff during the reporting period	Hours	1,440	7,558	1,892	-75.0%

Health & safety data					
KPI	Unit	2020	2021	2022	Change (2022 vs. 2021)
Lost time injury (LTI) at the workplace					
Total number of lost time injury	Number	1	1	1	0.0%
Frequency rate	LTI/1,000,000 Hours worked	1.53	1.80	1.79	-0.5%
Work-related fatalities					
Total number of work-related fatalities	Number	0	0	0	
Lost time days at the workplace					
Lost time days due to work accidents	Days	35	2	40	1900.0%
Severity rate	LTD/1,000 Hours worked	0.05	0.00	0.07	1890.3%
Absenteeism (illness and lost time injuries)					
Total days absent because of illness, lost time injuries or unknown reasons	Days	8,037	2,050	507	-75.3%
Absenteeism rate	%	9.07%	2.62%	0.64%	-1.97p.p.

3.3 Setting a long-term governance approach covering transparency, integrity and ethical behaviour

3.3.1. SUSTAINABLE SUPPLY CHAIN

Moleskine's products are sourced entirely from external suppliers. Therefore, from the beginning of the supplier selection process, Moleskine controls a set of environmental, social, and ethical aspects which are laid out in the Corporate Responsibility guidelines, which were adopted in 2020. The Supply Chain Department is responsible for applying these guidelines, both in the selection of new suppliers and in the ongoing monitoring of supplier adherence. Moleskine's goal is to increase supplier compliance and to secure evidence of each supplier's commitment to the environmental, ethical, and social topics outlined in the guidelines.

In 2023, Moleskine continued working to extend the number of suppliers who, in line with the Corporate Responsibility guidelines:
- have agreed to adhere to the company's Code of Ethics which, since 2012, has contained the legal and ethical standards to be applied by Moleskine and its suppliers
- have a valid SA8000 certification (or equivalent), the International Social Responsibility Standard, which covers, amongst other aspects, working conditions, under-age workers, and non-voluntary work
- have a valid ISO14001 certification (or equivalent), which provides a framework for controlling environmental impacts and aims to lead to continuous improvement in environmental performance
- are a SEDEX member (or have agreed to become one), one of the world's leading ethical trade membership organisations which works with businesses to improve working conditions in global supply chains
- have accepted the general terms and conditions of supply.

In 2022, 100% of the company's significant suppliers were SA8000 certified and 100% held environmental certification (ISO14001). In 2022, new suppliers of products were added to the company's list of approved suppliers, which led to more fragmented purchases and, therefore, to a greater number of verified suppliers. In the event that a supplier fails to comply with its obligations, they are required to start a compliance action plan.

Strategic KPI	2021 Value	2022 Value	Ambition 2025
Percentage of SA8000 certified significant suppliers	100	100 ✓	100%
Percentage of ISO 14001 certified significant suppliers	96	100 ✓	100%
FSC certification	Yearly validation succeeded	Yearly validation succeeded	Keep FSC-certification

Significant suppliers are defined as those suppliers of goods that together account for over 90% of the total annual purchase value of Moleskine Goods (measured by total order value submitted in euro).
Data marked with a ✓ is in the scope of the independent limited assurance performed by PwC.

3.3.2. BUSINESS ETHICS & GOVERNANCE

Moleskine's ambition is for every employee, at every level in the organisation, to comply with the Code of Ethics and to do business in accordance with the values and behaviour expectations contained therein. When joining the company, every employee is asked to sign the company's Code of Ethics by way acknowledging and accepting its contents. The Code of Ethics was adopted in 2012 by the Board of Directors and is updated over time.

Since 2013, Moleskine has adhered to Italian Legislative Decree no. 231/2001 by adopting an Organisational and Control Model which is designed to prevent bribery and corruption of public authorities and private entities. Pursuant to this Decree, a Supervisory Body oversees the effectiveness of the model (through periodic meetings with company representatives) and is notified of any possible breach of the Model through a dedicated email account, which is monitored constantly by the Supervisory Body and by the Internal Audit department (organismodivigilanza@moleskine.com). The Supervisory Body formally reports to the Board of Directors once a year. No cases of corruption or bribery and no breaches of the Code of Ethics were reported by the Supervisory Body in 2022.

On top of this, to promote a company culture of honesty and transparency, along with a solid governance system, Moleskine recognises the need for a procedure to report any behaviour that goes against the company's policies and regulations. A whistleblowing policy was thus approved in 2019 and a dedicated email account has been established. The Policy, available in Italian and English, provides for anonymous reporting and protects a whistleblower's confidentiality. It has been made public and is available under the company's collection of Policies & Procedures. No suspected or alleged breaches were registered via the whistleblowing email account in 2022.

Good governance is also achieved by having optimal cybersecurity. Moleskine implements best practices to protect its critical systems and sensitive information from digital attack. In 2021, the company carried out a cybersecurity maturity assessment and, building on the results from this, developed a four-year roadmap which has been approved by the Audit committee. In 2022, the company implemented a set of actions highlighted in the roadmap, such as the Third Party Risk Management Procedure, Segregation of Duties assessment, training on Cyber risks and a Phishing campaign.

Strategic KPI	2021 Value	2022 Value	Ambition
Number of reported incidents of unethical behaviour	0	0	Keep the number of reported incidents of unethical behaviour at zero

Governance-related data					
KPI	Unit	2020	2021	2022	Change (2022 vs. 2021)
Training on business ethics					
Percentage of headcount received training on business ethics (e.g. on the Code of Conduct)	%	0%	0%	2%	2.22p.p.
Collective bargaining agreement					
Percentage of headcount bound by a collective bargaining agreement (CBA)	%	0%	0%	0%	0.00p.p
Anti-bribery & anti-corruption					
Monetary amount of legal and regulatory fines and settlements (over €10,000) associated with:	€	0	0	0	-
- Violations of bribery, corruption, or anti-competitive standards					
- Environmental, ecological or social issues					
- Data security breaches					
Number of registered incidents on unethical workplace behaviour or discrimination	Number	0	0	0	-
Number of confirmed incidents of corruption and bribery	Number	0	0	0	-
Non-monetary sanctions					
Number of instances of noncompliance with laws and regulations for which non-monetary sanctions were incurred	Number	-	-	0	-

A training dedicated to members of the executive comitee was provided, which caused the increase from 0 to 8 members trained on business ethics.

4. EU Taxonomy

Moleskine's activity of designing and distributing writing and reading accessories is currently not included in the first two annexes of the EU Taxonomy on climate change mitigation and adaptation. This leads to a current percentage of 0% eligibility and 0% alignment for the EU Taxonomy KPIs of Turnover, CapEx and OpEx.

TURNOVER

Economic activity	Absolute turnover (in millions)	Proportion of turnover	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)[1]	Minimal safeguards	Taxonomy aligned proportion of turnover for 2022	Taxonomy aligned proportion of turnover for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0.0	0.0%								
Total (A.1. + A.2.)	**0.0**	**0.0%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy-non-eligible activities (B)	143.3	100%								
Total (A + B)	**143.3**	**100%**								

CAPEX

Economic activity	Absolute CapEx (in millions)	Proportion of CapEx	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of CapEx for 2022	Taxonomy aligned proportion of CapEx for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0.0	0.0%								
Total (A.1. + A.2.)	**0.0**	**0.0%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities (B)	6.7	100%								
Total (A + B)	**6.7**	**100%**								

OPEX

Economic activity	Absolute OpEx (in millions)	Proportion of OpEx	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of OpEx for 2022	Taxonomy aligned proportion of OpEx for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0.0	0.0%								
Total (A.1. + A.2.)	**0.0**	**0.0%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities (B)	2.5	100%								
Total (A + B)	**2.5**	**100%**								

TVH

1. Business model and value creation

TVH is a leading global independent distributor for aftermarket parts for material handling, construction & industrial, and agricultural equipment. This customer-centric organisation has continuously expanded its footprint to improve its responsiveness and customer servicing capacity, starting from a single Belgian location in 1969 to over 80 branches in 28 countries today. Thanks to its customer devotion, TVH now serves customers throughout 180+ countries across the world and has achieved outstanding service quality levels with approximately 95% of same-day shipments on orders.

TVH helps extend the life of machines, keep machines running, and prevent machines from being unnecessarily scrapped or replaced.

Geographies & Workforce			
KPI	Unit	2021	2022
Total headcount of own employees as at 31 December	Number	4,638	4,943
Percentage of FTEs of own employees in the Eurozone	%	-	64%
Percentage of FTEs of own employees in North America	%	-	26%
Percentage of FTEs of own employees in the Rest of the World	%	-	9%

Additional background information on the calculations and formulas used can be found at p.219.

2. Sustainability strategy

2.1. Materiality

TVH carried out a materiality analysis in 2021 and 2022 with the help of an external partner. Dialogue with the members of the TVH Executive Management Team and the TVH Board of Directors, in the form of interviews, was set up and conducted. At the same time, an online survey involving a substantial set of employees, customers, and suppliers was sent out. The materiality analysis highlighted the business's most critical (hereinafter "material") non-financial aspects. On this basis, TVH identified and prioritised the following material topics: maintaining high standards of business ethics, offering a good place to work, safeguarding health and safety, reducing waste and pollution, avoiding hazardous waste, ensuring equality at work, and promoting the use of green energy. Separate to the survey, the carbon footprint, employee engagement, and customer satisfaction were added to TVH's materiality analysis as these KPIs are part of D'leteren Group's priorities.

TVH selected eight important SDG's, six being considered core and two as support. The selection process involved four criteria: importance for stakeholders, the company's SDG relevant experience, TVH's ability to make a real difference, and its ambition to exceed the legal requirements.

A core SDG is aligned with all criteria while a support SDG is aligned with three of the four.
The company has grouped these eight SDGs under three key ambitions:

- To operate green and efficiently (SDG 7, 9, and 12): In addition to making a positive contribution with its core activities, which promote responsible consumption and production, TVH is committed to increasing its use of clean energy in its own operations.
- To be a great employer (SDG 3, 4, 8, and 10): TVH implements practices that support and promote the creation of a great, inclusive place to work, ensuring equality, health, and well-being for employees, as well as good quality training.
- To operate with integrity and ethical values (SDG 16): Conducting business with integrity and strong ethical values is key to the way TVH operates and is strongly linked to TVH's values.

2.2. Sustainability governance

Sustainability is an integral component of our business strategy and firm governance was established to drive this forward. The Board of Directors plays a crucial role in sustainability by supporting the strategy, setting priorities, and monitoring progress. In terms of determining the sustainability strategy and approach, responsibility falls on the Executive Management Team. To support this team, TVH has appointed a Sustainability Manager, who is in charge of defining, coordinating, and measuring the progress of the ESG strategy. In addition, a Sustainability Steering Committee has been formed to steer the different sustainability projects and determine new actions. The CEO, CFO, CPO, CSS (Chief Strategy and Sustainability), and the Sustainability Manager are part of this Steerco. Finally, to promote broad internal support among employees worldwide and to exchange information, ideas, and initiatives tied to sustainability, a Sustainability Focus Group was set up, composed of managers and employees from APAC, the Americas, and EMEA.

2.3. Sustainability Roadmap

ESG area	Topic	Materiality	SDG	KPI	Management approach
	Customer satisfaction	Customer satisfaction drives loyalty and increases sales	-	NPS	3.1.
Environment	GHG emissions	TVH's operations generate direct and indirect GHG emissions. TVH extends equipment life through its operations, resulting in reduced emissions.	Climate Action	Carbon footprint	3.2.
	Renewable energy	Producing more renewable energy will allow TVH to become less dependent on the grid.	Affordable and clean energy	% of renewable electricity consumption % of renewable electricity production	3.3.
	Packaging	Reducing packaging meets customer requirements and reduces cost.	Responsible consumption and production	% reduction in package use	3.4.
Social	People engagement	High engagement drives employee efficiency, dedication, and retention.	Good health and well-being	Engagement score	3.5.
	People development	Supporting employees, by providing training and developing skills, enables people to reach their full potential and has a positive impact on both people and TVH.	Quality training	Investment in training	3.6.
	Health & Safety	A robust health and safety process can help prevent accidents and create a safe working environment. Additionally, by lowering hazards to health and safety, absenteeism will be reduced, as will pressure on employees.	Decent work and economic growth	Number of occupational accidents. Days lost due to occupational accidents.	3.7.
	Diversity & Inclusion	Creation of a talented workforce, recruiting people for their skills and qualifications. An organisation with a diverse pool of talent will benefit from different perspectives and ideas.	Reduced inequalities	Number of reports on discrimination	3.8.
	Business ethics	TVH's stakeholders expect TVH to work according to regulations and laws. As a company TVH wants to hold ourselves to high moral and ethical standards.	Good governance	Code of Conduct	3.9.

3. ESG performance

3.1. Customer satisfaction

TVH is committed to **"Keep its customers going and growing"**. With this ambition in mind, the company is dedicated to providing excellent customer experience. Since 2018, TVH has been running its worldwide Voice of the Customer (VoC) programme, which involves gathering customer feedback and adjusting its services, processes, and way of working accordingly.

TVH measures customer experience by conducting monthly Net Promoter Score (NPS) surveys and uses actual customer feedback to improve its services and to introduce new enhancements.

In 2022, the NPS score for TVH increased drastically by +10.5 points, reaching 52.5[1] ✓ , compared to 42 in 2021. Customers mention, as main positive feedback, the overall customer service delivered by a dedicated sales team and the reliable logistics services, ensuring a 24/48-hour service window worldwide.

In 2022, TVH integrated customer excellence within the global continuous improvement programme leading to the launch of 93 focused initiatives. With customers in mind, employees worked to optimise the customer inflow and reduce logistics-related claims, emphasising that every employee plays a crucial role in realising customer success.

Next, TVH focused on improving the e-commerce experience given more than 80% of orders are placed through the online channel. TVH leveraged customer feedback obtained from user testing to establish a new e-commerce platform and improve its online presence. The objective behind this effort is to offer a best-in-class e-commerce experience with a focus on streamlining the customer journey to make it as smooth as possible.

1. The company's Net Promoter Score (NPS) is measured through a yearly customer relationship survey, which is sent on a monthly basis to 1/12th of its active customers who meet the criteria of being commercially and financially active with a total turnover of X-1 > €1,000, and excludes competitors. The NPS measures how likely customers are to recommend the company to a friend or colleague on a scale from 0-10, with respondents grouped into Promoters (score 9-10), Passives (score 7-8), and Detractors (score 0-6). The NPS is calculated by subtracting the percentage of detractors from the percentage of promoters and can range from a low of -100 to a high of +100. The company measures NPS in the Americas (excluding SSI and Brazil), EMEA (excluding Russia and Ukraine since February 2022), APAC (all regions included), and BEPCO (excluding Iberica, Eastern Europe, Switzerland, and Export). The official measurements started in Jan 2022 for Americas and Jan 2023 for BEPCO. China is excluded from NPS measurement in 2023. The NPS covers 61% of the clients with more than €1000 revenue.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3.2. GHG emissions

TVH has a large network of offices, warehouses, and distribution centres across the world. The company's business model is based on shipping spare parts from suppliers in different parts of the world to warehouses and delivering them to customers, who can also be found across the world. This business model has a notable effect on the company's carbon footprint. In 2022, TVH's carbon footprint was mapped for the first time enabling TVH to initiate an annual reduction trajectory on scope 1 and 2.

The company plans to conduct an annual carbon footprint assessment to track the progress of its effort and measure the effectiveness of the approach.

GHG & Energy consumption				
KPI	**Unit**	**2021**	**2022**	**Change (2022 vs.2021)**
Greenhouse gas emissions				
Greenhouse gas emissions (scope 1 & 2)	**Tonnes CO_2e**	**12,508**	**11,830**	**-5.4%**
Greenhouse gas emissions scope 1	**Tonnes CO_2e**	**5,586**	**5,269**	**-5.7%**
Greenhouse gas emissions from company owned vehicles[1]	Tonnes CO_2e	1,664	1,907	14.6%
Greenhouse gas emissions from natural gas	Tonnes CO_2e	3,607	3,222	-10.7%
Greenhouse gas emissions from heating fuel oil	Tonnes CO_2e	36	24	-33.0%
Greenhouse gas emissions from heating Propane/LPG	Tonnes CO_2e	0	0	-
Greenhouse gas emissions from refrigerant leakage	Tonnes CO_2e	191	13	-93.3%
Greenhouse gas emissions from owned logistics	Tonnes CO_2e	87	103	18.8%
Greenhouse gas emissions scope 2	**Tonnes CO_2e**	**6,923**	**6,561**	**-5.2%**
Greenhouse gas emissions market based	Tonnes CO_2e	6,923	6,561	-5.2%
Greenhouse gas emissions location based	Tonnes CO_2e	8,069	8,027	-0.5%
Greenhouse gas emissions intensity				
Greenhouse gas emissions scope 1 per FTE	Tonnes CO_2e	-	1.1	-
Greenhouse gas emissions scope 2 per FTE	Tonnes CO_2e	-	1.3	-
Greenhouse gas emissions scope 1 & 2 per FTE	Tonnes CO_2e	-	2.4	-
Energy consumption				
Total car gasoline/petrol consumption	Liter	26,346	78,818	199.2%
Total car diesel consumption	Liter	641,723	694,631	8.2%
Heating natural gas consumption	MWh	19,499	17,414	-10.7%
Heating fuel oil consumption	MWh	-	91	-
Grey electricity consumption	MWh	23,450	21,915	-6.5%
Renewable electricity consumption	MWh	5,309	6,098	14.9%
Renewable electricity production	MWh	877	4,102	367.7%

TVH is working on its scope 3 measurement.

3.3. Renewable energy

As a company, TVH is committed to producing and consuming clean, affordable energy. Historically, TVH has relied on solar energy to increase green energy production. In recent years, a number of projects have been realised on sites in Belgium, Spain, and Singapore. The company has identified additional projects to be launched from 2023 in Belgium, South Africa, Brazil, Canada, the US, Australia, the UK, and France.

TVH recognises that data monitoring is important to keep track of the volume of green energy produced. To this end, all data on solar energy production across all TVH sites worldwide will be captured in a single tool, providing real, live data. Combined with data on energy consumption, this will provide additional insights and guide future investment decisions.

3.4. Packaging

Being a worldwide distributor of spare parts entails using significant amounts of packaging to transport products from suppliers to warehouses and distribution centres, while ensuring that customers get the products in perfect condition. As TVH's operations continue to grow, the use of packaging materials also increases.

TVH has implemented several actions at its main warehouse to limit the packaging material used for shipments. First, the installation of machines to reduce empty space in packages. Second, the enhanced cooperation with suppliers so the packaging they use can be kept throughout the process until the part reaches the customer. Additionally, TVH is conducting further research into changing the composition of its packaging materials by reducing the use of unsustainable materials.

Waste management		
KPI	Unit	2022
Total waste generated	**Tonnes**	**4,494**
Total hazardous waste generated	**Tonnes**	**103**
Total hazardous waste directed to landfill	Tonnes	1
Total hazardous waste directed to incineration (without energy recovery)	Tonnes	10
Total hazardous waste directed to incineration (with energy recovery)	Tonnes	5
Total hazardous waste diverted from disposal to recycling	Tonnes	87
Total non-hazardous waste generated	**Tonnes**	**4,391**
Total non-hazardous waste directed to landfill	Tonnes	6
Total non-hazardous waste directed to incineration (without energy recovery)	Tonnes	0
Total non-hazardous waste directed to incineration (with energy recovery)	Tonnes	96
Total non-hazardous waste diverted from disposal to re-use	Tonnes	130
Total non-hazardous waste diverted from disposal to recycling	Tonnes	4,160

The waste data are currently covering only Belgium operations.

3.5. People engagement

In 2022, TVH's people approach focused on three global themes: talent, collaboration, and diversity & inclusion. TVH's hiring capacity was bolstered and two campaigns were launched to improve employer branding and address meeting culture. In order to increase cross-team internal collaboration, almost fifty team action plans were developed and implemented. The company also focused on optimising the variable compensation and total reward offering by introducing both short-term and long-term incentive plans for its executive leadership team and people leaders.

The short-term plans of TVH aim to retain the market-competitive character of remuneration packages and, at the same time, translate global KPIs into concrete People Leader objectives with an ongoing focus on continued international growth, individual development, and employee engagement initiatives.

TVH implemented an employee engagement programme consisting of quarterly "snapshots" to measure the engagement level. A high participation rate of 80% was achieved, leading to an 81%[1] ✓ global engagement index for the full year 2022. The positive trend of increased engagement was observed throughout the year with a 1% increase each quarter.

1. The % Engagement Index is measured as the summary of scores on five survey questions, each scored on a 5-point scale. The percentage is the proportion of favorable answers (scores of 4 or 5). The survey covers all departments, divisions, and countries within the organization, and all global employees on the payroll with a minimum of three months of working experience (excluding interim and consultant employees). The survey includes both desk and non-desk employees.

Data marked with ✓ is in scope of the independent limited assurance performed by PwC.

3.6. People development

In 2022, TVH launched a new global performance management process for all employees with a focus on continuous feedback on 4 themes: goals, performance & values, development & career, well-being. The process includes three progress check-in discussions. Additionally, an executive leadership programme was launched with participation from the Executive Management Team and all directors in the first leadership bootcamp. The programme included workshops, individual coaching, and peer practice labs. Furthermore, to better introduce new employees to the company, their function, and their colleagues, a standard onboarding process was put in place in Belgium and in the US. The goal is to include other geographies in the coming years.

The HR team was strengthened with the addition of highly skilled experts who have been given increased visibility within the company. Building on their valuable expertise, the team has developed a global vision and a clear roadmap with business driven priorities.

In 2023, a further roll-out of the executive leadership programme is scheduled. TVH will leverage the set-up of the new human capital management system to introduce new HR modules that will support job grading and employee data management. This will provide the company with an enhanced and up to date level of data-driven insights to drive its HR strategies and decisions, such as talent acquisition and review or merit cycles.

3.7. Health & Safety

The company established a global safety community to ensure that proper data collection was performed in all plants worldwide and to facilitate the sharing of experience among members of this community. To ensure the proper interpretation and collection of data by teams worldwide, every level of management has increased emphasis on this issue. In addition, a global safety team was set up to develop new content for training and safety programmes and to coordinate on-the-ground action.

In 2023, several projects will take place in Belgium (e.g. test exoskeletons) to reinforce the safety culture. Moreover, safety flashes will be issued after an incident occurred to enhance the communication of the follow-up measures to everyone in Operations. At an international level, the team journey will concentrate on specific training sessions on safety.
By June 2023, the data collected on occupational accidents and their impact across all plants worldwide will be assembled in a single global dashboard. In addition, a study is being conducted to determine the optimal tool to track occupational accidents.

Workforce data		
KPI	**Unit**	**2022**
Headcount by contract (fixed-term/open-ended)		
Total headcount with fixed-term contracts as at 31 December	Number	25
Total headcount with open-ended contracts as at 31 December	Number	4,918
Percentage of male headcount of own employees with open-ended contracts	%	69%
Percentage of female headcount of own employees with open-ended contracts	%	31%
Headcount full-time/part-time		
Total headcount with a full-time contract as at 31 December	Number	4,841
Percentage of male headcount of own employees with a full-time contract	%	70%
Percentage of female headcount of own employees with a full-time contract	%	30%
Total headcount with a part-time contract as at 31 December	Number	102
Percentage of male headcount of own employees with a part-time contract	%	44%
Percentage of female headcount of own employees with a part-time contract	%	56%
Own employee turnover		
Turnover rate	%	4.8%
Lost time injury (LTI) at the workplace		
Total number of lost time injury of own employees	Number	85
Frequency rate, own employees	LTI/1,000,000 hours worked	11.19
Work-related fatalities		
Total number of work-related fatalities of own employees	Number	0
Lost time days at the workplace		
Lost time days due to work accidents of own employees	Days	1,209
Severity rate, own employees	LTD/1,000 hours worked	0.16

3.8. Diversity & Inclusion

In 2022 the Executive Management Team and the Board of Directors worked together to define focus themes linked to diversity and inclusion. Three themes emerged: gender equality, cultural diversity, and a global mind-set.

In 2023, TVH will focus on initiatives linked to those themes. To address gender equality, a women's network and advocacy initiative will be created to encourage female employees to take up leadership roles, promote collaboration, and empower them. Additionally, we will support initiatives empowering women and other under-represented groups. Finally, the company wants to stimulate more discussion on certain topics linked to gender.

For other themes, TVH foresees a global discussion on its diverse culture. Next to that, more emphasis will be put on promoting and supporting internal mobility and providing learning opportunities to improve communication skills and actionable knowledge and to build cultural agility. Finally, as for gender, more discussion on topics linked to cultural diversity and a global mind-set are stimulated.

Diversity and inclusion				
KPI	Unit	2021	2022	Change (2022 vs. 2021)
Diversity in executive level positions				
Total headcounts in executive level positions as at 31 December	Number	-	9	-
Percentage of male headcount in executive level positions as at 31 December	%	-	100%	-
Percentage of female headcount in executive level positions as at 31 December	%	-	0%	-
Diversity in the Board of Directors				
Total number of directors in the Board of Directors as at 31 December	Number	-	9	-
Percentage of male directors in the Board of Directors as at 31 December	%	-	67%	-

Additional data on diversity and inclusion				
KPI	Unit	2021	2022	Change (2022 vs. 2021)
Percentage of female directors in the Board of Directors as at 31 December	%	-	33%	-
Diversity in the entire workforce (headcount)				
Total headcount of own employees as at 31 December	Number	4,638	4,943	6.6%
Percentage of male headcount of own employees as at 31 December	%	70%	69%	-0.60p.p.
Percentage of female headcount of own employees as at 31 December	%	30%	31%	0.60p.p.

3.9. Business ethics

TVH enjoys a solid reputation around the world based on integrity, responsible conduct, teamwork, excellence, and commitment. All TVH representatives share the responsibility to protect and safeguard that reputation, which is valued by customers, business partners, employees, and other stakeholders. The Code of Conduct defines and documents what TVH believes in and contains the global standards that each TVH representative must follow. Any deviations from this Code must be approved by the Board of Directors, which reviews the Code periodically.

To safeguard the follow-up of any breaches of this Code, employees who suspect or who are aware of a breach, are encouraged to report the issue to their direct supervisor. If the direct supervisor is unable to help or if an employee feels uncomfortable discussing the concern with them, use can be made of the Ethics & Compliance helpline.

Governance-related data				
KPI	**Unit**	**2021**	**2022**	**Change (2022 vs. 2021)**
Ethics				
Percentage of headcount that has received training on business ethics (e.g., on the Code of Conduct)	%	68%	63%	-4.86p.p.
Anti-bribery & Anti-corruption				
Monetary amount of legal and regulatory fines and settlements (over €10,000) linked to:	€	0	0	-
- Violations of bribery, corruption, or anti-competitive standards				
- Environmental, ecological or social issues				
- Data security breaches				
Number of confirmed incidents of corruption or bribery	Number	0	0	-
Number of registered incidents on unethical workplace behaviour or discrimination[1]	Number	1	7	600%
Non-monetary sanctions				
Number of instances of noncompliance with laws and regulations for which non-monetary sanctions were incurred	Number	-	0%	-
Employees covered with regulatory proceedings				
Percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Percentage	-	0%	-

(1) TVH promotes a Speak-up Culture and reports all registered incident. In 2022, two have been classfied as substantiated and threated accordingly, two have been classified as unsubstantiated ,one was partly substianted and two are under review.

D'leteren Immo

1. Business model and value creation

D'leteren Immo is the real estate arm of D'leteren Group in Belgium and is responsible for managing the real estate assets, most of which are rented by D'leteren Automotive. These assets include offices, workshops, concessions, logistics centres, residential units, car parks, and landbanks. In addition to managing its own properties, D'leteren Immo offers both real estate advice and a range of services to its tenants.

The D'leteren Immo team consists of 44 permanent employees and 12 freelancers. At the heart of the company's sustainability ambitions is its 'Invest & Hold' strategy. As a long-standing family business, D'leteren Immo aims for **the creation of long-term value, without rapid valuation objectives**. The team manages the Group's real estate assets with the purpose of making them more sustainable and future-proof. D'leteren Immo focuses on rigorous governance, sustainable management practices, long-term relationships with its stakeholders, and a well-trained and proactive team to ensure its heritage thrives. D'leteren Immo wants to contribute to the transition to a more sustainable society by inspiring peers and other companies.

The company supports the transition towards a sustainable, low-carbon economy and is determined to contribute to the UN Sustainable Development Goals (SDGs). The most relevant SDGs to which D'leteren Immo can make a tangible contribution are:

- SDG 7: **Affordable and clean energy**. D'leteren Immo seeks to constantly improve its energy efficiency. The company maximises and invests in the generation of renewable energy on its sites, during both construction and renovation activities. For its remaining energy needs, D'leteren Immo restricts itself to purchasing only green energy.
- SDG 9: **Industry, innovation and infrastructure**. D'leteren Immo has started the process of adapting its buildings to current and future needs by, for example, integrating flexibility into the design of its assets.
- SDG 11: **Sustainable cities and communities**. When creating new urban developments, D'leteren Immo aims for mixed-use projects with an optimal balance between the different uses to contribute to the well-being of local communities.
- SDG 12: **Responsible consumption and production**. D'leteren Immo is determined to engage in the transition toward a circular economy. The focus is on limiting waste, recycling on-site, reusing materials, and raising employee and supplier awareness.
- SDG 13: **Climate action**. D'leteren Immo is taking steps to achieve carbon neutrality for its company-related and portfolio-related GHG emissions.
- SDG 15: **Life on land**. D'leteren Immo aims to optimise land use at its sites whilst also minimising the number of enclosed surface areas. The company incorporates biodiversity considerations into the development of new sites and the management of existing areas.

Geographies & Workforce

KPI	Unit	2020	2021	2022	Change (2022 vs.2021)
Total full-time equivalents (FTEs) as at 31 December	FTE	42.60	40.82	40.72	-0.2%
Percentage of FTEs in the Eurozone (Belgium)	%	100%	100%	100%	0.00p.p.

The ESG data of D'leteren Immo covers all D'leteren Immo's properties and business activities.
Additional background information on the calculations and formulas used can be found at p.221

2. Sustainability strategy

2.1. Materiality

In 2019, D'leteren Immo performed a materiality assessment and prepared a materiality matrix. Based on interviews with internal and external stakeholders, from customers and suppliers to governments and industry associations, the company has **identified an extensive set of priorities on which to act.** This list resulted in four strategic pillars based on eight material topics: energy consumption, carbon emissions, multi-purpose building, materials & waste management, circular design, construction & use, employee well-being, and customer satisfaction. In addition, the relevant material topics were linked to each pillar. Since D'leteren Immo's business evolves constantly, the company will repeat its materiality analysis at regular intervals. In the meantime, the topic of biodiversity has been added to the list of sustainability aspects on which D'leteren Immo is acting.

2.2. Sustainability Roadmap

In 2019 and 2020, the company established a new sustainability strategy, which resulted in acting on four main pillars: improving the environmental and operational performance of its properties, designing and building future-proof infrastructure, evolving towards carbon neutrality, and being a top employer.

To achieve those ambitions by 2030, D'leteren Immo has drawn up a roadmap with the necessary actions. These actions are monitored with well-chosen Key Performance Indicators (KPIs) to track progress. The company's BREEAM New Construction certifications and D'leteren Immo's own internal Project Guidelines ensure that building projects and refurbishments follow the goals and standards laid out in the sustainability strategy. D'leteren Immo is also taking steps to become a top employer.

The company continuously follows this roadmap and implements it through various actions aimed at its employees and other stakeholders.

2.3. Sustainability governance

In 2021, D'leteren Immo reorganised its existing Sustainability Group. Representatives from all departments now work together in three interdisciplinary groups to measure the company's progress in terms of its strategic ambitions and to decide upon future steps. The three interdisciplinary groups focus on a specific aspect of the organisation's sustainability strategy: (i) the *Corporate* working group focuses on the well-being of employees, (ii) the *Operations* working group focuses on the sustainability of existing assets, and (iii) the *Projects* working group focuses on the sustainability of new construction and refurbishment projects.

Like the former Sustainability Group, the new Sustainability Team was created using a bottom-up approach to promote broad internal support among employees. The team consults regularly with the D'leteren Immo Executive Committee and the Board of Directors. Both the Board and the Committee are very committed to a sustainable future: they consistently put sustainability on the agenda and expect it to be integrated into every project. Long-term financial planning provides significant resources to achieve the strategic sustainability ambitions.

In 2022, the three interdisciplinary groups concluded their missions with the following main achievements: the implementation of the Project Guidelines, the selection of a BREEAM assessor and a site to launch a test case for BREEAM In Use. In addition, they launched the multiyear Carbon-Nada project and followed-up the NPS-survey, the Employee Satisfaction Survey, and the Themis-project including the Code of Conduct and ethics hotline. The *Operations* and *Projects* working groups have successfully concluded their objectives.

Starting in January 2023, D'leteren Immo will assemble a new council of representatives that will meet on a monthly basis and will function as a sounding board for the entire organisation. This new council will focus on the well-being of employees and will replace the *Corporate* working group.

Internal and external stakeholders are kept updated on D'leteren Immo's sustainability strategy and the progress on its implementation through various channels including the monthly Newsletter, monthly information sessions for employees, the annual report, and sustainability being a permanent topic on the agenda of every steering committee meeting.

2.4. Connectivity table

ESG area	Strategic pillar	Ambition/ Multi-topic KPI	Status in 2022	Impact on society
	Customer satisfaction			D'leteren Immo helps customers reach their own sustainability targets.
E	Improve the environmental and operational performance of current properties Design and build future-proof infrastructure	100% of properties with BREEAM In Use-certification by 2025 100% of large new projects with BREEAM New construction certification & % of smaller projects where internal Project Guidelines are applied	In progress, test case ongoing Ongoing certification process for 2 projects Monitoring postponed until 2023	Contribution to energy efficiency and to the transition towards more renewable energy. Sharing best practices of energy management and storage systems.
				Reduce the environmental impact of the waste produced by D'leteren Immo and its tenants.
				Reduce pressure on scarce resources and limit the environmental footprint linked to producing and transporting new materials.
				Design future-proof properties to avoid energy and resource-intensive construction designed to replace outdated buildings. Opportunity to revitalise urban areas by combining working, commercial and living spaces.
				Improve the quality of life for tenants, promote mental health benefits, increase fauna and flora habitats, improve surface permeability, etc.
	Towards carbon neutrality			Contribute to the transition towards a low-carbon economy and the fight against climate change.
S	Be a top employer			Reducing burn-out risk, improving employee impact outside the organisation, creating a healthy and inspiring working environment for employees to thrive, offer lifelong learning opportunities for employees to develop, improve the work-life balance of their team
G				Doing this in the best possible way, without disputes or ethical issues can inspire peers and other organisations to do so. Responsible governance contributes to a respectful, healthy working environment.

* Biodiverse landscaped green areas are green areas that are maintained in an ecological way, adapted to the type of habitat/ecosystem, with adapted tools and without the use of pesticides. The goal is to give the local fauna and flora the best opportunities for growth.

	Sustainability-related risks /opportunities	KPI	Ambition	Value in 2022	Policies & Action plans
	Listening to customer needs allows D'leteren Immo to assess its real estate offer and related services and adapt them accordingly. Higher customer satisfaction leads to higher loyalty and retention.	NPS score	To reach a level of excellence in terms of customer satisfaction. To reach an NPS score between 20 and 40, compared to other peers.	25 ✓	3.3.
	Reduce dependency on external energy providers, which could have a direct financial impact and enable the company to increase the attractiveness of its assets.	% self-generated renewable electricity	To reach 100% of renewable and on-site produced energy at its sites	46.3%	3.1. BREEAM In Use BREEAM New Construction Internal Project Guidelines
	Considering waste as a valuable resource and reusing selective, dismantled materials in a construction project, where possible, could have a positive impact on the company's operations.	-	To continue to provide on-site infrastructure to sort and recycle waste generated by building occupants.	-	
	Risks of increased prices of resources and limited availability of materials and spare parts for construction projects and maintenance of machines.	number projects with an extensive inventory for (re-)used materials	To integrate a circularity study into every project	-	
	Avoid future costs linked to changes in building use.	-	To continue to redevelop the urban site	-	
	Increase in property values, energy savings, heat performance, permit procedures, etc.	% of biodiverse landscaped green areas compared to the surface of all green areas	To reach 100% biodiverse landscaped* green areas	-	
	Risks related to increasingly stringent environmental regulations and environmental permits. Risks associated with increasing pressure on raw material and energy prices, as well as the potential additional cost of adapting buildings for more extreme weather events and patterns.	% of carbon emissions reduction	52% reduction of CO2e compared to 2020 by 2030 To reach Net Zero emissions by 2040	37.3%	3.1.1.
	Employee well-being increases resilience and supports organisational performance through higher employee engagement. It also helps attract and retain talent. Risks of failure to retain talent and experiences, long-term absenteeism due to mismatches.	Employee Satisfaction Score ESS response rate	To keep the % of employee satisfaction, through the survey, over 80%	84.35% ✓	3.2.
	Attempts to corrupt and unethical behaviour would impact the company's reputation and could lead to prosecutions and fines.	-	To ensure the continued commitment to D'leteren Immo's Code of Ethics	-	3.4.

3. ESG performance

3.1. Management approach by strategic ambition

3.1.1. TOWARDS CARBON NEUTRALITY

Infrastructure is a significant source of greenhouse gas emissions. As a real estate company, D'leteren Immo can and wants to contribute to the transition to a carbon-neutral society. The company's overall ambition is to reduce its greenhouse gas emissions by 52% by 2030 (compared to the 2020 baseline measurement) and to **reach net zero emissions by 2040**.

D'leteren Immo calculates both its company-related as well as its portfolio-related emissions. To reduce portfolio-related emissions, it not only invests in energy-efficient buildings but also in partnerships with tenants, maintenance companies and many others. These partnerships are key to reaching the net zero objective.

Using a carbon footprint calculation, in 2021, D'leteren Immo was able to determine which of its existing sites has the greatest carbon impact: these are the sites at Kortenberg, Drogenbos, and Zaventem. As a result, a significant investment plan called Carbon-Nada was launched in 2022 to achieve the goals of carbon neutrality by implementing the conclusions from the feasibility studies for these three sites conducted in 2021.

New developments and large refurbishment projects, like D'leteren Park, 50 RM, and Mobilis are designed to carbon-neutral standards.

In 2022, D'leteren Immo continued to take various steps to reduce its company-related emissions: replacing light fixtures with LED devices, installing additional thermal insulation to improve the performance of roofs and windows, adjusting the office temperature in summer and winter, and taking measures to track energy at all levels. The company produces its own renewable energy and supplements the energy demand when necessary with 100% green energy. In time, D'leteren Immo plans to become completely independent in the purchasing of heat and electricity.
Another important step in reducing the company's emissions was the introduction of the new car policy in 2021 and its accelerated implementation in 2022. The new policy includes a budget increase so that employees can choose an electric company vehicle.
As a result, by 2030, D'leteren Immo's fleet should be entirely emission-free. Other initiatives to limit the company's carbon emissions are found across a range of D'leteren Immo's activities.

Strategic KPI	2021 Value	2022 Value	Ambition 2023
% reduction of GHG emissions compared to 2020	8.8%	37.3%	To reduce GHG emissions by 52% compared to 2020 by 2030

GHG emissions & energy consumption					
KPI	Unit	2020	2021	2022	Change (2022 vs. 2021)
Greenhouse gas emissions					
Greenhouse gas emissions scopes 1,2 & 3	**Tonnes CO_2e**	**7,043**	**6,547**	**5,132** ✓	**-21.6%**
Greenhouse gas emissions scope 1	**Tonnes CO_2e**	**144**	**145**	**112**	**-22.9%**
Greenhouse gas emissions from cars	Tonnes CO_2e	79	75	64	-14.1%
Greenhouse gas emissions from natural gas	Tonnes CO_2e	65	70	47	-32.3%
Greenhouse gas emissions scope 2	**Tonnes CO_2e**	**17**	**-**	**0**	
Greenhouse gas emissions, market based	Tonnes CO_2e	17	-	0	
Greenhouse gas emissions scope 3	**Tonnes CO_2e**	**6,882**	**6,402**	**5,020**	**-21.6%**
Greenhouse gas emissions from Capital goods	Tonnes CO_2e	-	-	3	
Greenhouse gas emissions from commuting	Tonnes CO_2e	13	14	11	-15.4%
Greenhouse gas emissions from business travel	Tonnes CO_2e	-	0	2	-
Greenhouse gas emissions from upstream emissions scopes 1 & 2	Tonnes CO_2e	33	33	27	-19.0%
Greenhouse gas emissions from purchased goods & services	Tonnes CO_2e	19	8	0.36	-95.7%
Greenhouse gas emissions from downstream leased assets	Tonnes CO_2e	6,817	6,347	4,976	-21.6%

GHG emissions & energy consumption					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs.2021)**
Greenhouse gas emissions intensity					
Greenhouse gas emissions scope 1 per FTE	Tonnes CO_2e	3.4	3.55	2.74	-22.7%
Greenhouse gas emissions scope 2 per FTE	Tonnes CO_2e	0.39	-	0.01	
Greenhouse gas emissions scopes 1 & 2 per FTE	Tonnes CO_2e	3.78	3.55	2.75	-22.4%
Energy consumption					
Total car petrol consumption	Litre	8635	6,917	9,894	43.0%
Total car diesel consumption	Litre	22127	21,046	17,007	-19.2%
Total car fuel consumption (hybrid cars)	Litre	1027	1,801	0	-100.0%
Heating, natural gas consumption	MWh	351	379	257	-32.3%
Grey electricity consumption	MWh	98	0	0	
Renewable electricity consumption	MWh	42	97	76	-21.2%
Renewable electricity production	MWh	14	13	16	22.1%
Cogeneration electricity production	MWh	32	36	20	-45.6%
Energy consumption					
Percentage of self-generated renewable electricity	%	-	46.6%	46.3%	-0.27p.p.

Scope 1 emissions decrease comes in a large part from a decrease in gas heating emissions due to warmer temperatures and higher gas prices in 2022.

Scope 2 emissions remain stable at zero because of a switch to green electricity contracts in 2021. The reduced emissions of natural gas in most of the leased building allowed a 25% decrease of downstream leased assets emissions compared to 2021 and thus of overall scope 3 emissions.

Data market with ✓ is in the scope of the independent limited assurance performed by PwC.

3.1.2. IMPROVING THE ENVIRONMENTAL AND OPERATIONAL PERFORMANCE OF CURRENT PROPERTIES

D'leteren Immo applies the BREEAM In-Use methodology to assess and improve the operational performance of its properties. The company is currently preparing for a BREEAM In-Use baseline measurement. In 2022, a BREEAM In-Use Assessor was appointed and, consequently, a test case at the Kortenberg site was launched. Over the next few years, the company will conduct various analyses and take measures to make its assets more sustainable. Based on the insights and conclusions from this test case, in 2023, D'leteren Immo will define how to apply the BREEAM In-Use methodology to the remaining sites in the portfolio.

Strategic KPI	Status	Ambition
% of properties with BREEAM In-Use certification	In progress, test case ongoing	100% of properties with BREEAM In-Use certification

Energy consumption: In 2022, D'leteren Immo and a specialist firm carried out a feasibility study of the measures needed for the 3 sites with the highest energy consumption (i.e. Kortenberg, Zaventem, Drogenbos) to transition to CO_2 neutrality over the next few years. Other measures taken to limit energy consumption and increase the self-production of renewable energy include the installation of additional insulation on rooftops at the Kortenberg site, the installation of additional photovoltaic panels on 2 sites in Wommelgem and relamping-projects in Kortenberg and Drogenbos. Similar actions are planned for 2023 at the sites in Puurs, Zaventem, Drogenbos and Kortenberg.

Materials and waste management: D'leteren Immo continues to provide on-site infrastructure to sort and recycle waste generated by the building or unit, its occupants, and their activities. For new projects that will accommodate multiple tenants, such as Mobilis, the company has partnered with an external expert to design a waste management approach specifically adapted to these multi-tenant sites.

Circular design, construction, and use: Rather than appointing a circular economy expert, D'leteren Immo focused on applying the concepts of circular design, construction, and use in its various construction and refurbishment projects. The Circularium project based at the former Centre in Anderlecht is entirely dedicated to the circular economy and hosts, in its 3rd year, more than 30 organisations and start-ups with circular activities.

Biodiversity: the design teams at D'leteren Immo are conscious of the challenges and the necessity to incorporate biodiverse green areas as part of the project´s programmes. Where possible, D'leteren Immo invests in biodiverse green areas and balances this with other sustainable measures, such as making use of photovoltaic panels. The D'leteren Park project contains a large variety of future-proof measures. It invests heavily in creating an extensive green-blue grid along the roadside at the Kortenberg site. The project includes more than 25,000m² of biodiverse green areas to enhance the local fauna and flora and to create a park-like feeling for the occupants. About 7,800m² of infrastructure is planned to handle rainwater in the project area. This project is expected to be implemented in 2024.

3.1.3. DESIGNING AND BUILDING FUTURE-PROOF INFRASTRUCTURE

Circular design, construction, and use: D'leteren Immo aims to design and build future-proof infrastructure. It creates flexible living and working spaces that respond to current and future needs while minimising their environmental impact. The company plans to obtain BREEAM

New Construction certification for large construction projects. This assessment methodology targets various aspects of sustainable building, such as water, energy, mobility, and circularity, and covers the full lifecycle of a building through partial certification for the design stage, the construction process, and the adaptability of a building.

D'leteren Immo is monitoring the number of projects that apply the BREEAM New Construction standards in order to measure its progress. In 2022, the company obtained outstanding BREEAM New Construction certification for the design phase of its Mobilis project. In addition, the pre-assessment for the D'leteren Park project indicates that an outstanding level will be reached.

Mobilis will accommodate a combination of urban industry, production activities, and commercial functions and will contribute to D'leteren Immo's ambition to redevelop urban sites with **multi-purpose buildings.** The energy-neutral building consists of removable platforms, making it easy to adapt it to future uses.

The principles of circular design and construction were taken as an objective for the D'leteren Park project: refurbishing existing buildings was chosen, as far as possible, over demolishing and, where possible, dismantled materials will be reused in the project.

To ensure that **new small- and medium-sized projects** are designed and built following the goals and standards set out in the sustainability strategy, D'leteren Immo has developed **internal Project Guidelines**. These Guidelines contain a detailed set of criteria to guide project teams from the concept and design stage.

Strategic KPIs	2021 Value	2022 Value	Ambition
No. of BREEAM New Construction certifications	1 (Mobilis)	2 (Mobilis and D'leteren Park)	BREEAM New Construction certification for all large projects
% of projects apply Project Guidelines	Monitoring postponed to 2023		100% of projects apply Project Guidelines

3.2. Being a top employer

3.2.1. EMPLOYEE WELL-BEING AND SATISFACTION

For D'leteren Immo, its employees are its most valuable assets. Employee well-being is a top priority and encompasses various aspects: from training and development to inclusion, diversity, health, and safety. The company is committed to building and retaining a competent, motivated team. That is why it **conducts annual satisfaction surveys among its employees**.

The action plan lists four areas in which D'leteren Immo can take measures to improve well-being. The company aims to create meaningful jobs, promote opportunities for personal and professional growth for all its employees, and offer a pleasant and healthy working environment. D'leteren Immo also intends to improve its governance and organisational structures to enhance employee well-being. Transparent communication, for example, is key to achieving a high level of employee involvement.

Since 2021, monitoring has been achieved through a bottom-up process by one of the three interdisciplinary groups of the Sustainability Team, with full support from the Executive Committee and the two parties meet regularly to discuss the best approach. D'leteren Immo also conducts annual reviews to assess each individual employee's personal and career development needs.

In 2022, D'leteren Immo went further into its 2021 action plan and implemented various actions to support and improve the well-being of employees. Examples of these actions are the monthly information sessions with a job-focused topic on the agenda, monthly meetings with contractors, an intensive 360° review of the whole D'leteren Immo team, communication on sustainability KPIs in the monthly newsletters, junk days to reduce the volume of digital files, plenary sessions on the remuneration policy and clarification of the evaluation process.

As of 2023, the company will create a new council of representatives to continue the work of the interdisciplinary groups which began in 2021 and will, through monthly meetings, function as a sounding board for the whole organisation.

Strategic KPI	2021 Value	2022 Value	Ambition
Employee Satisfaction Score	87.7%	84.4% ✓	To support and maintain a high level of employee satisfaction
Employee Satisfaction Survey response rate	72.4%	83.0%	

D'leteren Immo measures employee satisfaction using an annual survey with around 30 questions answered on a 4-point scale. The satisfaction rate is the sum of the average percentage of employees who selected answer categories 3 and 4, except for specific questions. The KPI includes all employees, including freelancers, temporary workers, and those on maternity leave.

Data market with ✓ is in the scope of the independent limited assurance performed by PwC.

3.2.2. EMPLOYEE TRAINING AND DEVELOPMENT

D'leteren Immo ensures the continuous improvement of its team through **personal development and training**. To attract talented people, the company employs a recruitment and career policy which is based on sharing values, soft skills, teamwork, and technical capabilities. Employees are strongly encouraged to participate in relevant training courses, not only for their personal growth but also to develop new skills and keep up with the fast-changing world of real estate.

To select training courses that are tailored to people's needs, D'leteren Immo invested in a 360° peer review to help people map out their existing professional and personal skills. Offered to every employee on a voluntary basis, over 90% of employees chose to participate. The company also keeps track of the number of hours its employees spend in training activities each year and encourages training in soft skills.

D'leteren Immo supports internal knowledge sharing, for example, through Show 'n Tell Events, where employees and experts can share their insights on relevant topics. Furthermore, the organisation has observed that people have adapted well to hybrid working and changed working conditions as a result of Covid-19. Therefore, the company decided to formalise this new way of working through the implementation of a new teleworking policy.

Strategic KPI	2021 Value	2022 Value	Ambition
Average numbers of training hours per FTE	41.17 h per FTE	33.9 h per FTE	An average of 32 hours of training per FTE on an annual basis.

3.2.3. DIVERSITY & INCLUSION

D'leteren Immo is conscious of its responsibility to offer employees a fair and diverse workplace, where everyone is given the same opportunities, regardless of their gender, age, cultural background, physical abilities, or other factors. It **aims for equal opportunities** and makes a conscious effort to consider only people's skills, potential, and achievements when making recruitment or promotion decisions.
As of 2021, the company monitors the number of male and female employees and has recently closed the pay gap. To further promote equal opportunities and inclusion, the management team communicates transparently on a wide range of company-related topics and decisions.

Strategic KPI	2021 Value	2022 Value	Ambition
Gender pay gap	-3.91%	- 6.62%	Zero gap policy

Additional data on diversity and inclusion					
KPI	Unit	2020	2021	2022	Change (2022 vs.2021)
Diversity in executive-level positions					
Total headcount in executive-level positions as at 31 December	Number	5	5	5	0.0%
Percentage of male headcount in executive-level positions as at 31 December	%	60%	60%	60%	0.00p.p.
Percentage of female headcount in executive-level positions as at 31 December	%	40%	40%	40%	0.00p.p.
Diversity in the Board of Directors					
Total number of directors on the Board of Directors as at 31 December	Number	-	4	4	0.0%
Percentage of male directors on the Board of Directors as at 31 December	%	-	75%	75%	0.00p.p.
Percentage of female directors on the Board of Directors as at 31 December	%	-	25%	25%	0.00p.p.
Gender pay gap					
Undajusted gender pay gap	%	-	-3.91%	-6.62%	-2.72p.p.

3.2.4. EMPLOYEE HEALTH & SAFETY

D'leteren Immo **attends to the health and safety of its employees, customers, tenants, and suppliers**. The company double checks its building designs, closely monitors the safety of its construction sites, and ensures that all buildings, once completed, can be used safely for various purposes. All legal provisions concerning safety are closely adhered to. The company also adds its own additional measures as an extra precaution.

D'leteren Immo invests in high-quality safety equipment for all its employees in technical positions. It organises training courses on first aid, safe forklift use, safety certificates, etc. In 2022, the company focused on defibrillator training and installed equipment in all its locations. Incidents, if they occur, are always reported and investigated and the number of incidents has been very low for many years.

The company collaborates with risk prevention advisors and safety coordinators to further increase safety. It also supports the risk prevention advisors of its tenants, mostly D'leteren Automotive and D'leteren Centres, to safeguard their safety.

Employee health & safety					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Lost time injury (LTI) at the workplace					
Total number of lost time injury	Number	1	0	0	-
Frequency rate	LTI/1,000,000 Hours worked	15.27	0	0	-
Work-related fatalities					
Total number of work-related fatalities	Number	0	0	0	-
Lost time days at the workplace					
Lost time days due to work accidents	Days	2	0	0	-
Severity rate	LTD/1,000 Hours worked	0.03	0	0	-
Absenteeism (illness and lost time injuries)					
Total days absent because of illness, lost time injuries or unknown reasons	Days	368	536	520	-2.9%
Absenteeism rate	%	3.40%	5.17%	5.03%	-0.14p.p.
Health and safety training					
Total health and safety training hours	Hours	171	419	194	-53.6%

3.2.5. SOCIAL DATA

Social					
KPI	**Unit**	**2020**	**2021**	**2022**	**Change (2022 vs. 2021)**
Hours worked, subcontracted staff					
Total number of hours worked by subcontractor staff during the reporting period	Hours	13,376	18,138	19,202	5.9%
Headcount own employees					
Total headcount as at 31 December	Number	43	42	42	0.0%
Percentage of male headcount as at 31 December	%	71%	64%	69%	5.05p.p.
Percentage of female headcount as at 31 December	%	31%	36%	31%	-5.05p.p.
Headcount by contract (fixed-term/open-ended)					
Total headcount with fixed-term contracts as at 31 December	Number	0	0	0	-
Total headcount with open-ended contracts as at 31 December	Number	43	42	42	0.0%
Percentage of male headcount with open-ended contracts	%	71%	64%	69%	5.05p.p.
Percentage of female headcount with open-ended contracts	%	31%	36%	31%	-5.05p.p.
Headcount full-time/part-time					
Total headcount with full-time contracts as at 31 December	Number	37	34	34	0.0%
Total headcount with part-time contracts as at 31 December	Number	6	8	8	0.0%
Own employee turnover					
Turnover rate	%	4.6%	7.1%	9.5%	2.46p.p.

3.3. Customer satisfaction

Customer satisfaction is a crucial factor in all D'leteren Immo's ambitions. As a service organisation, the company rents out working and living spaces and offers other services, such as maintenance and energy contracts. Making life easier for its customers is part of D'leteren Immo's added value.

Responding to D'leteren Immo's **2022 customer satisfaction survey**, the NPS grew from 18 to 25. In 2022, the organisation ran several customer enquiry processes, leading to more representative information on the customer voice.

In 2023, the team will be trained on specific customer-focused approaches and satisfaction related aspects. The company will also continue to organise annual meetings with its tenants to strengthen the relationship and develop an open dialogue with them. These meetings also provide an opportunity to discuss energy monitoring at all levels with tenants.

Strategic KPI	2021 Value	2022 Value	Ambition
Net Promotor Score (NPS)	18.7	25 ✓	To reach and maintain an NPS score between 20 to 40

D'leteren Immo measures customer satisfaction using NPS, based on a survey asking customers to rate the likelihood of recommending the company. Responses are categorized as Promoters (9-10), Passives (7-8), and Detractors (0-6). The NPS score is calculated by subtracting the percentage of Detractors from the percentage of Promoters. The survey targets external customers who received services from D'leteren Immo employees.

Data market with ✓ is in the scope of the independent limited assurance performed by PwC.

3.4. Responsible governance

3.4.1. BUSINESS ETHICS

D'leteren Immo does not tolerate corruption, fraud, or money laundering and has a zero-tolerance policy regarding gender or any other type of discrimination. All contracts include extensive clauses on illegal practices and employees follow thorough ethics instructions.

In November 2021, D'leteren Immo **introduced its own Code of Ethics**. The company provides all its employees with recurrent hands-on training on the topic with the support of an external partner. The Code of Ethics offers guidance on general business ethics principles. It also provides guidelines for specific situations, such as, for example, how to react when a supplier offers a gift. All gifts and invitations must comply with accepted market practices and anti-bribery legislation. End-of-year gifts are distributed among the employees using a lottery system. In collaboration with the same specialist external partner, D'leteren Immo has also launched an Ethics helpline and a **'whistle-blowing procedure'**. Employees can now contact 7/7, an impartial, independent specialist helpdesk, in three languages (FR, NL, EN) to ask for advice or to report an unethical situation. Every report is followed up by a set procedure.

Every topic related to business ethics is monitored by the Executive Committee and reported to the Board of Directors.
In 2022, there was one case which was handled correctly with the external partner in accordance with the Code of Ethics.

Strategic KPI	2022 Value	Ambition
# of claims per year	1	Zero claims about business ethics

Governance-related data					
KPI	Unit	2020	2021	2022	Change (2022 vs.2021)
Ethics					
Percentage of headcount that received training on business ethics (e.g., on the Code of Conduct)	%	-	100%	100%	0.0%
Anti-bribery & anti-corruption					
Monetary amount of legal and regulatory fines and settlements (over €10,000) connected to :	€	0	0	0	-
- Violations of bribery, corruption, or anti-competitive standards					
- Environmental, ecological or social issues					
- Data security breaches					
Number of confirmed incidents of corruption and bribery	Number	-	-	0	-
Non-monetary sanctions					
Number of instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	Number	-	-	0	-
Collective bargaining agreement					
Percentage of headcount bound by a collective bargaining agreement (CBA)	%	100%	100%	100%	0.0%

3.4.2. ETHICAL SUPPLY CHAIN

D'leteren Immo operates within a strict social and legal framework. The company attaches great importance to a sustainable purchasing policy and the comprehensive management of suppliers. All purchases from key operating suppliers are in compliance with a basic Sustainable Purchasing Charter. The organisation's Code of Ethics applies to all its suppliers as well.

D'leteren Immo is concerned about the respect for human rights. As the company often collaborates with building subcontractors and other partners, the working conditions such partners offer are monitored through regular checks and advice is given by a safety coordinator for all construction projects. In the event of a breach of a right or condition, the organisation will take action during a construction site meeting.

Every key operating supplier signs a supplement to their contract relating to business ethics and sustainable operations. In major purchasing procedures, various criteria related to ethics and sustainability are included in the decision matrix that D'leteren Immo applies.

In the future, the organisation will continue searching for any best practice that can improve the quality of its supplier management. For 2023, D'leteren Immo will monitor and follow up on the number of sustainable purchasing charters signed with its key operating suppliers.

4. EU Taxonomy

D'leteren Immo's economic activities revolve mainly around the reconversion and redevelopment of sites owned by D'leteren Group and in the management of the real estate assets that are owned by D'leteren Group. The activity in the Taxonomy that is applicable to the activities of D'leteren Immo are:

#	Economic activity D'leteren Immo	Relevant Taxonomy activity
1	Reconversion, redevelopment and management of the real estate assets owned by D'leteren Group	7.7 Acquisition and ownership of buildings (CCM & CCA)

With this activity, D'leteren Immo has an important role to play in contributing to a more environmentally sustainable future. While D'leteren Immo is eligible for both climate change mitigation and adaptation, the company has determined that its contribution is most substantial when contributing to climate change mitigation.

Given the fact that D'leteren Immo's economic activity consists almost uniquely in the acquisition and ownership of building, the eligibility figures are very high. This year's eligibility percentages for Turnover, CapEx and OpEx are 97.7%, 100% and 100% respectively. The only Turnover that was not deemed eligible for the EU Taxonomy under the climate objectives were the revenues resulting from the sale of green certificates. All of D'leteren Immo's CapEx and OpEx were linked to the acquisition and ownership of building.

The alignment percentages for this year's turnover, CapEx and OpEx were 0%. Analysis of the SC and DNSH principles has shown that for this year D'leteren Immo does not yet possess adequate data to report on the alignment requirements in the EU Taxonomy. D'leteren Immo will continue to move towards gathering the data in the years to come via its roadmap toward sustainability. This roadmap contains a set of strategic KPIs that will lead, amongst others, to carbon neutrality. The data collection related to these strategic KPIs has already started. The organization has been investing in ways of collecting information e.g. smart monitoring of the various energy sources and water, starting with a first test case of the BREEAM In-Use framework as well as providing employees with training on various sustainability-related topics.

Turnover

Economic activity	Absolute turnover (in millions)	Proportion of turnover	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of turnover for 2022	Taxonomy aligned proportion of turnover for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
7.7. Acquisition and ownership of buildings	34.2	97.7%								
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	34.2	97.7%								
Total (A.1. + A.2.)	**34.2**	**97.7%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy-non-eligible activities (B)	0.8	2.3%								
Total (A + B)	**35.0**	**100%**								

CAPEX

Economic activity	Absolute CapEx (in millions)	Proportion of CapEx	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of CapEx for 2022	Taxonomy aligned proportion of CapEx for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
7.7. Acquisition and ownership of buildings	11.8	100%								
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	11.8	100%								
Total (A.1. + A.2.)	**11.8**	**100%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities (B)	0.0	0.0%								
Total (A + B)	**11.8**	**100%**								

OpEx

Economic activity	Absolute OpEx (in millions)	Proportion of OpEx	Substantial contribution to climate change mitigation	Substantial contribution to climate change adaptation	DNSH-criteria (does not significantly harm)	Minimal safeguards	Taxonomy aligned proportion of OpEx for 2022	Taxonomy aligned proportion of OpEx for 2021	Category (Enabling activity)	Category (Transitional activity)
	€	%	%	%	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
7.7. Acquisition and ownership of buildings	11.2	100%								
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	11.2	100 %								
Total (A.1. + A.2.)	**11.2**	**100%**								
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities (B)	0.0	0.0%								
Total (A + B)	**11.2**	**100%**								

Additional notes and methodology

1. General definitions, formulas & assumptions for the reported ESG data:

Carbon footprint:

D'leteren Group's carbon footprint and its activities relate to scope 1, 2 and (part of) scope 3 emissions of greenhouse gases (GHG), expressed in metric tonnes of CO_2equivalents (CO_2e). Scope 1 includes all direct GHG emissions. Direct GHG emissions come from sources which are owned or controlled by the company (e.g. the combustion of fuel and natural gas). Scope 2 accounts for GHG emissions from the generation of electricity purchased by the company. These emissions physically occur at the facility where the electricity is generated. Scope 3 is a reporting category for all other indirect emissions. These emissions are a consequence of the company's activities but come from sources not owned or controlled by the company itself. The Scope 3 categories included for the different business activities depend on the relevance of the categories and the data available. In 2022, Scope 3 was included in the reporting for Belron, D'leteren Automotive, Moleskine, and D'leteren Immo.

To calculate the carbon footprint, the Greenhouse Gas Protocol (Corporate Standard) methodology was used. The emission factors mainly come from the Base Carbone, the International Energy Agency, as well as DEFRA. The greenhouse gases included are those covered by the Kyoto Protocol and are: carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3).

Employee turnover rate:

The employee turnover rate is based on the number of own employees (included in the headcount) who left the company during the reporting period. A leaving employee is someone who has left the company and is no longer on the company's payroll. The reasons for their departure can be voluntary (i.e. the employee chooses to leave the organisation through resignation or early retirement), the end of a contract, dismissal, statutory retirement, medical reasons or death. The employee turnover rate is calculated by dividing the total number of employees (included in the headcount) who left the organisation in 2022 by the average headcount for the current and previous reporting periods.

$$\frac{\text{Headcount leaving during the reporting period}}{\text{Headcount in the previous reporting period + Headcount in the reporting period *0.5}}$$

Frequency rate, based on lost time injuries:

A lost time injury is any work-related injury in the workplace that results in an employee being unable to return to work the next scheduled workday/shift. The lost time injury rate or frequency rate represents the number of lost time injuries in a given reporting period compared to the total number of hours worked during that reporting period, and is calculated as follows:

$$1{,}000{,}000^* \frac{\text{Total number of lost time injuries (own employees) during the reporting period}}{\text{Total number of hours worked in the reporting period}}$$

Severity rate, based on lost time days:

Lost time days are the number of working days lost (i.e. not worked by an employee) due to lost time injuries in the workplace, not counting any days on which the employee would not have worked (hence, excluding weekends, public holidays, part-time days, etc.). This number does not include the day on which the occupational accident occurred. The severity rate, indicating the severity of the injuries that happened in the workplace, is calculated as follows:

$$1{,}000^* \frac{\text{Lost time days due to work accidents (own employees) during the reporting period}}{\text{Total number of hours worked in the reporting period}}$$

Absenteeism rate, based on total days absent:

The total number of days absent represents the total number of days that employees have been absent due to illness, lost time injuries or for unknown reasons. The total days absent should exclude days absent due to maternity leave and days absent due to strikes, as these reasons for being absent are generally known and planned. The absenteeism rate is calculated using an assumption of 254 working days in the reporting year, to remain consistent across businesses.

$$\frac{\text{Total days absent of own employees because of illness,lost time injuries or unknown reasons}}{\text{254 working days in the reporting period*number of FTEs in 2022}}$$

Unadjusted gender pay gap

The unadjusted gender pay gap represents the difference between the average wage paid to men and paid to women, as a percentage of the average paid to men. It is unadjusted, meaning differences in prior work experience, age, and other factors are not considered. The gap is calculated as a total gap for the organisation and is not broken down by seniority level or job type.

$$100^* \frac{\text{average wage of men-average wage of women}}{\text{average wage of men}}$$

2. EU Taxonomy (delegated act article 8, Section 1.2. of Annex I)

2.1. Accounting policy

The D'leteren Group disclosures are compiled from the financial figures of D'leteren Automotive, Moleskine, PHE[1], and the Corporate & unallocated segment (including D'leteren Immo) (named hereafter "the businesses"). This accounting policy applies for each of these businesses in line with the financial statements [refer to consolidated financial statements]

2.1.1 TURNOVER

The KPI related to Turnover has been compiled in accordance with art. 8 of the Taxonomy regulation for the reporting year 2022 (01/01/2022-31/12/2022). The total eligible Turnover was calculated as the part of the net Turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the net Turnover (denominator).

For the D'leteren Group consolidated Turnover KPI, this net Turnover was aggregated fully from the businesses of D'leteren Automotive, Moleskine, and PHE[1]. The KPI is focusing on external Turnover and eliminates any internal Turnover from the total. Therefore, the intercompany Turnover and other operating income from D'leteren Immo is not included in the Turnover total of the group.

2.1.2 CAPEX

The KPI related to capital expenditures has been compiled in accordance with art. 8 of the Taxonomy regulation for the reporting year 2022 (01/01/2022-31/12/2022). The denominator covers additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator also covers additions to tangible and intangible assets resulting from business combinations. More concretely the denominator consists of:

- **IAS 16, Property, Plant and equipment**: Additions and items acquired through business combinations;
- **IAS 38, Intangible assets**: Additions, indicating separately those from internal development, those acquired separately, and those acquired through business combinations;
- **IAS 40, Investment Property (fair value model)**: Additions, indicating separately those from internal development, those acquired separately, and those acquired through business combinations;
- **IAS 40, Investment Property (cost model)**: Additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised as an asset; additions resulting from acquisitions through business combinations;
- **IFRS 16, Leases**: Additions to right-of-use assets.

The numerator of each of the businesses was compiled by taking the total eligible CapEx. This is the CapEx that is:

- related to assets or processes that are associated with Taxonomy-eligible economic activities;
- part of a 'CapEx-plan' to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned;
- related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

For D'leteren Group consolidated CapEx KPI, these were aggregated in full, from the businesses of D'leteren Automotive, Moleskine, PHE, and the corporate and unallocated segment (including D'leteren Immo).

1. For readability purposes PHE was written here. In reality this refers to the figures from PHE from the moment they were officially acquired (4/8/2022 until 31/12/2022).

2.1.3 OPEX

The KPI related to operational expenditure has been compiled in accordance with art. 8 of the Taxonomy regulation for the reporting year 2022 (01/01/2022-31/12/2022). The denominator includes costs relating to R&D, short-term leases, maintenance, renovation, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment both by the undertaking itself or any third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The "other direct expenditures" accounted for in the denominator include maintenance material cost, the cost of employees repairing machines and cleaning the factories, as well as IT dedicated maintenance cost. They exclude costs that are not direct expenditures. This means all costs related to overheads, raw materials, employees operating machinery, research management and project development, as well as electricity, fluids, or reagents needed to operate property, plant, and equipment.

For the OpEx, the numerator of each of the businesses was compiled by taking the total eligible OpEx for the reporting year 2022 (01/01/2022-31/12/2022). This is the OpEx that is:

- related to assets or processes associated with Taxonomy-eligible economic activities;
- part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe;
- related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

For the D'leteren Group consolidated OpEx, these were aggregated fully from the businesses of D'leteren Automotive, Moleskine, PHE, and the Corporate and unallocated segment (including D'leteren Immo).

2.2. Determining eligibility

Per activity included in any of the annexes of the EU Taxonomy, a precise definition is provided, describing the economic activities that fall within the scope of the EU Taxonomy. The eligible activities reported in these disclosures were activities that fall within the definitions provided by Annexes 1 (Climate change mitigation) and 2 (Climate change adaptation) of the EU Taxonomy.

In the assessment of the eligibility of the businesses' activities, the available definitions and clarifications provided so far, which are applicable to non-financial undertakings, were used:

- The **Climate Delegated Acts** published by the EU Commission on July 6th, 2021;
- The **Complementary Climate Delegated Act** published by the European Commission on July 15th 2022;
- In addition to these, the reporting utilized the **FAQ document** (related to EU Taxonomy Regulation on the reporting of eligible economic activities and assets) published by the EU Commission on October 10th , 2022.

Excluded from this year's analysis are the draft Commission notices on the interpretation and implementation of certain legal provisions of the EU Taxonomy, published December 19th, 2022. The reason for exclusion is that a large part of the analysis had already taken place when these specifications were released to the public. The aim is to include any insights taken from these FAQs in future disclosures by D'leteren Group.

To determine eligibility, the following approach was used for each of the relevant businesses:

1. Analyse, compile, and validate the different Turnover-generating economic activities of each of the businesses based on both internal and external documentation, to ensure working with a complete and correct set of economic activities;
2. Map the identified economic activities against the descriptions of the Taxonomy activities included in Annex 1 and 2 in the Delegated Climate Acts;
3. Validate findings with the business to ensure correct interpretation of economic activity and its application to the relevant description included in the Annexes of the Climate Delegated act;
4. Analyse the CapEx and OpEx corresponding to the identified Taxonomy activities;
5. Verify whether any further CapEx and OpEx are eligible for the EU Taxonomy as part of a CapEx plan or as the output of a Taxonomy-eligible activity.

D'leteren Group has acted in good conscience and has rigorously followed the scope in the definitions provided by the delegated acts and the information provided in the FAQ published by the EU Commission in October 2022. Activities that were deemed not to fall within the scope of these definitions were omitted. If there was doubt regarding the inclusion of a certain activity, the activity was deemed as non-eligible. In addition to that, for some of the businesses covered, parts of the required financial information on the business activities was not (yet) available. This prevented making the link between these economic activities and the EU Taxonomy. In such cases, some economic activities might be eligible but are currently not included in this year's KPIs. If in the future these activities are shown to be eligible or aligned, they will be added in the following reporting years, with restatements of the material changes in the previous reporting period(s).

Double counting is avoided since the reconciliation on group level eliminates all intercompany transactions. Several of the identified activities are eligible for both of the climate objectives outlined by the EU. To avoid double counting between these two objectives it was indicated to which environmental objective the business chose to make a substantial contribution.

2.3. Determining alignment

Every EU Taxonomy activity contains a list of reporting requirements: substantial contribution (SC) criteria; do no significant harm (DNSH) criteria; and minimum safeguards (MS).

To be aligned, an activity must comply with all the SC, DNSH and MS requirements.

In the assessment of the alignment of the different businesses' eligible economic activities, the available SC, DNSH and MS requirements provided so far and applicable to companies falling under the NFRD for the FY 2022 were used:

- The **Climate Delegated Acts** published by the EU Commission on July 6th, 2021;
- The **Complementary Climate Delegated Act** published by the European Commission on July 15th 2022;
- The draft report by the Platform on Sustainable finance on **minimum safeguards** on July 11th 2022;
- The **FAQ document** published by the EU Commission on October 10th, 2022.

Excluded from this year's analyses are the draft Commission notices on the interpretation and implementation of certain legal provisions of the EU Taxonomy, published on December 19th, 2022. Reason for exclusion is that a large part of the analysis had already taken place when these specifications were released to the public. The aim is to include any insights taken from these FAQ's in future disclosures by D'leteren Group.

A preliminary check of the TSC showed that data availability within the businesses and D'leteren Group was too low to assess for compliance this financial year.

INDEPENDENT LIMITED ASSURANCE REPORT ON THE SUBJECT MATTER INFORMATION IN THE ANNUAL REPORT 2022 OF D'IETEREN GROUP SA

To the Board of Directors of D'Ieteren Group NV

This report has been prepared in accordance with the terms of our engagement contract dated 18 January 2023 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with a selection of sustainability KPIs, marked with a checkmark (✓), included in the Annual Report, more specifically the Financial and Directors' Report, as of and for the year ended 31 December 2022 of D'Ieteren Group SA (the "Report").

The Directors' responsibility

The Directors of D'Ieteren Group SA ("the Company") are responsible for the preparation and presentation of the selection of sustainability KPIs for the year 2022, marked with a checkmark (✓), included in the Report (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.

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.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. 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 has not been prepared, in all material respects, in accordance with the Criteria.

PwC Bedrijfsrevisoren bv - PwC Reviseurs d'Entreprises srl - Risk Assurance Services
Maatschappelijke zetel/Siège social: Culliganlaan 5 | 1831 Diegem | Belgium
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable engagement been performed. The selection of such procedures depends on our professional judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with 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 2022 presented in the Report;
- conducting interviews with responsible officers;
- reviewing, on a limited test basis, relevant internal and external documentation;
- performing an analytical review of the data and trends in the information submitted for consolidation;
- considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the Subject Matter Information for the year 2022. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Our independence and quality control

We have complied with the independence and other ethical 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 Management n°1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Related Services Engagements], and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PwC Bedrijfsrevisoren bv - PwC Reviseurs d'Entreprises srl - Risk Assurance Services
Maatschappelijke zetel/Siège social: Culliganlaan 5 | 1831 Diegem | Belgium
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

Basis for Qualified conclusion

We have not been able to obtain sufficient evidence on two selected sustainability KPI's, marked with a checkmark (✓), as presented on page 179 in the Report as of and for the year ended 31 December 2022 of D'Ieteren Group SA: "Greenhouse gas emissions scope 1" and "Greenhouse gas emissions scope 2" of Belron. We have not been able to quantify the impact of this matter on these two sustainability KPI's of Belron.

Our qualified conclusion

Based on the procedures we have performed and the evidence we have obtained, except for the possible effects of the matter described in the section "Basis for qualified conclusion", nothing has come to our attention that causes us to believe that the Subject Matter Information within your Report as of and for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the Criteria disclosed in the Report.

Other ESG related information

The other information comprises all of the ESG related information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other ESG related information. As explained above, our assurance conclusion does not extend to the other ESG related information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other ESG related information and, in doing so, consider whether the other ESG related information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

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Other matter - restriction on use and distribution of our report

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report as of and for the year ended 31 December 2022 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.

Diegem, 21 April 2023

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

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Disclosure of non-financial information - GRI Index

GRI Content Index

D'leteren has reported the information cited in this GRI content index for the period January 1st to December 31st 2022 with reference to the GRI Standards. As the Group has a number of business activities in different sectors, the general disclosures is focused on the D'leteren Group entity while the specific disclosures concern the material aspects of each business activity. D'leteren 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.

Standards	Disclosure Name	Reference
GRI 2: General Disclosures 2022		
Disclosures about the reporting organization		
1. THE ORGANIZATION AND ITS REPORTING PRACTICES		
2-1	Organizational details	a. IR: Cover page b. IR: About D'leteren Group (p.2) c. NFD: D'leteren Group (p.142) d. IR: About D'leteren Group (p.2) / NFD: D'leteren Automotive, Belron, Moleskine, TVH, D'leteren Immo - Business model and value creation (p.157, p.173, p.186, p.208)
2-2	Entities included in the organization's sustainability reporting	a. IR: About D'leteren Group (p.2) b./c. NFD (p.142)
2-3	Reporting period, frequency and contact point	a. / b. / c. / d. Non-Financial Disclosure (p.141)
2-4	Restatements of information	i./ii. There is no restatement of information unless otherwise specified in the appropriate section.
2-5	External assurance	a. NFD: D'leteren Group - Responsibility as an Investor (p.144) b.i.ii.iii. FDR: Auditor declaration (p.100, p.225)
2. ACTIVITIES AND WORKERS		
2-6	Activities, value chain, and other business relationships	a. IR: About D'leteren Group (p.2); NFD: D'leteren Automotive, Belron, Moleskine, TVH, D'leteren Immo - Business model and value creation (p.157, p.173, p.186, p.208) b.i. IR: Value creation model - Operating model; NFD: Business model and value creation (p.157, p.173, p.186, p.208) b.ii. NFD: Moleskine, D'leteren Automotive, D'leteren Immo - Business model and value creation (p.157, p.173, p.186, p.208) b.iii. IR: Value creation for our Customers (p.27) c. NFD: D'leteren Automotive - Business model and value creation (p.157)
2-7	Employees	a. / b.i.ii.iv.v. / d. / e. NFD: D'leteren Group - additional workforce data (p.148) c.i. NFD: D'leteren Group - Social performance (p.147)
2-8	Workers who are not employees	a.i./b.i.ii. NFD: D'leteren Group - additional workforce data (p.148)
3. GOVERNANCE		
2-9	Governance structure and composition	a. / c.i.iv.v.vii. Corporate Governance Statement (p.113) b. NFD: D'leteren Group - ESG Governance - Roles and responsibilities (p.143) c.ii. Corporate Governance Statement (p.113); NFD: D'leteren Group - ESG Governance - Roles and responsibilities (p.143)
2-10	Nomination and selection of the highest governance body	a./b.ii. iii. iv. Corporate Governance Statement (p.113)
2-11	Chair of the highest governance body	a. Corporate Governance Statement (p.113)
2-12	Role of the highest governance body in overseeing the management of impacts	a. NFD: D'leteren Group - ESG governance (p.143) b.i.ii. NFD: D'leteren Group - Group-level policies (p.143) c. Responsible investment charter (https://www.dieterengroup.com/investment-strategy/)
2-13	Delegation of responsibility for managing impacts	a.i. NFD: D'leteren Group - ESG governance (p.143) a.ii. IR: Value creation for society (p.30) / NFD: D'leteren Group - ESG governance (p.143) b. Responsible investment Charter (https://www.dieterengroup.com/investment-strategy/)
2-14	Role of the highest governance body in sustainability reporting	a. NFD: D'leteren Group - ESG governance (p.143)
2-15	Conflict of Interest	
2-16	Communication of critical concerns	a. NFD: D'leteren Group - Governance (ethics) (p.149) b. Code of Conduct (https://www.dieterengroup.com/legal-documents/)
2-17	Collective knowledge of the highest governance body	a. D'leteren Group - ESG Governance (p.143)

Disclosure of non-financial information - GRI Index

Standards	Disclosure	Reference
2-18	Evaluation of the performance of the highest governance body	a. Corporate Governance Statement - Remuneration Report (p.118)
2-19	Remuneration policies	a.i.ii. Corporate Governance Statement - Remuneration Report (p.118)
2-20	Process to determine remuneration	a.i. IR: Remuneration policy for members of the Group Executive Committee (p.17)
2-21	Annual total compensation ratio	a. Coprorate Governance Statement - Remuneration Report (p.120)
4. STRATEGY, POLICIES AND PRACTICES		
2-22	Statement on sustainable development strategy	a. IR: Message from the CFO (p.20)
2-23	Policy commitments	a.i. NFD: D'leteren Group - Commitments and ratings (p.145) a.ii. NFD: D'leteren Group - Responsible investment (p.144) a.iv. / b.i. NFD: D'leteren Group - Human rights (p.149) c. /d. NFD: D'leteren Group - Group-level policies (p.143) e. / f. NFD: D'leteren Group - Responsible investment (p.144) / NFD: D'leteren Group - Governance (Ethics) (p.149)
2-24	Embedding policy commitments	a.ii.iv. NFD: D'leteren Group - Governance (Ethics) (p.149)
2-26	Mechanisms for seeking advice and raising concerns	a.i. NFD: D'leteren Group - ESG Governance (p.143) a.ii. NFD: D'leteren Group - Governance (Ethics) (p.149)
2-27	Compliance with laws and regulations	a.i. / b.i.ii. NFD: D'leteren Group - Governance (Ethics) (p.149) c./d. Zero instances of non-compliance reported (p.XX)
2-28	Membership associations	a. Memberships to associations and organisations is specific for each sector of the D'leteren group's business activities.
5. STAKEHOLDER ENGAGEMENT		
2-29	Approach to stakeholder engagement	a.i. IR: Value creation model - Value created for our stakeholders (p.13) a.ii.iii. NFD: D'leteren Group - Strategy for value Creation (p.142)
2-30	Collective bargaining agreements	a./b. NFD: D'leteren Group - Governance (Human Rights) (p.149)

GRI 3: Material topics 2022
Disclosures and guidance about the organization's material topics

3-1	Process to determine material topics	See 'Specific standards' for each of the businesses
3-2	List of material topics	See 'Specific standards' for each of the businesses
3-3	Management of material topics	See 'Specific standards' for each of the businesses

Disclosure of non-financial information - GRI Index

D'Ieteren Automotive

GRI 3: Material topics 2022
Disclosures and guidance about the organization's material topics

Standards	Disclosure	Reference
3-1	Process to determine material topics	a.i.ii. / b. Sustainability strategy - Materiality (p.TBD)
3-2	List of material topics	a. Sustainability strategy - sustainability roadmap (p.TBD)
3-3	Management of material topics	See references below
GRI 305: EMISSIONS 2016 - LINKED TO "MANAGING THE ENVIRONMENTAL IMPACT OF OUR OPERATIONS"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.159) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.159) d.i.ii. / e.i.ii.iii. / d. ii.ESG Performance - Managing the environmental impact of our operations (p.161) f. Sustainability strategy - Materiality (p.157)
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	a. / b. / c. / e. / f. ESG Performance - Managing the environmental impact of our operations - GHG emissions & energy consumption KPI (p.161) g. Additional notes and methodology (p.221)
305-2	Energy indirect (Scope 2) GHG emissions	a. / b. / c. / e. / f. ESG Performance - Managing the environmental impact of our operations - GHG emissions & energy consumption KPI (p.T221) g. Additional notes and methodology (p.221)
305-3	Other indirect (Scope 3) GHG emissions	a. / b. / c. / f. ESG Performance - Managing the environmental impact of our operations - GHG emissions & energy consumption KPI (p.161) g. Additional notes and methodology (p.221)
305-4	GHG emissions intensity	a. / b. / c. / d. ESG Performance - Managing the environmental impact of our operations - GHG emissions & energy consumption KPI (p.221)
305-5	Reduction of GHG emissions	a. / b. / d. ESG Performance - Managing the environmental impact of our operations - GHG emissions & energy consumption KPI (p.161) e. Additional notes and methodology (p.221)
GRI 203: INDIRECT ECONOMIC IMPACTS 2016 - LINKED TO "BUILDING SEAMLESS AND SUSTAINABLE MOBILITY FOR ALL"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.159) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.159) d.i.ii. / e.i.ii.iii. ESG Performance - Alternative and flexible mobility solutions (p.164) f. Sustainability strategy - Materiality (p.157)
Own indicator	Percentage of Battery Electric Vehicles (BEV) in registrations (% of volume)	ESG Performance - Building seamless and sustainable mobility for all (p.163)
Own indicator	Percentage of Key Accounts to which D'Ieteren provides alternative mobility solutions	ESG Performance - Building seamless and sustainable mobility for all (p.163)
GRI 404: TRAINING AND EDUCATION 2016 - LINKED TO "PLAYING A DETERMINING ROLE IN THE WELL-BEING OF ITS EMPLOYEES"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.159) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.159) d.i.ii. / e.i.ii.iii. ESG Performance - Playing a determining role in the well-being of its employees (p.164) f. Sustainability strategy - Materiality (p.157)
Own indicator	Employee engagement score	ESG Performance - Playing a determining role in the well-being of its employees (p.164)
Own indicator	Survey participation rate	ESG Performance - Playing a determining role in the well-being of its employees (p.164)
GRI 405: DIVERSITY AND OPPORTUNITY 2016 - LINKED TO "INCREASING DIVERSITY AND INCLUSION IN THE WORKPLACE"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.159) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.159) d.i.ii.iii. / e.i.iii. ESG Performance - Increasing diversity and inclusion in the workplace (p.166) f. Sustainability strategy - Materiality (p.TBD)
Own indicator	Share of women in CVs presented to the hiring manager for employee positions	ESG Performance - Increasing diversity and inclusion in the workplace (p.166)
Own indicator	Share of women in management committees	ESG Performance - Increasing diversity and inclusion in the workplace (p.166)
GRI 416: CUSTOMER HEALTH AND SAFETY 2016 - LINKED TO "IMPROVING THE LIFE OF ITS CUSTOMERS"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.159) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.159) d.iii. / e.i.ii.iii. ESG Performance - Improving the life of its customers (p.167) f. Sustainability strategy - Materiality (p.157)
Own indicator	NPS for sales of new cars	ESG Performance - Improving the life of its customers (p.167)
Own indicator	NPS for aftersales	ESG Performance - Improving the life of its customers (p.167)

Disclosure of non-financial information - GRI Index

Standards	Disclosure	Reference
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016 - LINKED TO "GOVERNANCE AND BUSINESS ETHICS"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.159) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.159) d.i.ii. / e.i.ii.iii. ESG Performance - Governance and business ethics (p.167) f. Sustainability strategy - Materiality (p.157)
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practice	a. ESG Performance - Governance and business ethics (p.167)
GRI 413: LOCAL COMMUNITIES 2016 - LINKED TO "COMMUNITY ENGAGEMENT"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.159) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.159) d.iii. / e.ii.iii. ESG Performance - Community engagement (p.168) f. Sustainability strategy - Materiality (p.157)
Own indicator	Total donations	ESG Performance - Community engagement (p.168)

Belron

GRI 3: Material topics 2022
Disclosures and guidance about the organization's material topics

Standards	Disclosure	Reference
3-1	Process to determine material topics	a.i.ii. / b. Sustainability strategy - Materiality (p.173)
3-2	List of material topics	a. Sustainability strategy - Responsible Business Framework (p.174)
3-3	Management of material topics	See references below
GRI 416: CUSTOMER HEALTH AND SAFETY 2016 - LINKED TO "CUSTOMER EXPERIENCE"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.175) c. / d.i.iii. / e.i. ii.iii. iv. Making a difference with real care - customer experience (p.176) f. Responsible Business Foundations - Robust Reporting and measurement (p.185) / Sustainable Governance (p.174)
Own indicator	Net Promoter Score (NPS)	Making a difference with real care - customer experience (p.176)
GRI 416: CUSTOMER HEALTH AND SAFETY 2016 - LINKED TO "CUSTOMER WELFARE & SAFETY"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.175) c. / d.i.iii. / e..ii. iii. Making a difference with real care - Customer welfare & safety (p.177) f. Responsible Business Foundations - Robust Reporting and measurement (p.185) / Sustainable Governance (p.174)
Own indicator	R&D budget	Connectivity table - impact on society (p.175)
GRI 306: WASTE 2020 - LINKED TO "REDUCING WASTE AND BUILDING A CIRCULAR ECONOMY"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.175) c. / d.i.ii. / e.ii.iii. Sustainable products and services - Reducing and building a circular economy (p.177) f. Responsible Business Foundations - Robust Reporting and measurement (p.185) / Sustainable Governance (p.174)
306-2	Management of significant waste-related impacts	a. Responsible business framework, (p.174) b. / c. Sustainable products and services (p.177)
306-3	Waste generation	a. /b. Sustainable products and services (p.177)
306-4	Waste diverted from disposal	a. / b.ii. / c.ii. / e. Sustainable products and services (p.177)
306-5	Waste directed to disposal	a. / b.iii. / c.iii. / e. Sustainable products and services - Reducing waste and building a circular economy (p.177)
GRI 305: EMISSIONS 2016 - LINKED TO "DRIVING DOWN EMISSIONS"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.175) c. / d.i.ii. / e.ii. Sustainable products and services - Driving down emissions (p.178) f. Responsible Business Foundations - Robust Reporting and measurement (p.185) / Sustainable Governance (p.174)
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	a. / b. / c. Sustainable products and services - Driving down emissions (p.178) g. Sustainable products and services - Driving down emissions (p.178) / Additional notes and methodology (p.221)
305-2	Energy indirect (Scope 2) GHG emissions	a. / c. Sustainable products and services - Driving down emissions (p.178) g. Additional notes and methodology (p.221)
305-3	Other indirect (Scope 3) GHG emissions	a. / b. Sustainable products and services - Driving down emissions (p.178) g. Sustainable products and services - Driving down emissions (p.178) /Additional notes and methodology (p.221)
305-4	GHG emissions intensity	a. / b. / c. / d. Sustainable products and services - Driving down emissions (p.178)
305-5	Reduction of GHG emissions	b. Sustainable products and services - Driving down emissions (p.178) e. Sustainable products and services - Driving down emissions (p.178) / Additional notes and methodology (p.221)
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016 - LINKED TO "SUSTAINABLE PROCUREMENT"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.175) c. / d.i. / e.i.ii. iii. iv./ f. Sustainable products and services - Sustainable procurement (p.180) f. Responsible Business Foundations - Robust Reporting and measurement (p.185) / Sustainable Governance (p.174)
Own indicator	Number of supplier site audits	Sustainable products and services - Sustainable procurement (p.180)

Disclosure of non-financial information - GRI Index

Standards	Disclosure	Reference
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016 - LINKED TO "SUSTAINABLE PROCUREMENT"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.176) c. / d.i. / e.i.ii. iii. iv./ f. Sustainable products and services - Sustainable procurement (p.180) f. Responsible Business Foundations - Robust Reporting and measurement (p.185) / Sustainable Governance (p.174)
Own indicator	Number of supplier site audits	Sustainable products and services - Sustainable procurement (p.180)
GRI 404: TRAINING AND EDUCATION 2016 - LINKED TO "EMPLOYEE ENGAGEMENT"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.175) c. / d.i.iii. / e.i. ii.iii.iv. / f. Investing in people and society - Employee engagement (p.182) f. Responsible Business Foundations - Robust Reporting and measurement (p.185) / Sustainable Governance (p.174)
Own indicator	Employee Engagement score	Investing in people and society - Employee engagement (p.182)
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016 - LINKED TO "PROMOTING DIVERSITY, EQUITY AND INCLUSION"		
3-3	Management of material topics	a. Connectivity table - impact on society (p.175) c. / d.i.iii. / e. i. Investing in people and society - Promoting diversity, equity and inclusion (p.180) f. Responsible Business Foundations - Robust Reporting and measurement (p.185 / Sustainable Governance (p.174)
405-1	Diversity of governance bodies and employees	a.i. / b.i. Investing in people and society - Promoting diversity, equity and inclusion (p.180)
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018 - LINKED TO "PEOPLE SAFETY"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.175) c. / d.i.ii.iii. / e.ii.iii. Investing in people and society - People safety (p.182) f. Responsible Business Foundations - Robust Reporting and measurement (p.185) / Sustainable Governance (p.174)
403-1	Occupational health and safety management system	a.ii. / b. Investing in people and society - People safety (p.182)
403-2	Hazard identification, risk assessment and incident investigation	a.i. / b. / c. Investing in people and society - People safety (p.182)
403-3	Occupational health services	a. Investing in people and society - People safety (p.182)
403-4	Worker participation, consultation and communication on occupational health and safety	a. / b. Investing in people and society - People safety (p.182)
403-5	Worker training on occupational health and safety	a. Investing in people and society - People safety (p.182)
403-6	Promotion of worker health	a. / b. Investing in people and society - People safety (p.182)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	a. Investing in people and society - People safety (p.182)
403-9	Work-related injuries	a.iii.v. / c.iii. / d. Investing in people and society - People safety (p.182)
GRI 413: LOCAL COMMUNITIES - LINKED TO "GIVING OPPORTUNITY"		
3-3	Management of material topics	a. Connectivity table - impact on society (p.175) c. / d.iii. / e.ii.iii. Investing in people and society - Giving opportunity (p.183) f. Responsible Business Foundations - Robust Reporting and measurement (p.185) / Sustainable Governance (p.174)
Own indicator	Total donations (to Afrika Tikkun via SOBC, donations made by the BRLCF, and Local Giving).	Investing in people and society - Giving opportunity (p.183)

Disclosure of non-financial information - GRI Index

Moleskine

GRI 3: Material topics 2022
Disclosures and guidance about the organization's material topics

Standards	Disclosure	Reference
3-1	Process to determine material topics	a.i.i. / b. Sustainability strategy - Materiality (p.187)
3-2	List of material topics	a. Sustainability strategy - Sustainability Roadmap (p.X187) b. Sustainability strategy - Materiality (p.187)
3-3	Management of material topics	See references below
GRI 306: WASTE 2020 - LINKED TO "WASTE MANAGEMENT & CIRCULAR ECONOMY"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.188) c. / d.i.ii. / e.i.ii.iii. Build a sustainable brand - waste management & circular economy (p.190) f. Sustainability Governance (p.187)
306 - 1	Waste generation and significant waste-related impacts	a.i.ii. Build a sustainable brand - waste management & circular economy (p.190)
306 - 2	Management of significant waste-related impacts	a. / b. Build a sustainable brand - waste management & circular economy (p.190)
Own indicator	Tons of recycled products	Build a sustainable brand - waste management & circular economy (p.190)
GRI 305: EMISSIONS 2016 - LINKED TO "IMPACT ON CLIMATE CHANGE"		
3-3	Management of material topics	a. / b. Connectivity table - Impact on society (p.188) c. / d.ii. / e. i. ii. Iii. Build a sustainable brand - Impact on climate change (p.190) f. Sustainability Governance (p.187)
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	a. / b. / c. / e. / f. Build a sustainable brand - impact on climate change (p.190) g. Additional notes and methodology (p.221)
305-2	Energy indirect (Scope 2) GHG emissions	a. / b. / c. / e. / f. Build a sustainable brand - impact on climate change (p.190) g. Additional notes and methodology (p.221)
305-3	Other indirect (Scope 3) GHG emissions	a. / b. / c. / f.Build a sustainable brand - impact on climate change (p.190) g. Additional notes and methodology (p.221)
305-4	GHG emissions intensity	a. / b. / c. / d. Build a sustainable brand - impact on climate change (p.190)
305-5	Reduction of GHG emissions	a. / b. / c. / d. Build a sustainable brand - impact on climate change (p.190) e. Additional notes and methodology (p.221)
GRI 413: LOCAL COMMUNITIES 2016 - LINKED TO " FOSTERING PEOPLE'S CREATIVITY AND CRITICAL MINDSET"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.188) c. Bringing positive changes to society - Fostering people's creativity and critical mind (p.191) d.iii. Bringing positive changes to society - Fostering people's creativity and critical mind (p.191) f. Bringing positive changes to society - Fostering people's creativity and critical mind (p.191)
Own indicator	Number of donated creative tools	Bringing positive changes to society - Fostering people's creativity and critical mind (p.191)
Own indicator	Number of organizations reached	Bringing positive changes to society - Fostering people's creativity and critical mind (p.191)
GRI 404: TRAINING AND EDUCATION 2016 - LINKED TO "EMPLOYEE SATISFACTION AND ENGAGEMENT"		
3-3	Management of material topics	a. Connectivity table - impact on society (p.188) c. / d.i.iii. / e.i.ii. iv. Bringing positive changes to society - Employee satisfaction and engagement (p.192) f. Sustainability Governance (p.187)
Own indicator	Engagement and satisfaction score	Bringing positive changes to society - Employee satisfaction and engagement (p.192)
GRI 404: TRAINING AND EDUCATION 2016 - LINKED TO "TALENT DEVELOPMENT"		
3-3	Management of material topics	a. Connectivity table - impact on society (p.188) d.i. Iii./ e.ii. Bringing positive changes to society - Talent development (p.193) f. Sustainability Governance (p.187)
Own indicator	% employees calibrated	Bringing positive changes to society - Talent development (p.193)
GRI 405; DIVERSITY AND EQUAL OPPORTUNITY 2016 - LINKED TO "DIVERSITY AND INCLUSION"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.188) c. / d.i. / e.ii. Bringing positive changes to society - diversity and inclusion (p.193) f. Sustainability Governance (p.187)
405-1	Diversity of governance bodies and employees	a.i. / b.i. Bringing positive changes to society - Diversity and inclusion (p.193)
Own indicator	% of under-represented gender	Bringing positive changes to society - Diversity and inclusion (p.193)
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016 - LINKED TO "SUSTAINABLE SUPPLY CHAIN"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.188) c. / d.i.iii. / e. ii. iii. Setting a long-term governance approach covering transparency, integrity and ethical behaviour - Sustainable supply chain (p.TBD) f. Sustainability Governance (p.187)
Own indicator	% of ISO 14000 certified suppliers	Getting a long-term governance approach covering transparency, integrity and ethical behaviour - Sustainable supply chain (p.195)

Disclosure of non-financial information - GRI Index

Standards	Disclosure	Reference
GRI 301: MATERIALS 2016 - LINKED TO "SUSTAINABLE SUPPLY CHAIN"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.188) c. / d.i.iii./ e. ii. Iii. Setting a long-term governance approach covering transparency, integrity and ethical behaviour - Sustainable supply chain (p.195) f. Sustainability Governance (p.187)
Own indicator	Yearly validation of FSC certification	Getting a long-term governance approach covering transparency, integrity and ethical behaviour - Sustainable supply chain (p.195)
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016 - LINKED TO "SUSTAINABLE SUPPLY CHAIN"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.188) c. / d.i.iii. Setting a long-term governance approach covering transparency, integrity and ethical behaviour - Sustainable supply chain (p.195)
Own indicator	% of SA8000 certified suppliers	Getting a long-term governance approach covering transparency, integrity and ethical behaviour - Sustainable supply chain (p.195)
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016 - LINKED TO "BUSINESS ETHICS & GOVERNANCE"		
3-3	Management of material topics	a. / b. Connectivity table - impact on society (p.187) c. / d.i.iii. / e. ii. Iii. Setting a long-term governance approach covering transparency, integrity and ethical behaviour - Business ethics & governance (p.195)
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practice	a. Setting a long-term governance approach covering transparency, integrity and ethical behaviour - Business ethics & governance (p.195)

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GRI 3: Material topics 2022
Disclosures and guidance about the organization's material topics

Standards	Disclosure	Reference
3-1	Process to determine material topics	a.i.ii. / b. Sustainability strategy - Materiality (p.209)
3-2	List of material topics	a. Sustainability strategy - Sustainability roadmap (p.209) b. Sustainability strategy - Materiality (p.209)
3-3	Management of material topics	See references below
GRI 305: EMISSIONS 2016 - LINKED TO "TOWARDS CARBON NEUTRALITY"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.210) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.210) d.i.ii. / e.i.ii.iii. ESG performance - Management approach by strategic ambition - towards carbon neutrality (p.212) f. Sustainability Strategy - Materiality
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	a. / b. / c. / e. / f. ESG Performance - Management approach by strategic ambition - towards carbon neutrality (p.212) g. Additional notes and methodology (p.221)
305-2	Energy indirect (Scope 2) GHG emissions	a. / b. / c. / e. / f. ESG Performance - Management approach by strategic ambition - towards carbon neutrality (p.212) g. Additional notes and methodology (p.221)
305-3	Other indirect (Scope 3) GHG emissions	a. / b. / c. / d. / f. ESG Performance - Management approach by strategic ambition - towards carbon neutrality (p.212) g. Additional notes and methodology (p.221)
305-4	GHG emissions intensity	a. / b. / c. / d. ESG Performance - Management approach by strategic ambition - towards carbon neutrality (p.212)
305-5	Reduction of GHG emissions	a. / b. / d. ESG Performance - Management approach by strategic ambition - towards carbon neutrality (p.212) e. Additional notes and methodology (p.221)
GRI 302: ENERGY 2016 - LINKED TO "IMPROVE THE ENVIRONMENTAL AND OPERATIONAL PERFORMANCE OF CURRENT PROPERTIES"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.210) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.210) d.i.ii. / e.i.ii.iii. ESG performance - Management approach by strategic ambition - Improve the environmental and operational performance of current properties (p.213) f. Sustainability Strategy - Materiality (p.209)
Own indicator	% of properties with BREEAM In-Use certification	ESG Performance - Management approach by strategic ambition - Improve the environmental and operational performance of current properties (p.213)
GRI 304: BIODIVERSITY 2016 - LINKED TO "IMPROVE THE ENVIRONMENTAL AND OPERATIONAL PERFORMANCE OF CURRENT PROPERTIES"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.210) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.210) d.i.ii. / e.i.ii.iii. ESG performance - Management approach by strategic ambition - Improve the environmental and operational performance of current properties (p.213) f. Sustainability Strategy - Materiality (p.209)
Own indicator	% of properties with BREEAM In-Use certification	ESG Performance - Management approach by strategic ambition - Improve the environmental and operational performance of current properties (p.213)

Disclosure of non-financial information - GRI Index

Standards	Disclosure	Reference
GRI 306: WASTE 2020 - LINKED TO "IMPROVE THE ENVIRONMENTAL AND OPERATIONAL PERFORMANCE OF CURRENT PROPERTIES"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.210) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.210) d.i.ii. / e.i.ii.iii. ESG performance - Management approach by strategic ambition - Improve the environmental and operational performance of current properties (p.213) f. Sustainability Strategy - Materiality (p.209)
306-2	Management of significant waste-related impact	ESG Performance - Managing the environmental impact of our operations - Waste management (p.162)
GRI 301: MATERIALS 2016 - LINKED TO "DESIGN AND BUILD FUTURE-PROOF INFRASTRUCTURE"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.210) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.210) d.i.ii. / e.i.ii.iii. ESG performance - Management approach by strategic ambition - design and build future-proof infrastructure (p.213) f. Sustainability Strategy - Materiality (p.209)
Own indicator	% of projects where project guidelines are applied	ESG performance - Management approach by strategic ambition - design and build future-proof infrastructure (p.213)
GRI 203: INDIRECT ECONOMIC IMPACTS - LINKED TO "DESIGN AND BUILD FUTURE-PROOF INFRASTRUCTURE"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.210) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.210) d.i.ii. / e.i.ii.iii. ESG performance - Management approach by strategic ambition - design and build future-proof infrastructure (p.213) f. Sustainability Strategy - Materiality (p.209)
Own indicator	% of projects where project guidelines are applied	ESG performance - Management approach by strategic ambition - design and build future-proof infrastructure (p.213)
GRI 404: TRAINING AND EDUCATION 2016 - LINKED TO "EMPLOYEE WELL-BEING AND SATISFACTION AND EMPLOYEE TRAINING AND DEVELOPMENT"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.210) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.210) d.iii. / e.i.ii.iii. ESG performance - Be a top employer - Employee well-being and satisfaction (p.214) ESG performance - Be a top employer - Employee training and develoment (p.214) f. Sustainability Strategy - Materiality (p.209)
Own indicator	Employee satisfaction score	ESG performance - Be a top employer - Employee well-being and satisfaction (p.214)
Own indicator	Response rate Employee Satisfaction Score	ESG performance - Be a top employer - Employee well-being and satisfaction (p.214)
Own indicator	Average # training hours per employee	ESG performance - Be a top employer - Employee training and development (p.214)
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016 - LINKED TO "DIVERSITY & INCLUSION"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.210) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.210) e.i.ii.iii. ESG performance - Be a top employer - Diversity & inclusion (p.215) f. Sustainability Strategy - Materiality (p.209)
Own indicator	Gender pay gap	ESG Performance - Be a top employer - Diversity & inclusion (p.215)
GRI 416: CUSTOMER HEALTH AND SAFETY 2016 - LINKED TO "CUSTOMER SATISFACTION"		
3-3	Management of material topics	a. Sustainability strategy - Connectivity table - Impacts on society (p.210) c. Sustainability strategy - Connectivity table - Policies & Action plans (p.210) d.iii. / e.i.ii.iii. ESG performance - Customer satisfaction (p.217) f. Sustainability Strategy - Materiality (p.209)
Own indicator	Net Promotor Score	ESG performance - Customer satisfaction (p.217)

Share Information

D'Ieteren share

Minimum lot	1 share
ISIN code	BE0974259880
Reuters code	IETB.BR
Bloomberg code	DIE:BB

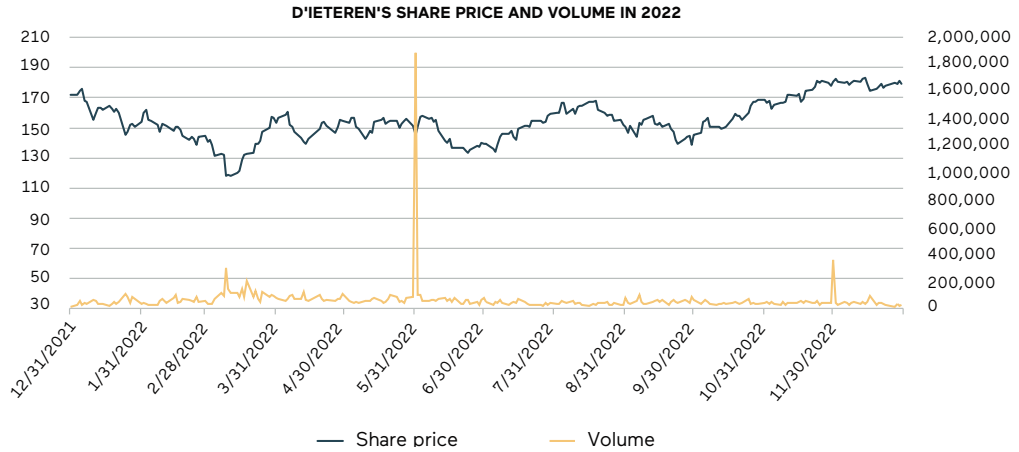
Stock market indices

On 31 December 2022, the D'Ieteren share had the following weightings in Euronext indices:
- BEL Continuous Stocks Index: 1.6%
- BEL Consumer Discretionary: 83.9%
- Euronext Eurozone 300: 0.1%
- Euronext Europe 500: 0.04%
- Euronext BeNe 40 Equal Weight: 2.5%
- Euronext 100 Index: 0.3%
- BEL 20: 3.6%
- BEL All-Share Index: 1.6%
- BEL 20 REUT INTERN: 3.6%
- Euronext Developed Market: 0.01%
- Euronext World: 0.01%
- Euronext Developed Market USD: 0.01%
- EN ESG Biodiversity Screened W Proforma: 0.03%
- EN ESG Biodiversity Screened Wld USD: 0.03%
- EN ESG Biodiversity Screened World: 0.03%

Evolution of the share price and traded volumes in 2022

	2022	
Performance	4.4%	
Total shareholder return[1]	5.7%	
Average price (€)	154.38	
Maximum price (€)	183.00	14/12/2022
Minimum price (€)	118.00	11/03/2022
Average volume (in units)	66,569	
Maximum volume (in units)	1,884,589	31/05/2022
Minimum volume (in units)	18,154	27/12/2022

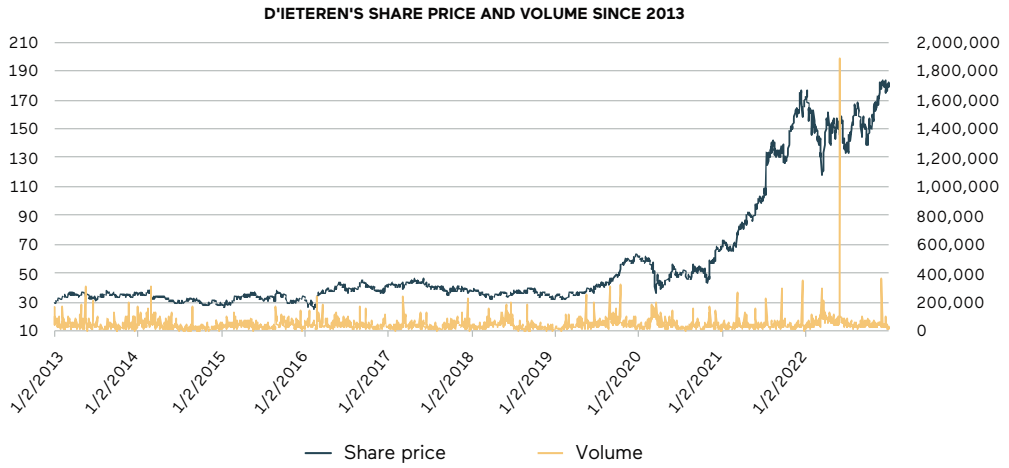
[1] Based on gross dividends



Evolution of the share price over 10 years

	01/01/2013 – 31/12/2022	
Performance	488.7%	
Total shareholder return[1]	535.7%	
Average price (€)	57.83	
Maximum price (€)	183.00	14/12/2022
Minimum price (€)	26.08	11/02/2016
Average volume (in units)	47,001	
Maximum volume (in units)	1,884,589	31/05/2022
Minimum volume (in units)	5,788	06/10/2014

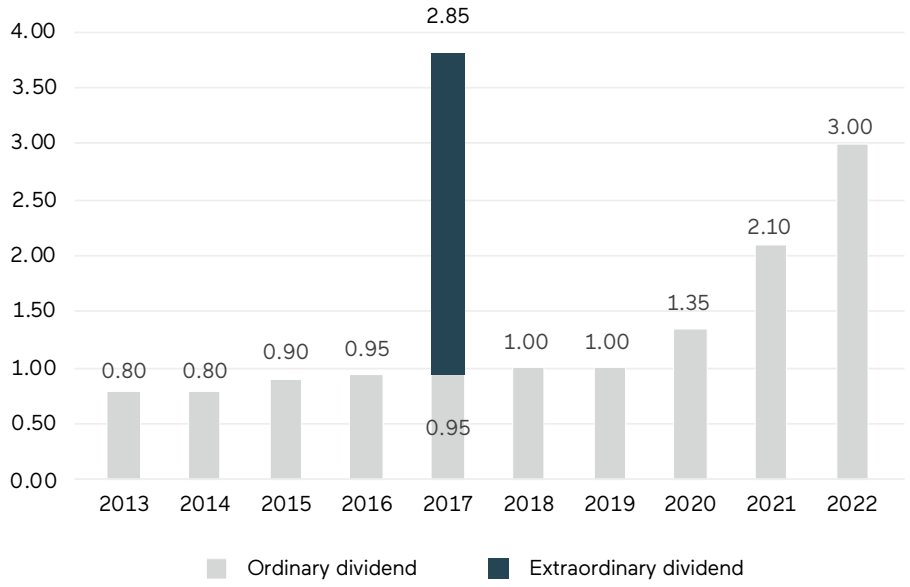
[1] Based on gross dividends



Dividend

If the allocation of results proposed in Note 22 of this report is approved by the Ordinary General Meeting of 25 May 2023, a gross ordinary dividend of €3.00 per share will be distributed. The dividend will be paid starting on 8 June 2023.

Evolution of the gross dividend per share over 10 year



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