

Disclosure of non-financial Information

1. D'Ieteren Group

As the parent company, the impact of D'Ieteren Group is most visible in its investment decisions and the support it provides to its different activities.

The Group is investing in businesses which have the potential to become leaders in their markets. It currently has four activities: D'Ieteren Automotive (100% owned), Belron (54.85% of voting rights), Moleskine (100% owned) and D'Ieteren Immo (100% owned).

As reflected in its values of respect and care, sustainability has always been part of D'Ieteren Group's value creation approach. By the same token, its activities have been deploying CSR strategies for many years. However, in 2019 and 2020, a new impetus was given to the Group's Environmental, Social and Governance (ESG) approach.

In 2019, the Group formalized its mission to build a family of businesses that reinvent industries in search of excellence and meaningful impact. By doing so, the Group reaffirmed the positive impact that it aims to have by investing in purposeful companies and by supporting their development.

In addition to its mission statement, the Group also emphasizes its desire to create value for people, customers, society and for shareholders. This precision underpins the three non-financial aspects measured for each existing and future business: Employee satisfaction, Customer satisfaction, and – as a first KPI used to measure value for society – Carbon emissions (scope 1 and 2).

D'ITEREN GROUP'S 2020 NON-FINANCIAL REPORTING: STRUCTURE AND METHODOLOGY

The non-financial report of the D'Ieteren Group consists of five distinct disclosures. The first disclosure covers D'Ieteren Group, its responsible approach as an investment firm, and the way it integrates ESG aspects in its operating model.

This chapter is followed, like previous years, by a dedicated chapter for each of the Group's business disclosures. This year however, the structure of each disclosure has been adapted to match the businesses' new sustainability strategic framework. These strategic frameworks have all been built on the outcomes of the materiality assessment conducted by the activities in 2019-2020. For each strategic axis, the activities disclosed their ambitions and the way they intend to achieve these. However, the specificity of some strategic areas, as well as the decision to challenge some measurement processes, have led activities in certain cases to perform further analyses before setting ambitions and quantitative targets.

In terms of non-financial reporting framework, D'Ieteren Group aligned itself with the Global Reporting Initiative (GRI) Standards – Option Core. The GRI standards have been developed over the last 20 years and represent global best practice for reporting on economic, environmental and social issues. The GRI Content Index is available on p. 192.

This year, D'Ieteren Group also complemented its non-financial reporting with a separate table of ESG quantitative metrics (see ESG statement p. 185). As opposed to the metrics published in the disclosures (which are key indicators used by the businesses to assess their progress against a specific target, be they gross or relative KPIs), these metrics consist of generic ESG data aimed at further informing our stakeholders.

These metrics - the same for all businesses – cover three different ESG areas:

- **Environmental aspects** : greenhouse gas emissions, energy consumption and waste
- **Social aspects** : community engagement, employee turnover, health & safety data, and headcount of employees by type of contract, region, gender
- **Governance** : diversity in management, anti-corruption and ethics

In 2020, a first limited assurance has been obtained on a selected number of KPIs from three activities (see PwC assurance report p. 190). KPIs that obtained a limited assurance are indicated with a checkmark (✓) in the activities' disclosure and in the non-financial statement. This process was a first step towards D'Ieteren Group's wider ambition to obtain assurance for – at least – all business-specific KPIs and all Group non-financial KPIs (customer satisfaction, employee engagement and CO₂ emissions scope 1 and 2) by 2025. In 2021, the assurance scope will therefore be expanded to a broader set of KPIs as well as to D'Ieteren Immo which was not involved in the first round of external assurance.

D'IETEREN GROUP'S RESPONSIBLE INVESTMENT APPROACH

The responsible investment approach of D'Ieteren Group covers the whole investment cycle, from screening investment opportunities and formulating investment theses to the phases of due diligence, deal completion and ownership. Considering the specificities of D'Ieteren Group's investment strategy (value creation over the long term with no exit horizon), the general approach of the Group mainly consists of two phases:

- Origination and pre-ownership phase
- Active ownership

Signatory of:



Origination and pre-ownership

The Group's investment team, which consists of seven investment professionals, is supported by internal expert teams, including in the field of sustainability and ESG. The investment and sustainability teams work hand-in-hand to make sure that sustainability is considered in all relevant phases of the investment cycle in the most appropriate way.

The Group became a signatory of the UN Principles for Responsible investment in October 2020 and will perform its first reporting, on a voluntary basis, in April 2021. As first outcome of this commitment and reporting exercise, the Group is preparing a Responsible Investment Policy which will be published on the Group's website in the second semester of 2021.

Active ownership

As mentioned in the introduction, D'Ieteren Group gave a new impetus to its ESG approach in 2019-2020, starting with its active ownership practice. In particular, the Group decided to help its businesses revisit their sustainability approach by challenging the aspects on which their approach was focusing, through the facilitation of a materiality assessment. These new, in-depth and personalized analyses were based among others on market studies and on the standards of the Sustainability Accounting Standards Boards (SASB). The SASB has defined a set of 77 standards that identify a range of material sustainability themes for specific industries. These desktop researches were followed by a dialogue with the activities' main stakeholder groups, which enabled activities to set up a list of aspects specific to their own business and ecosystem. The material assessment was completed by a "maturity assessment". The latter consisted of discussions with activities' management to assess to which extent the material aspects were already well integrated in their current approach.

In 2020, building on the outcomes of the materiality and maturity assessments, the activities have developed or challenged their sustainability strategy. In particular, they set a limited number of strategic axes for which they defined, or started to define, ambitions and quantitative targets. Where appropriate, they also developed new measurement processes aimed to follow the progress towards achieving these targets.

Aside from the business-specific sustainability strategy, the Group continued to support its businesses in becoming or remaining top-performers regarding its three non-financial aspects (customer satisfaction, employee engagement, carbon emissions) and therefore supported them in implementing a strong measurement process in each of these fields.

OUR ESG APPROACH AS A GROUP

Environment

D'Ieteren Group's main environmental impact occurs as a result of the strategy it pursues with its activities. D'Ieteren Group makes sure that each activity takes care of its environmental footprint through responsible use of natural resources, production and consumption of renewable energy, and sustainable waste management, according to the materiality of these aspects.

Considering the emergency of finding solutions to limit climate change, D'Ieteren Group has made sure that all its activities initiate in 2021 a program of carbon emission reduction aimed to set science based targets (i.e. target aimed to contribute to holding temperature rise to 1.5°C above pre-industrial levels). The reduction programs will be based on the carbon emission reporting that has been performed by all activities over the last years.

Social

D'leteren Group sees it as essential to offer to all its people a safe and fulfilling work environment which enables them to reach their full potential. In this perspective, the Group encourages its activities to build tools and mechanisms to support their employees welfare and development and is monitoring employee satisfaction rate as a Group KPI.

The Group also supports its activities in developing strong management approach for their most material social aspects, be they linked to Health and Safety, diversity and inclusion, or talent development. These aspects are further detailed in the disclosure of each activity.

Ethics and Corporate Governance

D'leteren Group complies with the 2020 Belgian Code of Corporate Governance. This code is structured under ten principles, considered as essential pillars of good governance (governance structure, board and committee compositions, remuneration, etc.). In case of deviation from the principles in the code, D'leteren Group provides an explanation in its Corporate Governance Declaration (available on page 94).

D'leteren Group also attaches great importance in sharing with its activities a deep sense of ethics and integrity. It makes sure that employee's right to decent working conditions are fulfilled (minimum wages, working hours, health and safety and right to collective bargaining) and that human rights are respected throughout the value chains. The Group also ensures that businesses implement a policy against corruption and that no sort of discrimination is tolerated within their operations.

More information about the businesses' approaches or policies related to diversity & inclusion, fight against corruption and respect for human rights is to be found in their own disclosure.

PHILANTHROPY

D'leteren Group has at heart to contribute to meaningful non-profit projects. Next to joining its businesses' fund raising initiatives (like the yearly Spirit of Belron Challenge or the D'leteren Automotive Give and Gain Challenge), D'leteren Group initiated in 2019 a new philanthropic approach. This approach is aimed at streamlining the philanthropic initiatives occurring at the Group level, by bringing together the energies of its people around a common purpose.

A variety of projects was supported in 2020 in order to support people in need. In addition, an extraordinary budget funded by personal donations from Group staff members was dedicated to helping entrepreneurs and artists whose activities had been impacted by the first lock-down.

A Solidarity Programme to help employees in the context of the Covid-19 crisis

In April 2020, the Board of Directors of D'leteren SA decided to build a solidarity programme to help employees of D'leteren Group suffering hardship as a consequence of the Covid-19 crisis. To that effect, the Board of Directors decided to modify its profit distribution proposal and to propose to the General Meeting a stable gross dividend per share compared to the previous year in order to allocate the initially planned dividend increase to the programme. The programme was also open to personal contributions from Board members, managers and employees of the Group, which brought the total amount to approximately EUR 8.8m.

STAKEHOLDER DIALOGUE

We aim to create value for all our stakeholders and we are therefore keen to learn about their expectations and needs. Keeping an honest and open dialogue with them is paramount in our quest for excellence.

As a majority stakeholder of large companies, we are conscious that our main impact occurs as a result of our active ownership approach. This is the reason why we decided to, first and foremost, support our activities in performing a formal approach of dialogue with their own stakeholders. In 2019-2020, this dialogue took the form of materiality and maturity assessment for each of our activities. The results of these dialogues underpinned the main axes of their sustainability strategy.

When it comes to the Group's stakeholders, as a family-controlled listed company, engaging with our shareholders and investors, and answering their questions is part of our day-to-day business (investor calls, roadshows, general assemblies, ...). A new approach to this dialogue was however taken in 2020. We started performing more specific talks on ESG topics with investors and analysts, as well as with authorities and civil society representatives (including by sending a questionnaire, standardizing the interviews, and analyzing the answers). This new comprehensive approach of dialogue is aimed at challenging our non-financial focus areas and at ensuring that the expectations of our stakeholders are not taken for granted. In this perspective, any new or emerging concerns are escalated to the executive team.

The outcomes of this dialogue enabled the Group to list the following UN Sustainable Development Goals, as the Global challenges on which the Group can have a significant impact according to its stakeholders.



DECENT WORK AND ECONOMIC GROWTH

Fostering long-term growth and providing a fair work environment



INDUSTRY INNOVATION AND INFRASTRUCTURE

Encouraging and supporting innovation within our businesses in the interest of their stakeholders



RESPONSIBLE CONSUMPTION AND PRODUCTION

Helping our businesses in the production of responsible products and services



CLIMATE ACTION

Helping our businesses to monitor and reduce their environmental footprint



PEACE, JUSTICE AND STRONG INSTITUTION

Applying responsible governance, and providing transparent and reliable information to our stakeholders

2. D'leteren Automotive

For a better comfort of reading, the commercial name of D'leteren Automotive, "D'leteren", will be used throughout this disclosure.

BUSINESS DESCRIPTION

D'leteren distributes, markets and provides after-sales service in Belgium for Volkswagen, Audi, SEAT, ŠKODA, Cupra, Bentley, Lamborghini, Bugatti and Porsche vehicles. The company operates through a network of independent dealerships throughout Belgium, as well as around 30 company-owned dealerships located mainly on the Brussels-Mechelen-Antwerp axis. D'leteren has a market share of more than 23% in the new car market and a fleet of 1.2 million vehicles on the road. The company is also active on the second-hand vehicle market via, among others, MyWay and Audi Approved Plus authorised centres and distributors. In addition, D'leteren offers long-term leasing and a full range of financing services through a joint subsidiary between D'leteren and Volkswagen Financial Services. D'leteren also invests in mobility services through its Lab Box subsidiary, and now offers a range of solutions from shared cars to the provision of autonomous vehicles, including the marketing of electric charging stations, mobility advice and the development of a multimodal application. D'leteren has also created the Wondercar franchise, which offers an innovative vehicle repair concept combining smart repair and classic bodywork that reduces the ecological footprint of this activity and lowers the average cost of vehicle repair and immobilisation.

APPROACH TO SUSTAINABILITY

D'leteren places a premium on the social, environmental and governance impacts of its operations. On top of that, D'leteren emphasises the long-term nature of the relationship with its customers, which it considers vital. Accordingly, a strategy aimed at developing a more sustainable company has been implemented on the basis of 4 strategic axes.

- Building seamless and sustainable mobility for everyone
- Improving the life of our customers
- Managing the environmental impact of our operations
- Playing a determining role in the well-being of our employees

In 2021, D'leteren will pursue the development of its ambitious ESG roadmap, including the definition of precise objectives for each strategic axis.

MATERIALITY

D'leteren carried out a materiality analysis in 2020 with the help of an external partner. A dialogue with stakeholders, preceded by an online survey, was set up. This analysis made it possible to identify and prioritise the most critical non-financial (so-called "material") aspects of the business. These aspects served as a basis for the development of the 4 strategic axes outlined in the table below that will form the backbone of D'leteren's non-financial reporting from this year on.

STRATEGIC AMBITIONS	MATERIAL TOPICS	GRI
Building seamless and sustainable mobility for everyone	Alternative and flexible mobility solutions	N/A
	Sustainable mobility thought leadership	
Improving the life of our customers	Customer care	N/A
	Fair and transparent customer information	
Managing the environmental impact of our operations	Emissions from operations and sold & leased fleet	305 EMISSIONS (2016), 306 WASTE (2020)
Playing a determining role in the well-being of our employees	Employee development and well-being	403 OCCUPATIONAL HEALTH AND SAFETY (2018) 404 TRAINING AND EDUCATION (2016) 405 DIVERSITY AND EQUAL OPPORTUNITY (2016) 413 LOCAL COMMUNITIES (2016)
	Community engagement	

OUR IMPACT

Although mobility is a vector for prosperity and integration, it also faces challenges related to environmental, social and security issues. D'leteren is well aware of this and accepts its share of responsibility. Working towards building seamless and sustainable mobility for everyone has become its flagship commitment.



By offering and developing alternative mobility solutions, D'leteren contributes to the UN SDG 13 (Climate action). The business also contributes to SDG 11 (Sustainable cities and communities), by looking for solutions for sustainable mobility services.

STRATEGIC AXES

> Building seamless and sustainable mobility for everyone



TOPIC DESCRIPTION

D'leteren's main impact on the environment comes from its activity of distributing polluting combustion vehicles. This impact poses new challenges for the continuity of the company's activities, such as stricter legislation, new forms of transport taxation and new company vehicle policies. The car of the future is shaped by technological advances, such as electrification, but also by developments in connectivity and automation and the introduction of intelligent, multi-purpose features. Societal and economic changes are also leading to a change in the concept of mobility (including stricter restrictions on cars, new forms of taxation and the transition to a shared economy).

AMBITION

D'leteren aims to become the mobility provider of first choice by 2025. In 2021, it will carry out a detailed survey of society's desires and needs in terms of mobility. The outcomes of the survey will be analysed and lay the foundations to dedicated actions and to the setting of precise targets.

D'leteren will also continue to expand its offer of electric cars and related infrastructure, notably by taking advantage of the Volkswagen group's ambitious e-mobility offensive. For its part, EDI (Electric by D'leteren) aims to be a partner of choice for the marketing of charging stations. Lab Box will continue to develop its initiatives related to new mobility, namely Poppy, MyMove, Husk, Lizy, Ush, Skpir and Mbrella. With reference to Poppy in particular, it aims to increase its daily journeys by more than 50% during 2021 and by 2025, wishes to further increase its fleet of vehicles - with a target of 10 vehicles per km² - in order to be able to exploit the full potential of this mode of travel.

MANAGEMENT APPROACH

To achieve its ambition, D'leteren has drawn up a transformation plan, aimed on the one hand at excellence in its core businesses and on the other at innovation in ancillary or new activities, all related to mobility. This transformation plan has also been accelerated by the impact of the health crisis resulting in a sharp drop in its markets and a change in customers' mobility habits. This acceleration of its transformation is aimed at preserving the company's investment capacity to carry out its mission.

D'leteren is also working on the construction of a wide range of mobility services that will allow citizens to move seamlessly and sustainably. To proceed, the company relies on its subsidiary Lab Box, which is strongly linked to the creation of innovative and flexible mobility services, as well as on its core businesses, in particular by developing its services related to the use of electric cars or by seizing the opportunities offered by the digitalisation of services.

LATEST DEVELOPMENTS

As being the natural choice for mobility in Belgium is the company's major strategic objective, many initiatives have been taken to achieve this. Below are some important examples that illustrate the company's desire to move forward in this field.

- At the end of 2020, D'leteren had almost 25% of the electric vehicle segment, with ranges that continue to develop, notably at Volkswagen with the ID.3 and ID.4, at ŠKODA and its latest Enyaq model, at Audi with the Q4 and the e-Tron GT, the CUPRA el-Born and at Porsche with the Taycan.
- EDI has taken advantage of the trend towards the electrification of vehicles with 1,805 charging stations installed.
- Lab Box, D'leteren's start-up incubator dedicated to mobility, has launched Mob Box, a consulting service for companies to enable them to more easily implement flexible and multimodal mobility for the benefit of their employees. These services enable centralised management at company level, while providing staff with a

personalised hub where they can monitor and manage their personal mobility. This initiative contributes to building a more fluid and environmentally friendly mobility for a target customer base in Belgium.

- Poppy's car-sharing activities have seen some ups and downs, linked to the lockdown period, but have recovered somewhat to the levels reached before the health crisis. Poppy renewed its entire fleet in 2020 with 500 vehicles in circulation in Brussels, Antwerp and now in the Charleroi Airport area and some 1,200 daily journeys.
- Skpir is, as a mobile application, a one-stop shop for planning and paying for everyday business trips, with a wide range of alternative mobility options such as the NMBS, STIB, De Lijn, TEC, Bird, Uber, Poppy, Billy, Dott and many others instantly available. 2020 will have been a key year for Skpir, which raised EUR 7 million from Belfius - which has become its reference shareholder - to validate its leading position on the Belgian market and to develop internationally, particularly in France.
- Bike-Moby is a bicycle leasing formula developed by Volkswagen D'leteren Finance. It offers a level of service and assistance comparable to that of company cars.

KPIs

In 2020, D'leteren was the leader in full electric vehicles in Belgium, with 3,670 registered vehicles.

Funds invested by D'leteren Automotive in its subsidiary Lab Box:

- 2017 : +/- 2.3 millions EUR
- 2018 : +/- 6.5 millions EUR
- 2019 : +/- 9.5 millions EUR
- 2020 : 12.9 millions EUR (incl. 1.9 million EUR for EDI which, from 2020, falls under Lab Box budget).

> Improving the life of our customers



TOPIC DESCRIPTION AND AMBITION

Improving the life of its customers by aiming for excellence in the services provided throughout their journey is one of the 4 strategic axes on which D'leteren wants to work on in order to achieve its objective of leadership in the mobility market.

MANAGEMENT APPROACH

In the current health situation and in view of changes in customer behaviour, D'leteren is investing heavily in the development of a more digital customer approach. Online sales, digital media investments, virtual show rooms ... are some of the initiatives that have been intensified in 2020.

In its management of the Covid crisis, D'leteren took the necessary measures from the outset to protect its customers, employees and partners from any risk of contamination. This was an absolute priority for the company's management. In addition to the appropriate installations on its sites, D'leteren quickly implemented digital solutions to provide its customers with the best possible information and to limit contact between people. In particular, for the delivery of new vehicles, tutorials were developed for optimal handling of the vehicles to the great satisfaction of the customers.

LATEST DEVELOPMENTS

In 2021, the company is carrying out an in-depth analysis of its customers' expectations and needs in order to develop services that are perfectly aligned.

At the beginning of 2021, D'leteren also set up a new customer satisfaction measurement system in order to take corrective measures or reinforce certain initiatives as necessary. The results from these surveys will help the teams in the development of their services.

KPI

NPS has been implemented in 2021. The score will be published in the next reporting exercise.

> Managing environmental impact of our operations

TOPIC DESCRIPTION

In addition to the products that D'leteren distributes, its activities and processes also have an environmental impact. In this respect, D'leteren is striving to reduce the CO₂ emissions linked to its direct and indirect activities, to increase the share of renewable energy in its overall energy consumption and to reduce the footprint linked to the waste generated by its operations. These actions should have a positive financial and reputational effect, but also lead to better employee engagement and greater compliance with corporate customer requirements.

AMBITION

In order to increase its contribution to environmental protection, D'leteren has set itself the objective of reducing the carbon footprint of its activities by 50% by 2025 and to reach net-zero emissions by 2040. From 2021 on, the CO₂ emissions of its activities will be offset by reforestation and environmental conservation programmes. This offsetting programme will be reduced in line with the measures taken to reduce CO₂ emissions.

MANAGEMENT APPROACH

In line with its mission to build seamless and sustainable mobility for everyone, D'leteren wants to promote sustainable mobility within the organisation and make each of its employees ambassadors of its commercial offer. In addition to offering multimodality, favouring video conferencing and teleworking, D'leteren aims to develop a car policy that includes an increasing number of alternative motorisations.

In terms of (renewable) energy management, the company embraces D'leteren Immo's approach, which reduces the energy consumption of its buildings while increasing the share of self-produced renewable energy.

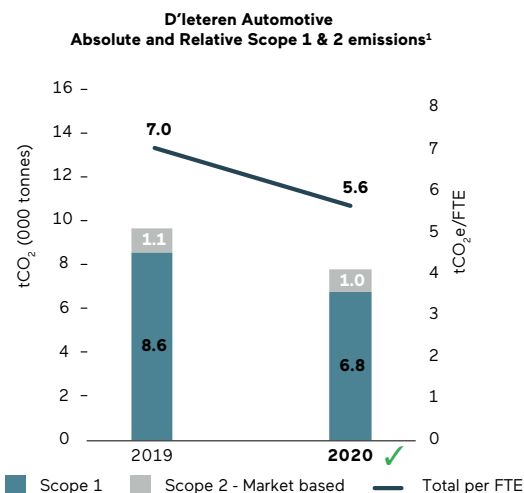
LATEST DEVELOPMENTS

At the end of 2020, D'leteren laid the foundations for an emission reduction plan aligned with the Science Based Targets methodology. The project, carried out with partner CO₂Logic, initially aims to identify what actions could be taken per emission source, and to set intermediate targets, in order to reduce emissions by 50% by 2025.

In line with this programme, D'leteren Immo - which manages the properties owned by D'leteren - has put in place various measures to use energy more efficiently and to integrate alternative energy sources (see D'leteren Immo reporting).

The responsibility for waste recycling has been transferred from D'leteren Immo to the different business units of D'leteren; this will enable a more tailored approach to the priorities of the business.

KPIs



1) CO₂ emissions are calculated by the external party CO₂Logic. The data 2019 have been restated as to align to the scope of CO₂ emissions 2020, which excludes Sopadis, WonderCar, LabBox, D'leteren Sport and VDFin. The branches will be included as from 2021 in the scope of the emission reduction plan. The further details of the methodology can be found in the ESG statement section (p. 185).

WASTE MANAGEMENT

D'leteren has also implemented a waste management policy. Employees have been given the information to correctly sort and collect waste (including paper, residual waste, scrap metal, wood, tyres and glass) in its offices, workshops, shops and garages, as well as to store harmful materials. Operational waste management is carried out by a dedicated person at each major D'leteren site. For the disposal and recycling of its waste, D'leteren collaborates with waste management companies responsible to collect and monitor waste related data such as Suez (for all waste), Oilco (used oil), Dechamps (scrap metal) and RecupBat (used batteries). A project coordinator from the main waste collection company (Suez) makes regular site visits to monitor and optimise waste management on site.

To prevent waste downstream in the value chain, D'leteren also facilitates the recycling of used vehicles, in particular by offering an additional allowance to customers and non-customers who offer their vehicles for recycling. D'leteren works with Febelauto for this; their mission is to organise and monitor the management of end-of-life vehicles in accordance with the European directive in force. At present, Febelauto manages to recycle around 95% of the weight of these vehicles in an approved and controlled way, making Belgium one of the best examples in Europe.

> Playing a determining role in the well-being of our employees

EMPLOYEE DEVELOPMENT AND WELL-BEING

TOPIC DESCRIPTION

In a rapidly changing sector, staff must be readied to meet the challenges of the future. Preparing D'leteren for these challenges starts by developing a mind-set that is conducive to the development of its staff, and by providing the necessary infrastructure for learning. In addition to helping employees develop their skills, D'leteren ensures that they are happy at work. The company's performance depends on its employees and their involvement in improving their personal and collective performance.

AMBITION

D'leteren has started implementing an employee engagement survey and set quantitative targets in terms of participation rate and score:

- Participation in employee engagement survey of 66%
- Employee engagement score of 75%

MANAGEMENT APPROACH

D'leteren encourages the personal and professional development of its employees through assessment and coaching sessions. As jobs in the automotive sector depend on very specific technical skills, the company encourages participation in training sessions and specialised workshops.

The company also adheres to clear governance principles in terms of fairness, transparency and dialogue. In particular, the CaReer Model has been developed to increase transparency about expectations, competencies and results while providing career opportunities within the company. A succession plan also exists to ensure a pool of potential successors for all key positions.

In terms of stress and burn-out, employees can count on the help of an external prevention advisor, as well as training programmes (burn-out prevention, time management, breathing and relaxation techniques, etc.). Individual coaching is provided to help employees deal with possible psycho-social problems.

In order to reduce the rate of absenteeism, close monitoring of long-term sufferers has been set up. D'leteren facilitates the reintegration of people absent due to illness or accident by taking individually adapted measures.

In terms of well-being, in addition to workshops on digital detox, healthy eating and good practices in teleworking, hospitalisation and outpatient insurance, D'leteren has, from 2018 on, been offering a free medical check-up every three years for all employees aged 50 and over.



LATEST DEVELOPMENTS

In a context where teleworking and measures taken to deal with the economic crisis are widespread, D'leteren has conducted several surveys among its staff to determine their current emotions and ensure that they are supervised if necessary. An independent psycho-social support service has been set up. Managers are regularly asked to check what's going on within their teams and to establish very regular communication with their colleagues.

Finally, the company is working on a project to redevelop its offices on the Erps-Kwerps site, so that it becomes a real place for exchange, collaboration and inspiration, in line with the new habits of teleworking and flexible working hours.

KPIs

Employee satisfaction¹ :

- Average Participation 2020: 40.5%
- Average Score 2020: 63.26%

Hours of training:

TRAINING HOURS HR	2019	2020
Face-to-Face	44,120	10,812 ²
E-Learning	344	2,573

1) The employee satisfaction was measured four times in the period 2020 - early 2021 via a pulse survey. The satisfaction score is derived from the average score of the Engagement dimension from the four editions of the pulse survey.

2) Due to the Covid crisis, the opportunities to provide face-to-face training were very limited in 2020.

EMPLOYEE SAFETY

TOPIC DESCRIPTION

D'leteren operates in the worlds of car and spare parts distribution and car maintenance, so naturally the majority of the work involves the use of potentially dangerous tools, machinery and chemicals, and the handling of loads. Ensuring the protection of employees against the risks associated with their daily work is a priority for D'leteren. Moreover, by promoting employee safety, D'leteren avoids costs arising from injuries and absenteeism.

AMBITION

D'leteren wants to get as close as possible to the "zero incident" objective. Even knowing that it is impossible to eliminate all risks, the company's ambition is to remain below the frequency rate and the overall severity rate of the automotive sector. The company also wants to reduce absenteeism as much as possible and remain below the absenteeism rate for the private sector as a whole.

MANAGEMENT APPROACH

The company has zero tolerance for non-compliance with safety standards for staff members but also for external companies that carry out work on D'leteren's installations.

D'leteren has no standards-based health and safety management system in place, but rather favours a dynamic risk management system: avoiding the introduction of risks at source by analysing the risks at the time of purchase and seeking safer alternatives. Preference is given to collective rather than individual safety measures. Risk analyses are carried out when new workshops or work processes are put into operation, when technical installations are periodically inspected by an external service and during analyses of accidents at work, etc. This is in line with the legislation applicable to D'leteren's activities.

The prevention service, which consists of an H&S manager, a prevention advisor, a Social & Ability manager and an (external) occupational physician, carries out risk assessments, proposes prevention measures and organises workshops on fire prevention and safety. In addition, three Prevention & Protection committees (Logistics, Garages, General Services) enable discussions on health & safety aspects between union representatives and management. These meetings take place on a monthly basis.

LATEST DEVELOPMENTS

New initiatives have been taken in 2020 (such as risk analyses of electrical installations, training of maintenance workshop staff in the prevention of risks related to high-voltage batteries in electric vehicles, etc.). However, the health crisis has been a major part of the efforts to preserve the health of employees, customers and partners. Teleworking was imposed from the start of the crisis wherever possible and very strict health measures were taken in showrooms, workshops and workspaces.

KPIs

Frequency rate: 14.23 (rate for the sector in 2019: 13.38)

Severity rate: 0.38 (rate for the sector in 2019: 0.33)



In order to support healthcare personnel during the health crisis, D'leteren Automotive has provided them with vehicles enabling them to manage their journeys more efficiently and avoid the risks of contamination on public transport.

DIVERSITY AND INCLUSION



TOPIC DESCRIPTION

One of the company's priorities is to promote inclusive growth, equal opportunities and diversity within the company. Diversity in all its forms, whether in terms of gender, origin, age, etc., is a source of creativity because it multiplies points of view and contributes to innovation. It also contributes to the motivation and well-being of employees and allows for a broader understanding of the customer base, which is itself quite diverse. Together with the initiatives taken in terms of professional development or regular measurements of staff satisfaction, this objective reinforces D'leteren's constant efforts to be an attractive employer.

AMBITION

D'leteren will start identifying new targets in terms of diversity in 2021. The first targets to be set will relate to gender diversity.

MANAGEMENT APPROACH

As clearly stated in its code of ethics, D'leteren promotes equal opportunities at work. While it does not support the introduction of quotas, skills and performance will more than ever be the only criteria taken into account when making decisions associated with hiring, promotion or internal rotation. Numerous initiatives will be carried out from 2021 onwards, in order to be an attractive employer, to promote the integration of new employees through mentoring and to carry out recurrent awareness-raising actions in favour of internal diversity.

KPI

A new KPI is currently being developed and will be available in the 2021 reporting.

COMMITMENT TO THE COMMUNITY

TOPIC DESCRIPTION

D'leteren's community engagement policy is mainly related to socially responsible mobility. Combining business and solidarity enables the company to maximise the impact of its philanthropic initiatives.

AMBITION

In 2021, D'leteren will launch a new call for projects related to mobility among associations, in partnership with its staff.

MANAGEMENT APPROACH

D'leteren supports associations in their projects related to mobility and ensures, through its expertise, that it can bring them a real added value. It involves its staff in its charitable approach by enabling them to propose projects that need support or to become involved in the implementation of these projects.

LATEST DEVELOPMENTS

In response to the health crisis, several vehicles were made available to healthcare staff to meet their specific mobility needs. Repairs and maintenance on their personal or professional vehicles were carried out during lockdown periods to guarantee their mobility and thus support them in the fight against Covid-19. Vehicles have also been made available, in particular to the CPAS in Ixelles, to ensure the distribution of food parcels to people in the face of an increase in the level of precariousness, due to the health crisis.



D'leteren Automotive supports the distribution of food parcels in Belgium. By providing a vehicle, the company guarantees food support to the increasing number of people and families in difficulty in the context of the health crisis.

At the same time, in order to reduce the isolation levels of underprivileged children, D'leteren offered and contributed to the logistical costs of 25 Christmas trees and personalised gifts in orphanages throughout Belgium.

For their part, some 250 employees travelled a total of more than 15,000 km by walking, running or pedalling to support a reforestation project in collaboration with WeForest, thus offsetting some 900 tonnes of CO₂ per year for 30 years. The kilometres were converted into 5,650 trees to be planted through a special application.

KPI

An amount of EUR 63,458 has been allocated to charities in 2020. Vehicles have also been made available to carry out solidarity mobility projects.



› ETHICS

With the organisational division into subsidiaries established on 1 January 2021, D'leteren is doing its utmost to be as close as possible to its customers and thus be their preferred mobility provider. To earn this distinction, D'leteren must, more than ever before, meet high standards of behaviour in the conduct of its operations. This is a good business practice that embodies the company's values: Perseverance, Honourability, Enthusiasm, Supportiveness and Curious Boldness.

RESPECT OF HUMAN RIGHTS

TOPIC DESCRIPTION

Failure to respect human rights or any other unethical act of discrimination can have repercussions on the company's reputation and lead to legal proceedings, as well as on its business.

MANAGEMENT APPROACH AND POLICY REVIEW

D'leteren respects a strict social and legal framework that governs areas such as working conditions, health and safety requirements and collective bargaining regulations.

Its code of ethics covers a wide range of rules, procedures and ethical principles, in particular concerning relations between colleagues, as well as with suppliers and subcontractors, customers and partners.

The company is committed to promoting a working environment that fosters mutual respect. Behaviours including harassment, intimidation, oppression, exploitation, discrimination, racism, sexism or homophobia are not tolerated.

KPI

In 2020, D'leteren's HR partner Attentia received 3 requests for psychosocial assistance.

ZERO TOLERANCE TO FRAUD AND CORRUPTION

TOPIC DESCRIPTION

Bribery, attempted bribery, fraud and money laundering pose a risk to employees and the company, as they can lead to legal action and damage the company's reputation.

MANAGEMENT APPROACH AND POLICY REVIEW

The company's code of ethics - "The Way We Work" - makes it clear that all employees are required to comply with laws relating to the fight against fraud and corruption. Corruption, attempted corruption, fraud and money laundering are not tolerated within the company. Gifts and entertainment that employees receive from customers, suppliers or any other partners, or that employees offer to customers, must comply with the ethical practices set by the company and with anti-fraud legislation.

KPI

One fraud was detected and led to a change of management, a forensic financial audit and a reminder of the ethical principles and procedures to be followed to the staff of the entity concerned.

3. Belron

BUSINESS DESCRIPTION

Belron has a clear purpose: ‘making a difference with real care’. It is the worldwide leader in vehicle glass repair, replacement and recalibration (VGRRR), operating in 40 countries, through wholly owned businesses and franchises, with market leading brands – including Autoglass®, Carglass®, Lebeau Vitres d’autos®, Speedy Glass®, Safelite® Autoglass, O’Brien® and Smith&Smith®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance companies.

APPROACH TO SUSTAINABILITY

The Belron approach to sustainability is connected to its Purpose of “making a difference” and integrates the culture of the business – the Spirit of Belron attributes of Collaborative, Driven, Caring and Genuine. Belron is a Signatory to the United Nations Global Compact (UNGC) and has been aligning its strategies and operations to the Ten Principles of responsible business on labour, human rights, environment and anti-corruption, for the past 10 years.

In 2020, despite the challenges presented by the global pandemic, Belron continued to deploy the Ecovadis measurement tool as a way of assessing progress in all these areas. The tool helps each business unit to assess the policies they have in place; the actions to implement the policies; and the results of the actions. The assessment survey is based on recognised international standards such as the Global Reporting Initiative, International Labour Organisation conventions, as well as the UNGC’s Ten Principles.

Following assessment and analysis, the businesses are provided with a scorecard and rating. The average Group score for Belron is 63.5 with some of the Belron businesses deferring their reassessments to early 2021 due to the impact of the global pandemic. This score keeps Belron far above the average score and in the top 5% of businesses around the world, rated by Ecovadis.

The scorecard helps the businesses to direct their focus on specific improvement areas based on recommended priorities. The medal rating and scores awarded were updated by Ecovadis during 2020. The minimum score required for a Bronze medal is now 45 (up from 37); for Silver it is 54 (up from 46); to achieve a Gold medal rating, the minimum score is now 66 (up from 62); and a new higher rating of Platinum was introduced for companies scoring higher than 73. Belron continues to work towards all its businesses achieving a Gold rating.

CORPORATE RESPONSIBILITY REVIEW & MATERIALITY

Belron partnered with a sustainability consultancy to conduct a review of its Corporate Responsibility strategy and support the development of a new Responsible Business strategic framework.

The Responsible Business framework focuses on priority areas where the business can make a positive difference and support the global effort through the UN Sustainable Development Goals and the UN Global Compact. To develop the approach, the key stakeholders across the business were interviewed, peer benchmarking was undertaken, and a review of global market and sector trends, as well as the results of the materiality analysis were conducted by D'leteren Group.

As the business moves forward into 2021, it will lay out the foundation of its Responsible Business framework towards clearly defined and ambitious goals in priority areas:

MATERIAL TOPICS	GRI STANDARDS
Waste management	306 WASTE (2020)
Carbon emissions	305 EMISSIONS (2016)
Sustainable procurement	308 SUPPLIER ENVIRONMENT ASSESSMENT (2016) 414 SUPPLIER SOCIAL ASSESSMENT (2016)
Employee Safety	403 OCCUPATIONAL HEALTH & SAFETY (2018)
Employee well-being & inclusion	405 DIVERSITY & EQUAL OPPORTUNITY (2016) 404 TRAINING & EDUCATION (2016)
Giving Back	413 LOCAL COMMUNITIES (2016)

The framework will be supported by the business' values and ethics; its governance and inspiring leadership; and robust reporting and measurement.

The business is clear that it wants to take on a greater responsibility and play its part in demonstrating that businesses can be part of the solution to important environmental and social challenges.

> Ensuring excellent customer experience while caring for their long-term welfare

Belron is committed to ensuring that all its customers receive excellent service and care at every juncture, ensuring both positive interactions with Belron and ongoing welfare and safety on the road.

CUSTOMER EXPERIENCE

TOPIC DESCRIPTION

Belron's unwavering commitment to deliver world class customer service requires focus and investment in every aspect of the delivery from the experienced and highly trained technicians to the most advanced tools and technology and the right piece of high quality glass, at the right time and in the right place. This focus enabled Belron to carry out over one million recalibrations during 2020 despite the changes to vehicle use due to lockdown measures.



AMBITION GOING FORWARD

Belron has embarked on a significant digital transformation programme to further improve customers' experience by providing a more seamless and efficient system from an initial 'looking stage' to booking, job completion and follow up. The project builds on feedback from NPS (Net Promoter Score), and Customer Insights, and involves teams from across the business. The roll out sequence will be a phased approach across the businesses, stretching out to 2022. This programme will support the business's ambition to deliver consistent world-class service to all its customers.

MANAGEMENT APPROACH

Belron constantly reviews its operational quality and monitors how its customers feel about the service they receive, using this information to make improvements. The company continues to commit to respond positively and promptly to every customer, working in partnership with insurance companies so that it can provide a seamless service for the motorist by making the vehicle claim on their behalf.

LATEST DEVELOPMENTS

Like many other businesses, Belron has seen an acceleration in customers booking online rather than using other traditional booking channels. In 2020 online bookings increased by a third to around 40% of all jobs. At the start of the pandemic Safelite® in the US took the decision to switch all its cash work online and will continue to do so, resulting in a significant switch to this booking channel. Belron expects this trend to continue in 2021 across all business units, resulting in easier booking for customers.

To enhance the customers' experience with Belron, it offers additional products during the customer journey such as replacement wipers and rain repellent. In 2020, more than 2 million customers bought at least one additional product. Offering and selling these additional products also has a positive impact on the customer experience with NPS scores higher when customers are offered and then purchase these products, than when they do not.

Despite the challenges of 2020 Belron achieved a record NPS of 84.9. This was driven by the continued focus on delivering high-quality service whilst taking care of its customers safety through the introduction of touchpoint sanitisation and implementing safe processes and procedures in its branches and mobile service for both its customers and its technicians.

KPI

The NPS* is measured on a weekly basis across all wholly owned businesses. The results are reviewed to provide focus on where the business can make improvements to its service and maintain its world-class NPS results.

2020	2019	2018	2017	2016
84.9 ✓	84.2	82.8	83.1	82.6

*All motorists who have a vehicle glass repair or replacement are asked to provide feedback on their experience. This is done through the Net Promoter Score (NPS) survey, asking them to rate on a scale of 0 to 10 how likely they are to recommend Belron to a friend/colleague (10 being extremely likely and 0 being not at all likely). Motorists scoring a 9-10 are Promoters, 7-8 are Passives, and 0-6 are Detractors. The overall NPS score is calculated by taking the percentage of Detractors from the percentage of Promoters, to create a final score.

CUSTOMER WELFARE & SAFETY

TOPIC DESCRIPTION

Belron aims to “make a difference with real care” to every customer it serves. This not only means an excellent experience for them during their interaction with the business, but also their safety on the road beyond it. Belron’s technicians are highly trained and have the tools and equipment to conduct their work to the highest standards.

AMBITION GOING FORWARD

Through research, development and training, Belron aims to ensure that all recalibrations are performed in-house and safely to OEM (original equipment manufacturer) specifications. In 2021, Belron will review its safety programmes including an update to its Quality Starts with Safety (QSWS) training. This programme for all technicians, ensures that the repair and replacement process is followed so that the work carried out on customers’ cars is to the highest quality and safety standards.

MANAGEMENT APPROACH

When a replacement is required, the work is carried out by highly skilled technicians. The products and training are designed to deliver a service which is equivalent to the OEM standards. When required, the technicians will also recalibrate a vehicle’s Advanced Driver Assistance Systems (ADAS), a highly technical procedure to ensure the safety of its customers on the roads.

Belron has put in place a monitoring process and appointed a new role to manage the oversight of its global camera recalibration delivery capability. The company also invests in ADAS research and identifies the latest technology in recalibration equipment with the aim to be global experts in the field and ensure that the customer is provided with the safest service possible.

Belron continuously updates its Vehicle Fitting Instructions (VFI), to provide technicians with access to OEM repair methods. During 2020, 2,500 new VFIs have been made available for 100 different vehicles and this information provision will continue to ensure quality glass replacement in 2021.

The company’s approach is always to look at new tools, equipment and bonding processes to provide customers with the safest glass repair, replacement and recalibration that is available within the industry.

LATEST DEVELOPMENTS

With the challenges of the COVID-19 pandemic impacting every country, Belron introduced ‘touch-point sanitisation’ in April for every job the company completed. This process which protects both employee and customer, is an additional step in the Belron Way of Fitting that will be carried out whenever and wherever a job is completed.

In 2020, Belron carried out 1.1 million recalibrations, enhancing customer safety thanks to continued investment in research and technology. Through its research, testing has shown that mis-calibration can significantly affect the response of safety systems in the vehicle which could have serious implications for the occupants of the vehicle and other road users.

Belron Technicians always follow manufacturer’s instructions when recalibrating to ensure the safe functioning of the customer’s vehicle ADAS systems. The result of the research has been incorporated into all relevant ADAS modules, eLearning and awareness programmes developed by the business. Going forward the company is planning more ADAS research in 2021 to look at the possible degradation of calibration over time as well as the safety impact/implications on ADAS systems’ performance when carrying out road-side calibrations.

To maintain the high standard of its work and commitment to customer safety, Belron introduced a Corrective and Preventative Actions (CAPA) system to identify, track and resolve product problems. New Expert Working Groups were introduced to look at non-quality and ADAS related issues from a global viewpoint. This new measurement system will provide a standardised central approach for all work.

KPI

Belron will continue to invest in research and development to be able to deliver a high-quality and safe service to all its customers, and to maintain the skills of all its technicians. The R&D budget for 2020 was GBP 1.8 million.



Autonomous Emergency Braking (AEB) testing.

> Reducing the environmental impacts of our activities

WASTE MANAGEMENT

TOPIC DESCRIPTION

For Belron, the most significant waste product is the glass removed from customers' vehicles when a windscreen cannot be repaired and must be replaced. Whilst it cannot be reused for windscreens, the waste glass can be recycled for other products. Recycling the glass efficiently helps Belron significantly reduce costs associated with waste and minimise its environmental impact.

AMBITION

Improve glass recycling rates across the Belron businesses year on year, with an ambition to recycle glass to 100% where possible.

MANAGEMENT APPROACH

Where possible, Belron will repair a customer's windscreen as this not only saves the customer time and money, it also significantly reduces environmental impact by reducing the need to replace the glass. When a repair is not possible, Belron aims to recycle the glass waste and considers innovative approaches and supplier partnerships to achieve this.

With other waste streams Belron aims firstly to minimise use by setting technical standards for the amount of product needed during each job and secondly, defines clearly what to do with specific waste streams to maximise recycling.

The waste streams are managed by the local businesses in line with legislation, through local waste collectors. Beyond this, Belron uses its distribution centre network to apply reverse logistics and partners with recycling companies to improve overall recycling rates. This data is reported to Belron via its reporting software SoFi by Sphera, to provide an overview of the businesses waste impact and highlights opportunity areas for improvement.

The company has been successful in steadily increasing windscreen recycling rates through group and local targets and has led the market on a 'repair first' approach that differentiates it from competitors.

Belron also recognises that the changing nature of its products and services has the potential to increase the company's waste impacts, most notably, the increasing complexity and deployment of ADAS on windscreens and its impact on the potential for repair, and the company's increasing range and offer around Value Added Products (VAPS). The impacts will be monitored as the business moves forward with its Responsible Business Framework.

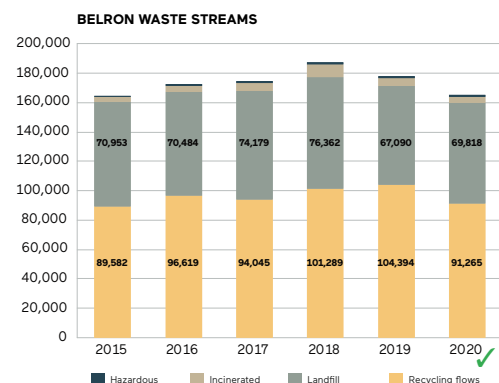
LATEST DEVELOPMENTS

Highlights from the businesses include:

- Carglass® in Germany launched the GreenTab as a new sustainable product. The product goes straight into the washer fluid tank in the car and is mixed with tap water, resulting in a total of 5 litres of cleaning fluid. The product replaces containers of windshield washer fluid and therefore reduces plastic waste. The feedback received on social media has been very positive.
- Autoglass® in the UK introduced initiatives to help reduce waste. The initiatives include: transparent waste bags within distribution centres to improve the sorting of waste materials and increase segregation; a new on-site compactor to reduce the frequency of general waste collected and reduce waste contractors' carbon footprint – this has also reduced expenditure; working with suppliers the business has identified opportunities to reduce packaging on various products; and consolidated its external waste management provision to one provider enabling them to streamline waste collection and maximise recycling and recovery opportunities.
- Safelite® in the US recycled more than 1.9 million windscreens in 2020
- Smith&Smith® in New Zealand saw a 3% reduction in non-glass waste products being diverted to landfill, a 21% reduction of overall waste being created and over a thousand tonnes of glass being recycled. The business is continuing to work with its recycling partner on sustainable ways to discard and recycle the PVB resin from the windscreens.

KPI

In 2020 Belron recycled over 60% of its glass waste and continues to monitor and improve overall recycling rates across its businesses.



The data covers the wholly owned businesses. Part of the waste data is based on estimations. This is the case for example for glass waste to landfill which is based on the total volume of windshields and curved tempered units sold and broken.

CARBON EMISSIONS

TOPIC DESCRIPTION

With operations across the world, and a network of branches, services centres, distribution centres and a large mobile fleet, Belron has a direct and indirect impact on climate change through its carbon emissions. It therefore has a responsibility to monitor, manage and ultimately reduce these emissions.

AMBITION

Belron will initiate in 2021 a project aimed at setting up an emission reduction plan and roadmap to be able to set science-based targets. A first step will be to improve the understanding and management of the company's emissions and carbon footprint.

MANAGEMENT APPROACH

Belron has committed to drive down emissions as one of its priority areas in the new Responsible Business Framework. Currently it monitors the carbon emissions that are directly in its control, such as those related to the energy consumption of its branches and its fleet, as well as Scope 3 emissions related to travel and subcontracted logistics. Belron has a carbon footprint reporting tool used by its corporate business units and supports them in measuring, managing and reducing their footprint.

Belron recognises the critical importance of emissions reductions to its business and its stakeholders as the world transitions to a low carbon economy. Belron also recognises that reducing emissions across its entire value chain will have a positive societal impact, offer significant costs savings and have reputational benefits to the business while also future proofing for what lies ahead.

LATEST DEVELOPMENTS

Belron continues to partner with Bureau Veritas on its Product Carbon Footprint (PCF) tool and certified the PCF data for its businesses in France and Germany. This work enables these businesses to have confidence in setting future reduction targets locally as well as using this information for operational decisions and external communication.

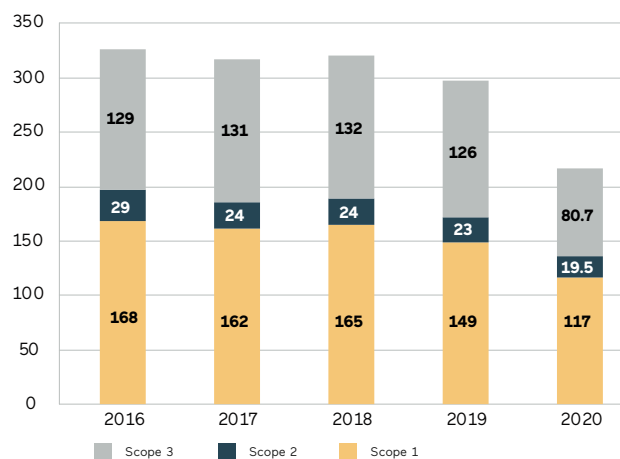
Highlights from the businesses include:

- At the beginning of 2020, Carglass® France carried out its Carbon footprint with 2019 data. This approach to estimate greenhouse gas emissions has a broader scope than the monitoring carried out annually, the results obtained are therefore more exhaustive. Emissions related to the manufacture of glazing represent almost 30% of emissions related to the Carglass® France activity, followed by employee home-to-work transportation, which represents 12% of emissions. These studies help to build the strategy to reduce CO₂ emissions. The involvement of glass suppliers in the process is therefore essential, as is the internal work on employee travel which has been initiated.
- During 2020 the UK Supply chain, through the speed of service project reduced the main Mini Distribution Centres from 14 to 8. By optimising the delivery routes for Autoglass® and the wholesale market from these new distribution centres this enabled the UK business to reduce the daily mileage driven by circa 2,400 miles per day, a c20% of the total miles driven per day. In turn this has resulted in a yearly miles driven reduction of over 70,000 miles. As well as reducing daily miles driven the speed to service project also reduced associated carbon emissions by c20% which has led to a significant reduction in environmental impact.

KPIs

In 2020 Belron recorded a reduction in its emissions across the business, in part as a result of the impact of the global pandemic on business activities. However, it has once again seen a reduction in the amount of CO₂ per prime job. This has continued to fall over the past 5 years from 28.5kg in 2015 to 20.3kg in 2020.

**BELRON EMISSIONS:
SCOPE 1, 2 & 3 IN TCO₂ (000) TONNES**



SUSTAINABLE PROCUREMENT

TOPIC DESCRIPTION

The Belron Code of Ethics and its Guiding Principles set out clear standards for the business, its people and its partners. A breach of these standards not only impacts those involved but could result in a detrimental impact on the Belron brands and its supply chain.

The Belron supply chain and its supply partners are integral to the business and delivering excellent service to its customers. 40% of the company's turnover is spent on the procurement of goods and services, with a significant part of this on glass, but also on many other products such as repair resin, glue, moldings, trims, tools, and uniforms. Belron has a network of 70 global suppliers managed at group level, who produce the goods that Belron buys at over 120 production sites.

Sustainable Procurement is a core part of the Belron Procurement strategy, and through the application of strict standards for suppliers, the company's needs for goods and services are met in a way that achieves value across the spectrum, for Belron, but also for society, the economy, and the environment.

AMBITION

The Belron ambition is to be a world class Sustainable Procurement organisation, and throughout 2021, all Belron group level direct and indirect suppliers will be fully integrated into the new Sustainable Procurement Programme. This will involve all suppliers going through the core assessment and risk management steps, including external assessments of the Sustainability performance of all suppliers, and the expansion of the existing program of on-site audits to cover significantly more supplier production locations than ever before.

MANAGEMENT APPROACH

The business adheres to and promotes clear ethical standards for itself and expects similar standards from all third parties who work with Belron or on its behalf. In no instances will inhumane treatment of its people or those in its supply chain be acceptable including any form of forced or bonded labour, child labour, physical punishment or any other abuse.

All Belron group level suppliers are assessed and managed through the new Sustainable Procurement programme, which ensures that suppliers are ethically and legally compliant, and that financial and continuity risks are managed. This programme is conducted through a combination of internal and external assessments, and on-site audits.

At local business unit level each business manages its local suppliers. The policies, actions and results of these activities are assessed through the Ecovadis assessment programme.

WHAT ARE THE SUSTAINABILITY RISKS WE PROTECT AGAINST?



LATEST DEVELOPMENTS

In 2020 Belron appointed a fully dedicated Sustainable Procurement Manager to lead the team responsible for driving significant performance improvements in this area. Following this appointment, the Belron Sustainable Procurement programme was developed and has been structured around three pillars:

- *Transparency* – ensuring that suppliers have visibility of the Belron standards, that Belron has visibility of supplier production locations, and that all stakeholders have visibility of progress and results;
- *Assurance* – ensuring that all suppliers operate in line with the Belron standards, validated through both remote assessments and on-site audits;
- *Reward* – incentivising suppliers to improve their sustainability performance, and rewarding those who go above and beyond to make a real difference.

One of the first tasks undertaken was to develop and launch a new Supplier Code of Conduct, which sees a big step forward in both setting and communicating the standards that Belron requires of its suppliers, and of ensuring compliance with those standards. Following this, a new online portal was created to record, monitor and track supplier sustainability performance. Belron is now working closely with key suppliers to understand ways in which they can work together to drive sustainability improvements across the entire supply chain.

KPIs

A set of detailed supplier sustainability KPIs is being developed which will give a mechanism for all suppliers to be fully assessed, scored and rated against the Belron standards. These KPIs will also give Belron a basis on which to set developments targets with suppliers and collaborate with them to drive continuous improvement.

> Favouring employee well-being

EMPLOYEE HEALTH & SAFETY

TOPIC DESCRIPTION

Caring for its people is at the heart of Belron's culture and it places great importance on the health and safety of the people in all its business units. The company aims to ensure that its people are appropriately trained and have the right tools and equipment to do their role. An identified core risk for the business is injury or harm to an employee whilst carrying out their role. This could result in long term absenteeism, legal consequences and economic loss, as well as distress to the employee and their family.

High Voltage Vehicles: training pilot in the UK

Testimonial from Tim Camm – Technical Trainer, Autoglass® UK

"Autoglass® identified an area of improvement to make sure our technicians had the knowledge and competence to work on high voltage vehicles safely. Whilst it was unlikely the business work streams would involve direct contact with the engagement and disengagement of the high voltage system it was apparent that there was level of awareness required for the technicians to understand the critical safety points. Additionally, ADAS recalibration service meant that our technicians were looking for safe points to secure a battery management system."

Autoglass® has a relationship with the Institute of the Motor Industry (IMI) for many years delivering the industry IMI Accreditation scheme recognised throughout the sector. They were one of the first organisations to offer support and training regarding High voltage vehicle technology.

From a Technical Training Manager perspective, I am confident that Autoglass® has identified and supported not only the safety of working on high voltage vehicles but provided the technicians with the knowledge and expertise to remain safe in their daily workload."

AMBITION

In 2020, implementing consistent health and safety measurements across the business was identified as a key priority by the Leadership Team. The business prioritised its efforts on managing health and safety through the global pandemic, ensuring programmes and equipment were in place to keep its people and customers safe. Therefore, progress on new measurement tools was delayed but will continue in 2021 as well as the ongoing safety review work with the company ERM, a leading global provider of environmental, health, safety, and risk related services. As a priority for 2021, the business will continue to work on a stringent and robust framework for reporting incidents at group level.



MANAGEMENT APPROACH

For the technician population, Belron has embedded stringent safety standards in the Belron Way of Fitting. These standards range from the correct handling of glass to safe driving practices. The process also defines the method, tools, training and assessments developed and implemented across the business by the technical team. Other safety programmes include Quality Starts with Safety – an awareness training of the importance of following the correct process when replacing a windscreen and the consequences of not doing it right, S.T.O.P. – how technicians look after Self, Tools, Organise the work and use the right Process, and 1-2-3 Easy – a training programme on the ergonomics of how technicians can avoid injury while doing their job. Each business is responsible for providing additional training where required, as well as for implementing the necessary measures to comply with local legislation. These measures extend beyond the technician population to also include distribution teams, warehouse operatives, head office employees and call centre agents.

As the business moves forward into 2021, the ambition is to further enhance the health and safety approach through data collection, sharing of best practices, and highlighting learnings amongst the countries to help prevent and mitigate the risk of incidents.



LATEST DEVELOPMENTS

In response to the COVID-19 pandemic, large sections of the Belron workforce, including whole contact centres, were quickly and effectively mobilised to work from home. The technician workforce was equipped with protective equipment and safety processes and procedures were implemented across branches and mobile services, to protect technicians and customers. This included sanitisation of all touchpoints in a vehicle both at the start and end of every job, which was quickly integrated as a standard part of the Belron Way of Fitting.

Moving forward to 2021, the Fitting Practices Control Programme will be rolled out across the business to audit and monitor key safety steps within the Belron Way of Fitting.

O'Brien® Australia achieved excellent outcomes for 2020 in the area of health, safety and well-being. The business's TRIFR (Total Recordable Injury Frequency Rate) fell by 27% vs 2019 and LTIFR (Lost Time Injury Frequency Rate) fell by an incredible 83% vs 2019. This year has seen a sustained and meaningful improvement in its safety leadership, culture and performance. There were a number of important initiatives which were undertaken in 2020 underpinning these results including the "mO'bilise" stretch and flex program for frontline service technicians, a "Resilience 2 Thrive" mental health and well-being training program for all leaders across the business, a transformation in its return-to-work methodology and practice, as well as refocusing the monthly safety leadership review meetings. 2021 will see the roll-out of further step-change initiatives which will have a positive impact on both the lagging and leading safety KPIs including an early intervention physiotherapy program and the complete replacement of its current on-line safety system.

KPI

The local businesses are responsible for monitoring incidents and reporting them in line with local legislation. A Belron-wide consolidated KPI is being developed.

The labour practices of each Belron business is assessed using the Ecovadis measurement tool. The tool assesses policies, actions, and results in the areas of health and safety, working conditions, social dialogue, training and development, and well-being. This area of the assessment carries the largest weighting of the score (45%), and the current Belron average across the group is 64.5.

EMPLOYEE DEVELOPMENT & WELL-BEING



TOPIC DESCRIPTION

Belron employees are the heart of the business. Belron's performance and achievements are the result of the engagement and commitment of its people. Their well-being, engagement and overall employee experience are key priorities for the business.

AMBITION

Belron embarked on a world class approach to ensuring it is always listening to its employees with a new global engagement survey in October and will continue to drive high levels of engagement.

MANAGEMENT APPROACH

The business is committed to attracting, engaging and developing the very best people who are equipped with the capabilities and skills to serve its customers.

The company maintains policies and procedures with regards to its employees at each business unit level. The many employee engagement initiatives in place include training and development, recognition through local in-country programmes as well as the Belron Exceptional People Award globally, flexible working options, feedback channels, and community involvement through the Giving Back agendas.

Belron knows that in a large organisation, difficult situations may arise. That is why it continued to promote its 'speak up' facility as a channel for its people to raise issues in confidence if they feel unable to do this internally. The Belron provider transitioned from Expolink to Navex Global following its acquisition. Each business was provided with revised contact numbers, web-reporting portal access and materials to support the promotion of the change. This was also an opportunity for each business to reinforce the importance of speaking up.

Every issue raised through the Speak Up facility was investigated, and appropriate action taken where necessary. This included policy or process review or additional training.

LATEST DEVELOPMENTS

Belron embarked on a world class approach to ensuring it is always listening to its people with a new global engagement survey in October. Belron had historically used the Belron People Measure survey that assessed employee sentiment at a high level, maintaining a group average score of between 7.5 and 8 (out of 10) since 2016. During 2020, Belron chose to pivot to a new employee engagement survey, working in partnership with Willis Towers Watson, a global leading provider. The survey included a more comprehensive set of questions aimed at better assessing employee engagement and experience and allowing Belron to benchmark performance relative to similarly positioned peers on key aspects of engagement. The qualitative as well as quantitative outputs from the survey will enable the business to prioritise on key areas for improvements.

During 2020, a priority for Belron has been to ensure it has global talent management and succession frameworks in place to ensure it has the right leadership and teams not only for today's needs, but also for the future.

The company recognises that its business success relies on how committed and proud all of its employees are to work for Belron. In this unprecedented year, it was also essential that the company fully supported its employees, putting their health, safety and well-being first, but also providing hardship support to those most in need. The pandemic has meant some very difficult circumstances for some of its employees and as a result it quickly established a Hardship Fund in order to support its employees and their families in particularly difficult circumstances. This is fully aligned with the company's purpose of truly making a difference with real care.

With the impact of COVID-19 and various country 'lockdowns', the businesses took action on ensuring employee well-being was maintained and where appropriate, steps were taken for employees to work remotely. For example, Carglass® France accelerated its remote working strategy for head office, call centre, and function support employees (approximately 700 people). The company took a collaborative approach to its strategy: qualitative and quantitative surveys, brainstorming and meetings. It helped them to create a long-term, efficient and positive remote work experience. Carglass® Germany and Belron International implemented ergonomic procedures and programmes to ensure that employees who had transitioned to

working from home were correctly set up to maximise their well-being. To support its people in well-being as well as health and safety, Smith&Smith® appointed a Health, Safety and Wellbeing Advisor and implemented a Wellbeing education programme.

KPI

84% response rate on new engagement survey showing 86% of the employee population actively engaged. The global engagement survey results showed that employees are highly engaged and feel extremely proud to work for Belron. The deep insights and feedback received allows the business to continue to build on this great foundation for the future.

DIVERSITY & INCLUSION

TOPIC DESCRIPTION

Belron recognises the critical importance of diversity and inclusion to its business and its key stakeholders.

AMBITION

As part of the Belron ambition to be the best place you will ever work, the aim is to build an organisation that values differences in all its forms – treating everyone as an individual and creating an environment which enables everyone to participate and reach their full potential.

MANAGEMENT APPROACH

Belron commits to hiring and promoting people on the basis of their ability for a role and their appreciation, respect and alignment with the company's culture.

The company is in the process of developing a group approach to diversity and inclusion. A first key step has been to understand the current position through surveys conducted as part of the listening and engagement strategy. Belron has already engaged its leadership, building diversity and inclusion into its leadership behaviours and equipping leaders to be advocates and role models for these important issues. More conversations around inclusion are taking place, with roundtables and working groups/committees being planned in the business.

LATEST DEVELOPMENTS

Responding to the Black Lives Matter movement in the US, Safelite® hosted a panel discussion set up through its Diversity & Inclusion Advisory Council. The online discussion featured valued leaders from across Safelite® sharing their thoughts, feelings and experiences in facing racism. Safelite® also reacted to feedback from its first ever Diversity and Inclusion survey. In particular, it conducted a pay equity analysis and implemented adjustments, and completed a people data analysis to understand the gender and racial diversity of its current employee population as well as new hires, promotions and terminations.

At Carglass® in Germany they continued to partner with organisations that support people with disabilities. The aim of Carglass® is to hire more people with disabilities, helping them gain access to the labour market, and gain work experience with the aim to offer them a meaningful and fulfilling career. Currently, the business has two active placements that have been with the business for over a year. They receive individual training that fits their special needs and enables them to work as independent as possible.



> Making a difference for our communities

TOPIC DESCRIPTION

Belron has a deep-rooted sense of responsibility towards the communities it serves which is guided by its heritage and values. 'Giving Back' is a key aspect of the Belron culture - the Spirit of Belron – and these values are shared by all Belron people wherever they are.

By involving its people, through their passion and energy, the 'Giving Back' agenda and activities have a positive impact not only on the charities and causes supported but also on people engagement.



AMBITION

The company will continue to build on its commitment to Giving Back to drive positive change by sharing its time and skills with young people to support their career aims.

MANAGEMENT APPROACH

Belron is committed to making a meaningful impact on society which is why its businesses and its people across the world choose their own community initiatives and organisations to support. Each business sets its own 'Giving Back' agenda and through this approach, its people experience a greater sense of personal involvement and achievement. Belron supports their efforts in many ways including financial donations, volunteering time, sharing resources or participating in fundraising events.

The company also recognises the impact it can have when its people come together as a global community around a common purpose to support the South African charity, Afrika Tikkun. This organisation, connected to the heritage of the business, has a holistic approach to improving the lives of children and young people in vulnerable communities, from 'cradle to career'.

LATEST DEVELOPMENTS

Spirit of Belron Round the World Challenge

Due to the global pandemic, the Spirit of Belron Challenge (an annual event that raises funds for global charity partner, Afrika Tikkun) became a virtual event. The Challenge's format was simple; each participant was invited to sign up through an online platform and app for a specific challenge

to complete over 5 days. This included completing 5, 20, 50, or 100 kilometers in 5 days by walking, running, swimming, or cycling; an Olympic distance triathlon; or a duathlon, and collectively to 'travel' around the world.

Just over 7,300 people from around the world participated, logging 166,594 kilometres, virtually circling the globe more than four times. The event was a huge success, raising EUR 1.7 million for Afrika Tikkun. This funding was absolutely vital for the charity who pivoted its usual operations in order to address the food crisis that was emerging in the communities. Since the start of the pandemic Afrika Tikkun has distributed 75,000 food packages to families, provided 14,000 hot meals to the homeless and distributed 300,000 locally made face masks.

Belron Ronnie Lubner Charitable Foundation

In February Gary Lubner launched the Belron Ronnie Lubner Charitable Foundation, established in his father's name to continue the longstanding commitment to give back to the community. Since the launch, the Foundation has donated over EUR 2 million to causes around the world, benefiting 270 charities across six continents.

Over half the total amount donated has been in response to the global pandemic crisis. Since April 2020, the Foundation has been accepting applications from Belron people around the world to support charities and organisations that are on the front line of the COVID-19 pandemic or are experiencing acute difficulties due to the crisis.

These organisations have been helping people in many different ways including food parcels and feeding programmes, mental health support, access to accommodation, general family support, support for emergency workers, and providing shelter for victims of domestic violence, all existing societal issues that have been exacerbated by the crisis.

The Foundation has also helped organisations to continue to do their work during these challenging times by providing funding for personal protective equipment, technology to support programmes moving online, and to provide additional services to meet the growing need.

DONATIONS

- Afrika Tikkun (through Spirit of Belron Challenge): EUR 1.7m
- Local Giving: EUR 2.4m
- Belron Ronnie Lubner Charitable Foundation: EUR 2m



› ETHICS

HUMAN RIGHTS / CORRUPTION & ANTI-BRIBERY

TOPIC DESCRIPTION

Human rights are a fundamental pillar of ethics and are addressed in the Belron Code of Ethics and Guiding Principles. Belron is also explicit in its Code of Ethics and Guiding Principles that it will not tolerate any forms of corruption or bribery either towards or by its people or partners. A breach of this could seriously damage the reputation of the business and result in significant legal consequences.

MANAGEMENT APPROACH AND POLICY REVIEW

Belron people are expected to always treat each other with respect and ensure that their activities do not contribute directly or indirectly to human rights abuses.

Belron outlaws the use of child labour in any form. The business does not employ anyone below the age of 16 or the local legal minimum employment age should this be different in a country it operates in. It will not use suppliers who use child labour in any manner. All of its employees, contractors and suppliers working conditions are required to be compliant with national legislation and in cases where this is deemed insufficient, with the relevant International Labour Organisation Standards. In no instance will inhumane treatment of its people or those in its supply chain be acceptable including any form of forced or bonded labour, physical punishment or any other abuse.

The Belron Code of Ethics and Guiding Principles are in place across the business to ensure that corruption and bribery are not tolerated. Anti-bribery and corruption are compliance matters that the Group Legal team promotes throughout the business. The approach is local business unit and market specific and therefore the policies and procedures adopted will depend on a number of factors including the relevant risk and local rules in each business unit country. In higher risk jurisdictions, enhanced measures are implemented to help prevent anti-bribery and corruption.

To support this approach, training and awareness sessions on anti-bribery and corruption law and anti-corruption policies are provided where Belron perceives any material risk, in order to help ensure that each business continues to compete fairly and in compliance with all applicable anti-bribery laws. Each year, the business requires all local General Managers to sign an annual Statement of Ethical Compliance and Statement of Competition Law Compliance, indicating that their respective local business units complied with the Code of Ethics and Guiding Principles.

Each Belron business is responsible for the development of its localised code of ethics based on a centralised framework. Communications on ethical behaviours and training are also conducted at local level. There were no significant changes made to the business's ethics and compliance programme in the past year however these topics are included in the review that is being carried out in order to develop a new Responsible Business Framework.

KPI

The businesses' approach to anti-bribery and corruption is one of the topics assessed within the Ethics section of the Ecovadis sustainability assessment. Within the assessment each business answers questions and provides evidence on their policies, actions and results in relation to this topic as well as fraud, money laundering, conflicts of interest, information security and anti-competitive practices. The Belron Group average Ecovadis score for Ethics is 66.5.

4. Moleskine

BUSINESS DESCRIPTION

Moleskine is a global, multi-category, multi-channel brand, whose mission is to unleash human genius through hands-on paper to empower creativity and knowledge in each individual and the entire world. The company aims to enable creativity with objects designed to elevate thinking, planning and making, and with services that help achieve creative potential. Its products include notebooks, diaries, journals, bags, writing instruments, reading accessories as well as hybrid products that migrate handwritten ideas to the infinite possibilities of the digital world. Furthermore, its ecosystem gathers content and stories, people and partners, which enable and nurture creativity and self-expression: In particular, Moleskine is present across a network of websites, blogs, online groups and virtual archives, not least within the brand's own online community, myMoleskine. Overall, it provides open platforms to create, communicate and share ideas.

Moleskine has about 390 employees and a vast network of partners. With its headquarter in Milan, Italy, the Moleskine Group also includes, among others, Moleskine America, Inc. (established in 2008); Moleskine Asia Ltd (2011), which controls Moleskine Shanghai and Moleskine Singapore; Moleskine France (2013) and Moleskine Germany (2013). The group designs and sells its products through a multichannel distribution platform. The production itself is outsourced to partner suppliers.

OUR APPROACH TO SUSTAINABILITY

Corporate responsibility has always been part of the DNA of our brand since the beginning (lettera27 Foundation was founded in 2006 and then transformed into Moleskine Foundation in 2017; first FSC paper certification was obtained in 2008, etc.), but to move forward in sustainability Moleskine decided to elevate the significance of sustainability across the enterprise and to embed it in the organization's strategic fabric. Each component of the sustainability strategy has a key role in the implementation of the brand mission:

- **Environment**
Build a sustainable brand to last by reducing its footprint, through environmentally-friendly solutions for its iconic products.
- **Social**
Bringing positive changes to society by nurturing critical thinking and creativity while acting as an inclusive company and a responsible leading brand.
- **Governance**
Setting a long-term governance approach of transparency, integrity and ethical behaviour to build a solid and trusting relationship with its stakeholders and preserve the reputation of its brand.

Sustainability has been included among the strategic drivers for growth. Moving forward from setting up an ECO team in 2019, Moleskine has appointed an internal resource to be responsible for the Global Sustainability Strategy.

MATERIALITY

Moleskine has decided to identify its non-financial priorities based on a “materiality analysis”. This analysis has been performed in early 2020 and is aimed at determining significant environmental and social impacts. To create its materiality analysis, Moleskine opened a dialogue with its internal and external stakeholders: executive team, employees, shareholders, suppliers of goods and logistics, key customers per channel. External experts were involved to support Moleskine in this process and ensure a consistent and accurate materiality assessment. Starting from that, Moleskine also performed a maturity assessment on materiality analysis results. Both these analyses and assessments were conducted following the principle of materiality as set out in the Global Reporting Initiative (GRI) and are recapped in the table below. Moleskine developed its ambitions to be implemented through the ESG strategy according to the material topics.

STRATEGIC AMBITIONS	MATERIAL TOPICS	GRI REFERENCE
Playing an active role in the protection of the environment	Environmental friendly products Environmental friendly suppliers	306 WASTE (2020), 305 EMISSIONS (2016) 308 SUPPLIER ENV. ASSESSMENT (2016)
Fostering people’s creativity and critical mindset	Social actions and education	413 LOCAL COMMUNITIES (2016)
Supporting employees’ development and well-being	Talent development Employee well-being and diversity	404 TRAINING AND EDUCATION (2016) 405 DIVERSITY AND EQUAL OPPORTUNITY (2016)
Applying sustainable corporate governance	Responsible governance Ethical suppliers	414 SUPPLIER SOC. ASSESSMENT (2016)

OUR MAIN IMPACT



With a mission statement dedicated to empowering creativity and knowledge in each individual and the entire world, Moleskine contributes to promoting lifelong learning, which is in line with SDG4 (quality education). It contributes to this first and foremost via its products, services and its digital platforms. But it also contributes to spreading lifelong learning and critical thinking among communities through the Moleskine Foundation, which is fully aligned with the values and beliefs of the company. In 2020 Moleskine has strengthened its relationship with the Moleskine Foundation and both entities started a joint long-term program to support creative communities world-wide, in the firm belief and awareness that creativity and imagination are key drivers for producing positive social change.



Moleskine also has the ambition to contribute to SDG12, which aims to ensure sustainable consumption and production patterns. It does so by developing eco-friendly solutions for its products and packaging.

STRATEGIC AXES

> Playing an active role in the protection of the environment

PROPOSING ECO-FRIENDLY SOLUTIONS TO OUR CLIENTS

TOPIC DESCRIPTION

Moleskine's business model is based on the conception and creation of consumer goods. Therefore, a substantial part of the environmental impact stems from the design and manufacture of new products. Taking environmental criteria into account and considering the products' full life-cycle at the design stage is crucial to minimizing waste and increasing the recyclability of materials. This perspective goes beyond the product to include the packaging.

AMBITION

Moleskine is stepping up its long-term commitment to lower its environmental impact. It aims to continue developing eco-friendly solutions for its products and packaging. In the short-term, Moleskine has established a project to assess waste elimination solutions by the end of 2021.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

To eliminate waste Moleskine starts thinking about the environmental impact of its packaging from the conception stage: packaging is kept to a minimum and is frequently designed to be reused – such as the B-side of the paperbands, which can either be re-used for another purpose or kept for the inspiring ideas or quotes that they offer.

In 2020 Moleskine started a project to measure the waste generated through its direct activities and through the commercialization of its core products. Moleskine defined an integrated approach that takes into account different actions, from most favourable to least favourable ones, based on their sustainability assessment. Decisions to prevent, reuse or recycle will be subject to the results of the assessment on waste generated in each step of the commercialization process (including in the direct activities in its offices).

In addition, since the second quarter of 2020 Moleskine has embraced a no-destruction approach of unsold products developed under license agreements. Moleskine started inviting licensors to donate unsold inventory, as an exception to any different and previous provisions of the license agreements. More concretely, licensors have been engaged in the Creative Tools for Social Impact program, whose aim is to repurpose unsold products that will be offered as creative tools in social impact programs instead of being destroyed.



Respect the environment, respect the creative community.

As part of Moleskine's strategy to reduce waste, a decision was also made in 2020 to convert all paper product catalogues into digital versions.

In order for Moleskine to understand the environmental impacts of its products along the entire value chain, the company has performed a life cycle analysis of one its core products. This has enabled it to capture further possibilities for improving the ecological footprint of its products, in addition to waste elimination. Moleskine will continue looking for new solutions with low environmental impact, including scouting for new suppliers and new materials for its core products.

KPIs

- About 92% of paper products in the 2020 catalogue have a reusable paperband or reusable packaging.
- For 64% of license agreements valid at least in Q1 2020 and onwards, licensors have already agreed to donate unsold products at the end of the sell-off period.
- About 84% less paper product catalogues than in 2019.

REDUCING OUR CARBON EMISSIONS



Thinking about our collective tomorrows

TOPIC DESCRIPTION

Moleskine has a direct and indirect impact on climate change, which results respectively from the greenhouse gases emitted for its own operations (design, distribution) and for the activities of its supply chain, as well as direct emissions from day-to-day use of Moleskine's offices and mobility of Moleskine's employees.

AMBITION

Moleskine has the ambition to develop a carbon emission reduction plan by 2022. Because becoming aware of the impact itself is the first step towards reducing it, the first goal of the long-term plan is the fine-tuning of the measurement process that started in 2019, for CO₂ direct emissions coming from offices and stores.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

Moving forward from lessons learnt after the first CO₂ calculation in 2019, Moleskine has implemented some improvements in the calculation process, such as the engagement of landlords in the data collection phase for energy consumption in leased stores locations. From 2020, CO₂ calculation will be reviewed by an external auditor to ensure the robustness of the calculation process.

KPIs

Direct CO ₂ emissions (tons)	2019	2020 ✓
Scope 1	184	73
Scope 2 (market-based)	394	415
	578	488

1) Part of the CO₂ emissions (concerning 16% of gas consumption and 28% of electricity consumption) is based on extrapolations since the energy consumption of some rented retail stores are not available (shared with the other occupants of the building and landlord). Further details are given in the ESG statement section (p 185).

LIMITING ENVIRONMENTAL FOOTPRINT OF OUR SUPPLY CHAIN



A sustainable supply chain is key to our collective future

TOPIC DESCRIPTION

Moleskine must exercise responsibility when choosing the materials it uses in its products, since such choices will inevitably impact the world's resources. Even though Moleskine does not produce its products, it designs them and initiates their production. The use of chemicals can also affect the health of end consumers. This can represent a risk to the brand's good reputation as well as costs associated with the non-compliance with standards and regulations.

AMBITION

Moleskine is committed to engage its supply chain partners in sustainable sourcing.

The way forward is to continue applying the same high standards to all materials used to produce Moleskine products (paper, cardboard, polypropylene, polyurethane, polyester, nylon, fabrics and textiles, metals, ABS plastic, EVA rubber, real leather).

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

The company selects its product suppliers according to strict requirements in terms of product certifications to guarantee sustainable procurement, and low environmental impact in terms of chemicals used, while ensuring high quality standards. The paper used to produce notebooks is sourced from a certified FSC (Forest Stewardship Council) chain-of-custody supply chain, since 2008. All the paper is acid-free and ECF (elementary chlorine free). Also, all products and materials comply with major international regulations such as REACH and Proposition 65.

KPI

- Last FSC certification obtained in 2018 and valid until 2023 (the certification is submitted to an annual review)

> Fostering people's creativity and critical mindset

THROUGH MOLESKINE PRODUCTS AND COMMUNITIES

TOPIC DESCRIPTION

Moleskine is a cultural icon, a brand that tells a story. A Moleskine object, service, content connects the owner to a heritage in art, literature, cultural and geographical exploration.

It is part of Moleskine's DNA to sustain creativity and critical thinking in the community, which can increase people's chances to grow in their personal and professional lives.



DETOUR PROJECT

*Pascale Marthine Tayou
(Yaoundé, Camerun 1967)
Many, many (people).
2011. Courtesy of Moleskine
Foundation Collection*

AMBITION

Moleskine will focus on consumers, deepening its understanding of how the company can provide meaningful innovation. Focusing on both established and emerging segments, the company is laying the ground-work for continued consumer relationships in years to come.

The target of the group is that about 10% of the revenues will come from innovation and novelties.



Fold contents: FOLD feat. Aleksandra Kingo

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

The company dedicates significant energy to identifying areas for innovation across every product category, while also seeking ways to innovate internal processes and the business model.

Driven from a solid foundation in company purpose, brand evolution trajectory, and technical capabilities, the teams explore emerging consumer needs – seeking to deploy the optimal solution, at any given time, designed to empower personal creativity and productivity.

Relaunch of the Detour Project: Detour is a travelling exhibition of notebooks donated by world famous authors. It was a successful event, which was organized in a number of global cities and contributed significantly to connecting the iconic black notebook to a grand heritage in art, literature, cultural and geographic exploration. Moleskine wants to revamp the format to celebrate and leverage its extraordinary archive of over 1,000 artworks.

Fold Magazine: Moleskine FOLD is a space where the company engages with world leading cultural institutions and figures in quality and authentic conversations on relevant topics of our time, sharing their commitment to redefining community and driving positive social change. A multi-disciplinary space of inspiration, social commitment, shared learning and creative exchange by speaking to the diversity of thought leaders committed to rethink our future.

In 2020, Moleskine partnered with Skillshare – an online learning community with thousands of classes for creative and curious people. The partnership was cemented by the Moleskine Studio Collection through three of the artists who contributed to the collection itself. Skillshare provided a platform for some of these talented individuals to impart their top tips for living a creative life, sharing advice with a wider audience of budding artists.

KPI

As of 2022: percentage of revenues coming from innovation and novelties.

THROUGH SOCIAL ACTIONS



TOPIC DESCRIPTION

Sustaining creativity and critical thinking in the community is part of Moleskine's DNA. It is also an opportunity for the company to engage with creative people.

AMBITION

Moleskine is committed to collaborate with the Moleskine Foundation by putting its network, its people and its infrastructure at the disposal of the Foundation. Moleskine has approved the annual designation of a sizeable contribution (1% of EBITDA each year, or EUR 0.5 million, whichever is higher) that will cover the structural costs of the Foundation and allow it to have a sustainable, long-term vision. Henceforth, 100% of the resources received by the Foundation can go directly to creating a positive social impact.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

The Moleskine Foundation is a non-profit organisation that provides young people with unconventional educational tools and experiences that help foster critical thinking, creativity and life-long learning, with a focus on communities affected by cultural and social deprivation.

The expertise gained with Lettera27 Foundation, has allowed Moleskine and the Moleskine Foundation to develop a new innovative partnership model of social engagement that brings together a non-profit organisation and a business to create a more significant social impact on a larger scale. Moleskine and the Moleskine Foundation have joined forces to start a long-term program to support creative communities world-wide, providing them with creative tools, such as notebooks, writing tools and bags, as well as connecting organizations and promoting local activities. Creative Tools for Social Change is a joint undertaking built on the shared expertise and vision of the Moleskine company and Moleskine Foundation.

The kind of organizations chosen to benefit from the program are those which embody Moleskine and Moleskine Foundation's common purpose: a belief that creativity can lead to positive social change, and that writing and drawing by hand on paper is the best way to unleash human genius.

KPIs

- The amount contributed to the Foundation in 2020 is EUR 625,000.
- About 14,000 units of creative tools offered in 2020.

> Supporting employees' development and well-being

EMPLOYEE WELL-BEING



Understanding our people's needs

TOPIC DESCRIPTION

Strong employee engagement with the corporate culture and goals, and staff retention are crucial to the long-term success of the business.

AMBITION

According to the pillars of its culture (Care, Excellence, Passion, Learning) Moleskine wants to create a specific way of working, which encourages a work-life balance and empowers its people to be result-minded instead of control-minded, to provide a focus on delivery and effectiveness.

The company also believes that better creativity and higher quality of contributions will be achieved if its people can get broader stimulus from outside the working environment.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

To reach these ambitions, Moleskine has started working (and will continue in 2021) on all the main aspects of the whole working life experience: physical space / simpler working processes / digital enablers (tools & systems) / learning & 2-way-feedback.

Moreover, Moleskine is also committed to rethink the office spaces, to allow people to use them not only for working-related matters (for example: gym & dance, museum, co-working spaces, kindergarten, cafeteria).

Since the beginning of 2020, an employee satisfaction survey is performed on a monthly basis for office employees which accounts for approx. 50% of the total workforce. Since October 2020, Moleskine has also developed a satisfaction survey for its retail employees (the other half of its workforce). Building on smart working feedback experienced during COVID restrictions, "A new way of working for Moleskiners" is under development.

KPI

- Average employee* satisfaction score for 2020 is 3.37 in a scale of 1 to 5 (5 being the highest satisfaction rate). ✓

* The satisfaction score covers our office employees, which accounts for 50% of our employees

EMPLOYEE DEVELOPMENT

TOPIC DESCRIPTION

Moleskine sees it as crucial to unleash its people's creativity to let them contribute at their best to the company's long lasting success story.

AMBITION

Moleskine considers its people as a whole community and wants to sustain their professional development through solid personal growth.

Its ambitions are to:

- train all executive and leadership roles on leadership related contents.
- establish a feedback culture, training all employees on "how to give and receive constructive feedback" leveraging on this essential enabler of personal and professional development.

Moleskine is also committed to create a working environment with enriching professional opportunities (bigger roles and bigger responsibilities), allowing people to contribute in a meaningful way to Moleskine's results.

Its ambitions in this respect are:

- less than 2 people of regretted turnover.
- higher proportion of "promotions from within" vs "new hirings".

MANAGEMENT APPROACH AND LATEST DEVELOPMENTS

People's development will be managed and planned through the "People system", which is an integrated set of activities and tools that will drive employees throughout their experience in Moleskine.

KPI

- 21 talents have been identified and growth paths have been defined.



Nurturing ideas

> Applying sustainable corporate governance

RESPECT FOR HUMAN RIGHTS THROUGHOUT THE VALUE CHAIN

TOPIC DESCRIPTION

Moleskine's products are sourced entirely by external suppliers. Therefore, from the beginning of the development process Moleskine defines with these suppliers a set of social and ethical standards to be applied at all times.

AMBITION

Our ambition is to strengthen the results in terms of suppliers that comply with our guidelines, and enhance the commitment to ethical and social topics. In 2021 Moleskine will continue working to extend the number of suppliers that have accepted its Code of Ethics and that are compliant with a SA8000 certification or equivalent.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

In 2020 Moleskine has defined new Corporate Responsibility Guidelines and has become a member of Sedex, one of the world's leading ethical trade membership organisations, working with businesses to improve working conditions in global supply chains.

The legal and ethical standards that Moleskine adheres to are described in the company's Code of Ethics and in the new Corporate Responsibility Guidelines. The standard of General Conditions of Supply submitted to vendors that supply finished products contains the acceptance of Moleskine's Code of Ethics and to join Sedex.

Moleskine requires its suppliers of finished products to guarantee that every stage of their chain of production complies with the SA8000 International Social Responsibility Standard or an equivalent (which covers, amongst other points, working conditions, under-age workers and non-voluntary work).

KPI

In 2020, 100% of purchases from significant* suppliers of goods come from companies that are compliant with the SA8000 International Social Responsibility Standard or have an equivalent social audit for the production sites where Moleskine products are made.

** Significant suppliers are defined as the suppliers of goods that together account for over 90% of total year purchase value of Moleskine Goods (measured by total order value submitted in EUR) ✓*

NO TOLERANCE FOR CORRUPTION AND BRIBERY

TOPIC DESCRIPTION

Moleskine makes it clear that it will not tolerate any forms or attempts of corruption or bribes, which are totally against its ethical principles.

AMBITION

Moleskine's ambition is for all employees at every level of the organisation to comply with the Code of Ethics and do business in accordance with the values and behaviour contained therein.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

Relationships with public administrations or with commercial parties, suppliers or other third parties are guided by utmost honesty and transparency.

Those individuals who, in the course of their work, engage in dialogue and negotiation with the public administration, be it in Italy or abroad, are obliged to adopt a clear, fair and transparent approach, and must in no way influence the decisions of public employees in an improper manner,

or behave illicitly (such as offering money, or other professional or personal benefits or favours) in a way that affects the impartiality and judgement of the representative of the public administration.

Since 2012 Moleskine has adopted a Code of Ethics, and since 2013, it has implemented the Italian Legislative Decree 231/2001 by adopting the organizational and control model aimed at preventing bribery and the corruption of public authorities and private entities.

It also complies with the Italian Entrepreneurial Association Guidelines (Confindustria Guidelines). A supervisory body oversees the efficiency of the model and must be informed of any possible violation. The Supervisory Board reports twice a year to the Board of Directors.

KPI

No cases of corruption and bribery were registered in 2020 by the Supervisory Body.

DIVERSITY AND INCLUSION

TOPIC DESCRIPTION

Moleskine promotes diversity, rejects all forms of discrimination and applies the same standard of treatment toward each employee regardless of their religion, nationality, origin, gender or beliefs. It is acknowledged that diversity within the organization greatly benefits the business thanks to the mix of different genders, mindsets, cultural and professional backgrounds.

AMBITION

The company's ambition is to create a working place which resonates with its corporate culture. According to the 4 pillars of its culture (Care, Excellence, Passion, Learning), Moleskine wants to build a community of people, with a shared culture and values, who can create, together with economic value, a broader benefit for the whole of society.

Diversity is part of its brand DNA and the company is committed to create a culture of fairness and equality across all geographies and all roles.

Its targets are:

- At least 50% of women in executive and leadership roles.
- More than 33% of international profiles (not Italian) in executive roles.
- Setting up internal hiring and talent management processes to avoid unconscious bias.

Moleskine is also committed to enhance inclusion among different cultures and locations.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

Moleskine rejects all forms of discrimination and applies the same standards of treatment to all employees.

Moleskine recognises the importance of its people as one of the fundamental factors in achieving corporate objectives and is committed to put in place fair processes for recruitment, development, evaluation and training, aimed at providing equal opportunities without discrimination on the basis of gender, age, sexual orientation, religious beliefs or any other factor.

Staff are recruited on the basis of their experience, their attitudes and their skills. Recruitment and internal promotions are based exclusively on the match between expected and required profiles.

KPIs

- In Moleskine's working environment, 47% of top and middle management are women.
- There are 22% of international profiles (not Italian) in executive roles.

Eight executives have been trained on diversity and inclusion in 2020.



Inclusion at 360, vertically.

5. D'leteren Immo

BUSINESS DESCRIPTION

D'leteren Immo is the real estate company of the D'leteren Group in Belgium. D'leteren Immo is responsible for the management of the real estate assets that are owned by the D'leteren Group in Belgium, most of which are occupied by D'leteren Automotive. The assets include offices, workshops, concessions, logistics centers, residential units, parking lots and landbanks. Part of the activities includes the reconversion and redevelopment of sites that are not used by D'leteren Automotive. D'leteren Immo's team includes 43 permanent employees and 10 freelancers. In addition to managing its own property assets, the company offers real estate advice and a range of services to the tenants of the properties in the portfolio.

GENERAL APPROACH TO SUSTAINABILITY

D'leteren Immo's long-term "Invest and hold" strategy is at the heart of the company's sustainability ambitions. This equates to investing for the very long-term, without any objective of rapid valuation. D'leteren Immo ensures that its heritage thrives through rigorous governance, sustainable management, long-term relationships with all its stakeholders and a well-trained and proactive team.

In 2019, D'leteren Immo started an intensive and bottom-up approach, together with external expert Futureproofed, to develop a coherent and ambitious sustainability strategy. This resulted in the creation of eight sustainability themes, that included specific goals.

In 2020, the company reviewed and refined its strategy based on ongoing internal stakeholder consultations. The revision of the strategy was twofold.

First, four overarching ambitions that set out the top-level goals for the coming five to ten years were formulated. These ambitions form the strategic axes of the strategy:

1. D'leteren Immo wants to **improve the operational performance of its portfolio** by enhancing the energy performance, comfort standards and ecological value of its properties as well as carrying out sustainable maintenance and use, whilst building and strengthening long-term relationships with all stakeholders.
2. D'leteren Immo wishes to ensure that new investments and refurbishment projects are **designed and built in a future-proof way**. In doing so, it wants to provide flexible and attractive living and working environments that respond to current and future needs, while also minimising their environmental impact.
3. D'leteren Immo has a clear ambition to reduce both the company and portfolio-based Greenhouse Gas Emissions and **reach net-zero emissions by 2040** at the latest.
4. D'leteren Immo strives to **be a top employer** by creating meaningful jobs and promoting opportunities for personal and professional growth in a healthy and attractive working environment.

Secondly, the number of sustainability themes was reduced from eight to six compared to the previous year. By integrating the themes "sustainable mobility" into "improved quality of life" and making "futureproof infrastructure" one of the global ambitions, the distinction between different themes is now clearer and any overlap between the specific goals has been avoided. (see section 3. Materiality for more information).

The six sustainability themes are (1) climate positive buildings, (2) natural environment, (3) smart water management, (4) efficient material management, (5) improved quality of life and (6) strong relationships and partnerships.

Roadmap 2030

To translate these goals into tangible actions, we created a plan entitled 'Roadmap 2030'. In addition, D'leteren Immo has also developed internal **Project Guidelines** to ensure new projects are designed and built according to the goals and standards set out in the sustainability strategy. These Guidelines contain a detailed set of criteria to guide project teams, and this already from the concept and design stage.

In the coming years, internationally acknowledged frameworks, such as BREEAM New Construction and BREEAM In Use will be used to follow up on performance and progress of our new investments and refurbishments.

In 2021, D'leteren Immo will appoint a governance structure, consisting of representatives from all departments within D'leteren Immo working in interdisciplinary groups, to follow up on progress and decide on future steps. The first meeting is scheduled for the first quarter of 2021, with other meetings to be held every four to six months thereafter.

MATERIALITY

In 2019, D'leteren Immo performed a materiality assessment and drew up a materiality matrix. Based on internal and external stakeholder interviews — with governments, clients, suppliers, and sector associations — a list of material topics was identified and prioritized.

The list of material topics resulted in the eight, and then six sustainability themes, each with a clear set of defined goals.

The list is reviewed on a regular basis based on continuous stakeholder dialogue and follows trends in the sector.

The following table gives an overview of D'leteren Immo's ambitions with regard to sustainability, the related material topics and the applicable GRI-indicators.

STRATEGIC AMBITIONS	MATERIAL TOPICS	GRI REFERENCE
Improve the environmental and operational performance of our properties	Energy consumption and CO ₂ emissions	305 EMISSIONS (2016)
	Client satisfaction	
Design and build future-proof infrastructure	Client satisfaction	306 WASTE (2020)
	Multi-purpose building	
	Energy consumption and CO ₂ emissions	
	Material and waste management	
	Circular design, construction & use	
Towards CO ₂ -neutrality	Energy consumption and CO ₂ emissions	305 EMISSIONS (2016)
Be a top employer	Employee well-being	404 TRAINING AND EDUCATION (2016)

OUR MAIN IMPACTS

In 2015, the United Nations launched its 2030 Agenda for Sustainable Development. This ambitious action plan, with 17 Sustainable Development Goals, provides a shared blueprint for peace and prosperity, people and the planet, now and into the future. It includes eliminating extreme poverty, reducing inequality, and protecting the planet.

As a real estate company, D'leteren Immo can play a crucial role in the transition towards a sustainable and low carbon economy. Therefore, D'leteren Immo is determined to contribute to achieving the UN Sustainable Development Goals (hereafter: SDGs) by minimising its negative impact, and maximising its positive impact.

Here, we explore the key Sustainable Development Goals on which D'leteren Immo can have a direct and tangible effect.

While these are the most relevant SDGs, it is possible that other SDGs will be impacted with our activities.



Through its properties and investments, D'leteren Immo provides access to affordable, reliable and modern energy services (7.1) and improved energy efficiency (7.3). By maximising the self-generation of renewable energy on our sites and during the construction/renovation phases, D'leteren Immo can help increase the share of renewable energy in the global energy mix (7.2). D'leteren Immo will also research efficient energy solutions, such as energy storage solutions (7.a).



As a real estate operator and investor, D'leteren Immo aims to develop and upgrade quality, reliable, sustainable and resilient infrastructure. D'leteren Immo has started the process of adapting its buildings to current and future needs by integrating flexibility into the design of its assets (9.1) (9.4). Also, D'leteren Immo will conduct research on innovative solutions (9.5).



D'leteren Immo developments should be optimally integrated into cities and communities and provide access to sustainable transport systems, where possible (11.1) (11.2). D'leteren Immo considers it very important to stay engaged with stakeholders prior to and during the completion of a project to ensure their needs are considered. When creating new urban developments, D'leteren Immo aims for mixed-use projects with an optimal balance between different uses, in order to contribute to the well-being of local communities



D'leteren Immo is determined to engage in the transition towards a circular economy. As such, D'leteren Immo is focusing on limiting waste, recycling on site and stimulating the re-use of materials (12.2) (12.4) (12.5). In addition, campaigns will be organised for employees and suppliers to raise awareness on sustainable management and the efficient use of natural resources (12.8). D'leteren Immo will also promote procurement practices that are both sustainable and focus on local, durable, low carbon and eco-friendly products and materials, without compromising on quality (12.7).



D'leteren Immo is determined to play a role in the transition towards a low carbon economy and combat climate change. D'leteren Immo has the ambition to work towards CO₂-neutrality for both its company and portfolio-related GHG emissions (13.2). Furthermore, climate adaptation measures are integrated from the design stage of new projects and refurbishments, and measures to adapt buildings to climate related hazards and natural disasters are taken (13.1).



D'leteren Immo aims to optimise the use of land on its sites, whilst also minimising the sealed surface area (15.1) (15.5). In addition, D'leteren Immo takes measures, where possible, to preserve and increase the ecological value of sites and promote biodiversity (15.9).

STRATEGIC AXES

This section of the report examines D'leteren Immo's current efforts and future actions as it goes about achieving its four ambitions, or 'strategic axes', and goals of its sustainability strategy.

D'leteren Immo's four ambitions (or 'strategic axes'):

- I. Improve the environmental and operational performance of our properties
- II. Design and build future-proof infrastructure
- III. Towards CO₂-neutrality
- IV. Be a top employer

IMPROVE ENVIRONMENTAL AND OPERATIONAL PERFORMANCE OF OUR PROPERTIES



Photovoltaic panels on the site of Kortenbergh

TOPIC DESCRIPTION

Well aware of the environmental impact of its property business, D'leteren Immo is taking steps to improve the environmental and operational performance of its portfolio by improving the energy performance, comfort standards and nature value of its properties, and by enhancing sustainable maintenance and use. This requires a detailed sustainable maintenance approach and a long-term relationship with all stakeholders.

AMBITION

- By 2025 the BREEAM In Use-certification of the as is-situation of all properties owned on 31st December 2020 will be completed. In 2021 the strategy for the BREEAM In Use certification will be defined.
- Customer satisfaction survey by the end of 2021.

MANAGEMENT APPROACH

In the coming years, D'leteren Immo will assess and improve the operational performance of properties using BREEAM In Use. The aim is not only to increase the number of sites with a BREEAM In Use certificate, but also to improve the score for every assessed site over time.

Climate positive buildings

The energy performance of D'leteren Immo buildings plays a crucial role in the overall ambition to reduce GHG emissions by 52% by 2030 and reach net-zero emission by 2040 (see section III. Towards CO₂-Neutrality).

D'leteren Immo has already started mapping out the energy consumption at all its sites. The installation of smart monitoring systems and centralised energy management systems is key.

To further limit GHG emissions, D'leteren Immo will continue to invest in renewable energy generation, e.g. by installing more photovoltaic panels, and therefore be less dependent on the grid. D'leteren Immo is also researching energy solutions on site to store overproduction of renewable energy for later use. The pilot project on energy storage at Kortenbergh will give insights on energy storage solutions for other sites.

In the future, older buildings will be gradually renovated or replaced by buildings that are more efficient with regard to insulation and heating, and better adapted to climate change.

Natural environment

As a first step in protecting ecological features and increasing the nature value of all sites, an inventory of biodiversity and ecological features present will be drawn up at each location, with the help of an external ecological expert. In the coming years, D'leteren Immo also plans to switch traditional green maintenance on its sites to green maintenance delivered in an ecological way.

Smart water management

D'leteren Immo aims to improve water-use efficiency on all sites. To track water consumption, all buildings will be equipped with smart water monitoring systems to monitor and map out fresh- and rainwater consumption.

In the coming years, D'leteren Immo is looking to identify appropriate opportunities to use rainwater and incorporate water recovery systems where possible, install leak detection and replace old installations with water saving equipment. D'leteren Immo will also improve collection and infiltration of rainwater.

Efficient material management

D'leteren Immo will continue to provide infrastructure on site to sort and recycle waste generated by the building or unit, its occupants and their activities.

In the coming years, D'leteren Immo also wants to limit the levels of waste produced. Initially, it will be important to set up a system that monitors building and office waste. In addition, campaigns on waste prevention directed towards tenants and suppliers will help raise awareness. Furthermore, a material database of construction materials will be created, enabling the re-use of these materials on other sites.

Strong partnerships and relationships

Strong partnerships with D'leteren Immo's stakeholders will be key in the transition towards a low carbon and sustainable economy. D'leteren Immo will organise regular meetings between the property managers and tenants with the objective of sharing insights based on recorded data, support the tenant in correct and sustainable use of the infrastructure and follow up on asset related issues (including environmental matters). Moreover, regular company visits, as well as informal and regular follow up meetings with suppliers will lead to stronger long-term relationships with suppliers.

As D'leteren Immo cares about its clients, a client satisfaction survey — aligned with the work done by D'leteren Group — will be launched during the year 2021. The insights obtained from this feedback will further help D'leteren Immo to improve the service it offers its clients, and help it take any actions necessary to improve and strengthen the relationship still further.

LATEST DEVELOPMENTS

- Completion of the pilot "H2O project" on energy storage at Kortenberg with the installation of a battery container for storage of excess solar energy which is connected to an Energy Management System for controlling (see activity report for further details).
- Installation of a smart monitoring system covering the entire Kortenberg-site.
- Installation of additional photovoltaic panels on the sites of Kortenberg, Zaventem and Mechelen. (see picture on previous page)
- Preparation of transfer to green electricity contracts of local origin with effect from 1st January 2021.
- Upgrade of technical installations, insulation of windows and roofs of various building units on various sites including Kortenberg, Mechelen, Wommelgem and Overijse.
- Re-landscaping of an orchard at the Kortenberg site, including a thorough cleaning up of the orchard and replacing worn trees with high-trunk apple trees, plus additional landscaping to support local biodiversity and setting up a picnic area. An adapted maintenance plan has been established for the orchard.
- The contract for ecological green maintenance which covered a large part of the Drogenbos site has now been extended to include all of the remaining green areas.

KPIs

To follow up and track progress towards achieving the goals and ambitions, the following key performance indicators will be measured in the coming year(s):

- % properties in portfolio certified according to BREEAM In Use: First certification foreseen for 2022
- # sites with ecological maintenance plan: 4 sites in 2020

DESIGN & BUILD FUTURE-PROOF INFRASTRUCTURE

TOPIC DESCRIPTION

As a real-estate company, D'leteren Immo strives to design and build future-proof infrastructure. In new developments and refurbishment projects, the company wants to create flexible and attractive living and working environments that respond to current and future needs, while minimising the environmental impact.

AMBITION

By 2025, the Project Guidelines will be applied to 100% of the projects carried out by D'leteren Immo. Furthermore, D'leteren Immo will strive for 100% renewable and on site produced electricity in new developments.

MANAGEMENT APPROACH

To ensure new small and medium sized projects are designed and built according to the goals and standards set out in the sustainability strategy, D'leteren Immo developed an internal **Project Guideline**. This Guideline contains a detailed set of criteria to guide project teams, and this already from the concept and design stage. For certain large building developments D'leteren Immo has started to apply the rating scheme **BREEAM New Construction** to assess the design, construction and intended use and futureproofing of these developments.

Climate positive buildings

Already when buildings are in the concept and design stage, D'leteren Immo is examining solutions – using the Project Guideline – such as passive heating, cooling and daylighting to reduce its CO₂-impact. In addition, measures to adapt the building to climate change (e.g. light coloured roofing, installation above flood level) will be evaluated.

Natural environment

D'leteren Immo wants to improve the ecological value of new developments and promote biodiversity. Within the challenging context of urban locations and commercial activities, D'leteren Immo wants to optimise the use of its sites, through the creation of green and permeable surfaces where possible, without compromising on the practical use of the site. An external expert will be consulted to advise on landscaping that enhances biodiversity.

Smart water management

By monitoring waterflow, re-use of rain- and greywater and the installation of water saving equipment, D'leteren Immo is determined to support the tenants to reduce water consumption in its properties. In addition, D'leteren Immo is focussing on improving the collection and infiltration of rainwater on all new developments. E.g. Buffer tanks have been installed to collect rainwater for re-use and delayed run-off; and to ensure infiltration, sealed areas are limited as much as possible and natural elements, such as wadis, are integrated.

Efficient material management

To optimally respond to current and future needs, D'leteren Immo is integrating flexibility into the design of the building and development. Adaptability in the short, medium and long term is considered and where feasible, easily replaceable products or systems are to be chosen first.

Next to integrating flexibility into the design, D'leteren Immo wants to reduce waste from construction sites and stimulate the re-use of materials throughout the project's lifecycle. For large new development, an inventory of the materials used will be a first step to ensure buildings act as material banks. D'leteren Immo will focus on using local, durable, low carbon and eco-friendly products and materials, without compromising on quality. This requires a revision of the procurement policy on the short term whereby selection criteria such as waste valorisation will be decisive. Moreover, D'leteren Immo will work with experts to get a better understanding of sustainable and technically feasible alternative materials.

Improved quality of life

D'leteren Immo aims to design, build and/or refurbish developments in a way that benefits the health and well-being of its occupants. D'leteren Immo also considers engaging with stakeholders from the start of a project to be very important. Already, from the concept and design stage D'leteren Immo will take into account the needs of stakeholders as well as the various factors that have a proven influence on well-being. This includes the principles of biophilia in the design of office and workspaces, leading to buildings that incorporate more natural lighting and ventilation, natural landscape features and other elements for creating a more productive and healthy work environment for people. Other aspects, such as optimal indoor air quality, thermal comfort and maintaining ambient indoor noise levels will also be included at the early design stage. In addition, all new developments should be accessible to everybody and have safe and separate traffic streams for pedestrians, cyclists, cars, trucks, etc.

D'leteren Immo developments should always be optimally integrated into cities and communities and provide access to sustainable transport systems, where possible. By creating mixed developments, D'leteren Immo wants to contribute to the well-being of local communities. Furthermore, the use of sustainable and alternative modes of transport will be facilitated by providing sufficient on site capacity for the tenant to install charging stations and cycling facilities, as well as facilities for shared mobility.

LATEST DEVELOPMENTS

- Startup of the BREEAM New Construction certification journey for Mobilis with completion of a pre-assessment and registration of the project with the Building Research Establishment (BRE).
- The first phase of selective dismantling of the existing building on the project site of Mobilis was completed in August 2020. (see picture 4)
- Mobilis was recognised as a winner in the BeCircular 2020 category “circular yards”.
- Complete refurbishment of the refectory and changing rooms for D’leteren Immo’s technical staff at the Kortenbergh site with special focus on sustainable material use and creating spaces that enhance the comfort and well-being of employees. (see picture 2)
- Thorough renovation of the Bentley-Lamborghini showroom in Drogenbos including improved building insulation, upgrade of technical installations and biodiverse re-landscaping of the green areas in front of the building in which the choice of plants is adapted to the specific local conditions and supports local biodiversity.
- In Fort-Jaco, the organic supermarket Färm has taken its place in the former workshop. After a few renovations and modifications, the car lift bridges have given way to beautiful vegetable displays. (see picture 3)
- To activate the Circularium-project in Anderlecht, D’leteren Immo teamed up with Makett, a specialist of transitional real estate, to manage the program. Notwithstanding numerous challenges due to Covid-19, the selection of organisations with local, sustainable and/or circular activities interested in being housed at the site was completed. The first tenants moved in during summertime and in October an alternative “Opening Brut” event marked the official launch of Circularium. (see picture 1)

KPI

- % of projects executed using the Project Guidelines: D’leteren Immo will start implementing and monitoring the project guideline in the course of 2021

The number of projects where the Project Guideline was used from the design stage onward will be tracked to monitor to which extent sustainability is incorporated in new developments and refurbishment projects. For new large building developments the rating scheme BREEAM New Construction will be used to assess the design, construction, intended use and futureproofing.



- 1) Circularium
- 2) Refurbishment of refectory for D’leteren Immo’s technical staff at the Kortenbergh site
- 3) Färm supermarket at the Fort-Jaco site
- 4) Selective dismantling of the building on the Mobilis-project site

TOWARDS CO₂-NEUTRALITY

Many of the other ambitions and activities will also contribute to lowering carbon emissions.

TOPIC DESCRIPTION

In Europe, infrastructure is a major source of Greenhouse Gas emissions (hereafter: GHG emissions). D'leteren Immo recognises the important role it can play in the transition towards a low carbon and sustainable economy.

AMBITION

D'leteren Immo's overall ambition is to reduce its company and portfolio-related GHG emissions with 52% by 2030 (compared to 2020) and reach net zero emission by 2040. Both the company and portfolio-related GHG emissions will be calculated, as described below in the scope definition.

MANAGEMENT APPROACH

To enable the calculation of the emissions, smart energy monitors will be installed on all sites. This will enable the energy consumed by devices owned and (partially) controlled by D'leteren Immo to be separated from any devices owned and controlled by the tenant.

D'leteren Immo's portfolio-related emissions arise from the building's primary energy consumption, i.e. the energy needed for the basic lighting, heating and cooling of the building. The secondary energy consumption is the additional energy consumption related to the occupants' activities and is not part of the scope for CO₂-neutrality of D'leteren Immo. D'leteren Immo aims, however, to positively impact the secondary energy consumption by providing the tenants with reporting and insights into the smart monitoring data and working with them to reduce energy consumption.

By increasing the self-generation of electricity on our sites combined with green energy contracts, the basic energy consumption can be covered by renewable energy. The surplus self-generated renewable energy can be made available to the tenants for their activities. In time by implementing green lease-type of rental agreements, the tenants can be even more involved in the long term and the positive impact of the partnership between D'leteren Immo and its tenants can reach further.

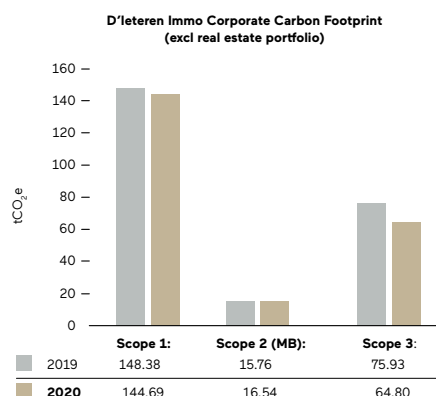
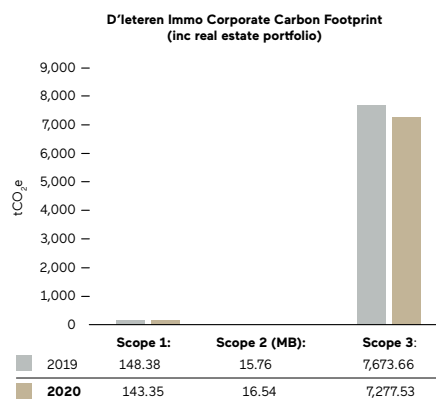
The scope of D'leteren Immo's carbon footprint consists of 3 subcategories:

- **Scope 1** - direct portfolio emissions, from sources owned and controlled by D'leteren Immo and related to company facilities (which includes emissions generated during heating and cooling of the offices), as well as company vehicles (which includes emissions from fuel consumed by company controlled cars that are leased or owned).
- **Scope 2** - indirect emissions related to electricity use of the offices and self-generated electricity on site.
- **Scope 3** - indirect emissions generated by D'leteren Immo's operations. Under scope 3 the following categories will be considered: upstream emissions related to fuel and energy related activities, emissions from business travel, emissions related to employee commuting and downstream leased assets (including heating, cooling and electricity use of the sites).

Concrete actions to reduce GHG emissions are included in the three other ambitions of the Roadmap.

KPIs

- Greenhouse gas emissions scope 1 (143.35 tCO₂e)
- Greenhouse gas emissions scope 2 (16.54 tCO₂e)
- Greenhouse gas emissions scope 3 (7,277.53 tCO₂e)



BE A TOP EMPLOYER

TOPIC DESCRIPTION

An involved and motivated employee team is key for a successful business. D'leteren Immo wants its employees to thrive by creating meaningful jobs and promoting opportunities for personal and professional growth, and this in a healthy and attractive working environment.

Moreover, D'leteren Immo believes that partnering with stakeholders and strengthening relationships will be crucial in the transition towards a sustainable and low carbon economy.

AMBITIONS

- Implement an action plan to encourage increased participation and better results in the employee satisfaction survey, starting in 2021.
- Ensure continuous improvement of the team through personal development and training.
- Dedicate 10% of total FTE capacity to innovation.

MANAGEMENT APPROACH

Based on the results of the Employee Satisfaction Survey, D'leteren Immo will refine its HR policy to focus on the well-being of its staff, and offer a level of flexibility that allows everyone to achieve the right work/life balance. Besides an on-going dialogue, D'leteren Immo also organises annual review moments to assess individual employee needs on personal and career development.

Creating an involved team, where motivation is at an exemplary level, requires a continuous effort. Therefore, D'leteren Immo strives to create meaningful jobs, encourages employees to be more aware of their added value and supports team-activities. The company also continues to invest in establishing pleasant, ergonomic and safe working environments. To identify and attract the best talents in the future, D'leteren Immo will initiate a recruitment and career policy that is based as much on sharing values, as on soft skills and technical capabilities.

In the coming years, D'leteren Immo will also promote the use of sustainable and alternative modes of transport, by providing the necessary infrastructure and re-considering the mobility policy and electrification of the fleet. This will not only benefit the well-being of employees, but both raise awareness and reduce GHG emissions. D'leteren Immo also provides its employees with everything they need for teleworking and allows them to find a balance between home and office work, all the more relevant in these challenging times.

Furthermore, D'leteren Immo will foster sharing of knowledge and expertise inside the organisation by organising Show 'n Tell events in which employees, working groups or experts can share insights on a relevant topic. To create an impact on society and in order to be at the forefront of the real estate sector, D'leteren Immo will stimulate participation in sector events or conferences. In addition,

from 2021 onwards, the company will dedicate 10% of its total FTE capacity to innovation that will push for innovative solutions and the development of the organisation.

LATEST DEVELOPMENTS

- From the start of 2020, the concept of interdisciplinary working groups dedicated to research on a specific topic was officially introduced as a new way of working and the way to focus on innovation.
- To help employees adjust to the sudden changes caused by Covid-19 measures and find the right balance during the first lockdown period, D'leteren Immo introduced a "Scandinavian work model". As such meetings are concentrated in the morning in order to free up time in the afternoon for reflection and work requiring concentration. It has enabled all of our employees to overcome periods of confinement and teleworking with as little stress as possible and, at the company level, to avoid any social plan or economic unemployment.
- The company provided all employees with the necessary personal protection equipment adapted to the sanitary requirements from the beginning of the Covid-19 measures.
- D'leteren Immo prepared a selection of ergonomic and aesthetic homeworking furniture, which employees could order at a negotiated discount.
- In September, the first "Tour D'Immo", a Covid-proof cycling event for the employees, was organised. On the occasion of the company's 4th anniversary, including Saint-Nicolas and Christmas, the company offered a gift box to all employees as a sign of appreciation.
- The first steps were set out to revise the car policy and transition to a more sustainable fleet.

KPIs

- Average employee satisfaction score: 73.8% in 2020
- Participation rate of employee satisfaction survey: 76.5% in 2020
- Average hours of training per employees per year: average of 28h/year per employee in 2020



"COVID-measures"



"Tour D'Immo"

› ETHICS

Besides the four sustainable ambitions identified, D'leteren Immo also emphasises that ethical principles are crucial. Three individual aspects of this theme are discussed below. The company plans to lay down formal rules of conduct so that these matters are officially enshrined in the code of conduct for the company and its employees.

RESPECT OF HUMAN RIGHTS

TOPIC DESCRIPTION

D'leteren Immo only operates in Belgium, within a strict social and legal framework covering aspects such as working conditions, health and safety requirements and rules for collective bargaining.

MANAGEMENT APPROACH

D'leteren Immo does its best to promote a working environment in which people respect one another. Behaviour such as bullying, intimidation, oppression, exploitation, discrimination, racism, sexism or homophobia is not tolerated. The company also invests in the safety, development and satisfaction of its employees.

ZERO TOLERANCE FOR CORRUPTION AND BRIBERY

TOPIC DESCRIPTION

Corruption, attempted corruption, fraud and money laundering involve risks for both the employee and the company, as they are grounds for criminal prosecution and would have an impact on the company's reputation.

MANAGEMENT APPROACH

Corruption, attempted corruption, fraud and money laundering are not tolerated at D'leteren Immo. Gifts and invitations received by employees from clients, suppliers or other partners, or offered by employees to clients, must comply with accepted market practices and anti-bribery legislation. With regard to year-end gifts received from clients, suppliers or other partners, D'leteren Immo adopted the practice to distribute these gifts among the entire staff by means of a lottery.

INCLUSION AND DIVERSITY

TOPIC DESCRIPTION

D'leteren Immo is conscious of its responsibility to offer a fair workplace for employees, in which everyone is given the same opportunities, regardless of factors such as gender, age, culture or physical ability.

MANAGEMENT APPROACH

D'leteren Immo does its best to offer equal opportunities in the workplace. Skills and performance are the only criteria taken into account when making decisions about recruitment, promotions or job rotation.