

Financial and Directors' Report 2021

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* The topics of Article 3:32 of the company code, defining the content of the management report, that are not applicable for D'Ieteren Group, have not been included in this summary.

Declaration by Responsible Persons

Statement on the true and fair view of the consolidated financial statements and the fair overview of the management report.

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

2021 Full-Year results

Record results driven by a strong performance of all our businesses and the first contribution from TVH

1. D'Ieteren Group

Full-year 2021 highlights

D'Ieteren Group's results showed significant growth in 2021 driven by strong performance of all the businesses. The Group's key performance indicator (KPI) – the adjusted consolidated profit before tax, Group's share¹ – came in at €493.4m, up by 52.0% compared to 2020. On a comparable basis, the KPI grew by 50.6% YoY, in line with the guidance of 'at least 45% growth'.

- **Belron's** adjusted profit before tax, Group's share¹ gained 47.0% YoY reflecting positive top-line trends and a strong FY operating margin of 17.5% despite the additional costs related to the transformation programme and some pressure in the supply chain and employment market in the US in the second half of the year.
- **D'Ieteren Automotive** managed to post an 11.6% growth in adjusted profit before tax, Group's share¹ in a very difficult environment whereby the Belgian new car market² was down by 11.2% mainly due to the shortage of semiconductor components. D'Ieteren Automotive managed to slightly increase sales, thanks to a positive price / mix effect.
- **TVH** was included for the first time in the fourth quarter of 2021, and, supported by robust sales growth of c. 19.5%, accounted for €17.0m of adjusted profit before tax, Group's share¹.
- **Moleskine's** performance was still impacted by Covid-19 disruptions, but sales grew by 18.9% and the adjusted profit before tax, Group's share¹ ended the year in positive territory at €1.8m.
- **Corporate & Unallocated** (including corporate and real estate activities) reported an adjusted profit before tax, Group's share¹ of €4.7m in 2021 compared to -€5.3m in 2020. D'Ieteren Group ends 2021 with a net cash position of €1,087.5m (or €782.8m excluding €304.7m of inter-segment loans).
- All the businesses contributed to a strong adjusted **free cash-flow⁶** generation thanks to the solid operational results, with notably significant cash generation of €422.9m at Belron (100%), €108.4m at D'Ieteren Automotive, and almost €16m at Moleskine.
- The Board of Directors proposes a **gross ordinary dividend** of €2.10 per share related to the financial year 2021 (versus €1.35 in 2020) and has decided to reactivate the **share buy-back programme** before the Summer 2022.

Note that 2020 figures have been restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and April 2021. Refer to note 1 (p. 31) for more information on the restatement of comparative information.

Outlook 2022

For 2022, assuming no further escalation in geopolitical tensions nor new Covid-related restrictions, D'Ieteren Group expects its adjusted consolidated profit before tax, Group's share¹ to grow by at least 25% compared to the comparable 2021 result. This improvement is expected to be driven by the full-year contribution from TVH (versus only the fourth quarter in 2021) and a continued solid growth from all businesses.

It assumes a 50.01% stake in Belron in 2022 and in 2021 (comparable figure: €474m), and average exchange rates that are in line with the rates that prevailed at the end of 2021.

We expect the following financial performance from our portfolio companies:

Belron

- Low double-digit organic sales growth due to volumes and price / mix and increased ADAS recalibration penetration and VAPS contribution.
- *Adjusted* operating result¹ growth slightly above organic sales growth driven by top-line development despite the expected impact of c.€80m from costs related to the transformation plan.
- *Adjusted* free cash-flow⁶ is expected to remain high, comparable to 2021, with better operational results being offset by increased capital expenditures, namely in ADAS equipment and in the footprint, and a slightly negative working capital outflow.

TVH

- Top-line growth is expected to remain double digit and *Adjusted* operating result¹ is expected to land above €230m.

D'Ieteren Automotive

- Strong order backlog to be translated into deliveries over time once supply chain issues are solved. However, production volumes on certain models are expected to be negatively impacted by the war between Russia and Ukraine.
- Taking this into account, *adjusted* operating result¹ is expected to grow by around 15% driven by some volume recovery and continued costs control, more than offsetting a negative mix effect and further investments in new mobility.
- Free cash-flow before acquisitions is expected in decline vs. 2021 due to increased working capital requirements, and the payment related to the two retail site closures. Free cash-flow⁶ should however remain positive.

Moleskine

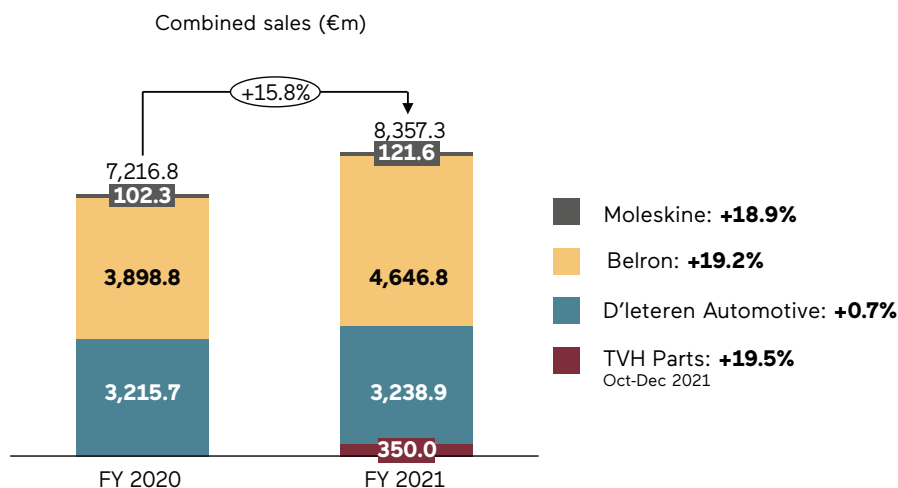
- Sales are expected to get closer to pre-Covid levels, hence to grow by at least 25% YoY.
- *Adjusted* operating result¹ should more than double compared to the €12.3m achieved in 2021.

Key developments

- All activities developed or initiated the development of a **carbon emissions reduction plan** in line with the SBTi. As new joiner, TVH has committed to the same pathway and will start with the calculation of its carbon emissions baseline (2021).
- On April 1st, 2021, Belron has issued **new term loans** maturing in 2028, the proceeds of which were used, along with available cash reserves, to finance a distribution to shareholders and repay existing loans.
- On July, 9th, 2021, D'Ieteren Group has announced the acquisition of a **40% stake in TVH**, a leading global independent distributor for aftermarket parts for material handling, construction & industrial, and agricultural equipment. The operation was closed on October 1st, 2021.
- Also in July, CD&R has announced having agreed to sell part of its stake in Belron to **new shareholders**, Hellman & Friedman, GIC and BlackRock Private Equity Partners, in a transaction that values the company at an Enterprise Value of €21bn. The transaction closed mid-December 2021. Following the closing of the transaction, Belron's Board of Directors has agreed to reward c.25,000 employees with a one-off cash bonus and restricted share units ('RSUs') to thank them for their loyal contribution to the company's success. Importantly, this reward has no economic impact on D'Ieteren Group, and doesn't imply any dilution to the fully diluted stake of 50.01%, as the RSUs and cash component were already currently held separately on behalf of Belron employees. A donation has also been made to Belron Ronnie Lubner Charitable Foundation, a charity set up by the founders of Belron.
- At the end of September, **D'Ieteren Centers** management has announced its intention to close two structurally loss-making sites in Brussels and Drogenbos.
- On December 15th, D'Ieteren Automotive secured **new sustainability-linked loans** maturing in 2026, used to refinance the inter-segment loan and for general corporate purposes.
- On February 14th, 2022, D'Ieteren Group announced being in exclusive discussion to acquire **Parts Holding Europe (PHE)**, a Western European leader in spare parts distribution and services for cars and trucks.
- On April 28th, 2022, D'Ieteren Group will hold an **Investor Day** in Brussels. This will be the opportunity for the management teams of D'Ieteren Group's businesses to present their mid-term strategic ambitions and the perspectives in their respective markets.

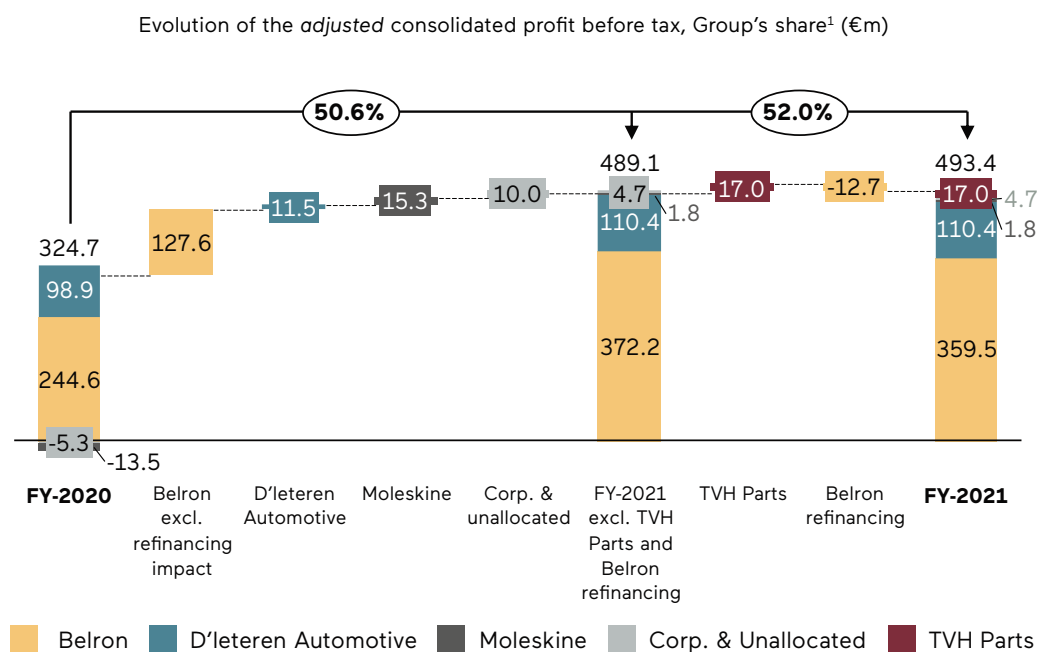
Group Summary

Consolidated sales under IFRS amounted to **€3,360.5m (+1.3% YoY)**. This figure excludes Belron and TVH. Combined sales (including 100% of Belron and 100% of TVH for the last quarter of the year) amounted to **€ 8,357.3m (+15.8%)**.



Consolidated IFRS operating result stood at €85.8m, up from €5.8m in 2020. Combined *adjusted* operating result¹, including 100% of Belron and TVH, stood at €969.0m, up from €657.9m in 2020 and €539.1m in 2019.

The **consolidated profit before tax under IFRS** reached €283.4m (€154.1m in 2020). Our key performance indicator, the **adjusted consolidated profit before tax, Group's share¹**, amounted to €493.4m, or €489.1m on a comparable basis (52.88% stake in Belron and excluding Belron's refinancing costs of €12.7m and TVH's contribution in 2021), which represents a **50.6% YoY growth** compared to the guidance of "above 45%".



The **Group's share in the net result** equalled to €256.5m (€138.8m in 2020). The **adjusted net profit, Group's share¹**, reached €355.9m (52.88% stake in Belron) compared to €228.8m (53.75% stake in Belron) in 2020.

The Board of Directors proposes a **gross ordinary dividend of €2.10** per share. If this dividend is approved by the General Meeting of Shareholders on 2 June 2022, it will be paid on 9 June 2022 (ex-date 7 June and record date 8 June).

The **net cash position³ of "Corporate & Unallocated"** amounted to **€1,087.5m** at the end of 2021 (or €782.8m excluding €304.7m inter-segment loans) compared to €1,455.1m at the end of 2020.

2. Belron

€m	2020			2021			% change adjusted items	% change total
	APM (non-GAAP measures) ¹			APM (non-GAAP measures) ¹				
	Adjusted items	Adjusting items	Total	Adjusted items	Adjusting items	Total		
VGRR prime jobs (in million)	-	-	10.7	-	-	12.2	-	13.6%
External sales	3,898.8	-	3,898.8	4,646.8	-	4,646.8	19.2%	19.2%
Operating result	583.9	-94.2	489.7	815.0	-123.5	691.5	39.6%	41.2%
Net finance costs	-121.7	-1.9	-123.6	-135.7	-92.9	-228.6	11.5%	-
Result before tax (PBT)	462.5	-96.1	366.4	679.8	-216.4	463.4	47.0%	26.5%
Adjusted PBT, group's share ¹ (@ 52.88%)	244.6	-	-	359.5	-	-	47.0%	-

Sales and results

Sales

Belron's total sales (at 100%) increased by 19.2% to a new record of €4,646.8m in 2021, reflecting the Group's strong recovery from the impacts of the global pandemic felt in the prior year. The top-line growth was mainly driven by a 13.6% volume increase (VGRR prime jobs), a favorable price / mix and a positive contribution from ADAS and VAPS. The number of VGRR prime jobs almost caught up with the 2019 pre-pandemic levels.

While reported sales increased by 19.2%, sales from continuing operations increased by 21.4%, comprised of:

- organic⁵ growth of 21.3%;
- a negative currency translation effect of 0.6% which is primarily due to the depreciation of the US dollar (average EUR/USD FX rate: 1.179 versus 1.149 in 2020);
- acquisitions contribution for 0.7%.

North America (57% of total) sales from continuing operations grew by 21.3%, with organic⁵ growth of 22.8% and contribution from acquisitions of 0.5%, partially offset by a 2.0% adverse currency translation. The **Eurozone** (30% of total) sales from continuing operations showed a 22.5% growth, of which 21.5% organic and 1.0% coming from acquisitions. **Rest of World** (13% of total) sales from continuing operations improved by 19.5%, of which 14.7% organic⁵ growth, a 0.5% contribution from acquisitions, and a favourable currency translation effect of 4.3%.

Consumers served in 2021 were 16.0m (14.9m in 2020) of which 15.6 million were in Vehicle Glass Repair, Replacement and Recalibration (VGRRR) and Claims Management.

Results

Operating result (at 100%) rose by 41.2% YoY to €691.5m and the *adjusted* operating result¹ improved by 39.6% to €815m, also a new company record, despite €63.8m of additional operating costs related to the Group-wide transformation programme focusing on process improvement, mainly through IT infrastructure and system integration.

*Adjusting items*¹ at the level of the operating result totalled -€123.5m, notably comprising of:

- -€48.7m of employees costs as, following the closing of the transaction with Belron's new shareholders, Belron's Board of Directors has agreed to reward c.25,000 employees with a one-off cash bonus and restricted share units ('RSUs') to thank them for their loyal contribution to the company's success (see p. 65 of the Consolidated Financial Statements for a detailed description of the accounting impacts for the Group – this reward has no economic impact on D'leteren Group) and -€10.5m of one-off donation to Belron Ronnie Lubner Charitable Foundation, a charity set up by the founders of Belron, which will make grants to worthy causes in due course (also without economic impact for D'leteren Group),
- -€26.2m related to the amortisation of some customer contracts recognised as intangible assets in the framework of recent acquisitions,
- -€24.2m in relation to restructuring costs in the Netherlands, in Germany and in the United States, and
- -€6.6m in relation to the disposal of "other services" businesses in Belgium, Italy and in the UK, which were presented as held for sale at the December 2020 year-end.

Net financial costs increased by €105.0m in 2021 to €228.6m, which includes *adjusting* charges of -€67.7m. The increase also reflects additional interest on the new term loan taken out in April 2021.

The profit before tax reached €463.4m in 2021 (€366.4m in 2020). The result after tax, Group's share, reached €168.1m (€146.2m in 2020).

The *adjusted* profit before tax, Group's share¹ increased by 47.0% YoY to €359.5m on a comparable basis (assuming 52.88% stake in 2020 and 2021). *Adjusted* income tax expenses¹ equalled €181.9m (€130.9m in 2020).

The *adjusted* result after tax¹, Group's share, rose by 47.7% to €263.3m.

Net debt and free cash flow

The *adjusted* free cash flow⁶ (after tax) amounted to €422.9m (€428.7m in 2020). The relatively stable evolution is driven by a much higher *adjusted* EBITDA⁴ (€205.4m improvement), offset by:

- A negative cash flow impact from changes in working capital (-€61.4m compared to +€136.1m in 2020) resulting from the volume recovery
- Higher capex (€53.8m compared to €30.4m in 2020)
- Higher taxes and interest paid.

Belron's net financial debt³ reached €3,794.9m (100%) at the end of 2021 compared to €2,413.0m at the end of 2020. The increase of €1,381.9m is primarily the result of the distribution to shareholders of €1,723.4m (€1,531.3m of dividends and €192.1m of share capital redemption), partially offset by the strong cash-flow generation during the year.

In April 2021 Belron issued new term loans for \$1,620m and €840m maturing in 2028. The proceeds of the new loans were used, along with available cash reserves, to finance the distribution to shareholders and refinance existing loans of \$991.7m and €525m. The refinancing resulted in debt originally due for repayment in 2024 being postponed to 2028.

Belron's Senior Secured Net Leverage Ratio (Senior Secured indebtedness³/proforma EBITDA post-IFRS 16⁴ multiple) reached 3.22x at the end of 2021.

3. D'leteren Automotive

€m	2020			2021			% change adjusted items	% change total
	APM (non-GAAP measures) ¹			APM (non-GAAP measures) ¹				
	Adjusted items	Adjusting items	Total	Adjusted items	Adjusting items	Total		
New vehicles delivered (in units)	-	-	104,710	-	-	92,732	-	-11.4%
External sales	3,215.7	-	3,215.7	3,238.9	-	3,238.9	0.7%	0.7%
Operating result	95.0	-46.9	48.1	102.7	-21.7	81.0	8.1%	68.4%
Net finance costs	-4.2	-	-4.2	-4.6	4.4	-0.2	9.5%	-
Result before tax (PBT)	96.1	-48.2	47.9	106.2	-17.3	88.9	10.5%	85.6%
Adjusted PBT, group's share ¹	98.9	-	-	110.4	-	-	11.6%	-

Activities and results

Market and deliveries

The Belgian new car market was severely impacted by the shortage in semiconductor components. Excluding de-registrations within 30 days², the number of Belgian new car registrations decreased by 11.2% to 367,741 units, a level unseen since 1995. Including deregistrations within 30 days, the number reached 383,123 units (-11.2%). The business segment's share in new car sales increased to 59.7% of total new car registrations. The share of SUV's increased to 47.9%. D'leteren Automotive's brands saw a 3.3% increase in the number of SUV registrations which made up 44.0% of the mix. New energy share in the market mix continued to increase from 15.2% in 2020 to 24.3%. D'leteren Automotive remains the leader in full electric vehicles in Belgium with a 29.4% market share.

D'leteren Automotive's market share slightly increased to 23.7% (+13bps versus 2020) net of deregistrations within 30 days. This was mainly driven by Audi and Porsche.

Registrations of new light commercial vehicles (0 to 6 tons) increased by 0.3% to 72,023 units and D'leteren Automotive's market share declined to 9.1% (of net registrations) due to prioritization of premium models in production and the end of the Amarok model.

The total number of new vehicles, including commercial vehicles, delivered by D'leteren Automotive in 2021 reached 92,732 units (-11.4%). The order book is at record levels, above 70,000 vehicles.

Sales

Despite the semiconductor components shortage hitting the number of cars produced, D'leteren Automotive managed to increase sales by 0.7% to € 3,238.9m helped by the continued premiumization of the car park. The mix of cars produced was particularly skewed towards higher-end models and unit prices increased, implying a positive price / mix.

- New vehicles sales declined by 6.3% to €2,615.1m
- Used cars sales more than tripled vs. 2020, reaching €289m
- Spare parts and accessories sales gained 33.9% to €244.1m
- Revenues from after-sales activities amounted to €56.5m (-32.4% YoY)

Results

The operating result reached €81.0m (+68.4% YoY) and the *adjusted* operating result¹ (€102.7m) increased by 8.1%. This evolution was driven by the premiumization trend and by cost control.

Adjusting items in operating result mainly include a charge of €-21.7m related to the decision of D'leteren Centers to close down two of its structurally loss-making sites. In 2020, it included a provision of €41.0m related to the finalization of the project carried out for the acceleration of the transformation in response to a rapidly changing automotive market.

The profit before tax reached €88.9m (+85.6%) or €106.2m (+10.5%) excluding *adjusting* items¹.

The *adjusted* profit before tax, Group's share¹, improved by 11.6% to €110.4m. The contribution of the equity accounted entities amounted to €11.0m (€8.1m in 2020).

Income tax expenses reached €21.3m (€14.8m in 2020). *Adjusted* tax expenses¹ equalled €28.8m (compared to €26.5m in 2020). The increase reflects the higher profit before taxes.

The result after tax, Group's share, amounted to €68.9m (€34.2m in 2020). The *adjusted* result after tax, Group's share¹ increased from €70.7m to €78.7m.

Net debt and free cash flow

The *adjusted* free cash flow⁶ (after tax) equalled €108.4m in 2021 compared to €171.0m in 2020. The change mainly reflects:

- an improved EBITDA⁴ generation;
- a significant cash inflow from working capital, although lower than in 2020, driven by a sharp reduction in inventory and an increase in trade payables;
- an outflow in H1-21 of €36m related to the acceleration of the transformation plan (P&L expense booked in 2020), an outflow in H2-21 of €8.0m related to the early repayment fee paid following the anticipated reimbursement of the inter-segment loan; and
- a higher cash spent on acquisitions (Heremans, bikes).

On 15 December 2021, D'leteren Automotive announced a new 5-year €325m bank financing (maturity date December 2026), consisting of €100m of amortising term loan and €225m revolving credit facility ('RCF' for general corporate purposes, undrawn as at 31st December 2021). The proceeds of the €100m amortising term loan, together with available cash on D'leteren Automotive's balance sheet, was used to refinance the €200m inter-segment loan from the Corporate & Unallocated segment.

D'leteren Automotive's net debt³ decreased by €112.0m to €55.7m at the end 2021. This mainly stems from the strong free cash flow generation during the period.

4. TVH

€m	Q4-21		
	APM (non-GAAP measures) ¹		
	Adjusted items	Adjusting items	Total
External sales	350.0	-	350.0
Operating result	46.3	-	46.3
Net finance costs	-3.9	-	-3.9
Result before tax (PBT)	42.4	-	42.4
Adjusted PBT, group's share ¹	17.0	-	-

Sales and results

(100% of TVH and Q4-21 only, unless stated otherwise; comparison with 2020 based on a comparable scope)

Sales

TVH, equity-accounted for as of October 1st, 2021, posted total sales (at 100%) for the last quarter of 2021 of €350.0m. This represents for the fourth quarter of 2021 an increase of 19.5%, mainly driven by the performance in the core EMEA and Americas markets.

Results

Operating result (at 100%) for the last quarter of 2021 stood at €46.3m with an EBIT margin of 13.2%. On a comparable scope, EBIT margin increased by 88bps YoY.

Net financial costs amounted to -€3.9m in Q4-21.

The profit before tax reached €42.4m in Q4-21.

The Q4-21 *adjusted* profit before tax, Group's share¹ amounted to €17.0m. *Adjusted* income tax expenses¹ equalled €12.2m.

The *adjusted* result after tax¹, Group's share, stood at €12.1m.

Net debt

TVH net financial debt³ (100%) remained stable at €759.7m (including €40.6m inter-segment loan from D'leteren Group's Corporate & Unal-located segment) at the end of 2021 with increasing inventories in order to answer to strong demand and manage supply chain disruptions.

5. Moleskine

€m	2020			2021				
	APM (non-GAAP measures) ¹			APM (non-GAAP measures) ¹			% change adjusted items	% change total
	Adjusted items	Adjusting items	Total	Adjusted items	Adjusting items	Total		
External sales	102.3	-	102.3	121.6	-	121.6	18.9%	18.9%
Operating result	-1.5	-22.0	-23.5	12.3	-0.2	12.1	-	-
Net finance costs	-12.0	0.1	-11.9	-10.3	-0.2	-10.5	-14.2%	-11.8%
Result before tax (PBT)	-13.5	-21.9	-35.4	2.0	-0.4	1.6	-	-
Adjusted PBT, group's share ¹	-13.5	-	-	1.8	-	-	-	-

Sales and results

Sales

Sales growth accelerated in the second half of the year, with a full-year improvement of 18.9%, from €102.3m to €121.6m thanks to the recovery from Covid-19 pandemic, although there remained disruptions throughout the year in the overall activity, and the absolute sales are not yet back at pre-Covid (2019) level. The core paper category has posted a growth of +24% versus last year.

Sales evolution by region:

- **EMEA** (42% of total): +16.6% YoY growth, mostly driven by Italy, as other European countries felt the effect of Omicron towards the end of the year.
- **Americas** (40% of total): +30.3% YoY growth. This was driven by all channels, with retail progressively improving and Strategic Partnerships even exceeding 2019 levels by 15%.
- **APAC** (18% of total): -2.5% decrease. APAC slight decline is mostly explained by the stores closed during the year with no new openings.

Sales evolution by channel:

- **Wholesale** (60% of total): +19.2%. The sales improvement was driven by top accounts, confirming the strategy to 'win with the winners'.
- **Strategic Partnerships (B2B)** (25% of total): +30.0%. The strong growth in all regions posted in the first half of the year accelerated in the second half, pushed by the APAC region.
- **E-Commerce** (7% of total): -7.5%. E-commerce suffered from tougher comparison base.
- **Retail** (8% of total): +11.3%. Retail recovered nicely in the second half of the year thanks to improved traffic, while impacted by stores closures (50 stores open at the end of the year versus 59 at the end of 2020). Retail points which have already been adapted to the new store experience strategy have seen a strong like-for-like improvement.

Results

Reported operating result went from -€23.5m in 2020 to €12.1m in 2021. The *adjusted* operating result¹ came in at €12.3m in 2021 compared to -€1.5m in 2020. This significant improvement is primarily the result of the better sales performance as well as continued significant cost efforts.

Adjusting items are limited and primarily relate to a forward FX hedging contract. In 2020, an impairment charge was recognised following the impairment test performed at H1-20. The formal impairment review performed at year-end 2021 showed headroom and did not lead to any impairment charge.

Net financial charges equalled €10.5m (€11.9m in 2020). The profit before tax amounted to €1.6m and the *adjusted* profit before tax¹ amounted to €2.0m (-€13.5m in 2020). Income tax expenses equalled €5.0m versus €0.7m in 2020 driven primarily by the reversal of the deferred tax assets previously recognised on the elimination of intercompany margin in inventories.

Net debt and free cash flow

The *adjusted* free cash flow⁶ amounted to €15.9m compared to €0.8m in 2020. The higher free cash-flow generation mainly reflects the better operational results.

Moleskine's net debt reached €287.0m - of which €264.1m intra-Group borrowing - at the end of 2021, slightly decreasing compared to €300.8m at the end of 2020 mainly as a result of the positive free cash-flow generation. The Net Financial Debt related to bank financing represents less than 0.3 times EBITDA⁴.

6. Corporate and unallocated

€m	2020			2021			% change adjusted items	% change total
	APM (non-GAAP measures) ¹			APM (non-GAAP measures) ¹				
	Adjusted items	Adjusting items	Total	Adjusted items	Adjusting items	Total		
External sales		-	-		-	-	-	-
Operating result	-19.5	0.7	-18.8	-7.3	-	-7.3	-	-
Net finance costs	14.2	-	14.2	12.0	8.0	20.0	-15.5%	40.8%
Result before tax (PBT)	-5.3	0.7	-4.6	4.7	8.0	12.7	-	-
Adjusted PBT, group's share ¹	-5.3	-	-	4.7	-	-	-	-

Results

The reportable operating segment "Corporate and Unallocated" mainly includes the Corporate and Real Estate activities (D'Ieteren Immo S.A.). The *adjusted* operating result¹ reached -€7.3m versus -€19.5m in 2020 as last year's figure was impacted by the solidarity programme put in place at the beginning of the pandemic outbreak, and this year saw the positive impact from royalty and management fees invoiced to the businesses and a higher result from D'Ieteren Immo.

Net finance income evolution was mainly due to inter-segment financing interests. The €8.0m *adjusting* item at the level of finance costs relates to the early repayment fee paid by D'Ieteren Automotive to the Corporate & unallocated segment following the full anticipated reimbursement of the inter-segment loan.

Adjusted profit before tax, group's share¹ reached €4.7m (-€5.3m in 2020).

Net cash

The net cash³ position of "Corporate & Unallocated", which includes Corporate, amounted to €1,087.5m at the end of 2021 (€782.8m excluding €304.7m inter-segment loan) compared to €1,455.1m at the end of 2020, mainly as a result of the acquisition on October 1st, 2021 of a 40% stake in TVH (acquisition price of €1,147m) and the payment in June 2021 of the dividend (€72.9m) to the shareholders of D'Ieteren Group, partially compensated by the dividends (€616.7m in H1-21; €150.0m in H2-21) and the proceed from capital reduction (€107.6m in H1-21) received from Belron.

7. Research and Development

Research and Development costs incurred by the Group totalled €25.22m in 2021

- Through its Lab Box subsidiary, D'leteren Automotive explores, analyses and develops flexible and innovative mobility services including intermodality and MaaS (Mobility as a Service). Investments in Lab Box by D'leteren Automotive increased from €15m in 2020 to €22m in 2021 mainly due to additional investments in Poppy, Lizy & EDI.
- Belron has its own dedicated Research and Development division, Belron Technical. By developing technical standards and innovations that break new ground in vehicle glass repair, replacement and recalibration, it enables the business to deliver a high-quality and safe service to all its customers, and to maintain the skills of its technicians. Belron's R&D budget amounted to circa €2.4m in 2021 versus €2m in 2020, driven by increased investment in R&D on the performance of OEM recalibration systems.
- The Digital Development and R&D department of Moleskine worked on solutions to bridge the analogue-digital continuum, creating a connection between digital and paper products. The Digital Innovation cell spent circa €0.82m on R&D versus €0.85m in 2020.

Notes

1. In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, D'leteren Group uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definitions are not addressed by IFRS. D'leteren Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures. See page 15 for the definition of these performance indicators.
2. In order to provide an accurate picture of the car market, Febiac publishes market figures excluding registrations that have been cancelled within 30 days. Most of them relate to vehicles that are unlikely to have been put into circulation in Belgium by the end customer.
3. The net financial debt is not an IFRS indicator. D'leteren Group uses this Alternative Performance Measure to reflect its indebtedness. This non-GAAP indicator is defined as the sum of the borrowings minus cash, cash equivalents and investments in non-current and current financial assets. See page 22.
4. EBITDA is not an IFRS indicator. This APM (non-GAAP indicator) is defined as earnings before interest, taxes, depreciation and amortization. Since the method for calculating the EBITDA is not governed by IFRS, the method applied by the Group may not be the same as that adopted by others and therefore may not be comparable.
5. "Organic growth" is an Alternative Performance Measure used by the Group to measure the evolution of revenue between two consecutive periods, at constant currency and excluding the impact of change in perimeter of consolidation or business acquisitions.
6. Adjusted free cash-flow is not an IFRS indicator. This APM measure is defined as [Adjusted EBITDA - other non-cash items - change in working capital - capital expenditures - capital paid on lease liabilities - taxes paid - interest paid - acquisitions + disposals - employee share plans - cash-flow from adjusting items + other cash items]

Auditor's Report

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

Forward looking statements

This document contains forward-looking information that involves risks and uncertainties, including statements about D'leteren Group's and its portfolio companies' financial projections, future performance, plans, objectives, expectations and intentions. Forward-looking statements can be identified by the use of words such as "expects", "plans", "will", "believes", "may", "could", "estimates", "intends", "targets", "objectives", "potential", and other words of similar meaning. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of D'leteren Group and its portfolio companies. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. Neither D'leteren Group nor its portfolio companies assumes any responsibility for the accuracy of these forward-looking statements and is under no obligation to update any such statements. Readers should therefore not place undue reliance on any forward-looking statements, which speak only as of the date of this document.

Alternative Performance Measurement (APM) – Non-GAAP Measurement

Framework and definitions

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

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

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

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

- (a) Recognised fair value gains and losses on financial instruments (i.e. change in fair value between the opening and the end of the period, excluding the accrued cash flows of the derivatives that occurred during the period), where hedge accounting may not be applied under IAS 39/IFRS 9 (in this case recognised fair value gains and losses being directly accounted for in the Consolidated Statement of Comprehensive Income);
- (b) Exchange gains and losses arising upon the translation of foreign currency loans and borrowings at the closing rate;
- (c) Impairment of goodwill and other non-current assets;
- (d) Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation as defined by IFRS 3 of the cost of a business combination;
- (e) Other material items that derive from events or transactions that fall within the ordinary activities of the Group, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

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

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

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

€m	2021			2020 ⁽¹⁾		
	Total	Of which Adjusted result	Of which Adjusting items	Total	Of which Adjusted result	Of which Adjusting items
Revenue	3,360.5	3,360.5	-	3,318.0	3,318.0	-
Cost of sales	-2,881.3	-2,881.3	-	-2,877.4	-2,877.3	-0.1
Gross margin	479.2	479.2	-	440.6	440.7	-0.1
Commercial and administrative expenses	-376.8	-376.7	-0.1	-374.4	-368.8	-5.6
Other operating income	10.4	10.4	-	13.3	13.0	0.3
Other operating expenses	-27.0	-5.2	-21.8	-73.7	-10.9	-62.8
Operating result	85.8	107.7	-21.9	5.8	74.0	-68.2
Net finance costs	9.3	-2.9	12.2	-1.9	-2.0	0.1
Finance income	16.2	3.8	12.4	5.1	5.0	0.1
Finance costs	-6.9	-6.7	-0.2	-7.0	-7.0	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	188.3	283.5	-95.2	150.2	183.6	-33.4
Result before tax	283.4	388.3	-104.9	154.1	255.6	-101.5
Income tax expense	-28.0	-33.5	5.5	-16.4	-27.9	11.5
Result from continuing operations	255.4	354.8	-99.4	137.7	227.7	-90.0
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	255.4	354.8	-99.4	137.7	227.7	-90.0
Result attributable to:						
Equity holders of the Company	256.5	355.9	-99.4	138.8	228.8	-90.0
Non-controlling interests	-1.1	-1.1	-	-1.1	-1.1	-
Earnings per share						
Basic (in €)	4.75	6.59	-1.84	2.56	4.22	-1.66
Diluted (in €)	4.70	6.53	-1.83	2.54	4.19	-1.65
Earnings per share -Continuing operations						
Basic (in €)	4.75	6.59	-1.84	2.56	4.22	-1.66
Diluted (in €)	4.70	6.53	-1.83	2.54	4.19	-1.65

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 of the 2021 Consolidated Financial Statements for more information on the restatement of comparative information.

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

The Group's reportable operating segments are D'leteren Automotive, Belron, Moleskine and TVH Parts (as from 1st October 2021 – see note 17 of the 2021 Consolidated Financial Statements). The other segments are disclosed in the category "Corporate & Unallocated" (D'leteren Group, corporate and real estate activities). These operating segments are consistent with the Group's organisational and internal reporting structure, and with the requirements of IFRS 8 "Operating Segments".

Despite their classification as equity-accounted investees, Belron and TVH Parts (as from 1st October 2021) remain separate reportable operating segments, reflecting the Group's internal reporting structure.

€m	2021						
	D'leteren Autom.	Belron (100%)	Moleskine	TVH Parts (100%)	Corp. & unallocated	Eliminations	Group
External revenue	3,238.9	4,646.8	121.6	350.0	-	-4,996.8	3,360.5
Segment revenue	3,238.9	4,646.8	121.6	350.0	-	-4,996.8	3,360.5
Operating result (being segment result)	81.0	691.5	12.1	46.3	-7.3	-737.8	85.8
Of which Adjusted result	102.7	815.0	12.3	46.3	-7.3	-861.3	107.7
Adjusting items	-21.7	-123.5	-0.2	-	-	123.5	-21.9
Net finance costs	-0.2	-228.6	-10.5	-3.9	20.0	232.5	9.3
Finance income	12.8	3.1	2.0	3.6	1.4	-6.7	16.2
Finance costs	-1.7	-231.7	-2.2	-7.5	-3.0	239.2	-6.9
Inter-segment financing interests	-11.3	-	-10.3	-	21.6	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	8.1	0.5	-	-	-	179.7	188.3
Result before tax	88.9	463.4	1.6	42.4	12.7	-325.6	283.4
Of which Adjusted result	106.2	679.8	2.0	42.4	4.7	-446.8	388.3
Adjusting items	-17.3	-216.4	-0.4	-	8.0	121.2	-104.9
Income tax expense	-21.3	-145.5	-5.0	-12.2	-1.7	157.7	-28.0
Result from continuing operations	67.6	317.9	-3.4	30.2	11.0	-167.9	255.4
Of which Adjusted result	77.4	497.9	-3.0	30.2	5.0	-252.7	354.8
Adjusting items	-9.8	-180.0	-0.4	-	6.0	84.8	-99.4
Discontinued operations	-	-	-	-	-	-	-
RESULT FOR THE PERIOD	67.6	317.9	-3.4	30.2	11.0	-167.9	255.4

Attributable to:	D'leteren Autom.	Belron(*)	Moleskine	TVH Parts(*)	Corp. & unallocated	Group
Equity holders of the Company(*)	68.9	168.1	-3.6	12.1	11.0	256.5
Of which Adjusted result	78.7	263.3	-3.2	12.1	5.0	355.9
Adjusting items	-9.8	-95.2	-0.4	-	6.0	-99.4
Non-controlling interests	-1.3	-	0.2	-	-	-1.1
RESULT FOR THE PERIOD	67.6	168.1	-3.4	12.1	11.0	255.4

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

In 2021, the column "Eliminations" reconciles the segment statement of profit or loss (with the 12-month result of Belron and the 3-month result of TVH Parts presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron and TVH Parts presented in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax", representing the share of the Group in the 12-month net result of Belron and the 3-month net result of TVH Parts).

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

€m	2020 ⁽¹⁾					
	D'leteren Autom.	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
External revenue	3,215.7	3,898.8	102.3	-	-3,898.8	3,318.0
Segment revenue	3,215.7	3,898.8	102.3	-	-3,898.8	3,318.0
Operating result (being segment result)	48.1	489.7	-23.5	-18.8	-489.7	5.8
Of which Adjusted result	95.0	583.9	-1.5	-19.5	-583.9	74.0
Adjusting items	-46.9	-94.2	-22.0	0.7	94.2	-68.2
Net finance costs	-4.2	-123.6	-11.9	14.2	123.6	-1.9
Finance income	0.2	3.2	0.9	4.0	-3.2	5.1
Finance costs	-1.9	-126.8	-4.9	-0.2	126.8	-7.0
Inter-segment financing interests	-2.5	-	-7.9	10.4	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	4.0	0.3	-	-	145.9	150.2
Result before tax	47.9	366.4	-35.4	-4.6	-220.2	154.1
Of which Adjusted result	96.1	462.5	-13.5	-5.3	-284.2	255.6
Adjusting items	-48.2	-96.1	-21.9	0.7	64.0	-101.5
Income tax expense	-14.8	-94.4	-0.7	-0.9	94.4	-16.4
Result from continuing operations	33.1	272.0	-36.1	-5.5	-125.8	137.7
Of which Adjusted result	69.6	331.6	-14.1	-6.1	-153.3	227.7
Adjusting items	-36.5	-59.6	-22.0	0.6	27.5	-90.0
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	33.1	272.0	-36.1	-5.5	-125.8	137.7

Attributable to:	D'leteren Autom.	Belron(*)	Moleskine	Corp. & unallocated	Group
Equity holders of the Company(*)	34.2	146.2	-36.1	-5.5	138.8
Of which Adjusted result	70.7	178.3	-14.1	-6.1	228.8
Adjusting items	-36.5	-32.1	-22.0	0.6	-90.0
Non-controlling interests	-1.1	-	-	-	-1.1
RESULT FOR THE PERIOD	33.1	146.2	-36.1	-5.5	137.7

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 of the 2021 Consolidated Financial Statements for more information on the restatement of comparative information.

(*) Belron at 53.75% (weighted average percentage for the 2020 period) – see note 17 of the 2021 Consolidated Financial Statements.

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

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

In 2021 and 2020, the Group identified the following items as *adjusting* items throughout the operating segments:

€m	2021				
	D'leteren Autom.	Belron (100%)	Moleskine	Corp. & unallocated	Total (segment)*
Adjusting items					
Included in operating result	-21.7	-123.5	-0.2	-	-145.4
Re-measurements of financial instruments	-	1.6 (d)	-0.2 (j)	-	1.4
Amortisation of customer contracts	-	-26.2 (e)	-	-	-26.2
Amortisation of brands with finite useful life	-	-3.4 (f)	-	-	-3.4
Impairment of goodwill and of non-current assets	-	-3.2 (g)	-	-	-3.2
Other adjusting items	-21.7 (a)	-92.3 (h)	-	-	-114.0
Included in net finance costs	4.4	-92.9	-0.2	8.0	-80.7
Re-measurements of financial instruments	-	-	-0.2 (j)	-	-0.2
Foreign exchange losses on net debt	-	-67.7 (i)	-	-	-67.7
Other adjusting items	4.4 (b)	-25.2 (i)	-	8.0 (m)	-12.8
Included in equity accounted result	-	-	-	-	-
Included in segment result before taxes (PBT)	-17.3	-216.4	-0.4	8.0	-226.1

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

€m	2020				
	D'leteren Autom.	Belron (100%)	Moleskine	Corp. & unallocated	Total (segment)*
Adjusting items					
Included in operating result	-46.9	-94.2	-22.0	0.7	-162.4
Re-measurements of financial instruments	-	-0.7 (d)	0.3	-	-0.4
Amortisation of customer contracts	-	-24.5 (e)	-	-	-24.5
Amortisation of brands with finite useful life	-	-3.7 (f)	-	-	-3.7
Impairment of goodwill and of non-current assets	-	-18.6 (g)	-21.0 (k)	-	-39.6
Other adjusting items	-46.9 (a)	-46.7 (h)	-1.3 (l)	0.7	-94.2
Included in net finance costs	-	-1.9	0.1	-	-1.8
Re-measurements of financial instruments	-	-	0.1	-	0.1
Other adjusting items	-	-1.9 (i)	-	-	-1.9
Included in equity accounted result	-1.3 (c)	-	-	-	-1.3
Included in segment result before taxes (PBT)	-48.2	-96.1	-21.9	0.7	-165.5

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

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

D'leteren Automotive

- (a) In the current period, other *adjusting* items in operating result (-€21.7m) mainly includes a charge of -€21.8m related to the decision of D'leteren Automotive to close down two of its structurally loss-making sites. In the prior period, other *adjusting* items in operating result (-€46.9m) mainly included a charge of -€3.2m in the framework of the "Market Area" project (optimization of the independent dealer network), costs of -€1.7m incurred in relation to the carve-out of the automobile distribution activities (D'leteren Automotive) into new fully owned subsidiaries (up to the end of December 2020 D'leteren Automotive's activities were included at D'leteren SA's level) and a provision of €41.0m (mainly severance costs) related to the finalization of the project carried out in 2020 by D'leteren Automotive for the acceleration of the transformation of its activities in response to a rapidly changing market.
- (b) In the current period, *adjusting* items included in net finance costs include a charge of -€8.0m related to the early repayment fee paid by D'leteren Automotive to the Corporate & unallocated segment following the anticipated reimbursement of the inter-segment loan, and a consolidated gain of €12.4m recognised on the loss of exclusive control of Skipr following the acquisition of 17% of the share capital of Skipr by ALD Automotive (representing the difference between Skipr's fair value and the net book value of the assets and liabilities).
- (c) In the prior period, *adjusting* items included in equity-accounted result related to the share of the Group's in the provision related to the project for accelerating the transformation of D'leteren Automotive's activities (see (a) above).

Belron

- (d) Fair value of fuel hedge instruments amounts to €1.6m (-€0.7m in the prior period) and arises from changes in the "clean" fair value of derivatives. Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value (i.e. the change of value between the opening and the end of the period) excluding the accrued cash flows of the derivatives that occurred during the period.
- (e) In the framework of the recent acquisitions (mainly TruRoad in the United States), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to -€26.2m (-€24.5m in the prior period).
- (f) The amortisation of brands with finite useful lives (certain brands are no longer considered to be intangibles with indefinite useful lives since there is now a limit to the period over which these assets are expected to generate cash inflows) amounts to -€3.4m (-€3.7m in the prior period).
- (g) In the current period, following the full impairment review of all cash generating units in accordance with the requirements of IAS 36, an impairment charge of €-3.2m has been recognised in Finland, fully allocated to the goodwill.
In the prior period, a total impairment charge of -€18.6m was recognized and related to the write-down of assets classified as held for sale at the year end to reflect the disposal fair value, and other software write offs.
- (h) In the current period, other *adjusting* items in operating result of -€92.3m mainly include -€24.2m in relation to restructuring costs in the Netherlands, in Germany and in the United States (contact center closures), -€48.7m of employees costs as following the closing of the transaction with Belron's new shareholders on 17 December 2021, Belron's Board of Directors has agreed to reward c.25,000 employees with a cash bonus and restricted share units ('RSUs') to thank them for their loyal contribution to the company's success, -€10.5m of donation to Belron Ronnie Lubner Charitable Foundation, -€6.6m in relation to the disposal of "other services" businesses in Belgium, Italy and in the UK (these three businesses were presented as held for sale at the December 2020 year-end), and -€2.6m of fees associated with the closing of the transaction with Belron's new shareholders on 17 December 2021.
In the prior period, other *adjusting* items of -€46.7m included -€16.0m in relation to restructurings and integrations (United States, Canada and Italy), and -€30.6m in relation to the disposal of several "other services" businesses in France, Belgium, Italy, United Kingdom and Canada. These disposal-related costs comprised provisions for restructuring, costs to sell and obligations in signed sale agreements. There were also assets impairments in relation to these disposals.
- (i) In the period, foreign exchange losses on net debt and other *adjusting* items in net finance costs are related to the refinancing operated in April 2021 and include -€67.7m of non-cash foreign exchange losses (arising upon the translation of the new USD Term Loan at the closing rate), -€10.9m relating to the de-designation of interest rate swaps, -€5.8m of previously deferred financing costs written off for refinanced debt, -€8.5m of expenses incurred for the transaction.
In the prior period, other *adjusting* items in net finance costs were mainly costs incurred to increase the amount of the committed syndicated revolving credit facility.

Moleskine

- (j) In the period, a total amount of -€0.4m (-€0.2m in operating result and -€0.2m in net finance costs) has been recognised to reflect the change in the fair value of a forward contract used to hedge transactional and financial exposure against the fluctuation of the USD.
- (k) In the prior period, an impairment charge of -€21.0m was recognized on the Moleskine cash-generating unit (fully allocated to goodwill) following the impairment calculation performed at half-year 2020. At year-end 2021, the formal impairment review was performed in accordance with the requirements of IAS 36 and no impairment charge was booked as a result of this review (see note 12 of the 2021 Consolidated Financial Statements).
- (l) In the prior period, other *adjusting* items of -€1.3m mainly include sunk costs and severance costs.

Corporate & Unallocated

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

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

€m	2021						2020 ⁽¹⁾				
	D'leteren Autom.	Belron (52.88%)	Moleskine	TVH Parts (40.00%)	Corp. & unallocated	Total (segment)	D'leteren Autom.	Belron (53.75%)	Moleskine	Corp. & unallocated	Total (segment)
Segment reported PBT	88.9	463.4	1.6	42.4	12.7	609.0	47.9	366.4	-35.4	-4.6	374.3
Less: Adjusting items in PBT	17.3	216.4	0.4	-	-8.0	226.1	48.2	96.1	21.9	-0.7	165.5
Segment adjusted PBT	106.2	679.8	2.0	42.4	4.7	835.1	96.1	462.5	-13.5	-5.3	539.8
Share of the group in tax on adjusted results of equity-accounted investees	2.9	-	-	-	-	2.9	2.8	-	-	-	2.8
Share of non-controlling interests in adjusted PBT	1.3	-320.3	-0.2	-25.4	-	-344.6	-	-213.9	-	-	-213.9
Segment adjusted PBT, Group's share	110.4	359.5	1.8	17.0	4.7	493.4	98.9	248.6	-13.5	-5.3	328.7

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 of the 2021 Consolidated Financial Statements for more information on the restatement of comparative information.

In the period, the weighted average percentage used for computing the segment *adjusted* PBT, Group's share of Belron amounts to 52.88% (53.75% in the prior period).

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

€m	2021						2020 ⁽¹⁾				
	D'leteren Autom.	Belron (52.88%)	Moleskine	TVH Parts (40.00%)	Corp. & unallocated	Total (segment)	D'leteren Autom.	Belron (52.88%)	Moleskine	Corp. & unallocated	Total (segment)
Segment adjusted PBT, Group's share	110.4	359.5	1.8	17.0	4.7	493.4	98.9	248.6	-13.5	-5.3	328.7
Adjustment of the share of the Group (comparable basis with 2021)	-	-	-	-	-	-	-	-4.0	-	-	-4.0
Adjusted PBT, Group's share (key performance indicator)	110.4	359.5	1.8	17.0	4.7	493.4	98.9	244.6	-13.5	-5.3	324.7

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 of the 2021 Consolidated Financial Statements for more information on the restatement of comparative information. The column Belron has also been restated based on the weighted average percentage used for computing the segment *adjusted* PBT in 2021 (52.88% in 2021 vs 53.75% in 2020) to make both periods comparable.

Net debt

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

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

€m	31 December 2021					31 December 2020			
	D'leteren Autom.	Belron (100%)	Moleskine	TVH Parts (100%)	Corp. & unallocated	D'leteren Autom.	Belron (100%)	Moleskine	Corp. & unallocated
Non-current loans and borrowings	111.9	3,841.5	41.8	668.9	4.7	17.9	2,812.3	62.9	4.7
Current loans and borrowings	32.8	193.5	19.7	191.8	0.6	3.2	179.3	14.2	0.5
Inter-segment financing	-	-	264.1	40.6	-304.7	202.6	-	253.9	-456.5
Adjustment for hedged borrowings	-	3.2	-	-	-	-	26.9	-	-
Gross debt	144.7	4,038.2	325.6	901.3	-299.4	223.7	3,018.5	331.0	-451.3
Less: Cash and cash equivalents	-86.0	-244.9	-38.6	-139.7	-230.0	-56.0	-617.8	-30.2	-265.1
Less: Current financial assets	-	-	-	-1.9	-544.1	-	-	-	-737.2
Less: Other non-current receivables	-3.0	-	-	-	-2.0	-	-	-	-1.5
Less: Other current receivables	-	-	-	-	-12.0	-	-	-	-
Net debt from continuing activities excluding assets and liabilities classified as held for sale	55.7	3,793.3	287.0	759.7	-1,087.5	167.7	2,400.7	300.8	-1,455.1
Net debt in assets and liabilities classified as held for sale	-	1.6	-	-	-	-	12.3	-	-
Total net debt	55.7	3,794.9	287.0	759.7	-1,087.5	167.7	2,413.0	300.8	-1,455.1

In both periods, the inter-segment loans comprise amounts lent by the Corporate department to the Moleskine segment (non-recourse loan, increased by €10.2m during the period, representing capitalized interests). In the prior period, the inter-segment loan also related to amounts lent by the Corporate & unallocated segment to the D'leteren Automotive segment. The principal amount of €200m has been reimbursed in full in December 21 (see below), together with accrued interests of €5.8m and an early repayment fee of €8.0m. In 2021, the inter-segment loan in the TVH Parts segment relates to the shareholder loan from the Corporate & unallocated segment put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH Parts, of which €0.6m represents capitalised interests.

D'leteren Automotive's net debt reached €55.7m at the end of December 2021 (€167.7m at the end of December 2020). The decrease of €112.0m mainly stems from the strong free cash flow generation during the period (mainly thanks to the strong EBITDA and positive inflow from change in net working capital).

On 15 December 2021, D'leteren Automotive announced a new 5-year €325m bank financing (maturity date December 2026), consisting of €100m of amortising term loan and €225m revolving credit facility ('RCF' for general corporate purposes, undrawn as at 31 December 2021). The proceeds of the €100m amortising term loan, together with available cash on D'leteren Automotive's balance sheet, was used to refinance the €200m inter-segment loan from the Corporate & unallocated segment.

Belron's net financial debt reached €3,794.9m at the end of December 2021. This compares with €2,413.0m at the end of December 2020. The increase of €1,381.9m is primarily the result of the distribution to shareholders of €1,723.4m (€1,531.3m of dividends and €192.1m of share capital redemption) and of the foreign exchange impact of €145m, partially offset by the strong cash-flow generation during the year.

In April 2021 Belron issued new term loans for \$1,620m and €840m maturing in 2028. The proceeds of the new loans were used, along with available cash reserves, to finance the distribution to shareholders and refinance existing loans of \$991.7m and €525m. The refinancing resulted in debt originally due for repayment in 2024 being postponed to 2028.

Net debt (continued)

Moleskine's net debt reached €287.0m (of which €264.1m of inter-segment financing) at the end of December 2021 (€300.8m at the end of December 2020, of which €253.9m of inter-segment financing). The decrease of €13.8m is mainly the result of positive free cash-flow generation thanks to a strong EBITDA.

The net cash position (including inter-segment financing loans) of the Corporate & unallocated segment decreased from €1,455.1m to €1,087.5m at 31 December 2021 mainly as a result of the acquisition on 1st October 2021 of a 40% stake in TVH Parts (acquisition price of €1,147m, including transaction costs) and the dividend (€72.9m) paid out to the shareholders of D'leteren Group in June 2021, partially offset by the dividends (€616.7m in H1 2021; €150.0m in H2 2021) and the proceed from capital reduction (€107.6m in H1 2021) received from the Belron segment. The €12.0m in the line "Other current receivables" represents receivables in the framework of the acquisition of TVH Parts.

D'leteren Group SA/NV

Consolidated Financial Statements 2021

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Consolidated Statement of Profit or Loss

Year ended 31 December

€m	Notes	2021	2020 ⁽¹⁾
Revenue	5	3,360.5	3,318.0
Cost of sales	6	-2,881.3	-2,877.4
Gross margin		479.2	440.6
Commercial and administrative expenses	6	-376.8	-374.4
Other operating income	6	10.4	13.3
Other operating expenses	6	-27.0	-73.7
Operating result		85.8	5.8
Net finance costs	7	9.3	-1.9
Finance income		16.2	5.1
Finance costs		-6.9	-7.0
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	188.3	150.2
Result before tax		283.4	154.1
Income tax expense	11	-28.0	-16.4
Result from continuing operations		255.4	137.7
Discontinued operations		-	-
RESULT FOR THE PERIOD		255.4	137.7
Result attributable to:			
Equity holders of the Company		256.5	138.8
Non-controlling interests ("NCI")		-1.1	-1.1
Earnings per share			
Basic (in €)	8	4.75	2.56
Diluted (in €)	8	4.70	2.54
Earnings per share - Continuing operations			
Basic (in €)	8	4.75	2.56
Diluted (in €)	8	4.70	2.54

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 31 to 93 are an integral part of these consolidated financial statements.

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

Consolidated Statement of Comprehensive Income

Year ended 31 December

€m	Notes	2021	2020 ⁽¹⁾
Result for the period		255.4	137.7
Other comprehensive income			
Items that will never be reclassified to profit or loss (net of tax):		18.1	15.7
<i>Re-measurements of defined benefit liabilities/assets</i>	10	5.2	-
<i>Equity-accounted investees - share of OCI</i>	17	12.9	15.7
Items that may be reclassified subsequently to profit or loss (net of tax)		27.2	10.1
<i>Translation differences</i>		-0.1	-0.7
<i>Cash flow hedges: fair value gains (losses) in equity</i>		-	0.3
<i>Equity-accounted investees - share of OCI</i>	17	27.3	10.5
Other comprehensive income, net of tax		45.3	25.8
Total comprehensive income for the period		300.7	163.5
being: attributable to equity holders of the Company		301.8	164.6
attributable to non-controlling interests ("NCI")		-1.1	-1.1

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 31 to 93 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December

€m	Notes	2021	2020 ⁽¹⁾
Goodwill	12	83.2	76.2
Intangible assets	13	439.1	434.6
Property, plant & equipment	14	265.4	262.9
Investment property	15	33.6	31.7
Equity-accounted investees & long-term interests in equity-accounted investees	17	1,223.1	672.3
Financial investments		0.1	-
Deferred tax assets	11	46.6	43.2
Other receivables	20	49.0	4.4
Non-current assets		2,140.1	1,525.3
Inventories	16	446.2	457.4
Financial investments	4/18	544.1	737.2
Derivative financial instruments		-	0.5
Current tax assets	11	9.4	18.2
Trade and other receivables	20	380.6	339.3
Cash & cash equivalents	19	354.6	351.3
Assets classified as held for sale	4	0.1	2.1
Current assets		1,735.0	1,906.0
TOTAL ASSETS		3,875.1	3,431.3
Capital & reserves attributable to equity holders		2,978.4	2,723.7
Non-controlling interests ("NCI")		0.4	3.5
Equity		2,978.8	2,727.2
Employee benefits	10	25.5	31.7
Provisions	22	15.5	11.6
Loans & borrowings	23	158.4	85.5
Deferred tax liabilities	11	133.1	131.1
Non-current liabilities		332.5	259.9
Provisions	22	11.3	6.5
Loans & borrowings	23	53.1	17.9
Current tax liabilities	11	2.8	1.7
Trade & other payables	24	496.0	413.4
Liabilities directly associated with the assets held for sale	4	0.6	4.7
Current liabilities		563.8	444.2
TOTAL EQUITY AND LIABILITIES		3,875.1	3,431.3

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 31 to 93 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

€m	Capital and reserves attributable to equity holders						Total Group's share	Non-controlling interests	Equity
	Share capital	Share premium	Treasury shares reserve	Hedging reserve	Retained earnings	Cumulative translation differences			
At 1 January 2020	160.0	24.4	-57.0	-7.7	2,531.1	-4.5	2,646.3	0.6	2,646.9
Restatement ⁽¹⁾	-	-	-	-	-12.6	-	-12.6	-	-12.6
At 1 January 2020 (restated)	160.0	24.4	-57.0	-7.7	2,518.5	-4.5	2,633.7	0.6	2,634.3
Profit for the period ⁽¹⁾	-	-	-	-	138.8	-	138.8	-1.1	137.7
Other comprehensive income	-	-	-	-17.0	18.6	24.2	25.8	-	25.8
Total comprehensive income for the period	-	-	-	-17.0	157.4	24.2	164.6	-1.1	163.5
Movement of treasury shares	-	-	-24.4	-	-	-	-24.4	-	-24.4
Dividends	-	-	-	-	-53.9	-	-53.9	-	-53.9
Treasury shares - cancellation	-	-	43.4	-	-43.4	-	-	-	-
Other movements	-	-	-	-	3.7	-	3.7	4.0	7.7
Total contribution and distribution	-	-	19.0	-	-93.6	-	-74.6	4.0	-70.6
At 31 December 2020 (restated)	160.0	24.4	-38.0	-24.7	2,582.3	19.7	2,723.7	3.5	2,727.2
At 1 January 2021 (restated)	160.0	24.4	-38.0	-24.7	2,582.3	19.7	2,723.7	3.5	2,727.2
Profit for the period	-	-	-	-	256.5	-	256.5	-1.1	255.4
Other comprehensive income	-	-	-	20.8	13.4	11.1	45.3	-	45.3
Total comprehensive income for the period	-	-	-	20.8	269.9	11.1	301.8	-1.1	300.7
Movement of treasury shares (see note 21)	-	-	-9.4	-	-	-	-9.4	-	-9.4
Dividends (see note 21)	-	-	-	-	-72.9	-	-72.9	-	-72.9
Movement arising from transactions with MRP participants (see note 17)	-	-	-	-	29.7	-	29.7	-	29.7
Other movements	-	-	-	-	5.5	-	5.5	-	5.5
Total contribution and distribution	-	-	-9.4	-	-37.7	-	-47.1	-	-47.1
Disposal of subsidiary with change in control (see note 17)	-	-	-	-	-	-	-	-2.0	-2.0
Total change in ownership interests	-	-	-	-	-	-	-	-2.0	-2.0
At 31 December 2021	160.0	24.4	-47.4	-3.9	2,814.5	30.8	2,978.4	0.4	2,978.8

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 31 to 93 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December

€m	Notes	2021	2020 ⁽¹⁾
Cash flows from operating activities - Continuing			
Result for the period		255.4	137.7
Income tax expense	11	28.0	16.4
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	-188.3	-150.2
Net finance costs	7	-9.3	1.9
Operating result from continuing operations		85.8	5.8
Depreciation on PP&E (including right-of-use assets)	6/14/15	37.5	38.4
Amortisation of intangible assets	6/13	9.0	7.2
Impairment and write-offs on goodwill and other non-current assets	12	-	21.4
Other non-cash items		19.6	11.7
Employee benefits		-3.0	-4.1
Other cash items		0.5	0.3
Change in net working capital		51.7	124.0
Cash generated from operations		201.1	204.7
Income tax paid		-25.2	-32.1
Net cash from operating activities		175.9	172.6
Cash flows from investing activities - Continuing			
Purchase of property, plant and equipment and intangible assets		-46.7	-29.3
Sale of property, plant and equipment and intangible assets		3.7	1.9
Net capital expenditure		-43.0	-27.4
Acquisition of subsidiaries (net of cash acquired)	25	-9.0	-0.4
Acquisition of equity-accounted investees and long-term interests in equity-accounted investees	17	-1,147.0	-150.0
Contribution of cash from / (to) joint ventures		-	-1.6
Proceeds from the sale of / (investments in) financial assets	4	193.3	-139.4
Interest received		1.4	4.3
Dividends and proceeds from capital reduction received from equity-accounted investees & long-term interests in equity accounted investees	4/17	874.3	-
Movement of shareholder loan towards equity-accounted investee	4/17	-40.0	-
Loans to employees in relation to Long Term Incentive Plan and stock options		-3.9	-0.1
Net cash from investing activities		-173.9	-314.6
Cash flows from financing activities - Continuing			
Acquisition (-)/Disposal (+) of non-controlling interests		-	6.0
Acquisition of treasury shares	21	-13.7	-31.4
Disposal of treasury shares	21	4.7	7.0
Repayment of lease liabilities	23	-16.1	-15.3
Increase of loans and borrowings	23	118.3	52.3
Decrease of loans and borrowings	23	-13.5	-132.6
Interest paid		-6.4	-5.5
Dividends paid by Company	21	-72.9	-53.9
Net cash from financing activities		0.4	-173.4
Cash flows from continuing operations		2.4	-315.4
TOTAL CASH FLOW FOR THE PERIOD		2.4	-315.4

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021 and to reflect reallocation of amounts between the lines "other non-cash items", "employee benefits", "other cash items" and "change in net working capital" in the framework of continuous improvement of the financial reporting presentation. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 31 to 93 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows (continued)

Year ended 31 December

€m	Notes	2021	2020 ⁽¹⁾
Reconciliation with statement of financial position			
Cash at beginning of period	19	351.3	495.2
Cash equivalents at beginning of period	19	-	172.3
Cash and cash equivalents at beginning of period		351.3	667.5
Total cash flow for the period		2.4	-315.4
Translation differences		0.9	-0.8
Cash and cash equivalents at end of period		354.6	351.3
<i>Included within "Cash and cash equivalents"</i>	19	354.6	351.3

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021 and to reflect reallocation of amounts between the lines "other non-cash items", "employee benefits", "other cash items" and "change in net working capital" in the framework of continuous improvement of the financial reporting presentation. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 31 to 93 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Note 1: General information

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

In existence since 1805, and across family generations, D'leteren Group seeks growth and value creation by pursuing a strategy on the long term for its businesses and actively encouraging and supporting them to develop their position in their industry and geographies. The Group currently owns the following businesses:

- Belron (equity-accounted investee) has a clear purpose: "making a difference by solving people's problems with real care". It is the worldwide leader in vehicle glass repair and replacement and operates in 40 countries, through wholly owned businesses and franchises, with market leading brands – including Carglass®, Safelite® and Autoglass®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance customers.
- D'leteren Automotive distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Rimac, Cupra and Porsche vehicles in Belgium. It has a market share of more than 23% and 1.2 million vehicles on the road. Its business model is evolving towards "improving the lives of citizens with fluid, accessible and sustainable mobility".
- TVH Parts (equity-accounted investee), is a leading global independent distributor for aftermarket parts for material handling, construction, agricultural & industrial equipment. It operates in 26 countries worldwide. It has a unique operating model and has a clear purpose of "keeping customers going and growing".
- Moleskine is a premium and aspirational lifestyle brand which develops and sells iconic branded notebooks and writing, travel and reading accessories through a global multichannel platform. Its purpose is to "unleash the human genius through hands on paper to empower creativity and knowledge in each individual and the entire world".
- D'leteren Immo groups together the Belgian real estate interests of D'leteren Group. It owns and manages 37 properties. It also pursues investment projects and carries out studies into possible site renovations.

The Company is listed on Euronext Brussels.

These consolidated financial statements have been authorized for issue by the Board of Directors on 25 March 2022.

Restatement of comparative information

According to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and the consolidated statement of cash flows have been restated in 2020 to take into account the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. The March 2019 decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term. The March 2021 decision builds on the 2019 decision and considers how a customer accounts for configuration or customisation costs where an intangible asset is not recognised.

Implementation costs in relation to cloud computing arrangements were previously capitalised as intangible assets as part of software assets and have been de-recognised from the statement of financial position as a result of the new interpretation. Following the interpretation in which it was assessed that the implementation costs are not intangible assets, and is a service which is distinct from the access to the software, the expense is recognised as incurred (i.e. when the service was received).

The tables below show the amount of restatement operated in the 2020 segment statement of profit or loss, the segment statement of financial position as at 31 December 2020, and the segment statement of cash flows for the D'leteren Automotive, Belron and Corporate & unallocated segments (other segments are not impacted by the restatement of comparative information), and reconciles the segment information to the Group IFRS consolidated figures.

Note 1: General information (continued)

€m - restatement of the segment statement of profit or loss		2020			
	D'leteren Automotive	Belron (100%)	Corporate & unallocated	Eliminations	Group
Costs of assets acquired (commercial and administrative expenses)	-5.2	-2.2	-0.5	2.2	-5.7
Reversal of amortisation on intangible assets (commercial and administrative expenses)	1.3	3.0	-	-3.0	1.3
Operating result	-3.9	0.8	-0.5	-0.8	-4.4
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	-	-	-	0.3	0.3
Profit before tax	-3.9	0.8	-0.5	-0.5	-4.1
Income tax expense	1.0	-0.2	-	0.2	1.0
Result from continuing operations	-2.9	0.6	-0.5	-0.3	-3.1
<i>of which: attributable to equity holders of the Company*</i>	-2.9	0.3	-0.5		-3.1

*Belron at 53.75% (weighted average percentage for 2020)

€m - restatement of the segment statement of financial position		31 December 2020			
	D'leteren Automotive	Belron (100%)	Corporate & unallocated	Eliminations	Group
Intangible assets	-16.0	-7.9	-0.6	7.9	-16.6
Deferred tax assets	4.0	2.1	-	-2.1	4.0
Equity-accounted investees and long-term interests in equity-accounted investees	-	-	-	-3.1	-3.1
Capital & reserves	-12.0	-5.8	-0.6	2.7	-15.7
<i>of which: attributable to equity holder of the Company*</i>	-12.0	-3.1	-0.6		-15.7

*Belron at 53.75% (weighted average percentage for 2020)

€m - restatement of the segment statement of cash flows		2020			
	D'leteren Automotive	Belron (100%)	Corporate & unallocated	Eliminations	Group
Operating result from continuing operations	-3.9	0.8	-0.5	-0.8	-4.4
Amortisation of intangible assets	-1.3	-3.0	-	3.0	-1.3
Purchase of property, plant and equipment and intangible assets	5.2	2.2	0.5	-2.2	5.7
Net cash from operating activities	-	-	-	-	-

Alternative Performance Measurement – Non-GAAP measurement

In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures ("APMs") (refer to the 2021 full year's results). These APMs are non-GAAP measures, i.e. their definition is not addressed by IFRS. The Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures.

Note 2: Basis of preparation

These 2021 consolidated financial statements are for the 12 months ended 31 December 2021. They are presented in euro, which is the Group's functional currency. All amounts have been rounded to the nearest million, unless otherwise indicated. They have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the related International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued which have been adopted by the European Union ("EU") as at 31 December 2021 and are effective for the period ending 31 December 2021.

These consolidated financial statements have been prepared under the historical cost convention, except for employee benefits, non-current assets and liabilities held for sale, business combination and financial assets and financial liabilities (including derivative instruments) that have been measured at fair value.

Note 2: Basis of preparation (continued)

On 31 December 2021 and 31 December 2020, financial assets measured at fair value are limited to the portfolio of marketable securities held in the Corporate & unallocated segment (see note 18) and to derivative financial instruments (see note 18). There are no financial liabilities measured at fair value at 31 December 2021 and 31 December 2020 in the consolidated statement of financial position.

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

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

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

COVID-19

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

The Board of Directors considered the impact of COVID-19 and the current economic environment on the basis of preparation of these consolidated financial statements.

Thanks to its adequate measures taken to preserve cash, the Group has a strong funding and liquidity structure in place as at 31 December 2021, with approximately €700m of net cash (cash, cash equivalents and non-current and current asset investments less loans and borrowings) on the consolidated balance sheet level and a well-balanced debt profile at Belron level. As of 31 December 2021, the Group complied with all requirements of any loan covenants. The Group continues to take measures to minimize the impact of the crisis on cash flows and is ensuring that it has the necessary liquidity structure in place for the foreseeable future. Taking this into account, the Board of Directors has a reasonable expectation that the Group is well placed to manage its business risks, has enough funds to continue to meet its liabilities as they fall due and to continue in operational existence for the foreseeable future. These consolidated financial statements have therefore been prepared on a going concern basis.

Note 3: Changes in accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in note 33. These policies have all been consistently applied to all the years presented, unless otherwise stated. As a result of an IFRIC agenda decision issued in March 2021, the Group changed its accounting policy for the costs incurred in implementing cloud computing arrangements.

Note 3: Changes in accounting policies (continued)

Under the previous accounting policy, such costs were typically capitalised as a software intangible asset and amortised on a systematic basis. Under the new accounting policy, such costs are generally expensed as incurred. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the new accounting policy has been retrospectively applied to the prior periods, and the comparative figures disclosed in these consolidated financial statements have been restated accordingly. Refer to note 1 for more information on the restatement of comparative information and to note 33 for updated accounting policies.

Note 4: Segment information

The Group's reportable operating segments are D'leteren Automotive, Belron, Moleskine and TVH Parts (as from 1st October 2021 – see note 17). The other segments are disclosed in the category "Corporate & Unallocated" (D'leteren Group, corporate and real estate activities). These operating segments are consistent with the Group's organisational and internal reporting structure, and with the requirements of IFRS 8 "Operating Segments".

D'leteren Automotive comprises the automobile distribution activities of the Group through D'leteren Automotive SA/NV and its subsidiaries. Belron comprises Belron Group s.a. and its subsidiaries. Moleskine includes Moleskine S.r.l. and its subsidiaries. TVH Parts includes TVH Global SA/NV and its subsidiaries. Despite their classification as equity-accounted investees, Belron and TVH Parts remain separate reportable operating segments, reflecting the Group's internal reporting structure. The segment "Corporate & unallocated" comprises the corporate and the real estate activities of the Group.

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

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

€m	Notes	2021						
		D'leteren Autom.	Belron (100%)	Moleskine	TVH Parts (100%)	Corp. & unallocated	Eliminations	Group
External revenue	5	3,238.9	4,646.8	121.6	350.0	-	-4,996.8	3,360.5
Segment revenue		3,238.9	4,646.8	121.6	350.0	-	-4,996.8	3,360.5
Operating result (being segment result)	6	81.0	691.5	12.1	46.3	-7.3	-737.8	85.8
Net finance costs	7	-0.2	-228.6	-10.5	-3.9	20.0	232.5	9.3
Finance income		12.8	3.1	2.0	3.6	1.4	-6.7	16.2
Finance costs		-1.7	-231.7	-2.2	-7.5	-3.0	239.2	-6.9
Inter-segment financing interests		-11.3	-	-10.3	-	21.6	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	8.1	0.5	-	-	-	179.7	188.3
Result before tax		88.9	463.4	1.6	42.4	12.7	-325.6	283.4
Income tax expense	11	-21.3	-145.5	-5.0	-12.2	-1.7	157.7	-28.0
Result from continuing operations		67.6	317.9	-3.4	30.2	11.0	-167.9	255.4
Discontinued operations		-	-	-	-	-	-	-
RESULT FOR THE PERIOD		67.6	317.9	-3.4	30.2	11.0	-167.9	255.4

Attributable to:	D'leteren Autom.	Belron(*)	Moleskine	TVH Parts(*)	Corp. & unallocated	Group
Equity holders of the Company(*)	68.9	168.1	-3.6	12.1	11.0	256.5
Non-controlling interests	-1.3	-	0.2	-	-	-1.1
RESULT FOR THE PERIOD	67.6	168.1	-3.4	12.1	11.0	255.4

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

Note 4: Segment information (continued)

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

In 2021, in the D'leteren Automotive segment, the line "inter-segment financing interests" includes the early repayment fee of €8.0m paid by D'leteren Automotive to the Corporate & unallocated segment following the anticipated reimbursement of the inter-segment loan, and the line "finance income" includes a consolidated gain of €12.4m recognised on the loss of exclusive control of Skipr following the acquisition of 17% beginning of July 2021 of the share capital of Skipr by ALD Automotive. As from 1 July 2021, Skipr is accounted for as an equity-accounted investee due to joint control being shared between the shareholders (see note 17)

In 2021, in the Belron segment, the line "Operating result" includes, amongst other amounts, €64m of costs in relation with the group-wide transformation programme, €48.7m of employee costs in relation with the individual gift of (one-off) cash bonus and restricted shares units (share options which will vest on a future shareholder event) given at the end of the year to around 25,000 employees to thank them for their loyal contribution to Belron's success, €10.5m of one-off donation to the Ronnie Lubner Foundation and costs in respect of restructurings and integrations. The employee costs and the donation to the Foundation are compensated by an increase in shareholder's equity of Belron following the disposal of own shares to new shareholders (see note 17).

In 2021, in the Belron segment, the increase of €105.0m in net finance costs compared to last year is reflecting the refinancing costs incurred in April 2021. This includes additional finance charges, the write-off of previously deferred finance costs, non-cash foreign exchange losses, professional fees and de-designation of interest rate swaps. The refinancing meant that existing borrowings of \$991.7m and €525m were refinanced and new term loans of \$1,620m and €840m maturing in 2028 were issued. The additional borrowings were used, along with available cash reserves, to finance a distribution to shareholders of €1,723.4m (€1,531.3m of dividends and €192.1m of share capital redemption). The refinancing resulted in debt originally due for repayment in 2024 being postponed to 2028.

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

In 2021, the column "Eliminations" reconciles the segment statement of profit or loss (with the 12-month result of Belron and the 3-month result of TVH Parts presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron and TVH Parts presented in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax", representing the share of the Group - 52.88%; see note 17 - in the 12-month net result of Belron and the share of the Group - 40.00%; see note 17 - in the 3-month net result of TVH Parts).

Note 4: Segment information (continued)

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

€m	2020 ⁽¹⁾					
	D'leteren Autom.	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
External revenue	3,215.7	3,898.8	102.3	-	-3,898.8	3,318.0
Segment revenue	3,215.7	3,898.8	102.3	-	-3,898.8	3,318.0
Operating result (being segment result)	48.1	489.7	-23.5	-18.8	-489.7	5.8
Net finance costs	-4.2	-123.6	-11.9	14.2	123.6	-1.9
Finance income	0.2	3.2	0.9	4.0	-3.2	5.1
Finance costs	-1.9	-126.8	-4.9	-0.2	126.8	-7.0
Inter-segment financing interests	-2.5	-	-7.9	10.4	-	-
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	4.0	0.3	-	-	145.9	150.2
Result before tax	47.9	366.4	-35.4	-4.6	-220.2	154.1
Income tax expense	-14.8	-94.4	-0.7	-0.9	94.4	-16.4
Result from continuing operations	33.1	272.0	-36.1	-5.5	-125.8	137.7
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	33.1	272.0	-36.1	-5.5	-125.8	137.7

Attributable to:	D'leteren Autom.	Belron(*)	Moleskine	Corp. & unallocated	Group
Equity holders of the Company(*)	34.2	146.2	-36.1	-5.5	138.8
Non-controlling interests	-1.1	-	-	-	-1.1
RESULT FOR THE PERIOD	33.1	146.2	-36.1	-5.5	137.7

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

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

In 2020, in the D'leteren Automotive segment, the line "Operating result" included, amongst other amounts, the liability (€41.0m) related to the finalization of the project carried out in 2020 by D'leteren Automotive for the acceleration of the transformation of its activities in response to a rapidly changing market. This project entailed measures to adapt internal structures and working methods to the new market realities and transformed or ceased those activities that no longer met the needs of dealers or customers. This charge was presented in the line "other operating expenses" in the consolidated statement of profit or loss.

In 2020, in the Moleskine segment, the line "operating result" included, amongst other amounts, the impairment charge recognised at half year 2020 (€21.0m). This non-cash charge was presented in the line "other operating expenses" in the consolidated statement of profit or loss.

In 2020, in the Corporate & unallocated segment, the line "Operating result" included, amongst other amounts, the provision (€8.2m) related to the decision of the Board of Directors, as announced on 27 April 2020, to allocate the initially planned dividend increase of €0.15 per share to a solidarity program that will help employees of D'leteren Group who may suffer hardship as a consequence of the Covid-19 crisis. From the initial provision, €3.1m has been used and expensed during the year 2020 and additional €0.4m has been allocated to this solidarity program in 2021. The remaining €5.3m is presented in the current provisions in the consolidated statement of financial position as at 31 December 2021.

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

Note 4: Segment information (continued)

Segment Statement of Financial Position - Operating Segment

€m	Notes	31 December 2021						
		D'leteren Autom.	Belron (100%)	Moleskine	TVH Parts (100%)	Corp. & unallocated	Eliminations	Group
Goodwill	12	31.3	612.1	48.8	2,141.5	3.1	-2,753.6	83.2
Intangible assets	13	27.3	498.7	411.7	26.2	0.1	-524.9	439.1
Property, plant & equipment	14	65.8	838.4	18.0	320.5	181.6	-1,158.9	265.4
Investment property	15	0.1	-	-	-	33.5	-	33.6
Equity-accounted investees & long-term interests in equity-accounted investees	17	113.1	-	-	-	-	1,110.0	1,223.1
Financial investments		0.1	1.9	-	0.5	-	-2.4	0.1
Derivative financial instruments		-	9.3	-	-	-	-9.3	-
Employee benefits		-	200.8	-	-	-	-200.8	-
Deferred tax assets	11	19.3	99.5	5.3	8.2	22.0	-107.7	46.6
Other receivables	20	3.9	26.8	1.1	1.9	44.0	-28.7	49.0
Non-current assets		260.9	2,287.5	484.9	2,498.8	284.3	-3,676.3	2,140.1
Inventories	16	415.8	346.2	30.4	455.9	-	-802.1	446.2
Current financial investments	4/18	-	-	-	1.9	544.1	-1.9	544.1
Derivative financial instruments		-	2.5	-	-	-	-2.5	-
Current tax assets	11	1.1	11.9	6.6	5.9	1.7	-17.8	9.4
Trade and other receivables	20	321.7	439.4	33.6	229.9	25.3	-669.3	380.6
Cash & cash equivalents	19	86.0	244.9	38.6	139.7	230.0	-384.6	354.6
Assets classified as held for sale	4	0.1	0.9	-	-	-	-0.9	0.1
Current assets		824.7	1,045.8	109.2	833.3	801.1	-1,879.1	1,735.0
TOTAL ASSETS		1,085.6	3,333.3	594.1	3,332.1	1,085.4	-5,555.4	3,875.1
Equity						2,978.8		2,978.8
Employee benefits	10	21.8	5.4	2.5	1.0	1.2	-6.4	25.5
Provisions	22	12.0	39.8	3.2	1.7	0.3	-41.5	15.5
Loans & borrowings	23	111.9	3,841.5	41.8	668.9	4.7	-4,510.4	158.4
Inter-segment loan		-	-	264.1	40.6	-304.7	-	-
Derivative financial instruments	18	-	17.7	-	-	-	-17.7	-
Other payables		-	16.8	-	0.1	-	-16.9	-
Deferred tax liabilities	11	1.5	154.3	111.4	4.4	20.2	-158.7	133.1
Non-current liabilities		147.2	4,075.5	423.0	716.7	-278.3	-4,751.6	332.5
Provisions	22	4.3	55.4	1.7	-	5.3	-55.4	11.3
Loans & borrowings	23	32.8	193.5	19.7	191.8	0.6	-385.3	53.1
Derivative financial instruments	18	-	9.0	-	-	-	-9.0	-
Current tax liabilities	11	1.8	67.2	1.0	17.7	-	-84.9	2.8
Trade & other payables	24	449.6	823.1	34.1	185.6	12.3	-1,008.7	496.0
Liabilities directly associated with the assets held for sale		0.6	1.6	-	-	-	-1.6	0.6
Current liabilities		489.1	1,149.8	56.5	395.1	18.2	-1,544.9	563.8
TOTAL EQUITY AND LIABILITIES		636.3	5,225.3	479.5	1,111.8	2,718.7	-6,296.5	3,875.1

Note 4: Segment information (continued)

Segment Statement of Financial Position – Operating Segments

€m	31 December 2020 ⁽¹⁾					
	D'leteren Autom.	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
Goodwill	27.4	577.7	48.8	-	-577.7	76.2
Intangible assets	22.8	497.3	411.7	0.1	-497.3	434.6
Property, plant & equipment	63.3	783.6	27.2	172.4	-783.6	262.9
Investment property	0.1	-	-	31.6	-	31.7
Equity-accounted investees & long-term interests in equity-accounted investees	88.8	-	-	-	583.5	672.3
Financial investments	-	1.4	-	-	-1.4	-
Employee benefits	-	152.4	-	-	-152.4	-
Deferred tax assets	15.1	65.9	7.1	21.0	-65.9	43.2
Other receivables	2.1	5.0	1.0	1.3	-5.0	4.4
Non-current assets	219.6	2,083.3	495.8	226.4	-1,499.8	1,525.3
Inventories	432.0	299.0	25.4	-	-299.0	457.4
Current financial investments	-	-	-	737.2	-	737.2
Derivative financial instruments	-	1.6	0.5	-	-1.6	0.5
Current tax assets	8.4	6.7	9.8	-	-6.7	18.2
Trade and other receivables	303.9	281.3	30.3	5.1	-281.3	339.3
Cash & cash equivalents	56.0	617.8	30.2	265.1	-617.8	351.3
Assets classified as held for sale	2.1	46.8	-	-	-46.8	2.1
Current assets	802.4	1,253.2	96.2	1,007.4	-1,253.2	1,906.0
TOTAL ASSETS	1,022.0	3,336.5	592.0	1,233.8	-2,753.0	3,431.3
Equity				2,727.2		2,727.2
Employee benefits	28.1	7.6	2.4	1.2	-7.6	31.7
Provisions	11.3	32.0	-	0.3	-32.0	11.6
Loans & borrowings	17.9	2,812.3	62.9	4.7	-2,812.3	85.5
Inter-segment loan	202.6	-	253.9	-456.5	-	-
Derivative financial instruments	-	73.2	-	-	-73.2	-
Other payables	-	0.8	-	-	-0.8	-
Deferred tax liabilities	0.6	95.5	110.4	20.1	-95.5	131.1
Non-current liabilities	260.5	3,021.4	429.6	-430.2	-3,021.4	259.9
Provisions	-	49.4	1.4	5.1	-49.4	6.5
Loans & borrowings	3.2	179.3	14.2	0.5	-179.3	17.9
Derivative financial instruments	-	8.3	-	-	-8.3	-
Current tax liabilities	0.8	56.0	0.7	0.2	-56.0	1.7
Trade & other payables	366.8	616.8	28.6	18.0	-616.8	413.4
Liabilities directly associated with the assets held for sale	4.7	30.7	-	-	-30.7	4.7
Current liabilities	375.5	940.5	44.9	23.8	-940.5	444.2
TOTAL EQUITY AND LIABILITIES	636.0	3,961.9	474.5	2,320.8	-3,961.9	3,431.3

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

In 2020 and 2021, in the Corporate & unallocated segment, the line "Current financial Investments" comprises investments in a portfolio of marketable securities (mainly corporate bonds in Europe). These investments are accounted at amortized costs (mainly corporate bonds for €424.5m) and FVTPL (equity instruments for €118.6m). Related cash movement of €193.3m (excluding fair value gains of €0.2m) is included in the line "proceeds from the sale of / (investment in) financial assets" in the 2021 consolidated statement of cash flows. These investments have a maturity of less than one year and weighted average returns in 2021 close to 0%.

Note 4: Segment information (continued)

In 2020, the lines "Assets classified as held-for-sale" and "Liabilities directly associated with the assets held for sale" represented, in the D'leteren Automotive segment, the fair value of the assets and liabilities of those activities that no longer met the needs of dealers or customers, as a result of the finalization of the project carried out for the acceleration of the transformation of activities in response to a rapidly changing market. These assets and liabilities mostly ceased in 2021. In the Belron segment, these amounts included the fair value of the activities that were mostly sold during 2021.

In 2021, the inter-segment loan in the TVH Parts segment relates to the shareholder loan from the Corporate and unallocated segment put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH Parts, of which €0.6m represents capitalised interests. In 2020, the line "inter-segment loans" comprised amounts lent by the Corporate department to the Moleskine segment (non-recourse loan in the framework of the acquisition) and to the D'leteren Automotive segment. The inter-segment loan toward the D'leteren Automotive segment (principal amounts of €200m) has been reimbursed in full in December 2021, together with accrued interests of €5.8m and an early repayment fee of €8.0m.

In 2021, in the D'leteren Automotive segment, the increase in loans and borrowings compared to 2020 mainly relates to a new 5-year €325m bank financing (maturity date December 2026), consisting of €100m of amortising term loan and €225m revolving credit facility (currently undrawn as at 31 December 2021). At 31 December 2021, there is no breach of covenants attached to the loans. In the Belron segment, the increase in long-term loans and borrowings compared to 2020 mainly relates to the issuance in April 2021 of new term loans for \$1,620m and €840m with the loans maturing in 2028.

In 2020 and 2021, in the Corporate & unallocated segment, the current provisions include the provision related to the solidarity program put in place in 2020. At 31 December 2021, the remaining provision amounts to €5.3m.

In 2021, in the D'leteren Automotive segment, from the total charge of €21.8m related to the decision of D'leteren Automotive to close down two of its structurally loss-making sites, €4.3m are included in current provisions and €16.8m are included in the trade and other payables.

In 2020, in the D'leteren Automotive segment, the trade and other payables included the liability (€41.0m) related to the finalization of the project carried out in 2020 for the acceleration of the transformation of its activities in response to a rapidly changing market. A total of €37m has been paid in 2021 in relation to this project (included in the line "change in net working capital" in the consolidated statement of cash flows).

In 2020 and 2021, the column "Eliminations" reconciles the segment statement of financial position (including the assets and liabilities of Belron, and, as from 1 October 2021, the assets and liabilities of TVH Parts) to the IFRS consolidated statement of financial position (with Belron, and in 2021 only, TVH Parts, presented as equity-accounted investees – see note 17).

Note 4: Segment information (continued)

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

€m	Notes	2021						
		D'leteren Autom.	Belron (100%)	Moleskine	TVH Parts (100%)	Corp. & unallocated	Eliminations	Group
Cash flows from operating activities - Continuing								
Result for the period		67.6	317.9	-3.4	30.2	11.0	-167.9	255.4
Income tax expense	11	21.3	145.5	5.0	12.2	1.7	-157.7	28.0
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	17	-8.1	-0.5	-	-	-	-179.7	-188.3
Net finance costs	7	0.2	228.6	10.5	3.9	-20.0	-232.5	-9.3
Operating result from continuing operations		81.0	691.5	12.1	46.3	-7.3	-737.8	85.8
Depreciation on PP&E (including right-of-use assets)	6/14/15	20.3	211.6	7.7		9.5	-211.6	37.5
Amortisation of intangible assets	6/13	5.1	58.1	3.8		0.1	-58.1	9.0
Impairment and write-offs on goodwill and other non-current assets	12	-	18.5	-		-	-18.5	-
Other non-cash items		9.8	3.6	6.9		2.9	-3.6	19.6
Employee benefits		-3.7	-	0.7		-	-	-3.0
Other cash items		1.3	-	0.5		-1.3	-	0.5
Change in net working capital		79.4	-7.2	-3.9		-23.8	7.2	51.7
Cash generated from operations		193.2	976.1	27.8		-19.9	-976.1	201.1
Income tax paid		-21.1	-143.3	-1.3		-2.8	143.3	-25.2
Net cash from operating activities		172.1	832.8	26.5		-22.7	-832.8	175.9
Cash flows from investing activities - Continuing								
Purchase of property, plant and equipment and intangible assets		-26.0	-71.0	-5.0		-15.7	71.0	-46.7
Sale of property, plant and equipment and intangible assets		0.9	9.8	0.1		2.7	-9.8	3.7
Net capital expenditure		-25.1	-61.2	-4.9		-13.0	61.2	-43.0
Acquisition of subsidiaries (net of cash acquired)	25	-9.0	-17.8	-		-	17.8	-9.0
Acquisition of equity-accounted investees and long-term interests in equity-accounted investees	17	-	-	-		-1,147.0	-	-1,147.0
Disposal of subsidiaries (net of cash disposed of)		-	1.1	-		-	-1.1	-
Proceeds from the sale of / (investments in) financial assets		-	-	-		193.3	-	193.3
Interest received		0.1	1.1	-		1.3	-1.1	1.4
Dividends and proceeds from capital reduction received from /(paid by) equity-accounted investees & long-term interests in equity accounted investees	4/17	-	-1,723.4	-		874.3	1,723.4	874.3
Movement of shareholder loan towards equity-accounted investee	4/17	-	-	-		-40.0	-	-40.0
Loans to employees in relation to Long Term Incentive Plan and stock options		-3.1	-	-		-0.8	-	-3.9
Net cash from investing activities		-37.1	-1,800.2	-4.9		-131.9	1,800.2	-173.9

Note 4: Segment information (continued)

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

€m	Notes	2021					
		D'leteren Autom.	Belron (100%)	Moleskine	TVH Parts (100%)	Corp. & unallocated	Eliminations Group
Cash flows from financing activities - Continuing							
Acquisition of treasury shares	21	-	-	-	-	-13.7	- -13.7
Disposal of treasury shares	21	-	-	-	-	4.7	- 4.7
Net proceeds from the sale & purchase of own shares (buyback from MRP participants)		-	57.7	-	-	-	-57.7 -
Repayment of lease liabilities	23	-11.7	-168.1	-3.9	-	-0.5	168.1 -16.1
Increase of other loans and borrowings	23	118.2	2,200.2	0.1	-	-	-2,200.2 118.3
Decrease of other loans and borrowings	23	-4.8	-1,379.3	-8.5	-	-0.2	1,379.3 -13.5
Inter-segment loans		-200.0	-	-	-	200.0	- -
Inter-segment financing interests		-13.8	-	-	-	13.8	- -
Interest paid		-1.4	-165.1	-1.8	-	-3.2	165.1 -6.4
Dividends paid by the Company	21	-	-	-	-	-72.9	- -72.9
Net cash from financing activities		-113.5	545.4	-14.1		128.0	-545.4 0.4
Cash flows from continuing operations		21.5	-422.0	7.5		-26.6	422.0 2.4
TOTAL CASH FLOW FOR THE PERIOD		21.5	-422.0	7.5		-26.6	422.0 2.4
Reconciliation with statement of financial position							
Cash at beginning of period	19	56.0	621.7	30.2	-	265.1	-621.7 351.3
Cash and cash equivalents at beginning of period		56.0	621.7	30.2		265.1	-621.7 351.3
Total cash flow for the period		21.5	-422.0	7.5	-	-26.6	422.0 2.4
Translation differences		-	45.3	0.9	-	-	-45.3 0.9
Transfer between operating segments		8.5	-	-	-	-8.5	- -
Cash and cash equivalents at end of period		86.0	245.0	38.6		230.0	-245.0 354.6
Included within "Cash and cash equivalents"	19	86.0	244.9	38.6	-	230.0	-244.9 354.6
Included within "Non-current assets held for sale"		-	0.1	-	-	-	-0.1 -

The segment information to be disclosed for an investee that is a reportable segment needs to be consistent with the concept of the management approach and the core principle of IFRS 8. Given the recent acquisition of TVH Parts (1st October 2021 – see note 17), the Group does not present the cash flow statement of TVH Parts, since it is not reported yet to the chief operating decision maker (CODM).

In the D'leteren Automotive segment, the line "other non-cash items" mainly includes non-cash write down on inventories, provision for employee benefit, and a provision related to the decision of D'leteren Automotive to close down two of its structurally loss-making sites. In the Moleskine segment, this line mainly includes provision for long-term incentive program, and write down on inventories. In the Corporate & unallocated segment, other non-cash items relate to share-based payment expense.

The line "impairment and write-offs on goodwill and other non-current assets" includes the impairment charges recognized in the Belron segment (€18.5m – see note 17).

Note 4: Segment information (continued)

In the D'Ieteren Automotive segment, the cash inflow from the change in net working capital mainly reflects lower inventories and higher trade payables compared to last year. The €37m paid out in 2021 in relation to project carried out in 2020 for the acceleration of the transformation of D'Ieteren Automotive's activities is also included in the change in net working capital.

The line "acquisition of subsidiaries (net of cash acquired)" in the D'Ieteren Automotive segment mainly represents the acquisition of dealerships in Belgium (see note 25).

The line "Acquisition of equity-accounted investees and long-term interests in equity-accounted investees" in the Corporate & unallocated segment includes the acquisition of a 40% stake in TVH Parts (see note 17).

The line "Dividends and proceeds from capital reduction received from/(paid by) equity-accounted investees & long-term interests in equity accounted investees" relates to the share of the Group in the dividends (€616.7m in H1 2021; €150.0m in H2 2021) and the proceed from capital reduction (€107.6m in H1 2021) received from the Belron segment.

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

In the D'Ieteren Automotive segment, the line "increase of other loans and borrowings" mainly includes the proceeds from the new amortising term loan of €100m.

The line "inter-segment loans" includes the reimbursement in full of the principal amount (€200m) lent by the Corporate & unallocated segment to D'Ieteren Automotive and the line "inter-segment financing interests" includes the reimbursement of the related accrued interests of €5.8m and the early repayment fee of €8.0m.

The line "movement of shareholder loan towards equity-accounted investee" relates to the shareholder loan put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH Parts (see note 17).

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

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

Note 4: Segment information (continued)

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

€m	2020 ⁽¹⁾					
	D'leteren Autom.	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
Cash flows from operating activities - Continuing						
Result for the period	33.1	272.0	-36.1	-5.5	-125.8	137.7
Income tax expense	14.8	94.4	0.7	0.9	-94.4	16.4
Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax	-4.0	-0.3	-	-	-145.9	-150.2
Net finance costs	4.2	123.6	11.9	-14.2	-123.6	1.9
Operating result from continuing operations	48.1	489.7	-23.5	-18.8	-489.7	5.8
Depreciation on PP&E (including right-of-use assets)	17.7	229.9	10.7	10.0	-229.9	38.4
Amortisation of intangible assets	3.9	62.7	3.3	-	-62.7	7.2
Impairment and write-offs on goodwill and other non-current assets	0.4	23.9	21.0	-	-23.9	21.4
Other non-cash items	3.1	29.6	1.7	6.9	-29.6	11.7
Employee benefits	-4.2	-	0.1	-	-	-4.1
Other cash items	-	-	0.3	-	-	0.3
Change in net working capital	158.9	34.1	-	-34.9	-34.1	124.0
Cash generated from operations	227.9	869.9	13.6	-36.8	-869.9	204.7
Income tax paid	-28.3	-98.4	-2.2	-1.6	98.4	-32.1
Net cash from operating activities	199.6	771.5	11.4	-38.4	-771.5	172.6
Cash flows from investing activities - Continuing						
Purchase of property, plant and equipment and intangible assets	-17.4	-35.9	-2.6	-9.3	35.9	-29.3
Sale of property, plant and equipment and intangible assets	1.4	5.5	-	0.5	-5.5	1.9
Net capital expenditure	-16.0	-30.4	-2.6	-8.8	30.4	-27.4
Acquisition of subsidiaries (net of cash acquired)	-0.4	-13.7	-	-	13.7	-0.4
Acquisition of equity-accounted investees and long-term interests in equity-accounted investees	-	-	-	-150.0	-	-150.0
Disposal of subsidiaries (net of cash disposed of)	-	-0.4	-	-	0.4	-
Contribution of cash from/(to) joint venture	-1.6	-	-	-	-	-1.6
Proceeds from the sale of / (investments in) financial assets	-	-	-	-139.4	-	-139.4
Interest received	0.3	1.6	-	4.0	-1.6	4.3
Dividends and proceeds from capital reduction received from /(paid by) equity-accounted investees & long-term interests in equity accounted investees	-	-8.8	-	-	8.8	-
Net investment in other financial assets	-0.1	-	-	-	-	-0.1
Net cash from investing activities	-17.8	-51.7	-2.6	-294.2	51.7	-314.6

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021, and in the Moleskine segment, to reflect reallocation of amounts between the lines "other non-cash items", "employee benefits", "other cash items" and "change in net working capital" in the framework of continuous improvement of the financial reporting presentation. Refer to note 1 for more information on the restatement of comparative information.

Note 4: Segment information (continued)

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

€m	2020 ⁽¹⁾					
	D'Ieteren Autom.	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
Cash flows from financing activities - Continuing						
Acquisition (-)/Disposal (+) of non-controlling interests	6.0	-	-	-	-	6.0
Acquisition of treasury shares	-	-	-	-31.4	-	-31.4
Disposal of treasury shares	-	-	-	7.0	-	7.0
Net proceeds from the sale & purchase of own shares (buyback from MRP participants)	-	-39.9	-	-	39.9	-
Repayment of lease liabilities	-10.3	-172.8	-4.6	-0.4	172.8	-15.3
Increase of other loans and borrowings	-	320.8	52.3	-	-320.8	52.3
Decrease of other loans and borrowings	-	-337.4	-132.5	-0.1	337.4	-132.6
Inter-segment loans	200.0	-	55.2	-255.2	-	-
Interest paid	-1.9	-127.2	-3.4	-0.2	127.2	-5.5
Dividends received from/(paid to) other segment	-200.0	-	-	200.0	-	-
Dividends paid by the Company	-	-	-	-53.9	-	-53.9
Net cash from financing activities	-6.2	-356.5	-33.0	-134.2	356.5	-173.4
Cash flows from continuing operations	175.6	363.3	-24.2	-466.8	-363.3	-315.4
TOTAL CASH FLOW FOR THE PERIOD	175.6	363.3	-24.2	-466.8	-363.3	-315.4
Reconciliation with statement of financial position						
Cash at beginning of period	-190.9	282.6	55.2	630.9	-282.6	495.2
Cash equivalents at the beginning of the period	71.3	-	-	101.0	-	172.3
Cash and cash equivalents at beginning of period	-119.6	282.6	55.2	731.9	-282.6	667.5
Total cash flow for the period	175.6	363.3	-24.2	-466.8	-363.3	-315.4
Translation differences	-	-24.2	-0.8	-	24.2	-0.8
Cash and cash equivalents at end of period	56.0	621.7	30.2	265.1	-621.7	351.3
<i>Included within "Cash and cash equivalents"</i>	<i>56.0</i>	<i>617.8</i>	<i>30.2</i>	<i>265.1</i>	<i>-617.8</i>	<i>351.3</i>
<i>Included within "Non-current assets held for sale"</i>	<i>-</i>	<i>3.9</i>	<i>-</i>	<i>-</i>	<i>-3.9</i>	<i>-</i>

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021, and in the Moleskine segment, to reflect reallocation of amounts between the lines "other non-cash items", "employee benefits", "other cash items" and "change in net working capital" in the framework of continuous improvement of the financial reporting presentation. Refer to note 1 for more information on the restatement of comparative information.

The line "impairment and write-offs on goodwill and other non-current assets" included the impairment charges recognised in the Belron segment (€23.9m) and in the Moleskine segment (€21m, fully allocated to goodwill).

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

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

In the Corporate & unallocated segment, the line "Acquisition of equity-accounted investees and long-term interests in equity-accounted investees" represented the non-voting preference shares acquired by the Group in February 2020, previously held by CD&R.

The line "inter-segment loans" represented the additional amount lent by the Corporate & unallocated segment to the Moleskine and D'Ieteren Automotive segments.

Note 4: Segment information (continued)

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

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

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

Geographical Segment Information (Year ended 31 December)

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

€m	2021				2020			
	Belgium	Rest of Europe	Rest of the world	Group	Belgium	Rest of Europe	Rest of the world	Group
Segment revenue from external customers ⁽¹⁾	3,218.4	67.8	74.3	3,360.5	3,196.9	58.1	63.0	3,318.0
Non-current assets ⁽²⁾	390.6	471.2	8.4	870.2	337.8	478.6	10.0	826.4

(1) Based on the geographical location of the customers.

(2) Non-current assets, as defined by IFRS 8, consists of goodwill, intangible assets, property, plant and equipment, investment property and non-current other receivables.

Note 5: Revenue

Disaggregation of revenue issued from contracts with customers for the year ended 31 December 2021 and 31 December 2020 is presented in the table below:

€m	2021	2020
D'leteren Automotive		
New vehicles	2,615.1	2,792.0
Used cars	289.0	95.5
Spare parts and accessories	244.1	182.3
After-sales activities	56.5	83.6
D'leteren Sport	-	32.2
Other revenue	34.2	30.1
Subtotal D'leteren Automotive	3,238.9	3,215.7
Moleskine		
Europe, Middle-East and Africa (EMEA)	51.6	43.6
America	48.1	37.0
Asia-Pacific (APAC)	21.9	21.7
Subtotal Moleskine	121.6	102.3
Total Revenue	3,360.5	3,318.0

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

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

Note 6: Operating result

Operating result is stated after charging:

€m	2021				2020 ⁽¹⁾			
	D'Ieteren Automotive	Moleskine	Corp. & unallocated	Group	D'Ieteren Automotive	Moleskine	Corp. & unallocated	Group
Purchases and changes in inventories	-2,728.6	-19.2	-2.8	-2,750.6	-2,721.9	-20.7	-2.5	-2,745.1
Depreciation on PP&E & investment property	-20.3	-7.7	-9.5	-37.5	-17.7	-10.7	-10.0	-38.4
Amortisation	-5.1	-3.8	-0.1	-9.0	-3.9	-3.3	-	-7.2
Impairment on goodwill & other non-current assets (see note 12)	-	-	-	-	-0.4	-21.0	-	-21.4
Write-down on inventories	-1.8	-1.9	-	-3.7	1.4	-1.1	-	0.3
Write down on receivables	0.1	-	-0.1	-	-0.8	-0.1	-	-0.9
Employee benefit expenses (see note 10)	-175.6	-26.7	-15.0	-217.3	-181.0	-24.3	-13.3	-218.6
Gain on sale of property, plant and equipment	0.1	-	-	0.1	0.2	-	0.1	0.3
Loss on sale of property, plant and equipment	-	-	-	-	-0.2	-	-	-0.2
Rental income from investment property ⁽²⁾	-	-	4.8	4.8	-	-	3.6	3.6
Sundry ⁽³⁾	-226.7	-50.2	15.4	-261.5	-243.3	-44.6	3.3	-284.6
NET OPERATING EXPENSES / INCOME	-3,157.9	-109.5	-7.3	-3,274.7	-3,167.6	-125.8	-18.8	-3,312.2

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

(2) The full amount is related to investment property that generated rental income.

(3) Mainly relates to marketing and IT costs, legal and consultancy fees and inter-segment rental income and expenses between the segment "Corporate & unallocated" and D'Ieteren Automotive.

In 2020 and 2021, the line "depreciation on PP&E & investment property" includes the depreciation on right-of-use assets recognised in accordance with IFRS 16 (see note 31 for additional information on the right-of-use assets).

In 2021, in the consolidated statement of profit or loss, the change in "other operating expenses" compared to 2020 is mainly explained by the impairment charge recognised in the Moleskine segment in 2020 (€21.0m included in the line "Impairment on goodwill & other non-current assets" in the above table), the provision in 2020 (-€41.0m) related to the finalization of the project carried out by D'Ieteren Automotive for the acceleration of the transformation of its activities in response to a rapidly changing market (included in the line "Sundry" in the above table) and the charge of -€21.8m in 2021 related to the decision of D'Ieteren Automotive to close down two of its structurally loss-making sites (also included in the line "Sundry" in the above table).

In 2020, in the Corporate & unallocated segment, the line "Sundry" in the above table included the provision (-€8.2m) related to the decision of the Board of Directors, as announced on 27 April 2020, to allocate the initially planned dividend increase of €0.15 per share to a solidarity program.

Note 7: Net finance costs

Net finance costs are broken down as follows:

€m	2021				2020			
	D'leteren Automotive	Moleskine	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Finance costs:								
Interest expense	-0.9	-2.0	-1.7	-4.6	-0.9	-4.1	-0.1	-5.1
Interest costs on pension	-	-	-	-	-0.2	-	-	-0.2
Other financial charges	-0.8	-	-1.3	-2.1	-0.8	-0.8	-0.1	-1.7
Subtotal finance costs	-1.7	-2.0	-3.0	-6.7	-1.9	-4.9	-0.2	-7.0
Re-measurements of financial instruments:								
Measured at fair value upon initial recognition	-	-0.2	-	-0.2	-	-	-	-
Finance income	12.8	2.0	1.4	16.2	0.2	0.9	4.0	5.1
Inter-segment financing interests	-11.3	-10.3	21.6	-	-2.5	-7.9	10.4	-
NET FINANCE COSTS	-0.2	-10.5	20.0	9.3	-4.2	-11.9	14.2	-1.9

In 2020 and 2021, the line "interest expense" includes, amongst other amounts, the interest charges on lease liabilities recognised in accordance with IFRS 16. Refer to note 23 for more information on the lease liabilities.

The decrease in finance costs in the period is mainly due to the lower interest charges paid by the Moleskine segment on its external debt following the refinancing undertaken in December 2020 (new €53m bank term loan maturing in December 2023, with possible extension, and an additional €55m in shareholder loan), partially compensated by higher financial charges (negative return on financial investments held in the Corporate & unallocated segment).

The increase in finance income in the period is mainly due to the consolidated gain of €12.4m recognized in the D'leteren Automotive segment, following the loss of exclusive control of Skipr following the acquisition of 17% of the share capital of Skipr by ALD Automotive (representing the difference between Skipr's fair value and the net book value of the assets and liabilities). The decrease in finance income recognized in the Corporate & unallocated segment is mainly due to lower returns on cash & cash equivalents and financial investments.

In 2021, the inter-segment financing interests include amongst others, -€8.0m related to the early repayment fee paid by D'leteren Automotive to the Corporate & unallocated segment following the anticipated reimbursement of the inter-segment loan (see note 23).

Note 8: Earnings per share

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

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

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

The weighted average number of ordinary shares outstanding during the period is 53,365,665 (53,587,252 in the prior period) and the weighted average number of ordinary shares taken into account for diluted EPS is 53,889,709 (53,966,984 in the prior period). The decrease in the average number of ordinary shares outstanding is the result of the movement in treasury shares.

The options over ordinary shares of the Company increased the weighted average number of shares of the Company taken into account for diluted earnings per share in 2020 and 2021 as option exercise prices were below the average market share price.

Note 8: Earnings per share (continued)

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

		2021	2020 ⁽¹⁾
Result for the period attributable to equity holders		256.5	138.8
Adjustment for participating shares		-3.0	-1.6
Numerator for EPS (€m)	(a)	253.5	137.2
Result from continuing operations		255.4	137.7
Share of non-controlling interests in result from continuing operations		1.1	1.1
Result from continuing operations attributable to equity holders		256.5	138.8
Adjustment for participating shares		-3.0	-1.6
Numerator for continuing EPS (€m)	(b)	253.5	137.2
Weighted average number of ordinary shares outstanding during the period	(c)	53,365,665	53,587,252
Adjustment for stock option plans		524,044	379,732
Weighted average number of ordinary shares taken into account for diluted EPS	(d)	53,889,709	53,966,984
Result for the period attributable to equity holders			
Basic EPS (in €)	(a)/(c)	4.75	2.56
Diluted EPS (€)	(a)/(d)	4.70	2.54
Result from continuing operations attributable to equity holders			
Basic continuing EPS (in €)	(b)/(c)	4.75	2.56
Diluted continuing EPS (in €)	(b)/(d)	4.70	2.54

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

Note 9: Share-based payments

Corporate

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

Note 9: Share-based payments (continued)

Outstanding options are as follows:

Date of grant	Number of options (in units)		Exercise price (€)	Exercise period	
	2021	2020		From	To
2021	172,000	-	68.26	1/01/2025	8/03/2031
2020	166,500	166,500	49.36	1/01/2024	7/06/2030
2019	185,000	185,000	33.19	1/01/2023	28/02/2029
2018	187,000	187,000	33.32	1/01/2022	5/06/2028
2017	109,091	173,853	38.47	1/01/2021	13/03/2027
2016	10,866	10,866	35.05	1/01/2020	13/03/2026
2016	70,628	73,177	29.18	1/01/2020	13/03/2026
2016	16,132	29,794	29.18	1/01/2020	13/03/2026
2016	33,685	33,685	26.62	1/01/2020	21/01/2026
2015	19,450	19,450	29.54	1/01/2019	12/03/2025
2015	8,782	14,222	29.54	1/01/2019	12/03/2025
2014	11,995	22,989	30.44	1/01/2018	10/03/2024
2013	5,868	11,410	32.20	1/01/2017	24/11/2023
2013	-	12,258	31.50	1/01/2017	7/03/2023
2012	6,466	12,062	33.35	1/01/2016	14/10/2022
2011	-	10,045	32.21	1/01/2015	22/12/2021
2007	5,868	9,263	24.30	1/01/2011	2/12/2022
2006	-	4,188	24.48	1/01/2010	27/11/2021
Total	1,009,331	975,762			

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

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

	Number (in units)		Weighted average exercise price (€)	
	2021	2020	2021	2020
Outstanding options at the beginning of the period	975,762	1,059,140	35.93	32.14
Granted during the period	172,000	166,500	68.26	49.36
Exercised during the period	-137,127	-248,248	34.11	28.88
Other movements during the period	-1,304	-1,630	32.21	19.23
Outstanding options at the end of the period	1,009,331	975,762	41.69	35.93
<i>of which: exercisable at the end of the period</i>	<i>298,831</i>	<i>263,409</i>	<i>32.63</i>	<i>29.55</i>

The average share price during the period was €113.19 (2020: €52.35). Other movements in 2021 and in 2020 relate to options that expired and were not exercised. The treasury shares underlying to these expired options are being kept for future plans.

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

	Number of years
31 December 2021	6.7
31 December 2020	6.8

IFRS 2 "Share-Based Payments" requires that the fair value of all share options issued after 7 November 2002 is charged to the income statement (€2.4m during the period). The fair value of the options must be assessed on the date of each issue. A simple Black & Scholes valuation model was used at each issue date re-assessing the input assumptions on each occasion. The assumptions for the 2021 and 2020 issues were as follows:

Note 9: Share-based payments (continued)

	2021	2020
Number of employees	16	13
Spot share price (in €)	82.5	47.6
Option exercise price (in €)	68.3	49.4
Vesting period (in years)	3.8	3.5
Expected life (in years)	5.7	6.0
Expected volatility (in %)	29%	34%
Risk free rate of return (in %)	0%	0%
Expected dividend (in €)	0.8	0.8
Probability of ceasing employment before vesting (in %)	8%	7%
Weighted average fair value per option (in €)	27.7	12.6

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

D'leteren Automotive

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

A total number of 272,601 options (on a total number of available options for this plan of 365,142 options - representing ca 9% of the issued capital) has been granted to the managers. Those options may be exercised from the third calendar year after the offer has been made during three exercise periods, the last period ending on the 21 March 2027. All granted options are therefore outstanding as at 31 December 2021 with a weighted average remaining contractual life of 5.2 years.

The fair value of the options granted has been assessed on the date of the issue using the Black & Scholes framework.

IFRS2 "Share-based Payments" requires D'leteren Automotive to remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. As per the 31 of December 2021, a non-cash charge of €1.4m has been recognized in employees benefit expenses for this share-based payment plan.

Note 10: Employee benefits

Note 10.1: Employee benefit expense

The employee benefit expense is analysed below:

€m	2021				2020			
	D'leteren Automotive	Moleskine	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Retirement benefit charges under Belgian defined contribution schemes considered as defined benefit schemes	-4.8	-	-0.4	-5.2	-4.2	-	-0.2	-4.4
Retirement benefit charges under defined benefit schemes	=	<u>-0.7</u>	=	<u>-0.7</u>	=	<u>-0.9</u>	=	<u>-0.9</u>
Total retirement benefit charge (see note 10.2)	-4.8	-0.7	-0.4	-5.9	-4.2	-0.9	-0.2	-5.3
Wages, salaries and social security costs	-169.4	-22.8	-12.2	-204.4	-176.8	-23.4	-11.3	-211.5
Share-based payments and LTIP expenses	-1.4	-3.2	-2.4	-7.0	-	-	-1.8	-1.8
Total employee benefit expense	-175.6	-26.7	-15.0	-217.3	-181.0	-24.3	-13.3	-218.6

Note 10: Employee benefits (continued)

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

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

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

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

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

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

The Group operates one defined benefit scheme in Belgium that was closed to new members in 2005. The retirement capital plan accrues a percentage of annual salary inflated to the point of retirement with an annual average of 2.5% (and a maximum of 4.0%). A full actuarial valuation of the plan is carried out every year by a qualified independent actuary. The Group also operates defined contribution plans with a minimal interest guarantee borne by the employer under the Belgian Legislation.

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

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

	Funded schemes			
	2021		2020	
	Min.	Max.	Min.	Max.
Inflation rate	1.9%	1.9%	1.8%	1.8%
Discount rate	0.4%	0.4%	0.1%	0.1%
Rate of salary increases	2.9%	2.9%	2.0%	2.0%
Rate of pension increases	0.0%	0.0%	0.0%	0.0%
Life expectancy of male pensioner	18.6	18.6	18.6	18.6
Life expectancy of female pensioner	22.0	22.0	22.0	22.0
Life expectancy of male non-pensioner	18.6	18.6	18.6	18.6
Life expectancy of female non-pensioner	22.0	22.0	22.0	22.0

The weighted average duration of the liabilities across the plans is around 11 years.

Note 10: Employee benefits (continued)

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

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

€m	2021	2020
Long-term employee benefit assets	-	-
Long-term employee benefit obligations	-25.5	-31.7
Recognised net deficit (-) / surplus (+) in the schemes	-25.5	-31.7
<i>of which: amount expected to be settled within 12 months</i>	-0.2	-0.1
<i>of which: amount expected to be settled in more than 12 months</i>	-25.3	-31.6

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

€m	2021			2020 ⁽¹⁾		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-84.8	-5.3	-90.1	-87.6	-6.2	-93.8
Fair value of scheme assets	64.6	-	64.6	62.1	-	62.1
Net deficit (-) / surplus (+) in the schemes	-20.2	-5.3	-25.5	-25.5	-6.2	-31.7

(1) As restated to reflect the correct presentation between funded and unfunded schemes in the framework of continuous improvement of the financial reporting presentation.

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

€m	2021			2020		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Actual return less interest return on pension assets net of asset management charges	2.4	-	2.4	3.3	-	3.3
Experience gain (+) / loss (-) on liabilities	3.1	-	3.1	0.4	-	0.4
Gain (+) / Loss (-) on change of financial assumptions	1.4	-	1.4	-3.3	-	-3.3
Actuarial gains (+) / losses (-)	6.9	-	6.9	0.4	-	0.4

Changes to financial assumptions during 2021, all of which were prepared on a consistent basis to prior period, impacted the total actuarial gains (+) / losses (-) by +€1.4m (2020: -€3.3m). The actuarial gain of the current period is primarily the result of an increase of the discount rate in 2021 compared to 2020.

The cumulative amount of actuarial gains and losses (group's share, before tax and including the share of equity-accounted investees in actuarial gains and losses) recognised in the consolidated statement of comprehensive income is a gain of €16m (in 2020 a loss of €10m).

The fair value of scheme assets includes the following items:

€m	2021			2020		
	Quoted in an active market	Other	Total	Quoted in an active market	Other	Total
Other assets	-	64.6	64.6	-	62.1	62.1
Fair value of scheme assets	-	64.6	64.6	-	62.1	62.1

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

Note 10: Employee benefits (continued)

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

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

€m	2021		2020	
	Funded schemes	Total	Funded schemes	Total
Scheme assets at 1 January	62.1	62.1	73.9	73.9
Employer contribution	3.8	3.8	4.6	4.6
Interest on pension assets	0.2	0.2	0.4	0.4
Contributions paid by employees	1.2	1.2	1.5	1.5
Benefits paid	-4.9	-4.9	-21.4	-21.4
Actual return less interest return on pension assets	2.4	2.4	3.3	3.3
Administrative costs	-0.5	-0.5	-	-
Group changes	0.3	0.3	-0.2	-0.2
Scheme assets at 31 December	64.6	64.6	62.1	62.1

The actual return on scheme assets is as follows:

€m	2021	2020
Interest return on pension assets	0.2	0.4
Actual return less interest return on pension assets	2.4	3.3
Actual net return on pension assets	2.6	3.7

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

€m	2021			2020		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Defined benefit obligations at 1 January before restatement	-90.0	-3.8	-93.8	-100.5	-2.9	-103.4
Restatement ⁽¹⁾	2.4	-2.4	-	-2.1	-	-2.1
Defined benefit obligations at 1 January	-87.6	-6.2	-93.8	-102.6	-2.9	-105.5
Current service cost	-5.2	-0.7	-5.9	-7.1	-1.1	-8.2
Interest payable on pension liabilities	-0.2	-	-0.2	-0.6	-	-0.6
Benefits paid	4.9	1.6	6.5	21.8	0.2	22.0
Contribution paid by employees	-1.3	-	-1.3	-1.4	-	-1.4
Experience gain (+) / loss (-) on liabilities	3.1	-	3.1	0.4	-	0.4
Gain (+) / Loss (-) arising from changes to financial assumptions	1.4	-	1.4	-3.3	-	-3.3
Curtailment and settlements	-	-	-	2.9	-	2.9
Group change	-0.4	-	-0.4	-0.1	-	-0.1
Administrative costs	0.5	-	0.5	-	-	-
Defined benefit obligations at 31 December	-84.8	-5.3	-90.1	-90.0	-3.8	-93.8

(1) As restated to reflect the correct presentation between funded and unfunded schemes.

Note 10: Employee benefits (continued)

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

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

€m	2021			2020		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Current service cost	-5.2	-0.7	-5.9	-7.1	-1.1	-8.2
Effect of curtailment or settlement	-	-	-	2.9	-	2.9
Pension costs within the operating result	-5.2	-0.7	-5.9	-4.2	-1.1	-5.3
Interest payable on pension liabilities	-0.2	-	-0.2	-0.6	-	-0.6
Interest return on pension assets	0.2	-	0.2	0.4	-	0.4
Net pension interest cost	-	-	-	-0.2	-	-0.2
Expense recognised in the statement of profit or loss	-5.2	-0.7	-5.9	-4.4	-1.1	-5.5

The best estimate of normal contributions expected to be paid to the schemes during the 2022 annual period is ca. €4m.

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

In 2021 and 2020, the net deficit (€25.5m in 2021; €31.7m in 2020) recognised in the consolidated statement of financial position does not include Belron's net surplus and TVH Parts since there are equity-accounted investees.

The following table presents a sensitivity analysis for the discount rate and the inflation rate, showing how the defined benefit obligation at 31 December 2021 would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date. The sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension liability in its entirety, the measurement of which is driven by a number of factors including, in addition to the assumptions below, the fair value of plan assets.

€m	(Increase) / decrease in defined benefit obligation at 31 December 2021	(Increase) / decrease in defined benefit obligation at 31 December 2020
Discount rate		
Increase by 25 basis points	4.6	6.6
Decrease by 25 basis points	-4.9	-7.1
Inflation rate		
Increase by 25 basis points	-2.4	-2.4
Decrease by 25 basis points	2.3	2.3

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

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

Note 10: Employee benefits (continued)

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

The IFRS valuation and accounting of this kind of plan with contribution-based promises are not envisaged by IAS 19. Taking into account the change in the pension law and the current consensus on this specific matter, and after analysis of the pension plan, the Group now considers that a method based on the IAS 19 methodology ("Projected unit credit" method used for defined benefit plan) is appropriate to measure the liability in the Belgian context as from 2016 onwards. The present value of the defined benefit obligation amounts to €78.3m (2020: €80.6m). The calculation is based on the "Projected unit credit" method with projection of the future contributions and services pro-rate for the employer contract and without projection of the future contributions for the employee contract. The fair value of the scheme assets amounts to €60.4m (2020: €57.9m) and is set equal to the contractual assets held by the insurance company (no application of paragraph 115 of IAS 19). The net deficit amounts to €17.9m (2020: €22.7m), recognized in the consolidated statement of financial position.

Note 11: Current and deferred income taxes

Note 11.1: Income tax expenses

Income tax expense is broken down as follows:

€m	2021	2020 ⁽¹⁾
Current year income tax	-32.2	-17.8
Prior year income tax	-0.8	0.1
Movement in deferred taxes	5.0	1.3
Income tax expense	-28.0	-16.4

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

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

€m	2021	2020 ⁽¹⁾
Result before taxes	283.4	154.6
Tax at the Belgian corporation tax rate of 25.00%	-70.9	-38.6
Rate differential	-0.2	-0.3
Permanent differences	4.2	-10.6
Other temporary differences	-0.7	-
Adjustments in respect of prior years	-1.2	-
Deferred tax assets not recognised	-3.2	-2.8
Recognition of previously unrecognised deferred tax assets	-	0.5
Derecognition of previously recognised deferred tax assets	-3.1	-1.2
Joint venture and associate	47.1	37.7
Other	-	-1.1
Actual income tax on PBT	-28.0	-16.4

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

The Group's consolidated effective tax rate for the year ended 31 December 2021 is 9.9% (29.4% excluding the share of the Group in the net result of equity-accounted investees) and 10.6% - as restated, see note 1 - for the year ended 31 December 2020.

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

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

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

The Group operates in multiple jurisdictions with often complex legal and tax regulatory environments. The income tax positions taken are considered by the Group to be supportable and are intended to withstand challenge from tax authorities. However, it is acknowledged that some of the positions are uncertain and include interpretations of complex tax laws which could be disputed by tax authorities.

Note 11: Current and deferred income taxes (continued)

Note 11.1: Income tax expenses (continued)

The Group judges these positions on their technical merits and this on a regular basis using all the information available (legislation, case law, regulations, established practice, authoritative doctrine as well as certain third-party tax opinions issued by Belgian and foreign tax lawyers). These positions are based on facts and circumstances existing at the end of the reporting period and will be reviewed at each reporting date.

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

Note 11.2: Current tax assets and liabilities

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

Note 11.3: Deferred income taxes

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

Note 11: Current and deferred income taxes (continued)

Note 11.3: Deferred income taxes (continued)

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

€m	Revaluations	Depreciation amortisation write-downs	Provisions	Tax losses available for offset	Financial	Other	Total
Deferred tax liabilities (negative amounts)							
At 1 January 2020	-111.7	-21.3	1.3	-	-0.9	-0.2	-132.8
Credited (charged) to income statement	-	0.5	-0.1	-	-	-	0.4
Credited (charged) to equity	-	-	-	-	0.7	-	0.7
Other variations	-	-	-	-	-	0.5	0.5
Exchange differences	-	-	-	-	-	0.1	0.1
At 31 December 2020	-111.7	-20.8	1.2	-	-0.2	0.4	-131.1
Restatement ⁽¹⁾	-	-0.1	-1.3	-	-	1.4	-0.0
At 1 January 2021	-111.7	-20.9	-0.1	-	-0.2	1.8	-131.1
Credited (charged) to income statement	-	1.2	-0.1	-	-	0.1	1.2
Credited (charged) to equity	-	-1.1	-	-	-	-	-1.1
Other variation	-	-1.4	-	-	-	-0.7	-2.1
At 31 December 2021	-111.7	-22.2	-0.2	-	-0.2	1.2	-133.1
Deferred tax assets (positive amounts)							
At 1 January 2020	-	-1.9	7.2	22.3	0.7	13.0	41.3
Credited (charged) to income statement	-	0.2	1.4	-1.2	-	-0.5	-0.1
Credited (charged) to equity	-	-	-	-	-0.7	-0.1	-0.8
Other variations	-	-	-	-	-	-0.6	-0.6
Exchange differences	-	-	-0.3	-	-	-0.3	-0.6
At 31 December 2020	-	-1.7	8.3	21.1	-	11.5	39.2
Restatement ⁽¹⁾	-	-0.0	2.2	-0.2	-	2.0	4.0
At 1 January 2021	-	-1.7	10.5	20.9	-	13.5	43.2
Credited (charged) to income statement	-	0.6	1.5	4.8	-	-3.1	3.8
Credited (charged) to equity	-	-	-1.6	-	-	0.1	-1.5
Other variations	-	1.6	-0.4	-1.5	-	0.8	0.5
Exchange differences	-	-0.1	0.1	-	-	0.6	0.6
At 31 December 2021	-	0.4	10.1	24.2	-	11.9	46.6
Net deferred tax assets (liabilities) after offsetting recognised in the consolidated statement of financial position:							
31 December 2020 restated	-111.7	-22.6	10.4	20.9	-0.2	15.3	-87.9
31 December 2021	-111.7	-21.8	9.9	24.2	-0.2	13.1	-86.5

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021 and to reflect the correct allocation of DTA and DTL by nature in the framework of continuous improvement of the financial reporting presentation. Refer to note 1 for more information on the restatement of comparative information.

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

The net deferred tax balance includes net deferred tax assets amounting to €14.2m (2020: €10.8m) that are expected to be reversed in the following year. However, given the low predictability of deferred tax movements, this net amount might not be reversed as originally foreseen.

Note 11: Current and deferred income taxes (continued)

Note 11.3: Deferred income taxes (continued)

At the balance sheet date, the Group has unused tax losses and credits of €65.9m (2020: €42.9m) available for offset against future profits, for which no deferred tax asset has been recognised, due to the unpredictability of future profit streams. This includes unused tax losses of €8.6m (2020: €7.3m) that will expire in the period 2022-2026 (2020: 2021-2029). Other losses may be carried forward indefinitely.

At the balance sheet date, no deferred tax liability has been recognized for the aggregate amount of temporary differences associated with the investments in subsidiaries, branches, associates and interests in joint ventures because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. It should also be noted that the reversal of these temporary differences, for example by way of distribution of dividends by the subsidiaries to the Company, would generate no (or a marginal) current tax effect.

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

Note 12: Goodwill

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

€m	2021	2020
Gross amount at 1 January	199.5	199.4
Accumulated impairment losses at 1 January	-123.3	-102.3
Carrying amount at 1 January	76.2	97.1
Additions (see note 25)	7.0	0.1
Impairment losses	-	-21.0
Carrying amount at 31 December	83.2	76.2
<i>of which: gross amount</i>	<i>206.5</i>	<i>199.5</i>
<i>of which: accumulated impairment losses</i>	<i>-123.3</i>	<i>-123.3</i>

In the period, the additions comprise the goodwill arising from business combinations performed in the D'leteren Automotive segment (see note 25)

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

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

€m	2021	2020
D'leteren Automotive	31.3	27.4
Moleskine	48.8	48.8
Corporate & unallocated	3.1	-
GROUP	83.2	76.2

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

The €31.3m of goodwill in the D'leteren Automotive segment presented in the above table represents the goodwill recognised by D'leteren Automotive on its own CGUs, being "D'leteren Automotive" (import/support activities) "Retail" (automobile retail activities), "Wonder" (used cars and body shops activities), "Lab Box" (mobility services) and "Lucien" (bike retail and services).

Note 12: Goodwill (continued)

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

Management of D'leteren Automotive performed a review of the carrying value of the goodwill and intangible assets allocated in these CGUs and concluded that no impairment charge is required. D'leteren Automotive calculated the present value of the estimated future cash flows, based on D'leteren Automotive five-year strategic plan (2022– 2026) prepared by management, reviewed and approved by the Board of Directors. The pre-tax discount rate applied amounts to 7.12% and is based upon the weighted average cost of capital of the D'leteren Automotive segment.

At year-end 2021, the Board of Directors of the Company reviewed the carrying amount of the Moleskine cash-generating unit. In determining the value in use of the CGU, the Company calculated the present value of the estimated future cash flows, based on Moleskine's five-year strategic plan (2021 – 2025) prepared by management in 2020, reviewed and approved by the Board of Directors. The model starts with the 2022 figures from the most recent budget approved by the Board of Directors, 2023 to 2025 figures presented in the five-year strategic plan (the revenue growth rate and underlying operating margins being estimated based on historical values achieved, considering potential future economic impact of Covid-19) and applies a terminal growth rate of 1.5% (2020: 1.5%) to the terminal value beyond the year 2025. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. The pre-tax discount rate applied amounts to 6.6% (2020: 7.2%) and is based upon the weighted average cost of capital of the Moleskine segment, considering appropriate adjustments for the relevant risks associated with investing in equities, with the business and with the underlying country (country risk premium).

The Board of Directors of the Company is satisfied that the carrying amount of the Moleskine cash-generating unit is stated at no more than its value in use. Sensitivity analyses prepared by management revealed that an individual 1% adverse movement in either the terminal growth rate or the discount rate would not lead to further impairment. The individual change required for carrying amount to equal recoverable amount is 3.8% for the discount rate or -4.9% for the terminal growth rate. At 31 December 2021, the recoverable amount of the CGU exceeds its carrying amount by €317m.

Note 13: Intangible assets

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

€m	Brands (finite and indefinite useful lives)	Other	Total
Gross amount at 1 January 2021 ⁽¹⁾	402.8	77.3	480.1
Accumulated amortisation and impairment losses at 1 January 2021 ⁽¹⁾	-	-45.5	-45.5
Carrying amount at 1 January 2021 ⁽¹⁾	402.8	31.8	434.6
Additions:			
Items separately acquired	-	16.2	16.2
Amortisation	-	-9.0	-9.0
Scope exit	-	-2.7	-2.7
Carrying amount at 31 December 2021	402.8	36.3	439.1
<i>of which: gross amount</i>	402.8	90.8	493.6
<i>of which: accumulated amortisation and impairment losses</i>	-	-54.5	-54.5
Gross amount at 1 January 2020 ⁽¹⁾	402.8	67.3	470.1
Accumulated amortisation and impairment losses at 1 January 2020 ⁽¹⁾	-	-37.5	-37.5
Carrying amount at 1 January 2020 ⁽¹⁾	402.8	29.8	432.6
Additions:			
Items separately acquired	-	16.6	16.6
Disposals ⁽¹⁾	-	-6.8	-6.8
Amortisation ⁽¹⁾	-	-7.2	-7.2
Impairment losses	-	-0.4	-0.4
Translation differences	-	-0.2	-0.2
Carrying amount at 31 December 2020 ⁽¹⁾	402.8	31.8	434.6
<i>of which: gross amount ⁽¹⁾</i>	402.8	77.3	480.1
<i>of which: accumulated amortisation and impairment losses ⁽¹⁾</i>	-	-45.5	-45.5

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

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

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

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

Note 14: Property, plant and equipment

€m	Property	Plant and equipment	Assets under construction	Total
Gross amount at 1 January 2021	405.4	173.7	7.9	587.1
Accumulated depreciation and impairment losses at 1 January 2021	-193.7	-130.5	-	-324.2
Carrying amount at 1 January 2021	211.7	43.2	7.9	262.9
Additions	7.9	37.1	12.3	57.3
Disposals	-0.3	-15.6	-2.7	-18.6
Depreciation on PP&E (including right-of-use assets)	-11.7	-24.6	-	-36.3
Transfer from (to) another caption	-2.3	0.6	-1.4	-3.1
Items acquired through business combinations (see note 25)	0.2	2.2	-	2.4
Translation differences	-	0.8	-	0.8
Carrying amount at 31 December 2021	205.5	43.7	16.1	265.4
<i>of which: gross amount</i>	410.9	198.8	16.1	625.9
<i>of which: accumulated depreciation and impairment losses</i>	-205.4	-155.1	-	-360.5
Gross amount at 1 January 2020	391.8	157.3	6.5	555.6
Accumulated depreciation and impairment losses at 1 January 2020	-181.5	-105.4	-	-286.9
Carrying amount at 1 January 2020	210.3	51.9	6.5	268.7
Additions	13.9	17.8	4.7	36.4
Disposals	-	-1.4	-0.4	-1.8
Depreciation on PP&E (including right-of-use assets)	-12.2	-25.1	-	-37.3
Transfer from (to) another caption	-0.6	-	-2.6	-3.2
Items acquired through business combinations	0.3	-	-	0.3
Translation differences	-	-	-0.3	-0.3
Carrying amount at 31 December 2020	211.7	43.2	7.9	262.9
<i>of which: gross amount</i>	405.4	173.7	7.9	587.1
<i>of which: accumulated depreciation and impairment losses</i>	-193.7	-130.5	-	-324.2

At 31 December 2021 and at 31 December 2020, assets under construction mainly included property under construction in the segment "Corporate & unallocated", as part of the real estate activities of the Group.

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

€m	Total
31 December 2021	45.9
31 December 2020	50.4

Note 15: Investment property

€m	2021	2020
Gross amount at 1 January	41.4	37.5
Accumulated depreciation at 1 January	-9.7	-8.6
Carrying amount at 1 January	31.7	28.9
Additions	-	0.7
Depreciation on PP&E (including right-of-use assets)	-1.2	-1.1
Transfer from (to) another caption	3.1	3.2
Carrying amount at 31 December	33.6	31.7
<i>of which: gross amount</i>	44.5	41.4
<i>of which: accumulated depreciation</i>	-10.9	-9.7
Fair value	49.0	47.1

The fair value is supported by market evidence and is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification, and who has recent experience in the location and category of the investment property held by the Group. The latest valuations were performed in July 2019. The fair value of €49.0m at 31 December 2021 is based on the fair value estimated by the independent valuer in July 2019, increased by the change in net book value during the period.

All items of investment property are located in Belgium and are held by the segment "Corporate & unallocated". The line "transfer from (to) another caption" in 2020 and 2021 relates to the transfer of assets from property, plant and equipment and assets under construction (see note 14).

See also note 31 for other disclosures on investment property.

Note 16: Inventories

€m	2021	2020
D'leteren Automotive		
Vehicles	376.1	398.0
Spare parts and accessories	37.7	33.1
Other	2.0	0.9
Subtotal	415.8	432.0
Moleskine	30.4	25.4
GROUP	446.2	457.4

The accumulated write-down on inventories amounts to €16.6m (2020: €12.6m). The amount of write down of inventories recognised in the cost of sales (see note 6) is a charge of €3.7m (2020: an income of €0.3m).

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

Note 17: Equity-accounted investees

In 2021, four group entities (two in 2020) are accounted for using the equity method: two in the D'leteren Automotive segment (Volkswagen D'leteren Finance and Skipr), Belron Group s.a., and TVH Parts.

€m	2021				2020 ⁽¹⁾		
	D'leteren Autom.	Belron	TVH Parts	Group	D'leteren Autom.	Belron	Group
Interests in joint ventures	113.1	-49.1	1,159.1	1,223.1	88.8	583.5	672.3
Total of equity-accounted investees and long-term interests in equity-accounted investees	113.1	-49.1	1,159.1	1,223.1	88.8	583.5	672.3
Share of profit in joint ventures	8.1	168.1	12.1	188.3	4.0	146.2	150.2
Total of share of result after tax of equity-accounted investees and long-term interests in equity-accounted investees	8.1	168.1	12.1	188.3	4.0	146.2	150.2

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

Belron

In 2021 and in 2020, Belron Group s.a. ("BGSA"), the joint venture holding the Belron activities (see note 1 for more information), is accounted for as an equity-accounted investee, and is owned 50.01% in economic rights by the Group on fully diluted basis. The Group has joint control over BGSA as a result of some reserved matters being shared with Clayton, Dubilier & Rice ("CD&R").

At inception (February 2018), the capital structure of BGSA was composed of voting ordinary shares (ca. 3 % of total equity) and non-voting preference shares (ca. 97% of total equity), in the same proportion between shareholders (the Group, CD&R, and the family holding company of Belron's CEO). For the years 2020 and 2021, preference shares have been bearing a fixed annual compounding dividend rate of 10% (any distribution being first allocated to the preference shares in order to satisfy the accumulated dividend and to redeem the subscription amount of preference shares). At the end of December 2021, no preference shares remain in the capital structure of Belron.

On 17 December 2021, D'leteren Group announced that Hellman & Friedman and funds and accounts managed by GIC and BlackRock Private Equity Partners have completed the acquisition of a stake in BGSA, representing 16.8% of BGSA's share capital on a combined basis. The Group has reaffirmed its long-term commitment to Belron by keeping 50.01% of BGSA's fully diluted share capital.

A Management Reward Plan (MRP) involving about 250 key employees was set up in 2018. The participants of the MRP acquired non-voting equity instruments in BGSA (representing the fair value of various classes of equity instruments, being all treated as equity under IFRS). Part of the issued equity consists of "ratchet shares" which will allow management to enjoy additional returns if certain performance hurdles (IRR and Cash on Cash) are satisfied at exit. The share of the Group in the net result of BGSA in 2020 and 2021 already takes into account the dilutive impact of these MRP shares.

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

Belron carried out a full impairment review for each of its cash generating units (being the different countries where it operates). The review led to an impairment charge of €3.2m in relation to Finland, entirely allocated to goodwill. The charge followed the review of Belron's goodwill, intangibles and tangible assets, using business plans prepared in the year to calculate the long-term cash flow assumptions for each country. Additional write-off on non-current assets have been recognised for €15.3m and relates to €11.9m of write off on leased property no longer being used by the Group and €3.4m of correction under IAS 8 of previously capitalised SaaS ("software as a service") costs which were expensed following the adoption of the IFRIC Agenda Decision Paper (March 2021) "Configuration or Customisation Costs in a Cloud Computing Arrangement".

In 2021, based on IAS28, the Board of Directors of the Company did not identify any indication of possible impairment (a triggering event) on its investment in Belron (equity-accounted investee) and therefore did not perform an impairment test.

A shareholders' agreement has been signed between the Group and the family holding company of the Belron's CEO, including put options (with related call options) related to the part of the interest held by the family holding company of the Belron's CEO. Based on IFRS requirements, the (financial) obligation to buy the equity instruments in an equity-accounted investee does not give rise to a financial liability in the consolidated statement of financial position (because equity-accounted investees are not part of the Group).

Note 17: Equity-accounted investees (continued)

This contract is a derivative that is in the scope of IFRS 9 "Financial Instruments", measured at fair value through profit or loss and categorised within the fair value hierarchy as level 3. The fair value of this derivative amounts to nil as at 31 December 2021; the value of the Belron's share based on the put formula being equal to the most recent fair market value of Belron.

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

The table below presents the revenue, profit before tax, the net result, and the other comprehensive income for the year ended 31 December 2021 and 31 December 2020. The Group's share in net result is computed based on a weighted average percentage of 52.88% in 2021 and 53.75% in 2020.

€m - Belron	2021	2020 ⁽¹⁾
Revenue (100%)	4,646.8	3,898.8
Profit before tax (100%)	463.4	366.4
Result for the period (100%)	317.9	272.0
Other comprehensive income (100%)	79.4	54.8
Profit (or loss) and total comprehensive income (100%)	397.3	326.8
Group's share of profit (or loss) and comprehensive income	207.8	172.4
Group's share of profit (or loss)	168.1	146.2
Group's share of comprehensive income	39.7	26.2

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

Given the equity structure described above, the Group's share in the net result of Belron for period ended 31 December 2021 and 31 December 2020 was determined based on the Group's percentage of ownership in the preference shares (for the fixed annual compounding dividend rate of 10% which benefits to preference shares) and based on the Group's percentage of ownership in the ordinary shares (for the net result in surplus, after deduction of the fixed dividend of the preference shares). This calculation resulted in a Group's share in the net result of Belron computed based on a weighted average percentage of 52.88% (53.75% in 2020), corresponding to a Group's share in the profit of Belron of €168.1m (out of which €21.6m relate to preference shares and €146.5m relate to ordinary shares).

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

The reconciliation of the Group's share in the net assets of BGSA from 31 December 2020 to 31 December 2021 is presented below:

€m - Belron	
Group's share of net assets at 31 December 2020	586.6
Group's share of profit (or loss) and comprehensive income	207.8
Group's share in dividends and proceeds from capital reduction	-874.3
Other movements, Group's share	30.8
Group's share of net assets at 31 December 2021	-49.1

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

In the period, BGSA purchased own shares from previous MRP participants for an amount of €18.8m. As the repurchase transaction took place at fair value (the fair value of the own shares repurchased corresponds to the cash-out made to acquire these shares at transaction date), the transaction did not impact the carrying amount of the equity-accounted investee that the Group owns in BGSA as at 31 December 2021 (these shares will be re-purchased in the future by existing and new participants of the MRP).

Note 17: Equity-accounted investees (continued)

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

Following the closing of the transaction with Belron's new shareholders on 17 December 2021, Belron's Board of Directors has agreed to reward c.25,000 employees with a cash bonus and restricted share units ('RSUs') to thank them for their loyal contribution to the company's success. Under the proposed terms of the equity-settled component of the scheme, BGSA awarded restricted share units ('RSUs') to each participant in the scheme. On vesting, each RSU will entitle the holder to receive a single ordinary non-voting share in BGSA. Vesting period is currently estimated at 5 years and may be revised if subsequent information indicates that the length of the vesting period is likely to differ from this estimate.

This equity-settled component of the scheme is a share-based payment arrangement. Accordingly, it is classified, and accounted for, as an equity-settled share-based payment transaction in BGSA own financial statements, in accordance with IFRS 2.

Each year during the expected vesting period, the Group will therefore account for its share (50.01%) in the share-based payment expense of BGSA (in the line "share of result of equity-accounted investee, net of income tax" in the consolidated statement of profit or loss), without any impact on the value of the equity-accounted investee (in the consolidated statement of financial position), the share-based payment expense being compensated by a corresponding increase in BGSA shareholder's equity. This reward will have no economic impact whatsoever on the Group and other shareholders and there will be no dilution to the 50.01% fully diluted stake held by the Group.

TVH Parts

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

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

Upon initial recognition the Group has to make a purchase price allocation (PPA) exercise, ie measure the identifiable assets acquired and liabilities assumed at the fair value under IFRS. The difference between these net assets acquired at fair value in the application of the equity method and the consideration paid to acquire the 40% stake will determine the provisional goodwill embedded in the equity investment. The purchase price allocation exercise is not finalized. As permitted by IFRS 3 "Business Combinations", the Group has a maximum period of 12 months to finalize the acquisition accounting. The provisional allocation will be reviewed if necessary in 2022.

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

The table below presents the revenue, profit before tax and the net result of TVH Parts for the 3-month period ended 31 December 2021.

€m - TVH Parts	2021
Revenue (100%)	350.0
Profit before tax (100%)	42.4
Result for the period (100%)	30.2
Group's share of profit (or loss) and comprehensive income (40%)	12.1

The reconciliation of the Group's share in the net assets of TVH Parts starting from the 1st October 2021 (closing date) to 31 December 2021 is presented below:

€m - TVH Parts	
Group's share of net assets at closing of the transaction	1,147.0
Group's share of profit (or loss) and comprehensive income	12.1
Group's share of net assets at 31 December 2021	1,159.1

Note 17: Equity-accounted investees (continued)

D'leteren Automotive

In 2021, the third largest equity-accounted investee (the second largest in 2020) is the joint venture Volkswagen D'leteren Finance (VDFin), owned 50% minus one share by the Group and 50% plus one share by Volkswagen Financial Services (a subsidiary of the Volkswagen group), active in a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market.

Following the acquisition of 17% of the share capital of Skipr by ALD Automotive, the Group lost exclusive control of its subsidiary on 1st July 2021. This resulted in the recognition of a consolidated gain of 12.4m (accounted for in finance income in the D'leteren Automotive segment), representing the difference between Skipr's fair value and the net book value of the assets and liabilities. Skipr is therefore accounted for as an equity-accounted investee as from 1st July 2021. The financial information of Skipr is not material to the Group and is not separately disclosed. The Group's share in the net assets of Skipr at 31 December 2021 amounts to €14.6m and the Group's share in the profit or loss of Skipr amounts to -€1.1m.

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

€m - VDFin (100% - except otherwise stated)	2021	2020
Non-current assets	1,683.5	1,607.3
Current assets (excluding cash and cash equivalents)	826.1	966.9
Cash and cash equivalents	77.5	54.8
Non-current liabilities (excluding financial liabilities)	-8.6	-8.5
Non-current financial liabilities	-1,070.3	-954.9
Current liabilities (excluding financial liabilities)	-137.0	-147.5
Current financial liabilities	-1,174.2	-1,340.5
Net assets	197.0	177.6
Group's share of net assets (49.99%) and carrying amount of interest in joint venture	98.5	88.8

€m - VDFin (100% - except otherwise stated)	2021	2020
Revenue	578.8	658.6
Depreciation and amortization	-125.5	-120.3
Net finance costs	30.0	26.1
Profit before tax	24.1	12.7
Tax expense	2.7	-4.7
Result for the period	18.4	8.0
Other comprehensive income	0.9	-
Profit (or loss) and total comprehensive income	19.3	8.0
Group's share of profit (or loss) and comprehensive income (49.99%)	9.7	4.0

Note 18: Financial instruments – fair value and risk management

Financial instruments - measurement

Financial assets held by the Group at 31 December 2021 are limited to trade and other receivables (see note 20), cash and cash equivalents (see note 19) and financial investments (in the Corporate & unallocated segment – see note 4). Trade and other receivables and cash and cash equivalents are measured at amortised costs under IFRS 9. Short-term financial investments are measured both at amortised costs under IFRS 9 (corporate bonds) and at FVTPL (equity instruments).

Financial liabilities held by the Group at 31 December 2021 consist in loans and borrowings (see note 23) and trade and other payables (see note 24), both classified as liabilities at amortised costs under IFRS 9.

In the current period (see note 4 segment information), in the Belron segment (equity-accounted investee), there is a contingent consideration liability (€11.3m, presented in the trade and other payables in the segment statement of financial position) recognised on an asset acquisition carried out at fair value using a level 3 valuation method (see below).

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

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

At 31 December 2020, in the Moleskine segment, the €0.5m derivative hedging instrument (measured at FVTPL) related to forward exchange contracts used to hedge transactional and financial exposure against the fluctuation of the USD. This contract has been closed in 2021.

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

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

At 31 December 2021 and 2020, all Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are classified in level 2 except the equity instruments included in the line "financial investments", classified in level 1.

Valuation techniques

The fair values of derivative instrument are determined using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions at the balance sheet date. The fair value of cross currency interest rate swaps and interest rate swaps is calculated as the present value of future estimated cash flows. The fair value of interest rate caps and collars is valued using option valuation techniques. The fair value of forward exchange contracts is determined using forward exchange market rates at the date of the consolidated statement of financial position. The fair value of fuel hedge instruments is determined using market valuations prepared by the respective banks that executed the initial transactions at the statement of financial position date based on the present value of the monthly futures forward curve for gasoline given the volume hedged and the contract period. The fair value of foreign exchange swap contracts is determined using forward foreign exchange market rate at the date of the consolidated statement of financial position.

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

Liquidity and re-financing risk

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

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

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

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

€m	Due within one year		Due between one and five years		Due after five years		Total	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
At 31 December 2021								
Loans and borrowings								
Lease liabilities	16.5	0.2	19.9	0.2	10.5	0.1	46.9	0.5
Other borrowings and private bonds	36.6	1.8	130.5	2.4	-	-	167.1	4.2
Total	53.1	2.0	150.4	2.6	10.5	0.1	214.0	4.7
Trade and other payables	496.0	-	-	-	-	-	496.0	-
Total	549.1	2.0	150.4	2.6	10.5	0.1	710.0	4.7
At 31 December 2020								
Loans and borrowings								
Obligations under finance leases	9.5	0.4	24.7	0.8	17.5	0.2	51.7	1.4
Other borrowings and private bonds	8.4	1.4	44.6	1.7	-	-	53.0	3.1
Total	17.9	1.8	69.3	2.5	17.5	0.2	104.7	4.5
Trade and other payables	413.4	-	-	-	-	-	413.4	-
Total	431.3	1.8	69.3	2.5	17.5	0.2	518.1	4.5

Interest Rate Risk

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

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

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

€m	Result from continuing operations	
	1% increase	1% decrease
31 December 2021	-3.1	3.1
31 December 2020	-3.1	3.1

Currency Risk

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

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

The significant exchange rates applied in 2021 and in 2020 are disclosed in note 29.

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

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

€m	Result from continuing operations	
	10% strengthening	10% weakening
31 December 2021		
EUR vs GBP	-0.5	0.6
EUR vs USD	-2.1	2.6
EUR vs HKD	-0.2	0.3
31 December 2020		
EUR vs GBP	-0.2	0.3
EUR vs USD	-3.6	4.4
EUR vs CHF	-0.9	1.1

Price Risk

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

Counterparty risk

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

Note 19: Cash and cash equivalents

Cash and cash equivalents are analysed below:

€m	2021				2020			
	D'leteren Automotive	Moleskine	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Cash at bank and in hand	69.0	38.6	170.5	278.1	-41.0	30.2	265.1	254.3
Short-term deposits	17.0	-	59.5	76.5	97.0	-	-	97.0
Cash and cash equivalents	86.0	38.6	230.0	354.6	56.0	30.2	265.1	351.3

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

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

Note 20: Trade and other receivables

€m	2021				2020			
	D'leteren Automotive	Moleskine	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Non-current receivables	3.9	1.1	44.0	49.0	2.1	1.0	1.3	4.4
Trade receivables - net	302.2	31.7	0.7	334.6	279.6	29.0	0.5	309.1
Current receivables from equity-accounted investees	9.4	-	2.2	11.6	10.9	-	-	10.9
Other current receivables	10.1	1.9	22.4	34.4	13.4	1.3	4.6	19.3
Trade and other receivables	321.7	33.6	25.3	380.6	303.9	30.3	5.1	339.3

In 2021 in the Corporate & unallocated segment, non-current receivables include, amongst other amounts, €40.6m related to the shareholder loan from the Corporate and unallocated segment put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH Parts (see note 17), of which €0.6m represents capitalised interests.

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

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

In the D'leteren Automotive segment, concentration on top ten customers (excluding trade receivables from VW Group), based on the gross receivables, is 10.3% (2020: 8.0%) and no customer is above 5% (2021: 2.4%; 2020: 2.9%). Certain receivables are also credit insured. In the Belron segment (equity-accounted investee), concentrations of risk with respect to receivables are limited due to the diversity of Belron's customer base. In the Moleskine segment, trade receivables are concentrated due to the distribution model. However, there were no specific concentration risks since the counterparties do not present solvency risk and in any event could be replaced, if required, which would not entail operational difficulties. The credit position of certain customers is also partly guaranteed by letters of credit.

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

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

As at 31 December 2021, the provisions for bad and doubtful debt amount to €4.8m (2020: €5.1m).

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

€m	2021	2020 ⁽¹⁾
Up to three months past due	21.4	19.3
Over three months past due	6.8	6.4
Total	28.2	25.7

(1) As restated to exclude some intercompany trade and other receivables that were erroneously included in 2020 table.

The charge in 2021 for bad and doubtful debts amounts to nihil (2020: charge of -€0.6m). See note 6.

Note 21: Capital and reserves

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

Share capital

The change in ordinary share capital is set out below:

€m, except number of shares stated in units	Number of ordinary shares	Ordinary share capital
At 1 January 2020	55,302,620	160.0
Change	-934,692	-
At 31 December 2020	54,367,928	160.0
Change	-	-
At 31 December 2021	54,367,928	160.0

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

Treasury shares reserve

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

€m, except number of shares stated in units	31 December 2021		31 December 2020	
	Number	Amount	Number	Amount
Treasury shares held by the Company	1,017,135	47.4	987,392	38.0
Treasury shares held by subsidiaries	-	-	-	-
Treasury shares held	1,017,135	47.4	987,392	38.0

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

During the year 2021, 184,470 treasury shares have been acquired by the Company and 154,727 treasury shares have been sold.

Hedging reserve

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

Translation reserve

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

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

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

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

Note 21: Capital and reserves (continued)

The controlling shareholders are listed here below:

Shareholders with controlling interest according to the declaration of transparency dated 2 November 2011, and to further communications to the company (as at 31 December 2021).	Capital shares		Participating shares		Total voting rights	
	Number	%	Number	%	Number	%
s.a. de Participations et de Gestion, Brussels	12,614,953	23.20%	-	-	12,614,953	21.25%
Reptid Commercial Corporation, Dover, Delaware	1,928,875	3.55%	-	-	1,928,875	3.25%
Mrs Catheline Périer-D'leteren	0	0.00%	1,250,000	25.00%	1,250,000	2.11%
Mr Olivier Périer	10,000	0.02%	-	-	10,000	0.02%
The four abovementioned shareholders (collectively "SPDG Group") are associated.	14,553,828	26.77%	1,250,000	25.00%	15,803,828	26.62%
Nayarit Participations s.c.a., Brussels	17,684,020	32.53%	-	-	17,684,020	29.79%
Mr Nicolas D'leteren	10,000	0.02%	3,750,000	75.00%	3,760,000	6.33%
The two abovementioned shareholders (collectively "Nayarit Group") are associated.	17,694,020	32.54%	3,750,000	75.00%	21,444,020	36.12%
The shareholders referred to as SPDG Group and Nayarit Group act in concert.						

The Board of Directors proposed the distribution of a gross dividend amounting to €2.10 per share (2020: gross dividend of €1.35 per share), or €113.4m in aggregate (2020: €72.9m).

Note 22: Provisions

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

The major classes of provisions are the following ones:

€m	2021				2020			
	D'leteren Automotive	Moleskine	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Non-current provisions								
Dealer-related	6.3	-	-	6.3	6.9	-	-	6.9
Other non-current items	5.7	3.2	0.3	9.2	4.4	-	0.3	4.7
Subtotal	12.0	3.2	0.3	15.5	11.3	-	0.3	11.6
Current provisions								
Other current items	4.3	1.7	5.3	11.3	-	1.4	5.1	6.5
Subtotal	4.3	1.7	5.3	11.3	-	1.4	5.1	6.5
Total provisions	16.3	4.9	5.6	26.8	11.3	1.4	5.4	18.1

The changes in provisions are set out below for the year ended 31 December 2021:

€m				
	Dealer-related	Other non-current items	Other current items	Total
At 1 January 2021	6.9	4.7	6.5	18.1
Charged in the year	0.1	7.2	4.8	12.1
Utilised in the year	-0.7	-1.9	-	-2.6
Reversed in the year	-	-0.1	-	-0.1
Transferred during the year	-	-0.7	-	-0.7
At 31 December 2021	6.3	9.2	11.3	26.8

Note 22: Provisions (continued)

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

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

Other non-current provisions also comprise:

- Dilapidation and environmental provisions to cover the costs of the remediation of certain properties held under leases;
- Provision against legal claims that arise in the normal course of business, that are expected to crystallise in the next couple of years. After taking appropriate legal advice, the outcome of these legal claims should not give rise to any significant loss beyond amounts provided at 31 December 2021.
- The provisions of €3.2m and €1.4m for the new Long-term Incentive program put in place in 2021 at Moleskine and D'Ieteren Automotive.

The increase of other current provisions is related to the decision of D'Ieteren Automotive to close down two of its structurally loss-making sites (new provision of €4.4m).

Note 23: Loans and borrowings

Loans and borrowings are presented as follows:

€m	2021				2020			
	D'Ieteren Automotive	Moleskine	Corp. & unallocated	Group	D'Ieteren Automotive	Moleskine	Corp. & unallocated	Group
Non-current loans and borrowings								
Lease liabilities	12.4	12.0	4.6	29.0	17.9	18.8	4.2	40.9
Bank and other loans	99.5	29.8	0.1	129.4	-	44.1	0.5	44.6
Inter-segment loan	-	264.1	-264.1	-	202.6	253.9	-456.5	-
Subtotal non-current loans and borrowings	111.9	305.9	-259.4	158.4	220.5	316.8	-451.8	85.5
Current loans and borrowings								
Lease liabilities	10.6	5.4	0.5	16.5	3.1	6.0	0.4	9.5
Bank and other loans	22.2	14.3	0.1	36.6	0.1	8.2	0.1	8.4
Subtotal current loans and borrowings	32.8	19.7	0.6	53.1	3.2	14.2	0.5	17.9
TOTAL LOANS AND BORROWINGS	144.7	325.6	-258.8	211.5	223.7	331.0	-451.3	103.4

Obligations under lease contracts are analysed below:

€m	2021		2020	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	16.5	16.5	9.5	9.5
Between one and five years	19.9	19.2	24.7	24.9
More than five years	10.5	9.8	17.5	16.0
Subtotal	46.9	45.5	51.7	50.4
Present value of lease obligations	45.5		50.4	

In 2020 and 2021, the inter-segment loans comprise amounts lent by the Corporate & unallocated segment to the Moleskine segment (non-recourse loan in the framework of the acquisition) and, in 2020 only, to the D'Ieteren Automotive segment.

Note 23: Loans and borrowings (continued)

The inter-segment loan toward the D'leteren Automotive segment (principal amounts of €200m) has been reimbursed in full in December 2021, together with accrued interests of €5.8m and an early repayment fee of €8.0m. The €40.6m lent in 2021 by the Corporate & unallocated segment to TVH Parts are not presented in the line "inter-segment loan" in the table above since TVH Parts is an equity accounted investee but is presented in non-current receivables in the Corporate & unallocated segment (see note 20).

In 2021, D'leteren Automotive secured a new 5-year €325m bank financing (maturity date December 2026), consisting of €100m of amortising term loan and €225m revolving credit facility (currently undrawn as at 31 December 2021), included in the lines "bank and other loans" in the above table.

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

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

€m	2021	2020
Between one and five years	148.6	69.4
After more than five years	9.8	16.1
Non-current loans and borrowings	158.4	85.5

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

€m	2021	2020
Less than one year	53.1	17.9
Between one and five years	148.6	69.4
After more than five years	9.8	16.1
Loans and borrowings	211.5	103.4

The interest rate and currency profiles of loans and borrowings are as follows (including the effects of debt derivatives and excluding the lease liabilities accounted for in accordance with IFRS 16 in 2021 and 2020):

€m	2021			2020		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
EUR	0.2	165.8	166.0	1.3	52.3	53.6
Total	0.2	165.8	166.0	1.3	52.3	53.6

EUR borrowings are stated after deduction of deferred financing costs of €1.5m as at 31 December 2021 (31 December 2020: €0.6m).

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

Currency	2021		2020	
	Min.	Max.	Min.	Max.
EUR	1.0%	4.3%	3.4%	4.2%

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

Note 23: Loans and borrowings (continued)

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

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

€m ⁽¹⁾	At 1 January 2020	New loans	Loans repayment	Payment of finance lease liabilities	Non-cash movements				At 31 December 2020
					Additions/ Disposals IFRS16	Conversion difference	Transfer	Other	
Long-term loans and borrowings	98.9	44.1	-99.1	-	-	-	-	0.7	44.6
Short-term loans and borrowings	33.8	8.2	-33.5	-	-	-	-	-0.1	8.4
Lease liabilities	48.2	-	-	-15.3	18.0	-	-	-0.5	50.4
Total liabilities arising from financing activities	180.9	52.3	-132.6	-15.3	18.0	-	-	0.1	103.4

(1) This table has been reworked and restated in the framework of continuous improvement of the financial reporting presentation.

In 2021, the other non-cash movements include, among other amounts, the loans and borrowings acquired through business combinations (see note 25), the impact of the change in consolidation method of Skiper following the loss of exclusive control (see note 17) and in 2021 and 2020, the amortization of deferred financing costs in the Moleskine segment.

Note 24: Trade and other payables

Trade and other payables are described below:

€m	2021				2020			
	D'leteren Automotive	Moleskine	Corp. & unallocated	Group	D'leteren Automotive	Moleskine	Corp. & unallocated	Group
Non-current payables	-	-	-	-	-	-	-	-
Trade payables	271.6	27.2	3.7	302.5	226.4	23.0	3.4	252.8
Accrued charges and deferred income	48.4	1.1	0.8	50.3	51.1	1.2	1.9	54.2
Non-income taxes	43.7	0.8	-	44.5	0.8	0.3	-	1.1
Other current creditors	85.9	5.0	7.8	98.7	88.5	4.1	12.7	105.3
Trade and other payables	449.6	34.1	12.3	496.0	366.8	28.6	18.0	413.4

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

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

Note 24: Trade and other payables (continued)

In the D'leteren Automotive segment, the other current creditors included as at 31 December 2020, among other amounts, the liability (€41.0m) related to the finalization of the project carried out by D'leteren Automotive for the acceleration of the transformation of its activities in response to a rapidly changing market. At 31 December 2021, this line includes, among other amounts, €16.8m of liabilities related to the decision of D'leteren Automotive to close down two of its structurally loss-making sites.

Note 25: Business combinations

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

- 100% of the share of Goodbikes s.r.l in October 2021, a bike dealership active in the Brussels area.
- 100% of the shares of Heremans Ternat b.v., Garage Heremans n.v. and Carrosserie Heremans b.v. in November 2021, two dealerships and one body-shop active in the automobile distribution and services activities in Belgium.
- 100% of the shares of Autralis b.v. in November 2021, a software company specialized in the automobile distribution in Belgium.
- 100% of the shares of iBike b.v.b.a. in December 2021, a bike store chain active in the Antwerp area.

The details of the net assets acquired, goodwill and consideration of these acquisitions are set out below:

€m	Total provisional fair value ⁽¹⁾
Property, plant & equipment	2.4
Inventories	10.2
Trade and other receivables	2.5
Cash & cash equivalents	2.1
Loans & borrowings ST	-2.5
Trade & other payables	-10.6
Net assets acquired	4.1
Goodwill (see note 12)	7.0
TOTAL IDENTIFIABLE NET ASSETS ACQUIRED AND LIABILITIES ASSUMED, INCLUDING GOODWILL	11.1
<i>Consideration satisfied by:</i>	
Cash payment	10.6
Contingent consideration	0.5
TOTAL CONSIDERATION	11.1

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

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

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

Note 26: List of subsidiaries, associates and joint ventures

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

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

Name	Country of incorporation	% of share capital owned at 31 December 2021	% of share capital owned at 31 December 2020
D'leteren Automotive			
D'leteren Automotive s.a.	Belgium	100%	100%
P.C. Mechelen n.v.	Belgium	100%	100%
P.C. Paal-Beringen n.v.	Belgium	100%	100%
P.C. Liège s.a.	Belgium	100%	100%
Kronos Automobiles s.a.	Belgium	100%	100%
Garage Rietje n.v.	Belgium	100%	100%
Carrosserie Rietje n.v.	Belgium	100%	100%
Rietje Waasland n.v.	Belgium	100%	100%
Garage Clissen n.v.	Belgium	100%	100%
Garage Bruynseels n.v.	Belgium	100%	100%
ACBornem n.v.	Belgium	100%	100%
Auto Center Kontich b.v.b.a.	Belgium	100%	100%
Automobiel Center Puurs n.v.	Belgium	100%	100%
Don Bosco b.v.b.a.	Belgium	100%	100%
Autonatie n.v.	Belgium	100%	100%
Overijse Automotive n.v.	Belgium	100%	100%
Autobedrijf Y&N Claessens b.v.b.a.	Belgium	100%	100%
Sopadis Knokke n.v.	Belgium	100%	100%
Automobile Center Mechelen 2 b.v.b.a.	Belgium	100%	100%
Auto Natie Wommelgem NV	Belgium	100%	100%
Auto Natie Kontich b.v.b.a.	Belgium	100%	100%
Sopadis s.a.	Belgium	100%	100%
s.a. Volkswagen D'leteren Finance n.v.	Belgium	49.99%	49.99%
s.a. D'leteren Sport n.v.	Belgium	100%	100%
WonderAuto n.v.	Belgium	100%	100%
Lab Box s.a.	Belgium	100%	100%
Poppy Mobility n.v.	Belgium	100%	100%
Skipr n.v.	Belgium	50.44%	61.97%
CarASAP s.a.	Belgium	100%	100%
Electric By D'leteren (EDI)	Belgium	100%	100%
Lizy n.v.	Belgium	52.64%	52.64%
ACBornem n.v.	Belgium	100%	100%
Sopadis Wommelgem n.v.	Belgium		100%
J&J n.v.	Belgium		100%
RUMA003 b.v.b.a.	Belgium		100%
F.A.I.D n.v.	Belgium		100%
PC Brussels s.a.	Belgium	100%	
PC Antwerp n.v.	Belgium	100%	
D'leteren Centers s.a.	Belgium	100%	
Garage Heremans n.v.	Belgium	100%	
Heremans Ternat b.v.	Belgium	100%	
Carrosserie Heremans b.v.	Belgium	100%	
Autralis b.v.	Belgium	100%	
MyMove srl	Belgium	100%	
Mbrella srl	Belgium	100%	
Wondergroup	Belgium	100%	
iBike b.v.b.a.	Belgium	100%	
Goodbikes s.r.l.	Belgium	100%	

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

Belron			
Belron Group s.a. (in voting rights)	Luxembourg	55.67%	54.85%
TVH Parts			
TVH Global NV	Belgium	40%	
Moleskine			
Moleskine s.r.l.	Italy	100%	100%
Corp. & unallocated			
s.a. D'leteren Immo n.v.	Belgium	100%	100%
D'IM s.a.	Luxembourg	100%	100%
D Participation Management Luxembourg s.a.	Luxembourg	100%	100%
s.a. D'leteren Services n.v.	Belgium	100%	100%
D Participation Management s.a.	Belgium	100%	100%
Lys Bidco s.à.r.l	Luxembourg	100%	

The Group's average stake (used for the income statement) in Belron equalled 52.88% in 2021 (53.75% in 2020). See note 17.

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

Note 27: Contingencies and commitments

€m	2021	2020
Commitments to acquisition of non-current assets	8.2	0.8
Other important commitments:		
Commitments given	0.4	9.9
Commitments received	4.4	0.8

In 2020 and 2021, the commitments to acquisition of non-current assets mainly concerned property, plant and equipment in the segment "Corporate & unallocated".

In 2021, other important commitments received mainly relate to guarantees received from a contractor as part of a construction project in the segment "Corporate & unallocated".

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

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

Note 28: Related party transactions

€m	2021	2020
With entities with joint control or significant influence over the Group:		
Amount of the transactions entered into during the period	0.8	1.3
With joint ventures in which the Group is a venturer:		
Sales(*)	101.6	257.1
Purchases(*)	-8.3	-15.5
Trade receivables outstanding at 31 December(*)	12.4	13.1
With key management personnel:		
Compensation:		
Short-term employee benefits	4.2	3.7
Post-employment benefits	0.2	0.2
Total compensation	4.4	3.9
Outstanding creditor balance at 31 December	1.2	0.8
With other related parties:		
Amount of the transactions entered into during the period	0.1	0.1

(*) In 2021, due to lack of information, figures from the D'Ieteren Automotive segment only include D'Ieteren Automotive SA, representing the majority of the transactions and balances of the Group with joint ventures.

Shareholders and other related parties

The Nayarit group (Nayarit Participations S.c.a. and Nicolas D'Ieteren) and the SPDG group (s.a. de Participations et de Gestion, Reptid Commercial Corporation, Catheline D'Ieteren and Olivier Périer), acting in concert following an agreement pertaining to the exercise of their voting rights with a view to leading a sustainable joint strategy, together hold 62.74% of the voting rights of the Company (see note 21).

In 2021, some of these shareholders and/or entities related to them carried out commercial transactions with the Company. These transactions (total of €0.9m) relate to automobile repair, supply of spare parts and sale of vehicles carried out by the Company and invoiced to these parties.

Joint Ventures

In 2021, the Group was venturer in four joint ventures (two in 2020). See note 17 for more information related to the joint ventures.

In 2021, sales to joint ventures mainly consist in sales of new vehicles by the D'Ieteren Automotive segment to VDFin. Purchases of mainly relate to used cars purchased by the D'Ieteren Automotive segment from VDFin (former fleet vehicles). The outstanding trade receivables are mainly related to VDFin.

Key management personnel

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

In 2021, a total of 90,000 options were issued to key managers (at an exercise price of EUR 68.26 per option). The total fair value of all share options granted to key management personnel charged to the 2021 income statement amounted to €1.3m. For more information on the remuneration of key managers, reference is made to the remuneration report that can be found in the Corporate Governance Statement.

In 2021, loans granted by the Company and one of its subsidiaries to the members of the Executive Committee were outstanding for a total amount of €1.2m. These loans were granted in the context of the stock option plans in order to enable those concerned to pay the taxes due at the moment the options were accepted. The loans granted in 2021 were granted for periods of 10 or 5 years with interest rates of respectively 0.83% and 0.72%.

Note 29: Exchange rates

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

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

Number of euros for one unit of foreign currency	2021	2020
Closing rate		
CAD	0.69	0.64
GBP	1.19	1.11
USD	0.88	0.81
HKD	0.11	0.11
CNY	0.14	0.12
JPY	0.01	0.01
SGD	0.65	0.62
Average rate ⁽¹⁾		
CAD	0.67	0.65
GBP	1.16	1.12
USD	0.85	0.88
HKD	0.11	0.11
CNY	0.13	0.13
JPY	0.01	0.01
SGD	0.63	0.64

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

Note 30: Services provided by the statutory auditor

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

€m	2021	2020
Audit services	4.0	3.9
KPMG in Belgium	0.9	0.9
Other firms in the KPMG network	3.1	3.0
Non-audit services	0.4	0.5
KPMG in Belgium	0.1	0.1
Other firms in the KPMG network	0.3	0.4
Services provided by the Statutory Auditor and its network	4.4	4.4

Note 31: Leases

Leases as lessee

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

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

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

€m	Land and buildings	Plant and equipment	Total
Balance at 1 January 2021	18.2	32.2	50.4
Depreciation charge for the year	-2.4	-16.0	-18.4
Additions to right-of-use assets	0.4	26.5	26.9
Derecognition of right-of-use assets	-	-15.1	-15.1
Others	-0.2	-0.6	-0.8
Balance at 31 December 2021	16.0	27.0	43.0

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

Leases as lessor

The Group leases out its investment property (held in the "Corporate & unallocated" segment). All leases are classified as operating leases from a lessor perspective because they do not transfer substantially of the risks and rewards incidental to the ownership of the assets. Rental income recognised by the Group during 2021 equals €4.8m (2020: €3.6m).

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

€m	2021			2020		
	Investment property	Other property, plant and equipment	Total	Investment property	Other property, plant and equipment	Total
Within one year	3.8	-	3.8	2.7	-	2.7
Later than one year and less than five years	14.6	-	14.6	9.4	-	9.4
After five years	1.9	-	1.9	0.6	-	0.6
Total	20.3	-	20.3	12.7	-	12.7

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

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

Note 32: Subsequent events

On 14 February 2022, D'leteren Group announced that it has issued a binding offer and entered into exclusive negotiations with Bain Capital Private Equity in view of acquiring 100% of PHE (Parts Holding Europe), a Western European leader in spare parts distribution and services for vehicles and trucks. Following the information and consultation process with PHE's works councils, D'leteren Group and Bain Capital Private Equity have signed on the 14th of March 2022 a definitive agreement regarding the acquisition of PHE, which values PHE at an Enterprise Value of €1.7bn, resulting in an equity value of €540m. Completion of the proposed transaction will be subject to the approval of the relevant competition authorities and is expected by the end of Q3-2022.

On 24 February 2022, Russia launched an unprecedented invasion of its neighbour Ukraine, with military assaults on several key Ukrainian cities. It is too early to assess the impact of the war between Russia and Ukraine on the Group's activities. Belron has franchise activities in Russia and Ukraine and has decided to stop operating in those two countries, but the contribution of the franchised activities in those two countries are not financially meaningful. However, Belron sources some glass (less than 5% of the total) from Russia and is therefore looking for alternative sources of supply. At D'leteren Automotive, volumes on certain models will be negatively impacted by further supply chain issues as Volkswagen Group sources some components in the region. The conflict is also impacting TVH Parts, which has generated sales of around €50m in both countries in 2021. Moleskine's exposure to the region is immaterial, both in terms of local operations and in supply chain. The Group and Group's activities are monitoring the situation on a daily basis, complying with all EU sanctions.

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

Note 33: Accounting policies

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

The new standards and amendments to standards that are mandatory for the first time for the Group's accounting period beginning on 1 January 2021 are listed below.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16 "Interest Rate Benchmark Reform – Phase 2" (issued on 27 August 2020 – endorsed by the EU);
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (issued on 25 June 2020 – endorsed by the EU).
- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021 – endorsed by the EU - effective as from 1/4/2021).

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

The standards, amendments and interpretations to existing standards issued by the IASB but not yet effective in 2021 have not been early adopted by the Group.

They are listed below:

- Amendments to IAS 1 "Presentation of Financial Statements" – Classification of Liabilities as Current or Non-current (effective 1 January 2023 – subject to endorsement by the EU);
- Amendments to IFRS 3 "Business Combination" (effective 1 January 2022 – endorsed by the EU);
- Amendments to IAS 16 "Property, Plant and Equipment" (effective 1 January 2022 – endorsed by the EU);
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (effective 1 January 2022 – endorsed by the EU);
- Annual Improvements to IFRS Standards 2018–2020 (effective 1 January 2022 – endorsed by the EU);
- Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 - Disclosure of Accounting policies (effective 1 January 2023 – endorsed by the EU);
- Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates (effective 1 January 2023 – endorsed by the EU);
- Amendments to IAS 12 "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023 – subject to endorsement by the EU).
- IFRS 17 Insurance Contracts (issued on 18 May 2017), including Amendments to IFRS 17 (issued on 25 June 2020) (effective 1 January 2023 – endorsed by the EU).

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Note 33: Accounting policies (continued)

PRINCIPLES OF CONSOLIDATION

Subsidiaries

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

Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transactions.

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

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

Associates

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

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

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

Interests in joint ventures

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

Impairment of associates and joint ventures

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

FOREIGN CURRENCY TRANSLATION

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

Note 33: Accounting policies (continued)

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

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

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

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

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

INTANGIBLE ASSETS

An item of intangible assets is valued at its cost less any accumulated amortisation and any accumulated impairment losses. Customer contracts and brands acquired in a business combination are recognised at fair value at the acquisition date.

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

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

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

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

Note 33: Accounting policies (continued)

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

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

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

RESEARCH AND DEVELOPMENT

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the Group has the intention to complete the intangible asset and use or sell it;
- the Group has ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the Group has the ability to measure reliably the expenditure attributable to the intangible asset during its development.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

Lessee

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

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

Note 33: Accounting policies (continued)

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

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

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

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

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

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

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

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

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

Lessor

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

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

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

INVESTMENT PROPERTIES

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

Note 33: Accounting policies (continued)

INVENTORIES

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

PROVISIONS

A provision is recognised when:

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

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

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

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

EMPLOYEE BENEFITS

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

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

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

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

TERMINATION BENEFITS

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

Note 33: Accounting policies (continued)

OTHER LONG-TERM INCENTIVES

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

FINANCIAL INSTRUMENTS EXCLUDING DERIVATIVES

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

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

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

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

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

Business model assessment

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

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

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

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

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

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

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

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

Note 33: Accounting policies (continued)

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

Subsequent measurement of financial assets:

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

Cash and Cash Equivalents

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

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

Equity

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

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

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

Cash flow hedge

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

Note 33: Accounting policies (continued)

Fair value hedge

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

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

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

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

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

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

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

When rendering other repair or maintenance services to final customers, the Group recognizes revenue over time if deemed significant. The revenue to be recognized over time for other repair and maintenance was not significant as at 31 December 2021.

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

Disaggregation of revenue from contracts with customers

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

Note 33: Accounting policies (continued)

FINANCE INCOME AND FINANCE COSTS

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

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

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

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

SHARE-BASED PAYMENTS

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

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

BORROWING COSTS

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

GOVERNMENT GRANTS

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

INCOME TAXES

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

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

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

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

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

Note 33: Accounting policies (continued)

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered.

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

IMPAIRMENT OF NON-DERIVATIVE FINANCIAL ASSETS

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

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

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

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

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

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

IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

Note 33: Accounting policies (continued)

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

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

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

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



Statutory auditor's report to the general meeting of D'leteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2021

In the context of the statutory audit of the consolidated financial statements of D'leteren Group SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended 31 December 2021, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 28 May 2020, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee and as presented by the workers' council. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the consolidated financial statements of the Group for 8 consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 3,875,1 million and the consolidated statement of profit or loss shows a profit for the year of EUR 255,4 million.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

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



Statutory auditor's report to the general meeting of D'Ieteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2021

the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

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

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

Key audit matters

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

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

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

— Description

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

Based on the results of the impairment test carried out for the year ended 31 December 2021, no additional impairment charge was recognized during the year on the goodwill and intangible assets with indefinite useful lives of Moleskine.

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

— Our audit procedures

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



Statutory auditor's report to the general meeting of D'leteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2021

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

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

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

— Description

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

One of the matters of most significance in our audit of the Consolidated Financial Statements of D'leteren Group for the year ended 31 December 2021 has been the measurement of D'leteren Group's share of result of Belron.

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

This matter ("the Matter") has been considered as a Key Audit Matter for the year ended 31 December 2021 for the following reasons:

- Misinterpretation of country specific tax laws and regulations could give rise to additional tax liabilities, interests and penalties resulting in material outflows in subsequent years.



Statutory auditor's report to the general meeting of D'Ieteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2021

- Further assessment of the likely outcome of Belron's uncertain tax positions involved a high degree of judgment and potential estimation bias by the board of directors of Belron.

— Our audit procedures

Our procedures included, amongst others:

- requesting from the auditor of Belron (the "Component Auditor") to perform an audit on the financial information of Belron for the year ended 31 December 2021 in accordance with our instructions;
- performing risk assessment procedures with the assistance of the Component Auditor and reviewing the Component Auditor's overall audit strategy and audit plan;
- reviewing the Component Auditor's documentation (including the analysis performed by tax specialists engaged by the Component auditor) and assessing whether the Component Auditor has designed and implemented appropriate audit responses to address the identified Matter. In particular, we assessed the adequacy of the audit procedures performed, audit evidence obtained and conclusions reached by the Component auditor with respect to the process in place at Belron to identify, assess and measure the potential financial impact of uncertain tax positions, and any identification of estimation bias therein;
- assessing the correctness of the determination and recording of D'Ieteren's Group's share of result of Belron and the disclosures included in the consolidated financial statements.

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

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

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



Statutory auditor's report to the general meeting of D'leteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2021

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

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

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

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

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



Statutory auditor's report to the general meeting of D'Ieteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2021

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other legal and regulatory requirements

Responsibilities of the Board of directors

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

Statutory auditor's responsibilities

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



Statutory auditor's report to the general meeting of D'leteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2021

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

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

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

- the "Key Figures" and the "Key indicators" included in the section "Integrated Report"; and
- the "2021 Full-Year Results" and the "Summarized Statutory Financial Statements" included in the section "Financial and Directors' report 2021"

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

The non-financial information required by article 3:32 §2 of the Companies' and Associations' Code has been included in the board of directors' annual report on the consolidated financial statements, which is part of section "Financial and Directors' report 2021" of the annual report. The Company has prepared this non-financial information based on the GRI ("Global Reporting Initiative") framework. In accordance with art 3:80 §1, 1st paragraph, 5° of the Companies' and Associations' Code, we do not comment on whether this non-financial information has been prepared in accordance with the mentioned GRI framework.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.



Statutory auditor's report to the general meeting of D'Ieteren Group SA on the consolidated financial statements as of and for the year ended 31 December 2021

European Single Electronic Format (ESEF)

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

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

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

In our opinion, based on our work performed, the format of and the tagging of information in the official Dutch, French and English version of the digital consolidated financial statements as per 31 December 2021, included in the annual financial report of D'Ieteren Group SA, are, in all material respects, prepared in compliance with the ESEF requirements under the Delegated Regulation.

Other aspect

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

Zaventem, 8 April 2022

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by



Axel Jorion
Bedrijfsrevisor / Réviseur d'Entreprises

D'leteren Group SA/NV

Summarised Statutory Financial Statements 2021

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

D'leteren Group SA/NV
Rue du Mail 50
B-1050 Brussels

Summarised Balance Sheet

At 31 December

€m	2021	2020
ASSETS		
Fixed assets	3,541.0	2,859.5
II. Intangible assets	-	33.3
III. Tangible assets	8.7	23.4
IV. Financial assets	3,532.3	2,802.8
Current assets	440.1	1,644.3
V. Non-current receivables	2.0	1.3
VI. Stocks	-	338.0
VII. Amounts receivable within one year	155.5	404.8
VIII. Current financial investments	241.6	765.4
IX. Cash at bank and in hand	40.5	128.3
X. Deferred charges and accrued income	0.5	6.5
TOTAL ASSETS	3,981.1	4,503.8
€m	2021	2020
LIABILITIES		
Capital and reserves	3,845.2	3,812.2
I.A. Issued capital	160.0	160.0
II. Share premium account	24.4	24.4
IV. Reserves	3,646.3	3,613.3
V. Accumulated profits	14.5	14.5
Provisions and deferred taxes	5.3	19.7
Creditors	130.6	671.9
VIII. Amounts payable after one year	-	240.0
IX. Amounts payable within one year	130.6	389.1
X. Accrued charges and deferred income	-	42.8
TOTAL LIABILITIES	3,981.1	4,503.8

Summarised Income Statement

Year ended 31 December

€m	2021	2020
I. Operating income	7.8	3,055.2
II. Operating charges	26.4	3,024.8
III. Operating profit	-18.6	30.4
IV. Financial income	170.4	611.3
V. Financial charges	3.8	42.2
IX. Result for the period before taxes	148.0	599.5
IXbis. Deferred taxes	-	0.2
X. Income taxes	-	-12.1
XI. Result for the period	148.0	587.6
XII. Variation of untaxed reserves ⁽¹⁾	-	0.6
XIII. Result for the period available for appropriation	148.0	588.2

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

Summarised Appropriation

Year ended 31 December

€m	2021	2020
APPROPRIATION ACCOUNT		
Profit (loss) to be appropriated	162.5	602.7
Gain (loss) of the period available for appropriation	148.0	588.2
Profit (loss) brought forward	14.5	14.5
Withdrawals from capital and reserves	1.9	1.5
from capital and share premium account		
from reserves	1.9	1.5
Transfer to capital and reserves	36.5	516.8
to capital and share premium account	-	-
to legal reserve	-	-
to other reserves	36.5	516.8
Profit (loss) to be carried forward	14.5	14.5
Profit to be distributed	113.4	72.9
Dividends	113.4	72.9

This proposed appropriation is subject to approval by the Annual General Meeting of 02 June 2022.

Summary of Accounting Policies

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

Tangible Fixed Assets are recognised at their acquisition value; this value does not include borrowing costs. The rates of depreciation for fixed assets depend on the probable economic lifetime for the assets concerned. As from 1 January 2003, tangible fixed assets acquired or constructed after this date shall be depreciated pro rata temporis and the ancillary costs shall be depreciated at the same rate as the tangible fixed assets to which they relate.

The main depreciation rates are the following:

	Rate	Method
Buildings	5%	L/D
Building improvements	10%	L/D
Furniture	10%	L
Office equipment	20%	L
Rolling stock	25%	L
Heating system	10%	L/D
EDP hardware	33%	L

L: straight line.

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

Tangible fixed assets are revalued when their value, determined based on their utility for the company, exceeds their accounting value in a definite and long-term way. Depreciation of any revaluation surplus is calculated over the remaining lifetime in terms of the depreciation period of the asset concerned.

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

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

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

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

Provisions for Liabilities and Charges are recorded, where applicable, to cover losses or charges that are clearly limited in nature, but which, at the closing date of the financial year, are probable or certain, but undermined in terms of their amount. Provisions for Liabilities and Charges are subject to individual valuation, taking into account any foreseeable risks. They are written back by the appropriate amount at the end of the financial year if they exceed the current assessment of the risks which they were set aside to cover.

Amounts Payables are recorded at their nominal value.

Valuation of assets and liabilities in foreign currencies

Monetary items and commitments are valued at the official rate on the closing date, or at the contractual rate in the case of specific hedging operations. Only negative differences for each currency are entered in the income statement.

Corporate governance statement

In 2021, the Company adhered to the principles laid out in the 2020 Belgian Code on Corporate Governance ("2020 Code"), which is available at www.corporategovernancecommittee.be. The Company's board of directors has approved a new corporate governance charter on February 28, 2019 (the "Corporate Governance Charter"), which is available at www.dieterengroup.com. The Company takes its specific shareholder structure into account, i.e. the stable majority shareholding by the Company's founding family, when applying the principles of the 2020 Code. Page 110 lists which principles of the 2020 Code the Company does not comply with and the relevant explanations.

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

Board of directors

Composition

Throughout 2021, the Board of Directors was comprised of:

- six non-executive Directors, appointed upon proposal of the family shareholders; and
- four non-executive Directors (three as from the Company's 2021 annual general meeting), three of whom are independent, chosen on the basis of their experience.

The Chairman and Deputy Chairman of the Board of Directors are selected among the Directors appointed upon proposal of the family shareholders. Four (three as from the Company's 2021 annual general meeting) female directors sit on the Board of Directors.

Roles and activities

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

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

Composition of the Board of Directors on 31 December 2021		Joined Board in	end of mandate
Nicolas D'leteren (46) ¹	Chairman of the D'leteren Board of Directors, Chairman of Belron Group SA Nicolas D'leteren holds a BSc Finance & Management from the University of London. He is also a graduate from the Asia Int'l Executive Program and Human Resources Management in Asia Program (INSEAD). He led projects at Bentley Germany and Porsche Austria. He worked as a finance director of a division of Total UK from 2003 to 2005. Since 2005, he is the managing director of a private equity fund investing in young companies.	2005	June 2024
Olivier Périer (50) ¹	Deputy Chairman of the Board and Chairman of the Strategic Committee Olivier Périer holds a Master's Degree in architecture and urban planning from the ULB, as well as a Degree from the SOLVAY Business School, Brussels, the Executive Programme for the Automotive Industry. He also graduated from INSEAD with a Certificate in Global Management, including the International Executive, Business Strategy Asia Pacific and International Directors Programmes. Founding partner of the architectural firm Urban Platform until 2010, he has since then taken the role of Chief Executive Officer of SPDG, a private holding company. Furthermore, he serves as Chairman and as member of Advisory or Supervisory Boards of several venture capital companies and foundations.	2005	June 2023
CB Management SARL unipersonnelle	Independent Director – Permanent representative: Cécile Bonnefond (66) Cécile Bonnefond has an MBA from the European Business School and attended the Senior Executive Program from IMD Lausanne. Previous positions include: Danone (1979-1984), Kellogg's (1984-1994), Diageo-Foods/Sara Lee (1995-2000), LVMH: CEO of Veuve Clicquot champagne (2001-2008), Bon Marché (2009-2010), and President and co-investor at Piper & Charles Heidsieck champagnes and General Manager EPI Group - J.M. Weston, Bonpoint... - (2011-2015). Since 2015, she sits on boards of International listed and family-run corporations and acts as a consultant for Bpifrance (Banque Publique d'Investissement) for small and medium companies.	2018	June 2022
Sophie Gasperment (57)	Independent Director Sophie Gasperment is a graduate of ESSEC and INSEAD. She joined L'Oréal in 1986 and became General Manager at L'Oréal UK in 2000. She was then appointed Executive Chairman and global CEO of The Body Shop, a responsibility she held until 2013. In parallel, from 2005 to 2013, Sophie Gasperment served as International Trade Advisor for France. In 2014, she became L'Oréal's General Manager of Financial Communication and Strategic Prospective, with a specific focus on the group's digital acceleration. Since 2019, Sophie Gasperment has been a Senior Advisor at Boston Consulting Group, independent director (other mandates: Accor until May 2022, Cimpres, Kingfisher plc and Givaudan S.A.,) and Angel investor in innovative ventures.	2018	June 2022
GEMA SRL ¹	Non-executive Director – Permanent representative: Michel Allé (71) Michel Allé has master degrees in civil engineering and in economy from the ULB (Brussels). He joined Cobepa in 1987, where he was a member of the Executive Committee from 1995 to 2000. He worked as CFO for the Brussels Airport from 2001 to 2005. He then joined the Belgian railway group SNCB where he was CFO of the Holding from 2005 to 2013, and then CFO of SNCB from 2013 to 2015. He is Director of Elia Group and Chairman of the Board of EPICS Therapeutics and Neuvasq. In addition, he is Honorary Professor at the ULB.	2014	June 2022
Nayarit Participations SCA ¹	Non-Executive Director – Permanent representative: Frédéric de Vuyst (48) Frédéric de Vuyst completed both, a Bachelor of Laws (Université de Namur) and a BA Business & BSc Finance (London Metropolitan University, School of Business). He was Managing Director Corporate & Investment Banking at BNP Paribas Group and later Head of Business Development Investment Banking and member of the Management Board Corporate Banking at BNP Paribas Fortis until 2012. Since then, he is Managing Director of Nayarit Participations. He holds various directorships.	2001	June 2022
Pierre-Olivier Beckers SRL	Independent Director – Permanent representative: Pierre-Olivier Beckers (61) Pierre-Olivier Beckers holds a Master in Management Sciences from LSM (Louvain-la-Neuve) and an MBA from Harvard Business School. He joined the Delhaize Group in 1983, where he was Chairman of the Executive Committee and Chief executive officer from 1999 to 2013. He was President of the Belgian Olympic and Interfederal Committee from 2004 to 2021, is a member of the International Olympic Committee (IOC), Chairman of its Audit Committee and also Chairman of the Coordination Committee for the 2024 Paris Olympics. He is Chairman of the Fondation Louvain. He holds various directorships and is advisor to and investor in start-up and scale-up companies.	2014	June 2022
Société Anonyme de Participation et de Gestion SA (SPDG) ¹	Non-executive Director – Permanent representative: Denis Pettiaux (53) Denis Pettiaux has a Degree of civil engineering in physics, and an Executive Master in Management from the ULB (Brussels). He is a member of the Executive Committee of SPDG, where he is in charge of finance. He is also a non-executive member of various boards of directors, advisory boards and investment committees. He joined Coopers & Lybrand in 1997. He was director of PricewaterhouseCoopers Advisory in Belgium until 2008, and then director of PricewaterhouseCoopers Corporate Finance in Paris until 2011.	2001	June 2022

Composition of the Board of Directors on 31 December 2021		Joined Board in	end of mandate
Michèle Sioen (56) ¹	Non-Executive Director Michèle Sioen holds a Degree in economics. She is currently the CEO of Sioen Industries, a multinational specialised in technical textiles. She holds various directorships in listed Belgian companies, notably Sofina and ImmoBel. She is Honorary Chairwoman of the FEB (Federations of Belgian companies). She is the Chairwoman of Kanal (museum of contemporary art) and director of Vlerick Management school, concours Reine Elisabeth and Fedustria.	2011	June 2023

(1) Director appointed upon proposal of family shareholders.

The Board of Directors meets at least six times a year. Additional meetings are held occasionally if necessary. The Board of Directors' decisions are taken by a majority of the votes, the Chairman having a casting vote in case of a tie. In 2021, the Board met 13 times. All Directors attended the meetings that were fixed in advance, as well as the more occasional meetings with the exception of: Ms Michèle Sioen, Mr Pierre-Olivier Beckers and Ms Sophie Gasperment who were excused for one meeting. Mr Michel Allé was represented at one meeting by Mr Olivier Périer.

Tenure of Directors

Christine Blondel's mandate expired in 2021. No new Directors were appointed in 2021.

Committees of the Board of Directors

Composition (at 31/12/2021)	Audit Committee ¹	Nominations and Remuneration Committee ¹
Chairman	Chairman to be appointed	Nicolas D'leteren
Members	Frédéric de Vuyst ²	Pierre-Olivier Beckers ⁵
	Denis Pettiaux ³	Sophie Gasperment ⁶
	Cécile Bonnefond ⁴	Olivier Périer
		New independent director to be recruited

(1) The members of the Audit Committee and the members of the Nominations and Remuneration Committee have the expertise required by law in accounting and audit matters and in remuneration policy respectively in view of their respective education and management experience in industrial and financial companies.

(2) Permanent representative of Nayarit Participations SCA

(3) Permanent representative of SPDG SA

(4) Permanent representative of CB Management SARL unipersonnelle. Independent Director

(5) Permanent representative of Pierre-Olivier Beckers SPRL. Independent Director

(6) Independent director.

The Audit Committee met five times in 2021. All but one meetings were held in the presence of the Statutory Auditor. All of its members attended all of the meetings.

The Nominations and Remuneration Committee met five times in 2021. All of its members attended all of the meetings.

The Strategic Committee met 20 times in 2021.

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

Functioning of the Committees

Audit Committee

On 31 December 2021, the Audit Committee was comprised of three non-executive Directors, one of which was an independent Director. The Audit Committee's primary role is to monitor the Company's financial information and supervise the risk management and internal controls systems of the Company and its key subsidiaries. The Audit Committee reviews the Statutory Auditor's reports on the half-year and annual financial statements of the Company and of the portfolio companies. The Audit Committee meets at least four times a year, including at least once every six months in the presence of the Statutory Auditor, and reports on its activities to the Board of Directors. At least two specific meetings are dedicated to the supervision of the risk management and internal controls systems. The Statutory Auditor, KPMG, reappointed by the Ordinary General Meeting of May 28, 2020, has outlined the methodology for auditing the statutory and consolidated accounts as well as the applicable materiality and reporting thresholds. The Audit Committee's charter adopted by the Board of Directors is set out in Appendix I of the Governance Charter published on the Company's website.

Nominations and Remuneration Committee

On 31 December 2021, the Nominations and Remuneration Committee was comprised of four Directors, including the Chairman of the Board of Directors, who presides over the meetings, the Deputy Chairman of the Board of Directors and two independent Directors. The Company is in the process of recruiting an additional independent Director.

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

- To make proposals to the Board of Directors relating to appointments of non-executive Directors, the CEO, and based on a proposal by the CEO, the other members of the Executive Committee and the CEOs of the Group's key subsidiaries, and ensure that the Company has formal, rigorous and transparent procedures to support these decisions.
- To make proposals to the Board of Directors relating to the remuneration of the non-executive Directors, the CEO, and, based on a proposal by the CEO, the other members of the Executive Committee and the CEOs of the Group's key subsidiaries, and ensure that the company has formal, rigorous and transparent procedures to support these decisions.
- To regularly review the procedures, principles and policies relating to the appointment and remuneration of managers of the Company and the Group's key subsidiaries, and to coordinate with the Nominations and Remuneration Committees that already exist within the Group's key subsidiaries.
- To prepare the remuneration report and comment on it during the Annual General Meeting.

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

Strategic Committee

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

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

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

Evaluation of the Board of Directors and its Committees

The Board of Directors and its Committees assess on a regular basis, and at least once every three years, their size, composition, procedures, performance and their relationships with management, as well as the individual contribution of each Director to their overall functioning in order to constantly improve the effectiveness of their actions and the contribution of those actions to the Group's proper governance. The Board of Directors and its Committees carried out an assessment exercise during the first quarter of 2019. This process was conducted with the help of an outside professional who interviewed all Directors and members of the Executive Committee. A summary of the interviews was presented to the Board of Directors along with clear recommendations for the Board of Directors' consideration.

Group executive management

The members of the Executive Committee are responsible for the day-to-day management of the Company. On 31 December 2021, the Group Executive Committee was comprised of the Group CEO (Chairman of the Group Executive Committee) and the Group CFO.

Composition of the Executive Committee on 31 December 2021		Start of mandate
Francis Deprez (56)	Chairman of the Executive Committee and CEO Degree in Applied Economic Sciences (UFSIA Antwerp) and Master's in Business Administration (Harvard Business School). Associate (1991-1998) and Partner (1998-2006) at McKinsey & Company Belgium. In the Deutsche Telekom Group, served as Managing Director of the Center for Strategic Projects (2006-2011), Chief Strategy and Policy Officer of Deutsche Telekom AG (2007-2011), member of the Supervisory Boards of T-Mobile International (2007-2009) and of T-Systems International (2008-2011), Chief Executive Officer of Detecon International GmbH (2011-2016). Director at Belron, D'leteren Automotive, TVH, Moleskine and D'leteren Immo.	2019 (CEO)
		2016 (as a member of the Executive Committee)
Arnaud Lavolette (60)	Member of the Executive Committee and Chief Financial Officer Master in Economic Sciences (UCL). Worked in banking for almost 25 years. Head of Corporate Finance, Corporate Clients and Board member at ING Belgium until 2013. Investment manager at GBL from 2013 to June 2015. Director at Belron, D'leteren Automotive, TVH, Moleskine and D'leteren Immo. External Director at Rossel.	2015

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

Executive management of the five businesses

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

D'leteren Automotive, has a board of directors comprised of six directors: five appointed by the Company and the CEO of D'leteren Automotive.

Belron, of which the Company owned 55.67% of the voting rights on December 31, 2021, has a board of directors comprised of eight directors: four who are appointed by the Company, two appointed by CD&R (minority shareholder in Belron), one appointed by H&F (minority shareholder in Belron) and the CEO of Belron. The Belron board of directors is chaired by the Chairman of the Company's Board of Directors.

TVH, of which the Company owned 40% of the voting rights on December 31, 2021, has a board of directors comprised of nine directors: four who are appointed by Wehold (majority shareholder in TVH), three appointed by the Company, one independent chairman and one independent director.

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

D'leteren Immo, a wholly-owned subsidiary of the Company, is managed by a board of directors comprised of four directors: three appointed by the Company and the CEO of D'leteren Immo.

External audit

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

The total fees charged by the Statutory Auditor and linked companies for the work carried out in 2021 on behalf of D'leteren Group SA/NV and affiliated companies amounted to EUR 4.4 million, excluding VAT. Details of the fees are included in the annexe of the 2021 Consolidated Financial Statements (page 80).

Deviations from the 2020 Belgian Code on Corporate Governance

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

› Deviation from provision 3.7.

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

› Deviation from provision 7.6.

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

› Deviation from provision 7.9.

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

2. Diversity

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

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

In terms of gender diversity, the Board of Directors aims to comply with legal requirements by having at least one third of the underrepresented gender on the Board. This target was achieved on May 31, 2018 with the nomination of two new female directors. As at December 31, 2021, the Board of Directors had nine members, three of whom were women.

Reference is made to section 1 of the Corporate Governance Statement regarding other diversity criteria (age, length of service, education and professional experience) in relation to the members of the Board of Directors and the Executive Committee as of December 31, 2021.

3. Remuneration report

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

3.1. Remuneration of non-executive Directors

A total of EUR 999,167 was paid to the Directors in 2021, broken down as indicated in the table below. No other remuneration or benefit, loan or guarantee was granted to them by the Company. All Directors qualify as non-executive Directors. In the framework of the Covid-19 crisis, certain Directors waived in 2020 their right to part of their remuneration and requested the Company to contribute the corresponding amounts to a solidarity program that helped employees of the D'Ieteren Group who suffered hardship as a consequence of the Covid-19 crisis. Some directors waived an entire year of remuneration, and therefore part of the waiver applied to the 2021 remuneration. The aggregate amount contributed to the fund for 2021 amounted to EUR 277,500.

2021 (in EUR)	Base remuneration	Specialised Committees	Total remuneration	Total remuneration paid (after 2021 covid remuneration waivers)
D'Ieteren N.	260,000	All in	260,000	135,000
Périer O.	210,000	All in	210,000	110,000
P.-O. Beckers SRL	80,000	40,000	120,000	120,000
Bonnefond C.	80,000	20,000	100,000	100,000
Blondel C.	33,333	33,333	66,667	66,667
Gasperment S.	80,000	40,000	120,000	120,000
Gema (M. Allé)	80,000	N/A	80,000	80,000
Nayarit (de Vuyst)	80,000	40,000	120,000	67,500
Sioen M.	80,000	N/A	80,000	80,000
SPDG (D. Pettiaux)	80,000	40,000	120,000	120,000
Total	1,063,333	213,333	1,276,667	999,167

3.2. Remuneration of the members of the Executive Committee

The remuneration granted to the members of the Executive Committee in 2021 was reviewed by the board of directors on 8 March 2021. The components of their remuneration are detailed below.

As regards the variable remuneration, the board of directors, on the basis of the recommendations from the Nominations and Remuneration Committee, approved on 8 March 2022 the relevant amounts in light of the achieved targets, as also detailed below.

3.2.1. Annual fixed base remuneration

In 2021, the Chief Executive Officer earned an annual fixed base remuneration of EUR 700,000 and the Chief Financial Officer earned an annual fixed base remuneration of EUR 565,000.

3.2.2. Variable remuneration

Annual bonus

For 2021, the Chief Executive Officer earned an annual bonus of EUR 780,000, corresponding to approximately 111% of his 2021 fixed base remuneration. The Chief Financial Officer earned an annual bonus of EUR 562,400, corresponding to approximately 100% of his 2021 fixed base remuneration. These amounts were paid in March 2022.

The 2021 annual bonuses were based on the levels of achievement in 2021 of two financial criteria (profit before tax and free cash flow) compared to budget, as well as three non-financial criteria (people, corporate development and customers) as qualitatively assessed by the Board of Directors.

For 2020, the Chief Executive Officer earned an annual bonus of EUR 539,000 and the Chief Financial Officer earned an annual bonus of EUR 393,310. These amounts were paid in March 2021. Please refer to the remuneration report published in 2021 for more information.

Cash LTI

The target Cash LTI relating to 2021 amounts to EUR 350,000 for the Chief Executive Officer and EUR 150,000 for the Chief Financial Officer. The corresponding amounts will be paid, if the targets are met, at the end of the year 2023.

Stock Option LTI

In 2021, 50,000 stock options were granted to the Chief Executive Officer and 40,000 stock options were granted to the Chief Financial Officer.

The exercise price is EUR 68.26. In principle, the options may be exercised from 1 January of the 4th year following the date they were granted and up until the end of the tenth year following their grant.

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

Pension and other benefits

In 2021, the Company covered the contributions to disability insurance, life insurance and pension schemes with respect to the Chief Executive Officer for an amount of EUR 115,000 and with respect to the Chief Financial Officer for an amount of EUR 126,000.

3.2.3. Stock options granted, exercised and expired in 2021

Transactions in 2021			
Name position	Options granted	Options exercised	Options expired
Chief Executive Officer	50,000	0	0
Chief Financial Officer	40,000	0	0

3.2.4. General overview of the remuneration

2021 (in EUR)	CEO	Other members of Executive Committee	Total
Annual Fixed base remuneration	700,000	565,000	1,235,000
Annual bonus	780,000	562,400	1,342,400
Cash LTI (target 31/12/2023)	350,000	150,000	500,000
Contribution to disability, pension and life insurance	115,000	126,000	241,000

3.3. Annual change of the remuneration and pay ratio

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

Annual change in %	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020
Remuneration of the (non-executive) Directors (total)					
	+1.2%	+13.4%	+5.5%	-26.5%	+0.7%
Remuneration of the Executive Committee (total)¹					
<i>Type of remuneration</i>					
All remuneration excluding stock options ²	+91.8%	-50.6%	+14%	+3.7%	+19.1%
Stock options ³	+/-0%	+14.3%	+/-0%	+18.8%	-5.3%
Company's performance					
Adjusted consolidated result before tax ⁴	+2.6% ^{5,6,7}	+15.8% ⁵	+39.8% ⁵	+11.2% ⁸	+52% ^{8,9,10}
Average remuneration on a full-time equivalent basis of employees¹¹					
Employees of the Company	-2.5%	+31.3%	+21.0%	-5.8%	+13.6%

Explanatory notes:

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

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

3 In terms of number of stock options.

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

5 On a pre IFRS16 basis.

6 2016 excludes the results of Moleskine.

7 Moleskine is included at 100% as from 2017.

8 On a post IFRS16 basis.

9 2021 includes TVH as from 1 October 2021.

10 2020 has been restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and April 2021.

11 The average employee remuneration is calculated on the basis of the Company's employees as of 1 January 2022.

The ratio 2021 between the highest pay and the lowest pay at the Company is 63.0.

4. Internal Control and risk management systems

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

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

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

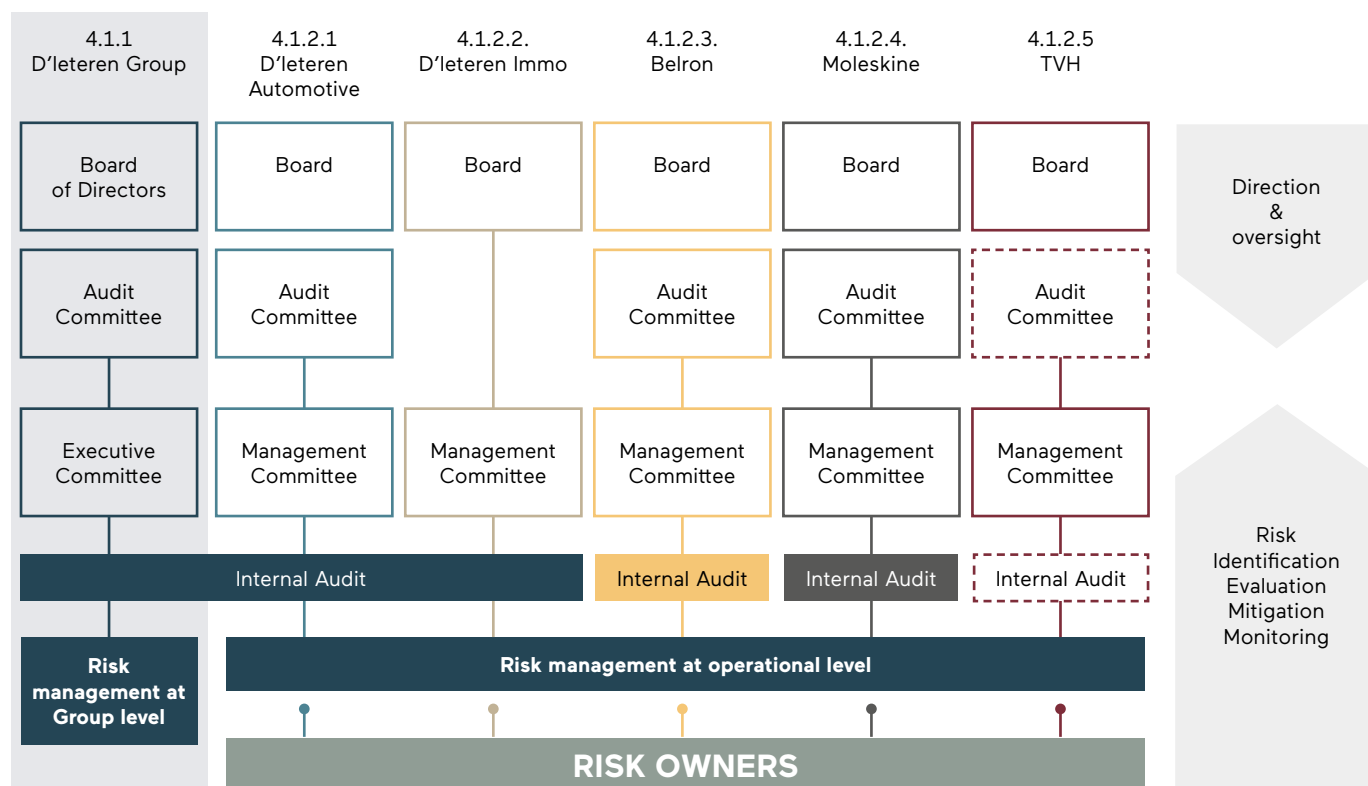
D'leteren Group manages the risks following the principle of three lines of defence:

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



4.1. Risk management governance structure and responsibilities

The organizational structure at the level of D'leteren Group and the businesses ensures the appropriate delegation of authorities to management and a separation of duties. Governance structure is composed of three bodies that are operating independently: the Board of Directors, the Audit Committee, and the Executive Committee.



4.1.1. D'leteren Group

4.1.1.1. Board of Directors

The Board performs its control duties by:

- (i) ensuring that D'leteren's businesses correctly perform their own control duties and that Committees entrusted with special survey and control tasks (such as the Audit Committee and Remuneration Committee) are put in place and function properly, and
- (ii) ensuring that reporting procedures are implemented to allow the Board to follow up the entities' activities at regular intervals, notably regarding the risks they face.

4.1.1.2. Audit Committee

The Board of Directors is assisted by the Audit Committee in the exercise of its control responsibilities for the company's entities. This control focuses in particular on the financial information distributed to shareholders and to third parties and the monitoring of the different risk management and internal control mechanisms.

The Group Audit Committee receives regular reports on the work carried out by the Audit Committees of each business before itself reporting to the Board.

The independence of the head of Internal Audit is ensured by direct reporting to the Audit Committee, the CFO and CEO.

4.1.1.3. Executive Committee

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

4.1.2. At the level of the businesses

4.1.2.1. D'leteren Automotive

D'leteren Automotive's Board of Directors meets at least quarterly. The members of the Audit Committee convene every quarter.

Divisional directors are responsible for risk management on a day-to-day operational level.

4.1.2.2. D'leteren Immo

The real estate assets are grouped under a single legal entity (D'leteren Immo SA). It has its own Board of Directors and Management Committee. The Board of Directors reviews the risk policy and oversees the risk management.

4.1.2.3. Belron

Belron has continued to enhance its approach to risk management, with the introduction of the Enterprise Risk Management Steering Committee which is now responsible for monitoring and reviewing risk management activities, and challenging / debating the risk profiles for Business Units and Functions. The risk management framework is monitored and debated by the Executive team on an ongoing basis, and by the Audit Committee, which met four times in 2021. The committee is chaired by D'leteren Group's CFO and includes a representative from CD&R. Other (invited) participants include Belron's CFO, and Head of risk and internal audit notably.

4.1.2.4. Moleskine

Risks are monitored by the Audit Committee, which met four times in 2021. The Audit Committee is chaired by D'leteren Group's CFO and it includes Moleskine's CFO, other ad-hoc members (both from Moleskine and from D'leteren Group) and Moleskine's Head of Internal Audit as permanent observer. The Committee approves the Risk Map prepared by the Head of Internal Audit after having gathered inputs from the leadership and the shareholder's representatives.

In addition to the internal model, Moleskine has also an external Supervisory Body that oversees the functioning of and the compliance with the 'Organizational, Management and Control Model' adopted to prevent crimes provided for in the Legislative Decree no. 231/2001. The outcome of the Supervisory Body's activities is summarized every year in a report sent to Moleskine's Board of Directors. The Supervisory Body is composed of an external member.

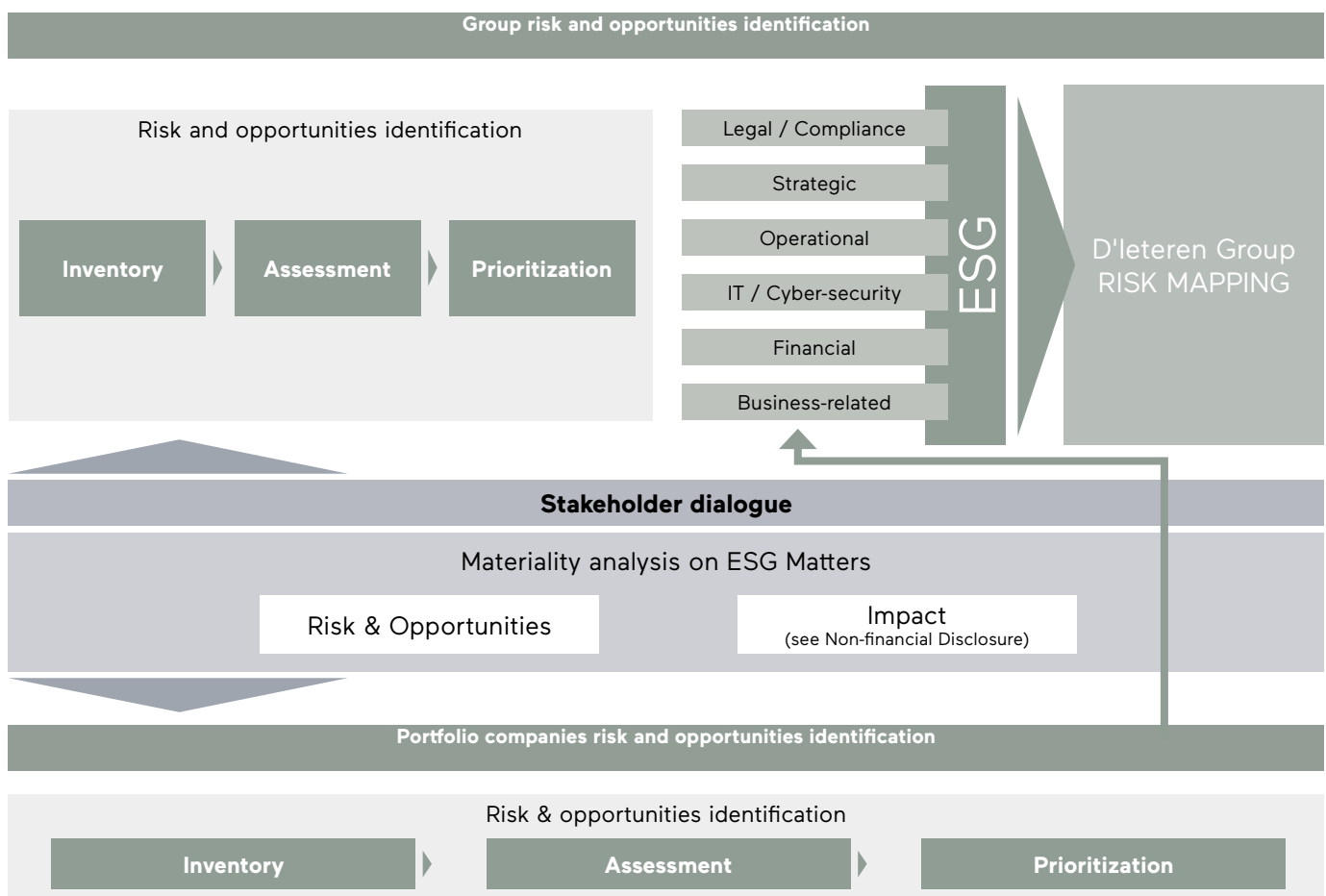
4.1.2.5. TVH

Since the entry of D'leteren Group in the capital of TVH, the board of TVH has decided to structure the risk management process through hiring of a responsible for Internal Audit and setting up an Audit Committee chaired by the CFO of D'leteren Group.

4.2. Risk management process (D'leteren Group)

4.2.1. Risk (and opportunities) identification / mapping

The cornerstone of D'leteren Group's risk management is to ensure that the major risks faced by the Group and its portfolio companies have been identified and assessed, and that there are controls either in place or planned to manage them. D'leteren Group lets each of its portfolio company full management autonomy on their risk management processes. However, in the context of its own risk management, the Group keeps a close eye on the risks and opportunities specific to each business. This supervision is guaranteed by the presence of a representative of the D'leteren Group in each audit committee. The processes of risk mapping inside each business¹, even if different in their methodology, are articulated in three same steps:



RISK INVENTORY

Each activity identifies its key risks and opportunities by assessing events that could affect the future operations and financial returns of the business and by dressing a comprehensive risk inventory. This inventory is dressed on the basis on several dialogues with different internal and external stakeholders. Consequently, environmental, social, and governance (ESG) risks that could have a significant impact on the business are included.

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

ESG RISKS AND OPPORTUNITIES IDENTIFICATION

In parallel and feeding this exercise, specific materiality analysis for ESG risks has been conducted with each of our businesses (ongoing at TVH). This analysis identified and underlined the most relevant risks thanks to dialogues with internal and external stakeholders. It highlighted topics that can significantly influence the organisation as well as topics on which the organisation has a significant influence. The firsts being included in the business' risk identification process and the seconds are further explained in the non-financial disclosure.

D'Ieteren Group is also facing climate-related financial risks, including potential impacts of the transition to a lower-carbon economy and to the physical consequences of climate change. A specific analysis on this topic is executed in the businesses and is further explained in the description of D'Ieteren Group's TCFD related process (p.145). Due to the introduction of the analyses for this risk type, our businesses improved their understanding of the risks and opportunities related to climate change. In the next period, the entire group will further align the identified climate-change related risks with the risk and opportunity management process. Currently, the most significant climate-change related risks have already materialized through this process and other emerging risks are reported under a "watchlist".

OTHER RISKS

D'Ieteren Group and its activities are also not immune to potential other risks, which are also monitored closely as they materialize.

The geopolitical tensions such as the Russian invasion of Ukraine in February 2022 is one of them. This risk is monitored at the Group and at the activities levels to provide transparency as to the actual and foreseeable direct and indirect exposure of the Group's portfolio companies to the crisis.

RISK ASSESSMENT

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

RISK PRIORITIZATION

For each risk or event, management identifies its priorities taking into account the criticality and the maturity of its management approach, i.e. the ability to adapt and react to the risk, the urgency required in the management response, the type of action necessary, and the level of investment in the risk response.

4.2.2. Mitigating plans and review

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

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

Each year, portfolio companies and D'Ieteren Group conduct an annual risks review and update their risk register and the measures proposed to mitigate them.

Concerning climate-related risks, more information can be found in the TCFD-disclosure section (p.145)

4.2.3. Reporting

The Internal Audit Managers of Moleskine and D'Ieteren Automotive report regularly to their executive committees and respective Audit Committees. At Belron, the outcome of the work carried out to assess the effectiveness and efficiency of risk management practices across the company is reported to both local and regional management and to the Belron Audit Committee, which meet regularly during the year. The process is currently being put in place at TVH.

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

At the Group level, the Head of Internal Audit reports on a quarterly basis to the Audit Committee.

¹ Excluding TVH

4.3. Main risks (D'Ieteren Group)

4.3.1. Legal / compliance

› CORPORATE GOVERNANCE

Risk description

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

Potential impact

- A governance default could lead to a failure to achieve long-term strategic objectives. A deficient governance might lead to an imbalance of the interests of all relevant stakeholders (shareholders, management, employees, clients, suppliers, etc.).
- If D'Ieteren Group fails to comply with applicable laws and regulations it could lead to claims and fines. It could have adverse financial and reputational impact.

Mitigating actions

As a listed company, D'Ieteren complies with the corporate governance regulations which aim to provide the adequate checks and balances in the decision-making-processes of the company. D'Ieteren Group has approved a Corporate Governance Charter which provides clear guidelines for the functioning of the corporate bodies at Group level. A corporate governance statement is also included each year in D'Ieteren Group's annual report where a detailed review is provided of all corporate governance aspects of the company.

D'Ieteren Group adheres to the 2020 Belgian Code of Corporate Governance, and reports every year on any deviation from the recommendations of the Code.

› LISTED COMPANIES REGULATION

Risk description

Risk that laws and regulations governing listed companies are breached. D'Ieteren Group is subject to regulations related to communication, financial reporting, transparency, insider trading, market abuse regulation and corporate governance (see previous risk).

Potential impact

- D'Ieteren Group's share price and market capitalization could be affected.
- D'Ieteren could face significant fines if laws or regulations are breached. That could lead to a loss of confidence from investors and analysts.
- D'Ieteren Group could fail to attract capital under the form of equity or debt if needed.

Mitigating actions

- The various activities have monthly business reviews where financial performance is assessed.
- The consolidation process is based on a centralized accounting software to ensure consistency across the participations. D'Ieteren Group's Consolidation team checks that the financial figures of its activities present a complete, accurate and reliable reflection of their financial performance and position. The Executive Committee checks that the consolidated results are aligned with the guidance provided to the market (if any).
- The financial reports and press releases related to the full year, half-year results or other intermediary periods are reviewed by Executive Committee members, the Audit Committee, the external auditor and the Board of Directors prior to publication.

4.3.2. Strategic

› CAPITAL ALLOCATION

Risk description

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

Risks related to the timing of those decisions. The availability of investment / divestment opportunities is subject to macroeconomic and market conditions.

These conditions can be influenced by environmental, social or economic threats and opportunities. Climate change will typically have a significant influence in the years to come.

Potential impact

- Poor capital allocation decisions could impact shareholder value creation and lead to share price underperformance.
- Investors and analysts could lose their confidence in D'leteren Group.
- This risk could also lead to write-downs and impairment losses.

Mitigating actions

- D'leteren Group is a family of businesses with a long-term focus. D'leteren aims at full control, a majority stake or the option to gain a majority stake in its participations.
- D'leteren Group reviews on an annual basis the strategy of its different activities and then decide on investment or divestment opportunities.
- For new activities, an in-depth due diligence is reviewed by an Investment Committee, the Strategic Committee and the Board. D'leteren's Executive Committee members are board members at the level of the participations.
- Every material investment is subject to an in-depth due diligence process including an ESG analysis. The ESG due diligence takes into account the possible impact of climate change on the potential investment.

4.3.3. Operational

› GLOBAL HEALTH CRISIS

Risk description

Risks related to a pandemic outbreak (e.g. Covid-19).

Potential impact

- A pandemic outbreak could lead to several operational disruptions at the level of the businesses, notably on the fronts of absenteeism, potential lockdowns, additional costs, and supply chain disruptions.
- These could in turn lead to an inability to operate and have severe financial impacts at the Group level.

Mitigating actions

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

› TALENT & LEADERSHIP

Risk description

Risk that D'Ieteren Group or its portfolio companies fail to attract, motivate and retain skilled people.

Potential impact

- The departure of key personnel or the failure to attract new talents could have an impact on D'Ieteren Group's monitoring of existing activities and positioning with regards to new acquisitions / divestments.
- At the portfolio companies level, it could have a negative impact on the execution of the strategies, and on financial performance.

Mitigating actions

- Employee satisfaction surveys are conducted on a regular basis, which are followed by concrete actions. Development opportunities and trainings are offered to personnel, as well as competitive compensation (short- and long-term) packages vs. market. (See NFD p.139).
- At the Group level, employees are granted a stock option plan. The Group also supports the portfolio companies in setting-up management long-term incentive plans. Hence, a new management equity plan will be in place in 2022 at Belron following the change in shareholdership. In addition, Belron has decided to reward c. 25,000 employees with a cash bonus and restricted share units. At D'Ieteren Automotive and Moleskine, new long-term incentive plans for managers have been launched in 2021, and a similar move is being set-up at TVH.

› GEOPOLITICAL TENSIONS: WAR BETWEEN RUSSIA AND UKRAINE

Risk description

Risks that arose from the situation in Ukraine at the Group's portfolio companies.

Potential impact

- Belron has franchised operations in Russia and Ukraine, which are not financially meaningful. Belron sources some glass (<5% of total) from Russia, for which it is looking at (potentially more expensive) alternatives.
- D'Ieteren Automotive's volumes might be impacted by further supply chain issues as Volkswagen Group sources some components in the region.
- TVH has exposure to the region, which represented around €50m of sales in 2021. Operations in Ukraine are currently on hold and operations in Russia are continuously assessed and currently continue on existing local inventory, with a focus on selling only non dual use (and related).
- Moleskine's exposure to the region is immaterial, both in terms of local operations and in supply chain.

Mitigating actions

- Portfolio companies exposed to the region monitor the situation very closely on a daily basis and comply with all EU sanctions.
- Belron is already in discussions with other factories in its supply chain to replace the glass sourced from Russia, and has halted franchised operations in Russia.
- D'Ieteren Automotive is assessing potential impacts on car deliveries.
- TVH has halted shipping to Russia

4.3.4. IT and Cybersecurity

› IT / CYBERSECURITY

Risk description

Risks related to failure or interruption of critical IT Systems / Applications and Services

Risks related to cyber-attacks.

Potential impact

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

Mitigating actions

- D'leteren Group benefits from the expertise and services of D'leteren Automotive regarding IT & Cybersecurity. Technical, physical and administrative controls are deployed. D'leteren Automotive's Cyber Security Roadmap is developed to ensure continuous improvement regarding Cyber Security best practices and is extended to D'leteren Group.
- Awareness Program is in place to sustain employees.

4.3.5. Financial

› LIQUIDITY AND TAXES

Risk description

Risks arising from a lack of financial resources. Risks related to fiscal regulations.

Potential impact

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

Mitigating actions

- D'leteren Group invests in activities while maintaining a solid financial structure. D'leteren's activities are generally financed independently through non-recourse debt.
- At the end of 2021, D'leteren Group's net cash position amounted to €1,088m.
- Financial flexibility is ensured through a prudent cash management policy.
- Control processes for tax regulation compliance include internal reviews and external audits.

4.3.6. Business-related specific risks

D'ETEREN AUTOMOTIVE

› COMPETITION LAW

Risk description

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

Potential impact

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

Mitigating actions

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

D'ITEREN AUTOMOTIVE

› MARKET SHIFTS AND CONDITIONS

Risk description

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

Potential impact

Changes in regulations and market trends may impact the volume of vehicles sold and/or leased and/or the models and hence the price of the vehicles sold on the Belgian market. These changes can lead to negative impact on margins.

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

Mitigating actions

- D'Ieteren Automotive's vision aims at building seamless and sustainable mobility for everyone with the ambition of being the natural choice in Belgium for mobility. Lab Box, a 100% subsidiary of D'Ieteren Automotive, explores and tests new mobility solutions.
- The rising penetration of electric vehicles and new digital products also create new opportunities (e.g. Electric by D'Ieteren – EDI) and Volkswagen's hybrid and full electric vehicle offer is also set to expand significantly.

› RELATIONSHIP WITH VOLKSWAGEN GROUP

Risk description

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

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

Potential impact

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

Mitigating actions

The relationship with key suppliers is based on D'Ieteren Automotive's ability to demonstrate its added value through state-of-the-art logistics, the professionalization of the Belgian dealer network and in-depth knowledge of the Belgian market. A transparent and trust-based relationship allows D'Ieteren Automotive to always keep an open dialogue with Volkswagen Group.

› MAJOR PROJECTS

Risk description

Risk of error in significant investment projects or unfavorable results to the development of the Company.

Risk related to project management and governance.

Potential impact

Strategic projects entail significant operational, financial and reputational risks.

Mitigating actions

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

› IT INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risk description

Risks linked to the management of master data.

Risk of breach in the privacy legislation (GDPR).

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

Cyber-attacks (e.g. phishing, malware).

Potential impact

A failure in IT systems and protocols can lead to business disruption or interruption. This could in turn have a negative impact on sales and financial results. Data leaks or non-compliance to privacy regulations may lead to reputational damage, loss of trust of customers, factories and employees. Fines for non-GDPR compliance can amount to up to 4% of the annual turnover.

Mitigating actions

- Technical/software and physical controls are installed. A Chief Information Security Officer has been appointed. The CISO reports directly to the CIO, who also has the responsibility of Business Resilience. It includes for instance the capacity to anticipate major problems and risks and to put in place the right action plans. A cyber roadmap to enforce controls that protect against cyber threats and prevent compliance breaches has been defined and is being implemented.
- A Data Protection Officer has been appointed and various trainings are organized for high risk profile employees who have access to personal data. Actions to protect data and ensure compliance with GDPR including continuous assessment of suppliers as well as a dedicated department in charge of GDPR related topics have been put in place.

D'LETEREN AUTOMOTIVE

› GLOBAL HEALTH CRISIS (INCL. SUPPLY CHAIN ISSUES)

Risk description

Risks related to a pandemic outbreak.

Potential impact

A pandemic outbreak and the potential resulting restrictions taken from the authorities (e.g. lockdowns, closure of showrooms, ...) can lead to the inability to deliver ordered vehicles or provide after-sales services and to other supply chain disruptions, and have a severe financial impact.

It can also lead to increased employee absenteeism and an increase of psychological issues.

Mitigating actions

- D'leteren Auto complies at any time with governmental and regulatory bodies' instructions and recommendations and puts emphasis on protecting its employees, customers and suppliers.
- IT systems allow for homeworking and new orders through an online platform, which mitigates the risk.
- A close relationship and open dialogue with our suppliers, including the Volkswagen Group, helps mitigate the potential impact of supply chain disruptions

› LIQUIDITY AND FINANCING

Risk description

Risks related to the liquidity and financing of D'leteren Automotive.

Potential impact

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

Mitigating actions

D'leteren Automotive has secured new sustainability-linked loans to refinance an intra-group loan and a revolving credit facility at the end of 2021, with a 5-year maturity.

Volkswagen Financial Services, a subsidiary of Volkswagen Group, has diversified sources of financing and provides financing to VDFin at market conditions while ensuring permanent access to liquidity. Standard & Poor's gives Volkswagen Financial Services AG a credit rating of A-2 on commercial paper and a BBB+ rating on senior unsecured loans. The Controlling & Treasury department of VDFin closely monitors the cost of financing in order to minimize the risk related to market conditions and the asset and liability management (ALM) policy ensures that the interest rate is well managed.

› WATCHLIST: CLIMATE CHANGE PHYSICAL RISK

Risk description

Risk of extreme weather events along D'leteren Automotive value chain.

Potential impact

The damages caused by acute extreme weather events could lead to damaged assets and disrupted operations and potentially create financial loss.

Mitigating actions

This risk has been one of the main risks identified during the climate impact analysis (See TCFD paragraph p.145). In 2022 D'leteren Automotive will work on the way it can use this analyses to increase resilience.

BELRON

› COMPETITION LAW

Risk description

Risks related to a breach of laws and regulations typically governing consumer-facing businesses of the type, size and scope of Belron, in particular laws relating to Competition.

Potential impact

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

Mitigating actions

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

› MAJOR PROJECTS

Risk description

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

Potential impact

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

Mitigating actions

- Belron has established a comprehensive Programme Management approach for the Acceleration & Transformation (Fit for Growth) project. Each work stream has an executive responsible for its success, with overall co-ordination of the project being controlled by a member of the Group Executive committee.
- Belron has had an independent third-party assurance review on its Programme Management approach, the results for which have been incorporated into the Fit for Growth project.
- Financial and non-financial performance metrics have been developed for each work stream which are collected, reviewed, and acted upon monthly.

› CYBER SECURITY & IT INFRASTRUCTURE

Risk description

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

Potential impact

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

A prolonged failure of IT systems could lead to delays in service delivery, negative impact on reputation and potential compliance breaches.

Mitigating actions

- Global cybersecurity programme continues to be enhanced, including implementation of global cybersecurity tools, the launch of a global employee awareness campaign and establishment of revised governance framework over the past year.
- Belron conducts annual internal and external assessments of general IT controls, measured against industry recognized security, risk and compliance frameworks for control effectiveness and continued relevance. Remedial actions are captured, risk assessed, and appropriate actions are taken by business units as required.
- Annual, third-party, comprehensive penetration testing is conducted against all areas of the business (internally and externally). Remedial actions are prioritised and tracked by global cybersecurity programme, with management oversight.
- Disaster recovery plans are in place for all key systems across the business, which continue to be reviewed to assess their adequacy and identify any areas of improvement.
- Belron is undertaking a Technical Discovery Programme to assess its IT systems / functionality in relation to the transformation programme and sequencing of systems being replaced.

BELRON

› SUPPLY CHAIN

Risk description

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

Potential impact

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

Mitigating actions

- Business Continuity Plans are designed to ensure resilience of operations should a significant adverse event occur. Belron places property damage / business interruption insurance to cover the loss of any of its major distribution centres, and its property insurers perform regular, routine inspections of key sites.
- The Belron Supplier Code of Conduct sets out the underlying principles on which supply chain relationships at Belron are based, including environmental considerations, responsible sourcing, and sustainability.
- A Supplier Sustainable Procurement programme monitors suppliers' adherence to the Code of Conduct and supplier due diligence / audits are carried out on an annual basis.

› VEHICLE TECHNOLOGY

Risk description

The technological complexity of vehicles (and vehicle glass) continues to gather pace, typified by the growing popularity of Advanced Driver Assistance Systems (ADAS) and the need to recalibrate the ADAS sensors / cameras.

Our services may become obsolete if we are unable to gain appropriate access to key products, in particular vehicle repair and maintenance information (RMI), including from in-vehicle data systems.

Potential impact

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

Mitigating actions

- Belron monitors the potential introduction, or changes, to industry regulation, and determines appropriate responses and actions.
- Through lobbying and other activities, Belron seeks to ensure continued aftermarket access to necessary RMI and parts / technology, including through participation on working groups / lobbying the European Commission on the current Motor Vehicle Block Exemption renewal, to allow for a healthier competitive environment.

› HEALTH & SAFETY

Risk description

Risk of significant employee health & safety incident.

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

Potential impact

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

Mitigating actions

- The Belron 'Way of Fitting' processes include safety standards through its 'Quality starts with Safety' procedures. These methods, specialist tools, training courses, and assessments are developed and implemented across all locations.
- Extensive training programmes for all its technicians are delivered through locally based technical teams.
- Each business unit is responsible for implementing measures to comply with national safety requirements and standards.
- This year, Belron has engaged an independent third-party to carry out a number of health & safety reviews in key areas of the business and is developing robust action plans in response.
- Established processes are in place to identify, assess and respond to product defects.

BELRON

› TALENT & SUCCESSION PLANNING

Risk description

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

Potential impact

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

Mitigating actions

- There is a newly established talent and succession planning strategy in place, that includes ongoing review and discussion at country-level, senior leadership and at the Group Executive Committee.
- An annual Global Employee Engagement survey monitors employee's levels of engagement and their experience working for the company. This is followed up by sharing the results with the employees and creating robust action plans.
- The business focuses on the development and growth of its people through specific initiatives on leadership development and ongoing training.

› LIQUIDITY & FINANCING

Risk description

Risks related to the liquidity and financing of Belron

Potential impact

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

Mitigating actions

- Belron always keeps a substantial amount of cash on its balance sheet and has put in place a new Revolving Credit Facility (RCF) of €665m which has remained undrawn. Belron has refinanced a large part of its debt in 2021 with loans maturing in 2026 and 2028. Belron has received an improved rating of BB+ from Standard and Poor's and of Ba2 from Moody's. Belron is also managing its currency exposures by distributing its borrowing in proportion of the EBITDA generated in the major currencies and has partially hedging its variable interest rates by swapping them into fixed rates.

› WATCHLIST: CLIMATE CHANGE

Risk description

Risks related to environmental issues, the physical effects of climate change, coupled with ever-increasing regulatory and reporting obligations, could make it challenging in responding to climate change and environmental requirements.

Potential impact

Belron operations could be impacted by change in weather, which could lead to site damage, supply chain disruptions and higher incidence of glass breakage. A failure to comply with stringent environmental laws and reporting obligations, could lead to fines and reputational damage.

Mitigating actions

- Being highly geographically diversified, the physical risk is naturally mitigated. Management is aware of the potential impacts of climate change and will work on further mitigating actions in the years to come.
- Belron Responsible Business Framework has been launched, which has two strategic pillars – Sustainable Products & Services and Investing in People & Society and is underpinned by key priorities with the aim to develop robust reporting and measurement around our responsible business activities.
- Third-party project to identify the climate-related risks and opportunities that could impact long-term strategies, which are then incorporated into ongoing monitoring of risks.

MOLESKINE

› DATA PRIVACY

Risk description

Risk of non-compliance with GDPR.

Potential impact

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

Mitigating actions

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

› MARKET SHIFTS AND CONDITIONS

Risk description

Risks of failure of large distributors, retailers, customers.

Potential impact

Too high business concentration can have a significant impact on sales in case of failure of large distributors, retailers, or customers.

A failure to adapt fast enough to changing customer behaviour (e.g. different sourcing requirements and other distribution channels) would impact sales negatively.

Mitigating actions

Moleskine's multi-channel strategy, including wholesale, B2B, retail and e-commerce also ensures diversification which mitigates the risks.

In its 5 years plan, some strategies aim to limit the company's exposure to such risks.

- Move to direct sales in some regions where Moleskine already operates;
- Qualify with larger distributors in growing markets;
- Accelerate growth through joint business plans when suitable.

› SUPPLY CHAIN

Risk description

Risk related to the supply chain and outsourced production.

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

Potential impact

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

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

Mitigating actions

Many initiatives have been put in place to reduce dependence on finished products and raw materials suppliers as setting up a strategic sourcing role, a project to bring three production centers closer to the final market and, assuring at least two suppliers on strategic items.

Moleskine is committed to engaging its supply chain partners in sustainable sourcing. (See NFD p.176)

› INVENTORY MANAGEMENT

Risk description

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

Potential impact

Excess or obsolete inventories might lead to negative financial impact.

Mitigating actions

A new inventory optimization tool is to be implemented in 2022 with a new forecasting system aiming to reduce inventory. A team has been dedicated to the destocking.

MOLESKINE

› TALENT & LEADERSHIP

Risk description

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

Potential impact

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

Mitigating actions

Moleskine pays great attention to talent retention through several initiatives encompassing talent development & career plans, assignment of responsibilities and rewards systems. (See NFD p.178)

› INFRASTRUCTURE, DATA, DIGITAL AND CYBER SECURITY

Risk description

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

Potential impact

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

Mitigating actions

While the cybersecurity maturity assessment has been completed, a number of actions have already been implemented in 2021 like a multi-factor authentication system, more secure email addresses and guidelines to track and manage security incidents. The full roadmap to reach the expected maturity level has been approved by the Audit Committee.

› FOREIGN EXCHANGE RATES

Risk description

Risks related to fluctuations in foreign exchanges rates.

Potential impact

Adverse foreign exchange rate fluctuations could have a negative impact on sales and results.

Mitigating actions

Moleskine has adopted a system that makes it possible to monitor exposure to foreign exchange rate fluctuations with the objective to hedge major exposure through forwarding currency purchase and sale contracts.

› FINANCIAL RISK

Risk description

Risk related to insufficient financing or inability to service debt obligations.

Potential impact

Insufficient financial resources may hamper the implementation of Moleskine's strategy and inability to service debt obligations may lead to a lack of trust from lenders and could have significant financial (interest rates) and reputational impacts.

Mitigating actions

Bank debt renegotiated in 2020 puts the company into a very good leverage position. According to 2021 EBITDA results Moleskine in good position to service debt obligation.

D'LETEREN IMMO

› ENVIRONMENTAL REGULATIONS

Risk description

Risks related to environmental regulations and permits.

Potential impact

A failure of D'leteren Immo to comply with evolving real estate environmental regulations could lead to financial and reputational damage, claims and fines. A non-timely adaptation of D'leteren Immo to fast changing environmental requirements might create higher costs to satisfy regulatory requirements in the future.

Mitigating actions

D'leteren Immo is committed to a reduction of its environmental footprint. (See NFD p.187)

D'leteren Immo allocates 10% of its FTEs on monitoring innovative methods and technologies in order to constantly improve sustainable performances and remain ahead of potential stricter environmental regulations.

› CONSTRUCTION PROJECTS

Risk description

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

Potential impact

- Bankruptcy of a builder or contractor may result in stoppage or interruption of the construction process, delayed rental income, lawsuits and additional costs. It is difficult to find contractors who are willing to take over a project from an insolvent peer.
- An accident occurring on a building site can lead to reputational damage.
- Cost overruns have a negative impact on a project's return on investment.

Mitigating actions

- The financial situation of the contractors is thoroughly screened. For example, credit reports are consulted when large projects are undertaken and insurance coverage is taken.
- A safety coordinator is assigned by D'leteren Immo. During site meetings contractors are repeatedly reminded of the safety requirements.
- Projects are carefully scrutinized before being approved. D'leteren Immo has not only expertise in dealership real estate but also in other segments (e.g. offices, retail and residential).
- Warranties are requested from the contractor in order to ensure the risk of responsibilities during construction phases.
- A climate impact analysis has made D'leteren Immo more aware of the risk climate change poses to construction projects and will continue its work to build climate resilience across its real estate assets in 2022.

› OCCUPANCY RATE

Risk description

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

Potential impact

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

Mitigating actions

D'leteren Immo's real estate assets are increasingly diversified (e.g. residential, commercial, workshops, offices), and a focus is set on multifunctional sites that can be developed for various purposes. Unoccupied space is rented out to other tenants besides D'leteren Automotive. Some dealership sites that are no longer used by D'leteren Automotive are reused, transformed, reinvested or sold.

D'LETEREN IMMO

› TALENT & LEADERSHIP

Risk description

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

Potential impact

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

Mitigating actions

D'leteren Immo invests in its employees' development and employee satisfaction (See NFD p.188).

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

› GLOBAL HEALTH CRISIS

Global Health crisis

Risks related to the outbreak of a pandemic (e.g. Covid-19).

Potential impact

The outbreak of a pandemic such as Covid-19 could lead to tenants' financial distress and have negative financial consequences for D'leteren Immo.

Mitigating actions

- At any point, the utmost priority is to protect employees, customers and all visitors on D'leteren Immo's locations; notably by following strictly the governmental and regulatory recommendations.
- D'leteren Automotive is D'leteren Immo's main tenant, and the financial risk is mitigated at D'leteren Automotive because it remained largely active and profitable during the pandemic.
- For the rest, D'leteren Immo looks after the ability of its tenants to face potential crises with regards to their financial resources. Other tenants are mainly active in vital industries (i.a. food retailers) and are therefore unaffected by the crisis.
- On a long-term perspective, D'leteren Immo analyses its portfolio to ensure the value of the locations and look at the possible shifts from a tenant to another or at selling the asset.

TVH

› CORPORATE GOVERNANCE

Risk description

Risks related to deficient governance (functioning of corporate bodies, delegation of powers, risk management).

Compliance risk related to relevant regulations and laws.

Potential impact

TVH could fail to achieve targets and its reputation could be harmed if decisions are taken without being adequately challenged / authorized.

A governance default could also lead to claims and fines.

Mitigating actions

A clear allocation of responsibilities and decision-making power is established through adequate corporate bodies.

TVH has implemented a review of its internal governance framework during 2021, including new Articles of Association related to the Board of Directors, and the setup of board committees (Audit Committee and Remuneration Committee).

› MARKET SHIFTS AND CONDITIONS

Risk description

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

Potential impact

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

Mitigating actions

TVH has historically grown in markets that have shown resilience to economic cycles and is constantly monitoring and responding to changes in the market, and in customer or supplier behavior, including OEMs.

TVH benefits from a low relative concentration of customer and supplier base, active in very different markets (i.e. different equipment types such as material handling, construction, industrial and agricultural equipment) and geographies, making its operating model relatively resilient to sudden disruptions.

› PROJECT RISK

Risk description

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

Potential impact

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

Mitigating actions

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

› IT INFRASTRUCTURE, DATA, DIGITAL AND CYBERSECURITY

Risk description

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

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

Risks related to the malfunctioning of customer platforms.

Potential impact

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

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

Mitigating actions

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

TVH

› TALENT & LEADERSHIP

Risk description

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

Potential impact

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

Mitigating actions

- TVH has a 2-yearly global employee engagement survey and conducts intermediary engagement monitoring on specific smaller populations. Results are shared with employees and result in action plans that are periodically evaluated.
- TVH is investing further in people development, learning tools and leadership development.
- Employee retention is further managed by internal career possibilities, regular review of compensation and a global focus on employee wellbeing.

› CUSTOMER SATISFACTION

Risk description

Risks related to customer's experience and satisfaction.

Potential impact

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

Mitigating actions

Customers net promoter score (NPS) and customer effort score is measured continuously in all regions and other customer feedback is regularly solicited.

› SUPPLY CHAIN

Risk description

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

Potential impact

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

Mitigating actions

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

› HEALTH & SAFETY

Risk description

Risks related to safety and health of employees.

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

Potential impact

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

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

Mitigating actions

- TVH provides the necessary training to employees that allow to operate in a safe way.
- TVH has a Health & Safety Officer in place and monitors compliance with local regulation. Accident rates are monitored on a global level and are very low compared to industry standards.

TVH

› LIQUIDITY, FOREIGN EXCHANGE, INFLATION

Risk description

Risks related to adverse liquidity conditions, foreign exchange developments or costs inflation.

Potential impact

Insufficient liquidity and financial resources, adverse currency developments or costs inflation can have a negative impact on TVH' financials and ability to face financial obligations.

Mitigating actions

- In each country where TVH operates, revenues and costs incurred are primarily denominated in the relevant local currency, thereby providing a natural currency hedge. An international cash-pool is in place for multiple currencies allowing further liquidity shifts where needed to run operations.
- TVH aims to generate strong free cash flow and manages liquidity risk by maintaining sufficient cash and funding available. Financing relies on a maximum leverage threshold and a regular repayment cycle, and interest rates on its bank financial debt is fixed.
- Costs inflation is monitored on a regular basis.

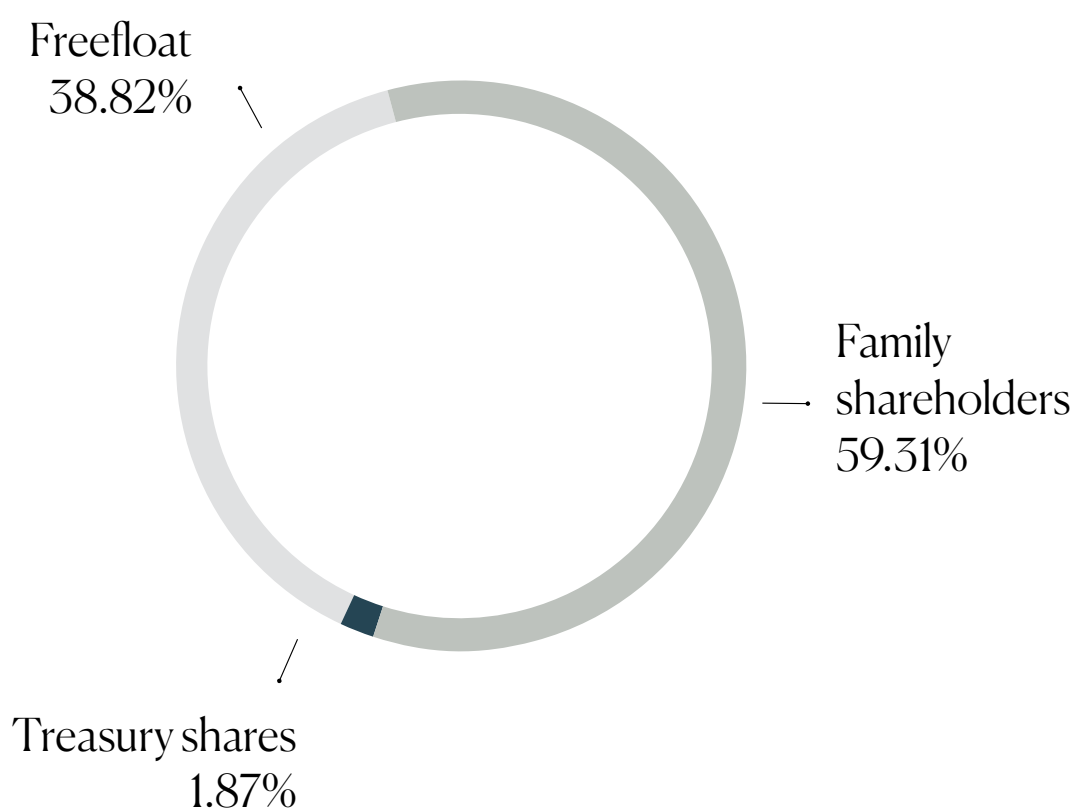
5. Capital information

5.1. Denominator

At 31 December 2021	Number	Related voting rights
Ordinary shares	54,367,928	54,367,928
Participating shares	5,000,000	5,000,000
Total		59,367,928

5.2. Shareholder structure

At 31 December 2021	In share capital	In voting rights
Family shareholders	59.31%	62.74%
of which Nayarit Group	32.54%	36.12%
of which SPDG Group	26.77%	26.62%
Treasury shares	1.87%	1.71%
Freefloat	38.82%	35.55%



5.3. Disclosure of significant shareholdings (transparency law)

In compliance with article 14, paragraph 4 of the law of 2 May 2007 on the disclosure of significant shareholdings, the Company's shareholding structure as at 31 December 2021, on the basis of notifications received by the Company, is presented in Note 21 of the financial statement (page 72).

The Company is not aware of any subsequent notification modifying the information presented in Note 21.

5.4. Elements that can have an influence in case of a takeover bid on the shares of the company

In accordance with Article 74 § 7 of the Law of 1 April 2007 on takeover bids, the Company received on 20 February 2008 a notification from the Nayarit group (whose members are listed in Note 21 of the Consolidated Financial Statements, page 72), which mentions that, either separately or acting in concert with other people, on 30 September 2007, this group held more than 30% of the voting shares issued by the Company. This notification remains relevant at the date of this report.

The Extraordinary General Meeting of 6 June 2019 renewed the authority of the Board:

- To increase the share capital once or several times by no more than €60m. The capital increases to be decided upon in the framework of the authorised capital can be made either in cash or in kind within the limits set by Belgium's Companies and Associations Code, or by incorporation of available as well as non-available reserves or a share premium account, with or without the creation of new shares, either preference or other shares, with or without voting rights and with or without subscription rights. The Board of Directors may limit or waive, in the Company's best interest and in accordance with the conditions determined by the law, the preferential subscription rights to the capital increases it decides upon, including in favour of one or more determined persons;
- To issue, within the framework of the authorised capital, convertible bonds, subscription rights or financial instruments, which may grant rights to Company shares, under the conditions defined by the Companies and Associations Code, up to a maximum, such that the amount of the capital increases that might result from the exercise of the above-mentioned rights and financial instruments does not exceed the limit of the remaining authorised capital, as the case may be without taking into account the preferential subscription rights of bondholders.

Without prejudice to the authorisations given to the Board of Directors described in the preceding paragraphs, the Extraordinary General Meeting of 28 May 2020 also renewed the authority of the Board of Directors, for a renewable 3-year period, to proceed – in the event of takeover bids on the Company's shares and provided the required notification has been made by the FSMA within 3 years of the decision of the General Meeting – with capital increases by contribution in kind or in cash, as the case may be without taking into account the preferential subscription rights of shareholders.

The Extraordinary General Meeting of 31 May 2018 also approved the renewal of the 5-year authorization granted to the Board concerning the acquisition, transfer or cancellation of own shares under legal conditions, notably to cover stock option plans for managers of the Company, and to carry out the share buyback programmes decided by the Board of directors.

In the event of a risk of serious and imminent harm occurring to the Company, the Board of Directors has the authority to transfer treasury shares either on the market or through a sale under the same conditions to all shareholders in compliance with the applicable legal conditions. This authorisation applies, under the same conditions, to the purchase or transfer of shares held in the Company by its subsidiaries as stated in articles 7:221 to 7:225 of the Companies and Associations Code.

The rules governing the appointment and replacement of Board members and the amendment of the Company's articles of association are those provided for by the Companies and Associations Code

D'Ieteren Group Non-financial Disclosure

1. D'Ieteren Group

Based in Brussels, D'Ieteren Group is a family-controlled listed investment company with an international portfolio. It is the purpose of the Group to build a family of businesses that reinvent industries in search of excellence and meaningful impact. The Group wants to create a positive impact by investing in purposeful companies and by supporting their development. This vision is underpinned by a particular investment strategy, characterised by the long-term support (through control or co-control) of a limited number of companies. D'Ieteren Group creates value for its shareholders but also its employees, the customers of its companies and the society as a whole. As a Group, the company aspires to uphold five key values that are the essence of its businesses: Entrepreneurship, Curiosity, Courage, Care and Respect. D'Ieteren Group lives by these values and embrace them in everything it does. (See value creation model in the Integrated Report, p.20-21)

D'Ieteren Group consists of a team of 19 people, including two members of the Executive Committee (CEO and CFO), a seven-people M&A team in charge of looking for new businesses and accompanying existing ones, as well as eight experts involved in financial reporting and communication, legal affairs and ESG.

Workforce				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Total full-time equivalents (FTEs) of own employees as at 31 December	FTE	18.90	18.90	0.00%
Percentage of male FTEs of own employees as at 31 December	%	48%	48%	0.00%
Percentage of female FTEs of own employees as at 31 December	%	52%	52%	0.00%

The ESG data reported in this report differs in scope from the data reported in the 2020 ESG statements. Whereas D'Ieteren Group's Gallery was part of the 2020 scope, the decision was made in 2021 to limit the scope to the corporate team, a scope that better reflects D'Ieteren Group's core activities. The social and governance KPIs for 2020 in this report have thus been restated in comparison to last year. For the environmental KPIs, there is no difference.

The Group currently has five businesses:

- D'Ieteren Automotive (100% owned), exclusive distributor of VW brands in Belgium and evolving towards new mobility products & services.
- Belron (55.67% of voting rights), worldwide leader in vehicle glass repair, replacement & recalibration ('VGRRR').
- Moleskine (100% owned), iconic and aspirational brand born from the heritage of a legendary notebook.
- D'Ieteren Immo (100% owned), responsible for the management of the real estate assets that are owned by D'Ieteren Group in Belgium, most of which are rented by D'Ieteren Automotive.
- TVH (40% owned), global one-stop shop for parts and accessories for material handling, industrial and agricultural equipment.

2. D'Ieteren Group ESG management

As also reflected in the Group's values of respect and care, ESG has always been an integral part of D'Ieteren Group. As part of the value creation approach, the company aims to create shared value for all its stakeholders and is therefore keen to gain insight into their needs and expectations.

As regards the Group's stakeholders, as a family-controlled listed company, engaging with shareholders and investors and answering their questions, is part of day-to-day business. However, in 2020, D'Ieteren Group started holding more specific discussions on ESG topics with investors and analysts on a regular basis. The company also initiated a more formal dialogue with other stakeholders like authorities and civil society representatives. This new comprehensive approach of dialogue is aimed at challenging 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.

A list of priorities with a clear action plan for each was drawn up by the Executive Committee and presented to the Audit Committee. The risks and opportunities identified are going to be updated annually via the stakeholder dialogue led by the ESG and Communication Team.

As a majority stakeholder of large companies, D'Ieteren Group is conscious that our main impact comes from our active ownership approach. This is why the company decided to support its businesses, first and foremost, in performing a materiality assessment. The results of these assessments now underpin the main axes of their sustainability strategies.

3. ESG governance

ESG issues are addressed at all levels of governance.

The **Board of Directors** of D'Ieteren Group ensures the oversight of the Group-wide ESG strategy.

The **Audit Committee** reviews the risks, including ESG risks, faced by the Group and its businesses, twice a year.

The **Strategic Committee** reviews ESG aspects in the context of new investments and in the monitoring of businesses.

The **Nomination and Remuneration Committee** reviews and approves the ESG targets that are used to define the variable remuneration of the Group's Executive Committee and the businesses' CEOs.

The **Executive Committee** is responsible for supervising the development of the Group's ESG strategy and ensuring its implementation at both the Group and the individual business level.

The **ESG team** is responsible for developing and implementing the Group's ESG approach. Its members also support the businesses in developing and implementing their sustainability strategy. In addition, they engage in a dialogue with the Group's stakeholders and keep abreast of the evolving trends in the fields of ESG and sustainable finance in order to act as a knowledge centre in support of the whole team, thereby ensuring effective ESG integration.

The **Investment Team** is responsible for ensuring that ESG aspects are embedded in each stage of the investment cycle. Throughout the process, they liaise with the ESG Team to ensure that ESG key drivers are properly incorporated in their analyses.

The **Businesses** are expected to designate at least one person to coordinate their sustainability approach. The D'Ieteren Group ESG team members hold regular discussions with their counterparts in the businesses about progress on the sustainability roadmaps and closely collaborate with them to produce annual reporting.

4. Responsibility as an Investor

4.1. Strategy

Conscious of the key role played by businesses in building a sustainable future, the Group has adopted an integrated approach in which sustainability is embedded at all levels of the organisation. In particular, D'Ieteren Group consider environmental, social and governance aspects when pursuing our two main operating missions: supporting its businesses and looking for new ones.

The ESG roadmap reflects its determination to integrate sustainability at the different levels of its operating model.

ESG roadmap : D'Ieteren Group as an investor		
Investment / Ownership	Operating model level	Ambition 2025
Responsible investment	Investment process	ESG is embedded in all stages of the investment process.
	Non-financial reporting	Non-financial reporting gets independent limited assurance and is aligned with the most recognized standards and recommendations. This ambition will evolve to fit the new standards of the EU.
Active ownership	Group-wide aspects	All activities measure the three Group non-financial KPIs - People engagement, Customer Satisfaction, CO ₂ emissions – aiming to reach a level of excellence therein.
	Business-specific aspects	All activities have a strong sustainability strategy focusing on their most material aspects including quantitative targets and a proper progress measurement process.

4.1.1. Responsible Investment

Investment process

In 2021, D'Ieteren Group formalised a responsible investment charter that applies to all new investment opportunities. Its responsible investment approach covers the whole investment cycle, from screening investment opportunities and formulating investment theses to the phases of due diligence, deal completion and ownership.

On top of minimum safeguards and legal and ethical principles, D'Ieteren Group excludes investments in companies directly involved in the following sectors: tobacco, weapons, pornography and gambling. In light of the impact of fossil energy on climate change, no investments are made in companies with revenues predominantly derived from coal, oil and gas extraction.

More information about the different stages of the investment cycle can be found in the [Group's responsible investment charter](#).



1. TARGETED SEARCH

- Sustainable Development as an investment theme.
- Exclusion of several sectors listed in our Responsible Investment Charter.

2. PRELIMINARY ESG ANALYSIS

- Performing a materiality analysis. *(desktop research)*
- Formulating the impact thesis.

3. ESG DUE DILIGENCE

- ESG Due Diligence performed by our ESG team and supported by external experts on an ad hoc basis.

4. ESG DUE DILIGENCE CONCLUSIONS

- Submitting key ESG risks and opportunities to the Board of Directors prior to an investment decision.

5. ACTIVE OWNERSHIP

- Facilitating a materiality analysis. *(incl. Stakeholder dialogue)*
- Supporting the development of a sustainability strategy.
- Monitoring progress.
- Providing guidance regarding annual non-financial reporting.

Non-financial reporting

D'leteren Group publishes a non-financial report that is evolving in line with the evolution of international standards. In particular, the non-financial disclosure format is increasingly focusing on quantitative reporting and an increasing number of non-financial KPIs are now subject to a process of independent external assurance. In 2021, for the first time, the reporting included recommendations from the Task Force on Non-Financial Disclosure, as well as disclosure on the level of the Group's alignment to the EU taxonomy.

4.1.2. Active ownership

In view of the specificities of the D'leteren Group's investment strategy (long-term investment in a limited number of businesses that have the potential to become leaders in their markets), the Group's Responsible Investment approach mainly focuses on its active ownership practices.

Group-wide aspects

In addition to the business-specific sustainability strategies, the Group helps its businesses to become or remain top performers in its three non-financial priority areas (customer satisfaction, employee engagement, carbon emissions) and therefore supports them in implementing a robust measurement process in each of these fields.

Business-specific aspects

To support businesses in addressing the ESG aspects that are most critical to them, D'leteren Group encourages them to conduct a materiality assessment, and we act as a facilitator of this process. These in-depth and individualised assessments consist of two main phases:

- a bespoke analysis aimed at identifying relevant ESG topics for their specific industry, businesses and ecosystems;
- a subsequent dialogue with the businesses' management and main stakeholder groups, enabling businesses to identify what the most relevant topics are, according to their management and stakeholders' expectations.

This materiality assessment is followed by a 'maturity assessment', which consists of a discussion with the businesses' management to assess to what extent the material aspects are already integrated in their existing approach.

Building on the outcomes of the materiality and maturity assessments, the businesses develop or challenge their sustainability strategy. More concretely, they set a limited number of strategic pillars for which they define ambitions, and KPIs. Where appropriate, they also develop new measurement processes to measure the progress being made towards those targets.

Incentives and sustainable finance

In order to make all these commitments more engaging, the Group also links them to tangible outcomes such as long-term incentive plans for management and new financing mechanisms linked to ESG KPIs (i.e., Sustainability-linked loans).

Purpose-driven companies

D'leteren Group believes that businesses' purpose reflects their most significant impact on customers, people and society. This is why the Group encourages them to see their corporate purpose as an integral part and key driver of their business strategy.

Therefore, we include the 'purpose' dimension as one of the seven key drivers that we monitor and about which we provide insights to businesses'. D'Ieteren Group makes sure that the purpose of businesses is clear and present at all levels of their organisation by ensuring it is embedded in their corporate culture and strategic orientation.

To ensure that purpose generates concrete achievements, the Holding encourages its businesses to set themselves purpose-specific targets, accompanied by dedicated indicators to measure their progress.

* D'Ieteren Group structures its support to its portfolio companies around seven dimensions, namely, purpose, ambition, strategy, execution, organisation, people, and reinvention (with Sustainability as cross-dimensional over all).

4.2. Commitments and ratings

In August 2021, D'Ieteren Group received an ESG rating of 11.6 (down from 14.3 in 2020) from Sustainalytics and is assessed at low risk of experiencing material financial impacts from ESG factors. D'Ieteren Group's ESG Rating places it in the 2nd percentile in the Diversified Financials industry assessed by Sustainalytics. The Group also received an AA score from MSCI.

Since October 2020, D'Ieteren Group has been a signatory of the United Nations Principles for Responsible Investment (PRI), the world-leading network of investors working together for a more sustainable global financial system. This engagement not only reflects its commitment to include environmental, social and governance (ESG) criteria in its investment choices and active ownership approach but also testifies its willingness to continue developing practices and policies in this area.

5. Responsibility as a listed company

D'Ieteren Group commits to act responsibly and fairly in all its operations. The materiality exercise completed in 2021 enabled the Group to reflect deeply on the impact it has as a company. Following this discussion, the approach was amplified in some areas.

ESG Roadmap : D'Ieteren Group as a listed company		
Priorities	Ambition	Status 2021
ESG Risk management & internal control	Strong ESG risk management process and disclosure aligned with the upcoming EU regulations.	The first materiality exercise focusing on the holding* was conducted in 2021. Building on that, an action plan has been set up.
Climate change vulnerability	Provide financial markets with clear, comprehensive, high-quality information on the impacts of climate change and how we manage these in our governance, strategy, risk process, and measurement.	An exercise following TCFD recommendations was undertaken within each business** in order to identify climate-related risks.
Group Impact on Climate Change	Promote environmental values and adopt an emission-reduction path in line with the Paris Agreement.	D'Ieteren Group measures its Group-wide emissions and has defined a clear reduction path.
Corporate Team Training & Development	Maintain a skilled corporate team fit to deliver the group's ambitions.	Although learning takes place primarily on the job, experts are encouraged to take any external training they may need. As a result of the team engagement survey, information sessions were launched with external experts to stimulate continuous development.
Business Ethics (incl. anti-bribery, corruption & whistleblowing)	Continue to conduct business in an ethical and responsible manner and establish due diligence mechanism to ensure that.	A new Code of Conduct including ABC matters and a whistleblowing system will be implemented in 2022.

*Activities from the Head Office and investment team activities (Corporate Team)

** Excluding TVH for which the exercise is planned for 2022.

5.1. Environment

D'Ieteren Group's main environmental impact comes from the strategy it pursues through its activities. D'Ieteren Group makes sure that each activity manages 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. The urgency of the Climate crisis is unprecedented, and D'Ieteren Group acts accordingly. In 2021, the Group encouraged all activities to develop or initiate the development of a carbon emissions reduction plan in line with the SBTi. As a new joiner, TVH has committed to the same pathway and will start with the calculation of its carbon emissions baseline (2021). By doing this, the Group supports the Paris Agreement to help keep the rise in temperature to 1.5°C above pre-industrial levels. The environmental impact of the D'Ieteren Group as a company is less significant than the impact of its portfolio. However, it is important for D'Ieteren Group to promote environmental operations throughout the entire Group. To this end, an external consultant helps the D'Ieteren Group to measure its carbon footprint and to identify areas where it can be reduced.

GHG emissions & Energy consumption				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Greenhouse gas emissions				
Green House Gas emissions (scope 1,2 & 3)	Tonnes CO₂e	83,533	90,153	7.4%
Greenhouse gas emissions scope 1	Tonnes CO₂e	118	159	55.33%
Greenhouse gas emissions from cars	Tonnes CO ₂ e	69	107	56.62%
Greenhouse gas emissions from natural gas	Tonnes CO ₂ e	48	52	8.57%
Greenhouse gas emissions from refrigerant leakage	Tonnes CO ₂ e	2	0	-100.00%
Greenhouse gas emissions scope 2	Tonnes CO₂e	20	0	-100%
Greenhouse gas emissions market based	Tonnes CO ₂ e	20	0	-100.00%
Greenhouse gas emissions scope 3	Tonnes CO₂e	83,394	89,994	7.91%
Greenhouse gas emissions from commuting	Tonnes CO ₂ e	-	12	-
Greenhouse gas emissions from business travel	Tonnes CO ₂ e	96	10	-89.65%
Greenhouse gas emissions from upstream emissions scope 1 & 2	Tonnes CO ₂ e	31	36	18.37%
Greenhouse gas emissions from investments	Tonnes CO ₂ e	83,268	89,936	8.01%
Greenhouse gas emissions intensity				
Greenhouse gas emissions scope 1 per FTE	Tonnes CO ₂ e	6.24	8.40	34.63%
Greenhouse gas emissions scope 2 per FTE	Tonnes CO ₂ e	1.06	0.00	-100.00%
Greenhouse gas emissions scope 1 & 2 per FTE	Tonnes CO ₂ e	7.30	8.40	15.10%
Energy consumption				
Total car petrol consumption	Litre	29,915	37,359	24.88%
Total car diesel consumption	Litre	144	9,765	6,681.22%
Heating natural gas consumption	MWh	260	282	8.61%
Grey electricity consumption	MWh	118	0	-100.00%
Renewable electricity consumption	MWh	33	105	219.39%
Renewable electricity production	MWh	5	4	-21.86%
Cogeneration electricity production	MWh	28	21	-23.34%

D'Ieteren Group (Holding) switched to green electricity in 2021, which explains the significant drop in scope 2 emissions and the increase in renewable electricity consumption. In 2020, a theoretical (conservative) approach was used for all sites for refrigerant leakage. This year, refrigerants have been assessed using actual activity data, for which the result was 0.

Business travel consists of emissions from business flights and train travel. In 2021, there was a decrease in air travel due to the promotion of teleworking and remote conferencing.

The scope 3 category greenhouse gas emissions from investments include the scope 1 and 2 emissions from D'Ieteren Automotive (including Sopadis, Lab Box and Wondercar), D'Ieteren Immo, Moleskine, 55.67% of Belron and 50% of VDFin (based on ownership). Details of these emissions can be found in the respective non-financial disclosures in this report.

5.2. Social

5.2.1. Corporate Team Training & Development

D'Ieteren Group sees it as essential to offer all its people a safe and fulfilling work environment that enables them to reach their full potential. The Group has conducted its annual people engagement survey and is acting on the findings to drive employees' fulfilment. The Corporate Team is composed of 19 people with diverse backgrounds and skills. The small size of the team allows for learning on the job and very rich exchanges on a daily basis. The Group continuously creates a working environment that is favourable to exchange, critical thinking, questioning, and coaching. Thanks to a flexible schedule, experts are also encouraged to attend external training courses they may require. It is essential that their skills and knowledge meet the Company's needs and match its ambitions to support organisational performance, form productive teams and drive innovation.

At this moment in time, D'Ieteren Group does not monitor the number of training hours. D'Ieteren Group's main method of training is on-the-job training, which is difficult to quantify. Nevertheless, the teams are encouraged to find external training courses that fulfil their current and future needs.

5.2.2. Diversity and inclusion

As an employer, D'leteren Group promotes a positive, diverse, and inclusive workplace for all, with a zero-tolerance policy for any kind of discrimination. This means no discrimination against any employee or applicant on the basis of race, ethnicity, religion, nationality, gender, sexual orientation, disability, condition of health, age, marital status, or any other basis. As a family business and a family of businesses, each family member looks after each other, supports and inspires each other. The team has a fair gender balance thanks to the recruitment policy based on merit, skills, talent, and fit of values. The Group strongly encourages its employees to treat each other with mutual respect, dignity, and fairness, and makes sure equal opportunities are given to all team members in terms of development and remuneration. Further details of D'leteren Group's diversity policy as applied to the governance bodies can be found in the Corporate Governance Statement (p.106).

Diversity and inclusion				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Diversity in the Board of Directors				
Total number of directors on the Board of Directors	Number	11	9	-18.18%
Percentage of male directors on the Board of Directors	%	64%	67%	4.76%
Percentage of female directors on the Board of Directors	%	36%	33%	-8.33%
Diversity in Executive-level positions				
Total headcount in Executive-level positions* as at 31 December	Number	5	5	0.00%
Percentage of male headcount in Executive-level positions as at 31 December	%	60%	60%	0.00%
Percentage of female headcount in Executive-level positions as at 31 December	%	40%	40%	0.00%

* Note that the number of people in Executive-level positions differs from the number in D'leteren Group's Executive Committee (consisting of the CEO & CFO). More information can be found in the chapter on Governance (p.109).

5.2.3. Additional workforce data

Workforce				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Headcount own employees				
Total headcount of own employees as at 31 December	Number	19	19	0.00%
Percentage of male headcount of own employees as at 31 December	%	47%	47%	0.00%
Percentage of female headcount of own employees as at 31 December	%	53%	53%	0.00%
Headcount by contract (fixed-term / open-ended)				
Total headcount of own employees with fixed-term contracts as at 31 December	Number	0	0	0.00%
Total headcount of own employees with open-ended contracts as at 31 December	Number	19	19	0.00%
Percentage of male headcount of own employees with open-ended contracts	%	47%	47%	0.00%
Percentage of female headcount of own employees with open-ended contracts	%	53%	53%	0.00%
Headcount full-time / part-time				
Total headcount of own employees with a full-time contract as at 31 December	Number	18	18	0.00%
Percentage of male headcount of own employees with a full-time contract	%	50%	50%	0.00%
Percentage of female headcount of own employees with a full-time contract	%	50%	50%	0.00%
Total headcount of own employees with a part-time contract as at 31 December	Number	1	1	0.00%
Percentage of male headcount of own employees with a part-time contract	%	0%	0%	0.00%
Percentage of female headcount of own employees with a part-time contract	%	100%	100%	0.00%

Workforce				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Own employee turnover				
Turnover rate*	%	6.35%	0.00%	-100.00%
Number of hours worked				
Total number of hours worked in the reporting year by all employees	Hours	27,506	30,256	10.00%
Lost time injury (LTI) at the workplace				
Total number of lost time injury of own employees	Number	0	0	0.00%
Frequency rate own employees	LTI/1,000,000 Hours worked	0.00	0.00	0.00%
Work-related fatalities				
Total number of work-related fatalities of own employees	Number	0	0	0.00%
Lost time days at the workplace				
Lost time days due to work accidents of own employees	Days	0	0	0.00%
Severity rate own employees	LTD/1,000 Hours worked	0.00	0.00	0.00%
Absenteeism (illness and lost time injuries)				
Total days absent of own employees because of illness, lost time injuries or unknown reasons	Days	18.19	6.58	-63.83%
Absenteeism rate own employees	%	0.38%	0.14%	-63.83%

* In 2021, no-one left the organisation, resulting in a drop in turnover in comparison to 2020. There were no accidents.

5.3. Governance

5.3.1. Ethics

In 2021, building on the outcomes of the Group materiality analysis, the Executive Committee decided to formalise its Ethical Principles in a Code of Conduct. The Code of Conduct is to be implemented in 2022 and will set minimum standards in selected areas and apply to each person that works for D'leteren Group. D'leteren Group commits to carrying out its business ethically and in accordance with all applicable regulations. No unethical behaviour will be tolerated from any of its employees, suppliers or partners. The Code will set out ethics and compliance principles (Anti-bribery and Corruption / Data Privacy /...), important standards to follow in the work environment (Health & Safety / Human Rights /...) and business practices (Conflict of Interest / Relationship with Suppliers & Partners /...). It will also make reference to other policies that complement the Code of Conduct, such as the Dealing Code, the Privacy Policy or the Whistleblowing Policy. Each Group employee will receive training on this new Code of Conduct.

Governance-related data				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Ethics				
Percentage of headcount that has received training on business ethics (e.g. on the Code of Conduct)*	%	0%	0%	0.00%
Anti-bribery & anti-corruption				
Monetary amount of legal and regulatory fines and settlements (over €10,000) linked to: - Violations of bribery, corruption, or anti-competitive standards - Environmental, ecological or social issues - Data security breaches	EUR	0	0	0.00%
Number of confirmed incidents of corruption or bribery**	Number	0	0	0.00%

* D'leteren Group plans to train every employee in parallel with the implementation of the Code of Conduct in 2022.

** D'leteren Group will be implementing a whistleblowing policy in 2022. In 2021, no incidents were (informally) reported.

5.3.2. Human Rights

D'leteren Group pays great attention to the respect of human rights in its value chain. It wishes to establish and maintain effective, ongoing relations based on trust and mutual respect with its vendors, service providers and other third parties. Freedom of association and the right to collective bargaining are ensured at all levels of the organisation. The Group expects its businesses to comply with the laws and the collective labour agreements of the countries in which they operate. Respect for the personal dignity, privacy and rights of each individual with whom they work must be guaranteed and no violation of human rights will be tolerated. D'leteren Group endorses the United Nations Universal Declaration of Human Rights and the conventions and recommendations of the International Labour Organisation. The Group also takes human rights criteria into consideration in its ESG due diligence procedure for all investment opportunities.

Collective bargaining agreement (Holding)				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Collective bargaining agreement				
Share of headcount bound by a collective bargaining agreement (CBA)	%	74%	74%	0.00%

5.3.3. Philanthropy

D'leteren Group has at heart to contribute to meaningful non-profit projects. In addition to participating in its businesses' fundraising initiatives (like the yearly Spirit of Belron Challenge or the D'leteren Automotive Give and Gain Challenge), D'leteren Group has its own philanthropic approach.

The Philanthropic Committee has identified two areas of axes for this approach: 1) support for children who have been separated from their families; and 2) equal opportunities in accessing a rewarding career.

A variety of projects were supported in 2021 and the Group has decided to increase the philanthropy budget in 2022.

Community engagement				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Donations				
Total donations	EUR	200,000	285,000	42.50%

6. Disclosure of non-financial information - EU taxonomy

6.1. Reporting on the EU Taxonomy

To tackle the sustainability challenges the world is facing, the European Union has developed a Green Deal. The aim of this deal is to work towards becoming a climate-neutral continent by 2050. Two key objectives to achieve this goal are to reorient capital flows towards sustainable investments and to increase transparency. Therefore, a classification system for sustainable activities is being developed, the so-called EU Taxonomy. The aim of the EU Taxonomy is to scale up sustainable investments by providing a common European definition of what can be seen as a 'sustainable' activity. Under the EU Taxonomy companies are to disclose which part of their revenue, CapEx, and OpEx meet the criteria of the EU Taxonomy. This allows investors and other stakeholders to make better informed (investment) decisions.

In total, six annexes with environmental objectives will be published concerning climate change mitigation, climate change adaptation, water, pollution, biodiversity, and circularity. Companies falling under the scope of the EU NFRD (Directive 2014/95/EU), which is the case for D'Ieteren Group, are obligated to report on specific elements of the EU Taxonomy for the first time in FY 2021. For this year, companies are required to report on their share of eligibility for Annex 1 (Climate Change Mitigation) and Annex 2 (Climate Change Adaptation). In the coming years, companies will also have to report on their share of alignment, e.g., the extent to which an economic activity makes a substantial contribution to one of the environmental objectives. It is important to note that the EU Taxonomy is to be seen as a living document, which will be amended throughout the years with new economic activities, new technical screening criteria and / or new environmental or social objectives.

6.2. Conclusions of the analysis

D'Ieteren Automotive's major economic activity is the selling of motor vehicles and associated services and to a lesser extent the installation of charging stations, financial services through subsidiaries, and bike leasing. Since the activity of the selling of vehicles (roughly 90% of D'Ieteren Automotive's revenue), is not included in the EU Taxonomy, D'Ieteren Automotive currently has limited eligibility. D'Ieteren Group do however believes that D'Ieteren Automotive has an important role to play in mitigating climate change via the electrification of motor vehicles. For more details on this please refer to D'Ieteren Automotive's NFD (p.156) and on D'Ieteren Automotive's innovative Lab Box activities, focusing on the promotion and development of new mobility solutions which are eligible for the Taxonomy.

D'Ieteren Immo's economic activities revolve mainly around the reconversion and redevelopment of sites owned by D'Ieteren Group and in the management of the real estate assets that are owned by D'Ieteren Group. Since these two activities comprise almost all of D'Ieteren Immo's turnover, the eligibility of D'Ieteren Immo's turnover for the Taxonomy is roughly 98%. For more details on the Taxonomy eligibility KPIs we refer you to the NFD of D'Ieteren Immo (p.192).

For Belron, Moleskine and TVH we did not identify any economic activities that make a substantial contribution to climate change mitigation or climate change adaptation. Eligibility for these two environmental objectives for these businesses thus amounts to 0%.

6.3. Disclosures

The D'Ieteren Group disclosures are compiled from the financial figures of D'Ieteren Automotive, D'Ieteren Immo, and Moleskine. Since Belron and TVH are equity accounted investees they are not included in the consolidated Group figures.

The turnover of D'Ieteren Group is comprised of D'Ieteren Automotive and Moleskine. D'Ieteren Immo's turnover is not included because the turnover comes from internal sales to D'Ieteren Group or is included in other operating income and therefore not part of total revenue.

In total, this brings the eligibility percentage for D'Ieteren Group's revenue to 0.4 %. This is mainly because D'Ieteren Automotive constitutes a large part of the turnover of D'Ieteren Group and that the main activity of D'Ieteren Automotive ('selling of motor vehicles') is not included in the Taxonomy. Refer for more details on this to the NFD of D'Ieteren Automotive (p.156).

If the revenue from D'Ieteren Immo were to be included as a separate segment of the total eligible turnover, this would mean that eligibility for D'Ieteren Group would rise to approximately 1.5%.

The CapEx of D'Ieteren Group comprises the financial figures of D'Ieteren Automotive, D'Ieteren Immo and Moleskine. The total eligible CapEx for D'Ieteren Group is ca. 32.0%.

The OpEx of D'Ieteren Group also comprises the financial figures of D'Ieteren Automotive, D'Ieteren Immo and Moleskine. The total eligible OpEx for D'Ieteren Group is ca. 75.4%.

For more detailed information on the specific eligibility of each of the participations of D'Ieteren Group, we refer you to the specific sections in the report on the separate participations.

As of FY22, the eligibility of D'Ieteren Group will be increased, as activities from the businesses are expected to be included in annexes 3-6 on circularity, pollution, biodiversity and water.

Taxonomy eligible		
Turnover	(€ x1,000,000)	
Total	15	0.4%
CapEx	(€ x1,000,000)	
Total	24.3	32.0%
OpEx	(€ x1,000,000)	
Total	36.2	75.4%
Taxonomy non-eligible		
Turnover	(€ x1,000,000)	
Total	3,345	99.6%
CapEx	(€ x1,000,000)	
Total	51.6*	68%
OpEx	(€ x1,000,000)	
Total	11.8**	24.6%

* including €0.5m CapEx from Corp. & Gallery.

** Including €0.6m Opex from Corp. & Gallery.

7. Disclosure of non-financial information - TCFD

7.1. Climate impact at D'Ieteren Group

A long-term view on value creation is at the core of D'Ieteren Group's business strategy. This requires to have a profound view on the impact of climate change on businesses. D'Ieteren Group uses the guidelines and recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) to improve its understanding of the relevance of climate change for the operations in business activities and in the due diligence processes conducted by the Group.

This paragraph describes our efforts of 2021 with regard to the four recommendations by TCFD. First, the governance installed to manage the impact of climate change is described. The subsequent strategy paragraph describes the way the outcome of our assessments is used to strengthen the strategy. The third paragraph, risk management, describes how the Group aligns and uses risk management methodologies to mitigate climate impact. Lastly, the current perspective on the use of metrics and targets enabling D'Ieteren Group to monitor progress is described.

7.2. Governance

D'Ieteren Group's governance for managing the impact of climate change is twofold. Firstly, the impact of climate change is mostly felt by business activities. Therefore, the businesses are stimulated to improve their existing understanding and their approach to managing the impact of climate change, by offering facilitation for climate impact analyses. The dialogue will be conducted on an annual basis with the management of the businesses. The aim is to identify how the Group can help them increase their resilience to climate change continuously and to support the business activities in addressing the most severe impacts, as well as taking advantage of the opportunities.

Secondly, the relevance of climate change for the Group is considered by discussing the outcomes of the climate impact analyses of the business activities on an annual basis with the Audit Committee. This allows the Group to monitor and strategize on the identified topics and integrate the outcomes into investment decisions and strategic decision making, to increase the resilience of the Group as a whole.

7.3. Strategy

The climate impact analyses, conducted in 2021 for Belron, D'Ieteren Automotive, D'Ieteren Immo, and Moleskine, delivered profiles of the most relevant risk and opportunity areas per business activity. This process was supported by an external party delivering an outside-in view, which was validated with the inside-out view of the business representatives. TVH was not in the scope of this process as it joined the Group only later during the year but it will be included as from 2022.

The climate impact analyses resulted in the insight that all business activities have already integrated strategies or initiatives that contribute to the mitigation of climate change, mostly measures on energy efficiency and carbon emission reductions. Although mitigation of climate change contributes to a more climate-resilient business, the analyses demonstrated additional insights into potential other climate change-related risks and opportunities. For these identified risks and opportunities, D'Ieteren Group aims to support and stimulate its business activities to take the necessary actions to prevent them from facing a severe impact in the longer term.

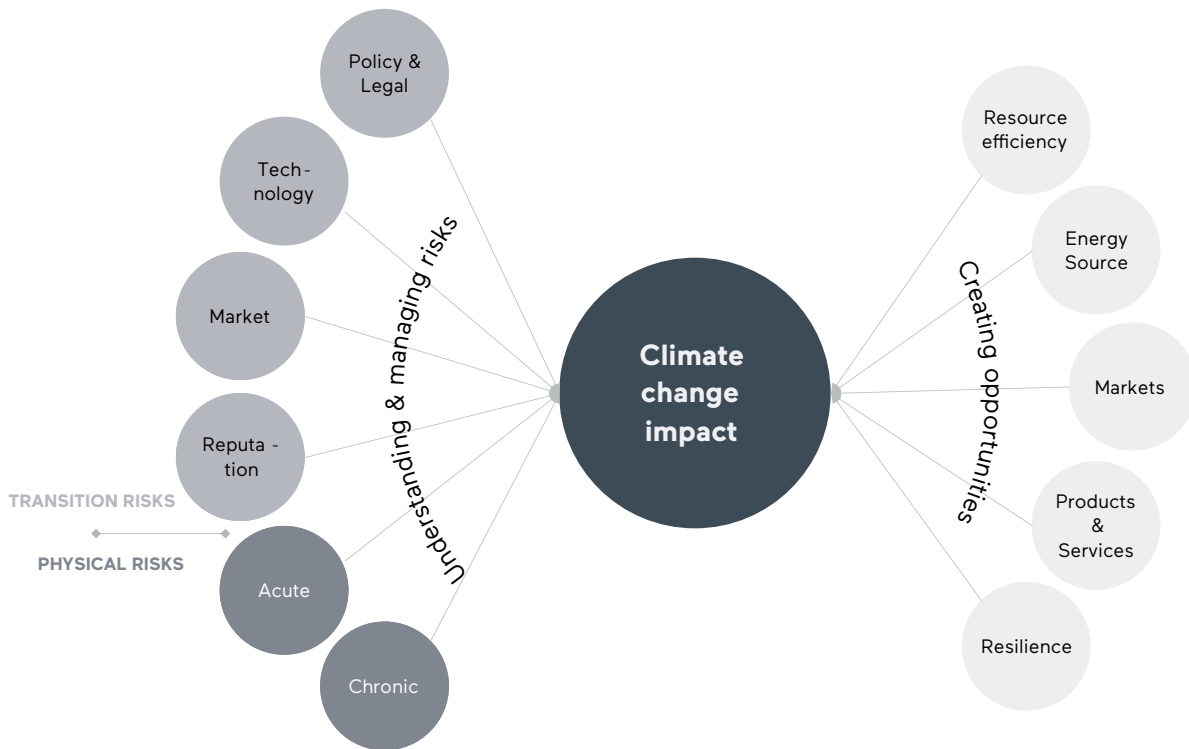
In 2022 D'Ieteren Group will continue to inspire and facilitate all business activities to take steps forward in implementing the results of the analyses. These steps consider the further integration of the identified opportunities into the business strategies and the appropriate mitigation of the most relevant risks.

7.4. Risk Management

Environmental Risk Management at D'leteren Group is improving its maturity constantly and stimulate business activities to do the same. Climate change was already identified as a risk type as depicted in our reporting of 2020. This year, progress was made by performing Climate Impact Analyses for four of the Group's business activities. The aim is to further strengthen the capabilities and perform scenario analyses, to gain an even better understanding of the impact of climate-related risks and opportunities for D'leteren Group and its business activities under different climate scenarios. The aim is to include TVH in these assessments as well.

The analyses started by identifying risks and opportunities based on the TCFD overview of potentially relevant risk and opportunity areas. For each of the relevant areas, the potential risk or opportunity and its (financial) impact on the business were identified. In this methodology, the impact level and likelihood assessment were used to determine the relevance of the identified risks and opportunities.

In 2022 D'leteren Group will further precise its conclusions and make them actionable to enable businesses to increase their resilience to climate change.



The insights about the risks resulting from the climate impact analyses can be found in the risk management and internal control section, where applicable.

7.5. Metrics & targets

D'leteren Group will support the business activities in defining relevant metrics and targets to monitor progress. The aim is to define these metrics and targets in alignment with international standards and requirements to ensure clarity and comparability for its users.

D'leteren Automotive Non-Financial Disclosure

For the comfort of reading, D'leteren Automotive will be called by its commercial name, 'D'leteren'.

1. Business model and value creation

The climate challenge and the urgent need for collective mobilisation are now widely accepted and D'leteren plans to make a concrete contribution to the challenge of reducing emissions in order to achieve carbon neutrality in Europe by 2050. The company's mission is to contribute to seamless and sustainable mobility for everyone. To this end, D'leteren, as the leader in the Belgian automotive market, is promoting the electrification of the vehicles it markets. It relies on an attractive offer – from the city car to the top-of-the-range sports car – and deploys global services integrating, among other things, the installation of charging stations and their financing. In addition to distribution of new vehicles, D'leteren is also extending its expertise to the used vehicle market, thereby prolonging the life of these vehicles. At the same time, the company is developing a very broad portfolio of mobility services: free-floating car sharing, the management of autonomous vehicles, paid passenger transport, a multimodal application for planning, booking and paying for a journey, etc. In 2021, D'leteren entered the market for non-motorised two-wheeled transport with the goal of becoming a leading player there too. In this way, D'leteren will cover the entire mobility market. The complementary nature of the services it offers also enables D'leteren to have an amplifying effect, by making an effective contribution to the development of multimodal mobility policies for its B2B customers. To this end, in 2021, D'leteren set up Group Mobility Solutions, a team of mobility experts who advise B2B customers across mobility products.

Geographies & Workforce			
KPI	Unit	Excl. Subsidiaries (2021)	Incl. subsidiaries (2021)
Total full-time equivalents (FTEs) of own employees as at 31 December	FTE	780.20	2,039.88
Percentage of FTEs of own employees in the Eurozone (Belgium)	%	100%	100%

In 2021, D'leteren Automotive revised its organisational structure. For all the ESG data except for the carbon footprint and energy data, the general scope for 2021 is now provided in two scoping categories:

- D'leteren Automotive (excl. subsidiaries): includes the activities at D'leteren Automotive's offices but excludes the subsidiaries.
- D'leteren Automotive (incl. subsidiaries): includes the activities at D'leteren Automotive's offices and all activities at its subsidiaries in which it has a majority ownership: Sopadis, Lab Box, Porsche Center Brussels, Porsche Center Antwerp, D'leteren Centers and WonderGroup.

As this is a new organisational structure, no 2020 data is available for these scoping categories. 2021 will, therefore, be used as the base year.

2. Sustainability strategy

2.1. Materiality

In 2020, D'leteren carried out a materiality analysis with the help of an external partner. A dialogue with a selection of stakeholders and the management team, in the form of an online survey and interviews, was set up. This led to inviting feedback from more than 200 customers, employees, dealers, shareholders, suppliers and experts. This analysis made it possible to identify and prioritise the most critical non-financial (so-called 'material') aspects of the business. The most material topics identified are 'alternative and flexible mobility solutions', 'customer care' and 'emissions from operations and the sold & leased fleet'.

In addition to these topics, D'leteren is also taking at heart to be an employer of choice in Belgium and has added 3 more topics: diversity in the workplace, employee well-being and responsible corporate governance.

2.2. Impact

Although mobility is a vector for prosperity and integration, it also faces challenges related to environmental, social and safety 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 and by reducing the emissions linked to its operations, D'leteren is contributing to the UN's SDG 13 (Climate action). The business also contributes to SDG 11 (Sustainable cities and communities) by looking for solutions to sustainable mobility services, such as, for example, services linked to its Lab Box mobility start-up incubator or the new bike division which was set up in 2021.

2.3. Sustainability roadmap

Building on the materiality analysis, D'leteren developed a sustainability roadmap around six strategic pillars:

- Managing the environmental impact of their operations
- Building seamless and sustainable mobility for everyone
- Playing a determining role in the well-being of its employees
- Increasing diversity and inclusion in the workplace
- Improving the life of their customers
- Implementing responsible governance

2.4. ESG Governance

ESG initiative owners have been assigned within relevant departments to ensure the deployment of specific actions to achieve their objectives :

- Environment and Sustainable Mobility: Strategy & Transformation Office
- Employee well-being and Diversity & Inclusion: Human Resources Department
- Customer Satisfaction: Marketing Department

In addition to these owners, an ESG Programme Manager has been appointed within the Strategy & Transformation Office and is in charge of:

- Coordinating the overall process surrounding ESG (e.g. executive updates, external stakeholder information)
- Supporting and challenging strategic initiative owners
- Gathering monthly status updates to be shared with senior executives (see below). This process also supports highlighting roadblocks which the Executive Committee can help resolve

Two key governance bodies review these monthly status updates and have different roles:

- The Ethics Committee (once per quarter) serves as a Sounding Board, providing input to and new ideas on strategic initiatives
- The Executive Committee takes strategic decisions linked to ESG topics and ensures progress is in line with the company's non-financial objectives

2.5. Connectivity table

ESG area	Strategic pillar	Associated risks / opportunities	KPI	2025 Ambition	2021 Value	Section in disclosure
E	Managing the environmental impact of their operations	Risk for society: D'leteren's activities and operations generate direct and indirect GHG emissions which have an impact on climate change.	% reduction in GHG emissions (vs. 2019)	50%	32%	3.1.
			% GHG emissions offset	100%	100%	
	Building seamless and sustainable mobility for everyone	Opportunity for society: New mobility patterns which are increasingly seamless and sustainable emerge, decreasing traffic and related CO ₂ emissions.	Percentage of BEV in registrations (% of volume)	28%	7%	3.2.
		Opportunity for the business: As these new forms of mobility emerge, D'leteren is expanding into new, adjacent markets to its core business with the opportunity to build a long-lasting leadership position.	Percentage of Key Accounts to which D'leteren provides alternative mobility solutions	25%	<1%	

ESG area	Strategic pillar	Associated risks / opportunities	KPI	2025 Ambition	2021 Value	Section in disclosure
S	Playing a determining role in the well-being of its employees	Opportunity for the business: Employees are at the core of D'leteren's activities, and having happier and more engaged employees is a source for increased value creation.	Employee engagement score	75%	88%	3.3.
			Survey participation rate	66%	88%	
	Increasing diversity and inclusion in the workplace	Opportunity for society: D'leteren can have a positive impact on society by offering equal opportunities to its employees and external applicants.	Percentage of CVs from women presented to the hiring manager for a position	50%	33%	3.4.
		Opportunity for the business: Diversity in all its forms is a source of creativity and contributes to innovation.	Percentage of women in management committees	25%	23% ✓	
	Improving the life of their customers	Opportunity for the business: Happy and satisfied customers are more likely to be loyal to D'leteren, strengthening its position as market leader.	NPS for sales of new cars	35	60	3.5.
			NPS for aftersales	35	53	
G	Implementing responsible corporate governance	Risk to the business: A governance default could lead to adverse reputational and financial impacts, including claims and fines.	No strategic KPI	-	-	3.6.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3. ESG performance

3.1. Managing the environmental impact of their operations

In addition to the products that D'leteren distributes, its activities and processes have an environmental impact. In this respect, D'leteren is striving to reduce the CO₂ emissions linked to its direct and indirect activities and has set itself the target of reducing the carbon footprint of its activities by 50% by 2025 and to reach net zero emissions by 2040.

Several actions have already been taken to decrease these emissions. Firstly, electric cars are now offered as part of the Mobility Policy and their adoption rate should raise in the next few years. Secondly, large projects aimed at optimising the footprint, including the construction of new, low-emission buildings, are currently ongoing and results should be seen by 2025. Moreover, D'leteren is sourcing most of its electricity from green suppliers. Thirdly, D'leteren is encouraging teleworking and remote conferencing, leading to less employee commuting but also less business travel.

In parallel to reducing its emissions, D'leteren also recognises the importance of offsetting its CO₂ emissions by participating in reforestation and environmental conservation programmes. As of 2021, D'leteren is certified Carbon Neutral.

Strategic KPI	2021 Target	2021 Value	2025 Target
% reduction in GHG emissions (vs. 2019)*	8%	32%	50%
% GHG emissions offset	100%	100%	100%

*Vs. 2019 baseline, scope 1, 2 and relevant elements of scope 3 included, with 2019 perimeter in scope (including D'leteren Automotive, D'leteren Centres, Porsche Centers Antwerp and Porsche Center Brussels).

GHG emissions & energy consumption				
KPI	Unit	Old scope (2020)	Old scope (2021)	Change (2020 vs. 2021)
Greenhouse gas emissions				
Greenhouse gas emissions (scope 1, 2 & 3)	Tonnes CO₂e	16,243	13,716 ✓	-16%
Greenhouse gas emissions scope 1	Tonnes CO₂e	6,760	7,204	7%
Greenhouse gas emissions from cars	Tonnes CO ₂ e	2,576	2,452	-4.7%
Greenhouse gas emissions from natural gas	Tonnes CO ₂ e	4,041	4,673	15.6%
Greenhouse gas emissions from refrigerant leakage	Tonnes CO ₂ e	111	52	-53.40%
Greenhouse gas emissions from owned logistics	Tonnes CO ₂ e	31	27	-12.76%
Greenhouse gas emissions scope 2	Tonnes CO₂e	1,004	17	-98%
Greenhouse gas emissions market-based	Tonnes CO ₂ e	1,004	17	-98.31%
Greenhouse gas emissions scope 3	Tonnes CO₂e	8,479	6,495	-23.5%
Greenhouse gas emissions from commuting	Tonnes CO ₂ e	1,142	638	-44.12%
Greenhouse gas emissions from business travel	Tonnes CO ₂ e	148	43	-70.91%
Greenhouse gas emissions from upstream emissions scope 1 & 2	Tonnes CO ₂ e	1,783	1,649	-7.48%
Greenhouse gas emissions from waste	Tonnes CO ₂ e	25	123	389.09%
Greenhouse gas emissions from upstream logistics	Tonnes CO ₂ e	5,413	4,041	-25.34%
Greenhouse gas emissions intensity				
Greenhouse gas emissions, scope 1 per FTE	Tonnes CO ₂ e	4.90	5.58	13.92%
Greenhouse gas emissions, scope 2 per FTE	Tonnes CO ₂ e	0.73	0.01	-98.13%
Greenhouse gas emissions, scope 1 & 2 per FTE	Tonnes CO ₂ e	5.63	5.59	-0.57%
Energy consumption				
Total car petrol consumption	Litre	956,618	900,962	-5.82%
Total car diesel consumption	Litre	169,189	195,215	15.38%
Natural gas consumption for heating	MWh	21,845	25,260	15.63%
Grey electricity consumption	MWh	5,939	6,075	2.29%
Renewable electricity consumption	MWh	4,340	6,007	38.41%
Renewable electricity production	MWh	2,714	2,439	-10.14%
Cogeneration electricity production	MWh	2,831	2,959	4.50%

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

For the KPIs related to the carbon footprint and energy, the scope as reported in 2020 is kept. The reason is that D'Ieteren Automotive has committed externally to a target (-50% by 2025 vs. 2019) on this scope and the scope is used as part of the Sustainability-Linked Loan. This scope includes the activities of D'Ieteren Automotive (excluding subsidiaries), Porsche Center Brussels, Porsche Center Antwerp, and D'Ieteren Car Centers.

D'Ieteren Automotive has worked to improve the data quality related to waste management. This has resulted in an increase in the emissions resulting from waste management in 2021.

Those entities switched to green electricity in 2021, which explains the significant drop in Scope 2 emissions and the increase in renewable electricity consumption. Furthermore, there was a decrease in distances travelled by air, due to the efforts to encourage teleworking and remote conferencing.

Waste Management

D'Ieteren has also implemented a waste management policy. Employees have been given the information to correctly sort and collect waste and operational waste management is carried out by a dedicated person at each major D'Ieteren site.

In disposing of and recycling its waste, D'Ieteren collaborates with waste management companies, such as Suez (for all waste), Oilco (for used oil), Dechamps (for scrap metal) and RecupBat (for used batteries). A project coordinator from the main waste collection company (Suez) makes regular site visits to monitor and optimise waste management on site.

D'Ieteren also facilitates the recycling of used vehicles by offering an additional allowance to customers and non-customers who offer their vehicles for recycling. D'Ieteren works with Febelauto whose mission is to organise and monitor the management of end-of-life vehicles in accordance with the European directive in effect. Currently, Febelauto recycles around 95% of the weight of these vehicles in an approved and controlled way.

Waste			
KPI	Unit	Excl. subsidiaries (2021)	Incl. subsidiaries (2021)
Total waste generated	Tonnes	512 ✓	1,795
Total hazardous waste generated	Tonnes	13	416
Total hazardous waste directed to landfill	Tonnes	0	12
Total hazardous waste directed to incineration (without energy recovery)	Tonnes	0	0
Total hazardous waste directed to incineration (with energy recovery)	Tonnes	1	31
Total hazardous waste diverted from disposal to re-use	Tonnes	2	72
Total hazardous waste diverted from disposal to recycling	Tonnes	11	302
Total non-hazardous waste generated	Tonnes	499	1,379
Total non-hazardous waste directed to landfill	Tonnes	0	20
Total non-hazardous waste directed to incineration (without energy recovery)	Tonnes	0	72
Total non-hazardous waste directed to incineration (with energy recovery)	Tonnes	89	264
Total non-hazardous waste diverted from disposal to re-use	Tonnes	0	115
Total non-hazardous waste diverted from disposal to recycling	Tonnes	410	909

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

Maintenance parts are not included in the scope of waste reported for D'leteren Automotive. Hazardous waste directed to landfill is assumed to be 0 for Sopadis and Lab Box due to their size and type of activities. Note that D'leteren Immo's waste data is included in the waste data of D'leteren Automotive.

3.2. Building seamless and sustainable mobility for everyone

3.2.1. Electrification of the car fleet

Battery Electric Vehicles (BEVs) are now challenging the car industry with greener, zero-emission cars. As the leader of the new car market in Belgium, D'leteren is committed to driving electrification of the car fleet. The first emphasis is on fleet customers by (i) helping them shape new electric mobility policies; (ii) supporting them with an array of BEV products to incorporate into their fleet; and (iii) supplying them with charging stations and solutions provided by EDI (Electric by D'leteren).

Strategic KPI	2021 Target	2021 Value	2025 Target
Percentage of BEV in registrations (% of volume imported by D'leteren)	new KPI	7%	28%

Scope: 6 main brands in the passenger car segment: Volkswagen, SEAT, CUPRA, Audi, ŠKODA and Porsche

3.2.2. Alternative and flexible mobility solutions

D'leteren's goal is to become the first choice mobility provider by 2025. While individual cars will remain the most important mode of transport, other forms of mobility are on the rise and D'leteren is taking a series of initiatives to shape their respective markets.

D'leteren continues to invest in Lab Box, a mobility start-up studio that supports ventures covering a wide-range of activities, including:

- Poppy, the Belgian leader in free-floating car-sharing, also active in sharing e-scooters and e-steps
- Ush, the company behind the first autonomous vehicle on open roads in Wallonia
- Skipr, a Mobility-as-a-Service application enabling the deployment of a mobility budget for employers
- Mob Box, the latest venture which supports companies and governments to make better data-driven mobility decisions for a better environmental impact and user satisfaction

D'leteren also announced in 2021 its entry on the Bicycles market with the goal of becoming the omnichannel retailer of reference in Belgium. Finally, the Polaris survey showed that companies will be catalysts for the adoption of new mobility patterns, for example, by offering mobility budgets to their employees who wish to travel or commute with alternatives to company cars. Given the importance of B2B customers, D'leteren has set up a 'Group Mobility Solutions' team to (i) inform B2B customers of the new mobility possibilities for companies; and (ii) offer B2B customers a one-stop-shop solution for all their mobility solutions.

Strategic KPI	2021 Target	2021 Value	2025 Target
Percentage of Key Accounts to which D'leteren provides alternative mobility solutions	new KPI	<1%	25%

3.3. Playing a determining role in the well-being of its employees

In a rapidly changing sector, employees must prepare themselves to meet the challenges of the future. Preparing D'leteren for these challenges starts by developing a mindset that is conducive to the development of its people and by providing the necessary infrastructure for learning.

In 2021, D'leteren Automotive launched a new Learning Management System (LMS) to support the development of skills internally as well as throughout the dealership network. This transversal platform, named MyAcademy, provides easy access to a large set of learning solutions, both digital and in-person. At the same time, the offer has been reviewed and structured into a diversified portfolio of training sessions linked directly to the company's strategy and needs, for example, inducting newcomers, a leadership curriculum, the development of their transversal strategic skills and talent development programmes.

In addition to helping employees develop their skills, D'leteren is creating a great place to work where everyone is able to perform to the best of their abilities. The company's performance depends on its employees and their involvement in improving their personal and collective performance. Therefore, two main initiatives were launched in 2021: the 'Living our Values' programme and the well-being programme. As part of the 'Living our Values' programme, every employee participated in a 1 day workshop to get to know their values and share how they can apply them in their day-to-day work. The well-being programme involves various training opportunities throughout the year on managing energy, teleworking, healthy food, and so on. Good practices on digital disconnection have been published and, finally, every manager was invited to a webinar on stress management for themselves and for their teams. Both programmes will continue in 2022.

In order to assess employee motivation, every year in November D'leteren measures employee engagement through a specific survey. Other surveys are also deployed, globally or locally, and the results are shared in teams in order to identify and implement any necessary actions.

Although employee engagement remained very high, Covid-19 put stress on the teams, as highlighted by the Sensor survey conducted in 2021. This survey highlighted a high workload and a great need for recovery, especially for leadership functions. This is due to the effects of the Covid-19 crisis at the individual level (people had to invent new solutions on a daily basis, teleworking was very intense, greater difficulty was experienced in disconnecting, etc.) but also at the corporate level, given the role Covid-19 had as an accelerator of D'leteren's strategic evolution (with regard to major transversal projects, the development of the automotive ecosystem, etc.). The Executive Team is taking appropriate measures to correct this situation, including offering 2 days of rest to every employee during the holiday season and prioritising ongoing projects to decrease overall workload, as well as organising sessions with Executive Committee members for the whole organisation to strengthen the proximity with and clarity on the company's vision and 5-year plan. Other structural actions are still under discussion.

Strategic KPI	2021 Target	2021 Value	2025 Target
Employee engagement score*	75%	88%	75%
Survey participation rate	50%	88%	66%

Scope: D'leteren and all subsidiaries; 2021 scope excluded Retail activities given the ongoing restructuring effort.

*Engagement score is defined as the percentage of employees answering 'agree' or 'rather agree' across 4 statements: 'I am committed to supporting my department's vision and plans for the coming years', 'I am proud to work for my company', 'I am motivated to invest in my work to build our future' and 'My work gives me a sense of personal accomplishment'.

Training			
KPI	Unit	Excl. Subsidiaries (2021)	Incl. subsidiaries (2021)
Average number of training hours by FTE	Hours	18.89	12.69

Health & Safety			
KPI	Unit	Excl. Subsidiaries (2021)	Incl. subsidiaries (2021)
Lost time injury (LTI) at the workplace			
Total number of lost time injuries of own employees	Number	10 ✓	66
Frequency rate own employees	LTI/1,000,000 Hours worked	8.60 ✓	21.96
Work-related fatalities			
Total number of work-related fatalities of own employees	Number	0	0
Lost time days at the workplace (LTD)			
Lost time days due to work accidents of own employees	Days	210	1,210
Severity rate own employees	LTD/1,000 Hours worked	0.18 ✓	0.40

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

Health & Safety			
KPI	Unit	Excl. Subsidiaries (2021)	Incl. subsidiaries (2021)
Absenteeism (illness and lost time injuries)			
Total days absent of own employees because of illness, lost time injuries or unknown reasons	Days	11,809	49,499
Absenteeism rate own employees	%	5.96%	9.55%
Health and safety training			
Total health and safety training hours of own employees	Hours	1,434	1,574

Definitions and formulas for LTI, frequency rate and severity rate can be found at the end of the NFDs (page 193).

Social data			
KPI	Unit	Excl. Subsidiaries (2021)	Incl. subsidiaries (2021)
Hours worked, subcontractor staff			
Total number of hours worked by subcontractor staff during the reporting period	Hours	53,989.48	109,757.80
Headcount own employees			
Total headcount of own employees as at 31 December	Number	787	2,081
Percentage of male headcount of own employees as at 31 December	%	74%	82%
Percentage of female headcount of own employees as at 31 December	%	26%	18%
Headcount by contract (fixed-term / open-ended)			
Total headcount of own employees with fixed term contracts as at 31 December	Number	10	18
Percentage of male headcount of own employees with fixed term contracts	%	100%	100%
Percentage of female headcount of own employees with fixed term contracts	%	0%	0%
Total headcount of own employees with open-ended contracts as at 31 December	Number	777	2,063
Percentage of male headcount of own employees with open-ended contracts	%	74%	82%
Percentage of female headcount of own employees with open-ended contracts	%	26%	18%
Headcount full-time / part-time			
Total headcount of own employees contracted on a full-time basis as at 31 December	Number	706	1,931
Total headcount of own employees contracted on a part-time basis as at 31 December	Number	81	150
Own employee turnover			
Turnover rate	%	7.54%	16.60%

3.4. Increasing diversity and inclusion in the workplace

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 employee satisfaction, this objective reinforces D'leteren's constant efforts to be an attractive employer.

As a first priority, D'leteren has decided to set up a programme to foster gender diversity in the company, from recruiting, training and mentoring women, to increasing their representation in the company's management committees. This programme includes:

- Training the recruiting team and hiring managers on the biases that can exist when they meet applicants
- Reviewing the website's career page to align it with D'leteren's values and highlight initiatives to support (female) employees
- A leadership programme (to be implemented in 2022) for an initial group of about 40 selected women, including group and peer-to-peer coaching to support them in their personal and professional development
- Internal networking events to encourage women to meet each other in order to create a real network of women in mobility
- A 'Women in Mobility' event

Strategic KPI	2021 Target	2021 Value	2025 Target
Percentage of CVs from women presented to the hiring manager for an employee position	43%	33%	50%
Percentage of women in management committees*	new KPI	23% ✓	25%

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

Scope: D'leteren Automotive (excluding subsidiaries)

* The share of women in management committees covers D'leteren Automotive (excluding subsidiaries). Management Committees are defined as the leadership teams of departments: they are made of directors and direct reports collectively in charge of the deployment of the strategy.

Diversity			
KPI	Unit	Excl. Subsidiaries (2021)	Incl. subsidiaries (2021)
Diversity in executive level positions			
Total headcount in executive level positions as at 31 December	Number	7	9
Percentage of male headcount in executive level positions as at 31 December	%	86%	89%
Percentage of female headcount in executive level positions as at 31 December	%	14%	11%
Diversity on the Board of Directors			
Total headcount on the Board of Directors	Number	6	6
Percentage of male directors on the Board of Directors	%	83%	83%
Percentage of female directors on the Board of Directors	%	17%	17%

3.5. Improving the life of their customers

Improving the life of its customers, by aiming for excellence in the services provided throughout each customer's journey, is one of the strategic axes on which D'leteren intends to work in order to achieve its objective of leadership in the mobility market. At the beginning of 2021, D'leteren set up a new customer satisfaction measurement system in order to take any necessary corrective measures or reinforce any necessary initiatives. D'leteren is now using the Net Promoter Score (NPS) as a main KPI to measure customer satisfaction at several moments in a customer journey: the website visit, the offer request, the delivery of the car, maintenance, etc.

The results from these surveys are used in several ways. Unsatisfied customers are called back by their dealer who will investigate the issue and suggest possible solutions. Customer feedback is also analysed by the importer teams to identify any structural pain points in the customer journey and to implement projects to improve the overall customer experience. For example, on the basis of similar analyses, new procedures have been implemented to ensure customers receive an answer to their sales requests more rapidly. Finally, the NPS is also used to support their dealers in benchmarking themselves against their peers and improving their customer service.

Covid-19 has had relatively little impact on overall customer satisfaction and the NPS is very close to pre-Covid-19 levels. In general, customers understand the situation. They very much appreciate the safety measures respected by employees, as well as the measures put in place in dealerships: disinfecting vehicles, having hydroalcoholic gel available, the option of having remote discussions (video chat), making a remote key deposit (KeyBox) available, etc. Yet, on an individual basis, some customers are more affected and / or dissatisfied because of the Covid-19 situation. The most frequent comments mention:

- Cars arriving later than initially announced
- Repairs taking longer than expected (in the event that spare parts are not in stock)
- Explanations being shorter sometimes during vehicle delivery and less understandable due to the 1.5m social distancing requirement
- Waiting rooms being closed (during lockdowns) which prevent customers from waiting on site for their car to be serviced

Strategic KPI	2021 Target	2021 Value	2025 Target
NPS for sales of new cars*	35	60	35
NPS for aftersales*	35	53	35

* Net Promoter Score given by customers when visiting the official dealer network for buying a new car or visiting their network's mechanical or bodywork aftersales workshops

3.6. Governance and business ethics

D'leteren has published a third version of its Code of Ethics, TheWayWeWork. The Code applies to every employee at every D'leteren business. D'leteren also expects third parties who act on behalf of their businesses to follow the principles set out in the Code. Each and every employee or third party must familiarise themselves with the contents of the Code and act in compliance with it. It is also up to managers to promote it and demonstrate by example how its principles are to be applied, both internally and externally.

In order to ensure that employees appreciate and understand the Code's contents, D'leteren organised compulsory training sessions on the main ethical principles.

In addition, the company continued to promote its whistleblowing procedure, both internally and externally, believing that transparency and the opportunity to remedy any ethical fault are key to the success of its ethical approach.

Governance			
KPI	Unit	Excl. Subsidiaries (2021)	Incl. subsidiaries (2021)
Ethics			
Percentage of headcount that received training on business ethics (e.g. on the Code of Conduct)	%	94%	42%
Number of registered incidents on unethical workplace behaviour or discrimination	Number	2	2
Anti-bribery & anti-corruption			
Monetary amount of legal and regulatory fines and settlements (over €10,000) connected with: - Breaches of bribery, corruption or anti-competitive standards - Environmental, ecological or social issues - Data security breaches	EUR	0	0
Number of confirmed incidents of corruption and bribery	Number	0	0
Collective bargaining agreement			
Percentage of headcount bound by a collective bargaining agreement (CBA)	%	99%	88%

3.7. Community engagement

D'leteren's 'Give & Gain' charity programme reflects not only the company's full commitment to causes that are close to its businesses – which is precisely where it can offer genuine added value – but also the commitment of its employees. In 2021, 3,905.32 work sessions were completed by 268 participants to raise money for mobility schemes for deprived neighbourhoods. Once converted into euros using a dedicated application, these kilometres financed the purchase of bicycles for children from deprived backgrounds and prosthetic limbs for disabled children. The employees' enthusiasm meant that these fundraising events, known as 'Give & Gain Challenges', took place in the space of barely four months.

D'leteren also issued a call for projects designed to finance initiatives in order to allow, through mobility, the social life of beneficiaries to be improved. The projects selected helped train disabled people and people who have difficulty moving independently around town, helped acquire a tuk-tuk to transport elderly people, helped acquire bicycles for children in poverty, etc. In addition to its recurring actions, D'leteren responded to the call to support those affected by the floods in Belgium in the summer of 2021, going so far as to volunteer to clean its partners' dealerships.

Donations			
KPI	Unit	Excl. Subsidiaries (2021)	Incl. subsidiaries (2021)
Total donations	EUR	45,262	63,712

4. EU Taxonomy

4.1. Reporting on the EU Taxonomy

To tackle the sustainability challenges the world is facing, the European Union has developed a Green Deal. The aim of this deal is to work towards becoming a climate-neutral continent by 2050. Two key objectives to achieve this goal are to reorient capital flows towards sustainable investments and to increase transparency. Therefore, a classification system for sustainable activities is being developed, the so-called EU Taxonomy. The aim of the EU Taxonomy is to scale up sustainable investments by providing a common European definition of what can be seen as a 'sustainable' activity. Under the EU Taxonomy companies are to disclose which part of their revenues, CapEx and OpEx meet the criteria of the EU Taxonomy. This allows investors and other stakeholders to make better informed (investment) decisions.

In total, six annexes with environmental objectives will be published concerning climate change mitigation, climate change adaptation, water, pollution, biodiversity and circularity. Companies falling under the scope of the EU NFRD (Directive 2014/95/EU), which is the case for D'leteren Group, are obliged to report on specific elements of the EU Taxonomy for the first time in 2021. For this year, companies are required to report on their share of eligibility for Annex 1 (Climate Change Mitigation) and Annex 2 (Climate Change Adaptation). In the coming years, companies will also have to report on their share of alignment, i.e. the extent to which an economic activity makes a substantial contribution to one of the environmental objectives. It is important to note that the EU Taxonomy is to be seen as a living document, which will be amended over the years with new economic activities, new technical screening criteria and / or new environmental or social objectives.

4.2. Conclusions drawn from the analysis

D'leteren major economic activity is selling motor vehicles (90% of revenues). Currently, the activity of selling motor vehicles is not included in the EU Taxonomy. The Taxonomy focuses on the purchase, financing, leasing, rental and operation of vehicles and has not included selling as an eligible activity. This has led to a low eligibility percentage for D'leteren. They do, however, believe that D'leteren has an important role to play in mitigating climate change. Considering D'leteren is the largest provider of new vehicles in Belgium, it plays a crucial role in the transition from fossil-fuel driven motor vehicles to electric motor vehicles.

D'leteren Automotive's activities that are included in the Taxonomy are those of Lab Box, which focuses on the future of mobility. The activities in the Taxonomy that are applicable to the activities of Lab Box are:

- 6.4 Operation of personal mobility devices, cycle logistics (CCM & CCA¹)
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (CCM & CCA)
- 6.15 Infrastructure enabling low-carbon road transport and public transport (CCM)
- 8.2 Data-driven solutions for GHG emissions reductions (CCM)

With Lab Box, it is D'leteren's goal to promote and develop new mobility solutions to make cities more liveable and enjoyable. The activities of Lab Box help mitigate climate change and, in the OpEx and CapEx especially, this results in a higher eligibility percentage.

4.3. Disclosures

Taxonomy eligible		
Revenues*	(€ x1,000,000)	
Total	15	0.5%
CapEx **	(€ x1,000,000)	
Total	8	16.3%
OpEx	(€ x1,000,000)	
Total	23.3	39.1%
Taxonomy non-eligible		
Revenues	(€ x1,000,000)	
Total	3,223	99.5%
CapEx	(€ x1,000,000)	
Total	41.1	83.7%
OpEx	(€ x1,000,000)	
Total	36.3***	60.9%

* Given the fact that selling motor vehicles is not included in the EU Taxonomy, the eligibility percentage for revenues is only 0.5%. This is because our Lab Box initiatives do not generate substantial revenues yet. If they were to include selling motor vehicles as being Taxonomy eligible, their eligibility percentage would leap to approximately 91%.

** For CapEx and OpEx, their eligibility percentages are significantly higher. This is because a lot of their capital and operational expenditures go towards innovative solutions for the future via the Lab Box initiative, leading to a higher relative importance of Lab Box in these figures. For CapEx, their eligibility is 16.3% and for OpEx, it is 39.1%. If selling motor vehicles were to be included, these percentages would rise to 98.6% and 99.3%, respectively.

*** Including €27.1m of Inter-companies transactions.

1 CCM: Climate Change Mitigation CCA: Climate Change Adaptation

Belron Non-Financial disclosure

1. Business model and value creation

Belron is the worldwide leader in vehicle glass repair, replacement and recalibration with brands present in 39 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®. Belron also manages vehicle glass and other insurance claims on behalf of insurance companies.

Belron has a deep and longstanding commitment to its purpose to 'make a difference with real care' to its customers, its people, its shareholders and to society. This purpose is shared right across the business and is also the driving force behind its Responsible Business Framework.

Belron has a 'repair first' approach which along with vehicle glass replacement and the recalibration of Advanced Driver Assistance Systems (ADAS) means that it can create value for the customers and wider society by extending the life of windscreens and ultimately that of vehicles. This reduces cost for customers and reduces waste and avoids carbon emissions from the production of new glass and new vehicles.

Geographies & Workforce				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Total full-time equivalents (FTEs) of own employees on 31 December	FTE	25,370.00	29,388.03	15.84%
Share of FTEs of own employees in the Eurozone	%	34%	29%	-13.54%
Share of FTEs of own employees in North America	%	50%	57%	12.05%
Share of FTEs of own employees in the Rest of the World	%	16%	14%	-9.61%

The ESG data for Belron covers 100% of wholly owned business and the central office.

Additional background information on the calculations and formulas used can be found at p.193.

2. Sustainability strategy

2.1. Materiality

In 2020, Belron took part in a high-level materiality analysis conducted by D'Ieteren Group and supported by an external partner. As part of the materiality analysis process, a short survey was sent to stakeholders and leaders, asking them to indicate which ESG topics they considered as most relevant to Belron. Interviews were conducted with internal representatives of key stakeholders including, insurance and fleet partners, suppliers, customers, employees and NGOs in order to gather further qualitative insights into their priorities for Belron. The material topics highlighted included waste management, people safety, customer care, diversity and well-being. The output of the analysis was used by Belron as it partnered with a leading sustainability consultancy to review all aspects of its corporate responsibility and refine its materiality topics. The review culminated in the creation of the Belron Responsible Business Framework which was launched to the business in 2021.

2.2. Belron Responsible Business Framework

Belron has a long tradition of serving society as part of its purpose of 'making a difference with real care'. Throughout its entire history the company has encouraged its people to give back and has supported hundreds of charities, NGOs and community groups, most recently establishing The Belron Ronnie Lubner Charitable Foundation.

Belron was an early adopter of EcoVadis sustainability ratings and has also been a signatory to the United Nations Global Compact since 2010. Towards the end of 2020 it reviewed its corporate responsibility strategy and developed the Belron Responsible Business Framework. This brings together all aspects of how the company views 'Doing Business Responsibly', which is derived from Belron's purpose and values. Belron wants to be "a trusted and respected company in the eyes of its people, customers, partners and society, by doing the right thing every day and behaving with integrity in everything it does".

The Framework has two strategic pillars: Sustainable Products & Services and Investing in People and Society. Its priorities under these pillars are to:

- Reduce waste and work towards a circular economy
- Drive down emissions
- Integrate environmental and social considerations into all procurement decisions
- Promote diversity, equity, inclusion and well-being
- Continue giving back to drive positive change
- Prioritise the safety of its people

In addition and underpinning the Framework, are foundations of; strong governance and inspiring leadership. The company continues to focus on its values and ethics, while developing robust reporting and measurement around its responsible business activities. The Framework was launched across the Belron family of businesses in 2021 and the company has made progress across all elements and has ambitious

plans to do more in all areas.

In March 2021, Belron secured new term loans which were structured as Sustainability-linked loans with targets in the areas of waste and emissions. These are to recycle 80% of the vehicle glass Belron handle by the end of 2023 and 95% by the end of 2025; and to obtain a validated science-based target to reduce greenhouse gas emissions, from the Science Based Target initiative by the end of 2024.

DOING BUSINESS RESPONSIBLY

Every day we are united by a common purpose: 'making a difference with real care'. We want to become the most trusted and respected company in the eyes of our people, customers, partners and society, and we'll achieve this by doing the right thing every day and behaving with integrity in everything we do. This renewed commitment to doing business responsibly stems from our values, it reinforces our culture, The Spirit of Belron, and lies at the heart of our mission to become the world's natural choice in vehicle glass repair, replacement and recalibration.

Sustainable products and services

Reducing waste and building a circular economy

As the world's leading VGRRR company, it is our responsibility to lead the sector on solutions that **eliminate waste**. Building on the success of our recycling and 'repair first' strategies, we will leverage our world class technical expertise and strong partnerships to close the loop on glass and associated products.

Driving down emissions

Climate change is a global emergency that requires urgent action. We are committed to understanding and actively reducing our **emissions to zero** and supporting our partners to reduce their impact, working together to do what is right. We will also support the low carbon transition by investing in renewables and carbon offsets.

Promoting diversity equity, inclusion and well-being

As part of our ambition to be 'the best place you will ever work', we are committed to prioritising equity, inclusion and well-being. Our product is our people and the service experience - and **our commitment to diversity, equity, inclusion and well-being** will ensure we remain a top employer where talented people thrive.

Giving opportunity

We have a deep-rooted sense of responsibility towards the communities we serve which is guided by our heritage and values. We will continue our **commitment to giving back** to drive positive change and build on this by **sharing our time and skills with young people** to support their career aims.

Sustainable procurement

Integrating environmental and social considerations into all our procurement decisions

People safety

Prioritising the safety of our people

Strong governance & inspiring leadership

Our values & ethics

Robust reporting & measurement

2.3. Impact

Belron activities have the ability to contribute to several of the United Nations Sustainable Development Goals. These were considered as part of the review undertaken in 2020. The Belron Responsible Business Framework focuses on having a meaningful impact on the following goals that have the most relevance to their business, operations and activities:

Goal 12 – Responsible Consumption and Production Goal 13 – Climate Action Covers the targets under Sustainable Products & Services: - Reducing waste and building a circular economy - Driving down emissions - Sustainable procurement	Goal 8 – Decent Work and Economic Growth Goal 10 – Reduced Inequalities Covers the targets under Investing in People & Society: - Promoting diversity, equity, inclusion & well-being - Giving opportunity - People safety
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2.4. ESG Governance

Chief People Officer, Susan Ormiston is the Executive Team member responsible for ESG. She along with CEO Gary Lubner and Richard Tyler the Group Customer Director sponsor the strategic pillars of the Belron Responsible Business Framework. ESG is reviewed at minimum, on a monthly basis, by the Executive Team and at Belron Board Meetings.

Belron has a small central team who are responsible for: co-ordinating and facilitating company-wide activity; monitoring progress and performance; and providing knowledge and expertise to support the implementation of the Framework by each country.

The country leadership teams are responsible for their individual ESG performances and there is a network of Responsible Business Ambassadors and environmental reporters who support the ESG agenda locally. In larger countries such as France, Germany and the UK there are dedicated CSR / sustainability teams in place.

2.5. Connectivity table

ESG area	Strategic pillar	Linked to material topic	Associated risk / opportunity	Ambition	KPI	2021 Value	Section in disclosure
MAKING A DIFFERENCE WITH REAL CARE							
E		Customer experience	Business risk: Unsatisfied customers do not return and are a risk to brand reputation. Business opportunity: Satisfied customers become the company's promoters, they return when required, trust the business and are therefore more likely to be a VAPS (Value Added Products & Services) customer too.	Maintain world-class customer delight.	NPS	83.4	3.1.1.
		Customer welfare & safety	Business & Society risk: Belron's highly trained technicians ensure that every VGRRR (vehicle glass repair, replacement & recalibration) job they complete for every customer is carried out to the highest standards. Not doing so would put the customer's safety and other road users at risk and could negatively impact brand reputation. Business opportunity: The business needs to maintain and enhance its knowledge as windscreen and glass technology changes, to ensure the processes continue to be efficient. This can be a key differentiator. (See Risk section on page 124 for more information)	To recalibrate every customer vehicle, right first time, irrespective of the complexity of the safety systems and technology fitted. This will ensure that every vehicle is returned to the road with all of its safety (ADAS (Advanced Driver Assistance Systems)) systems fully functional, which is fully aligned with the Belron purpose of serving every customer with real care.	R&D Budget	EUR 2.4m	3.1.2.
	Sustainable products and services	Reducing waste and building a circular economy	Business & Society risk: The most significant waste product for Belron is glass where it cannot be repaired, and a replacement is necessary. The company has a responsibility to ensure effective management of glass waste to minimise environmental impact. The risk of not achieving this is closely linked to necessary advancements in the recycling industry to support Belron's glass waste management efforts. A failure to do so could lead to negative brand impact. Business & Society opportunity: Repairing a windscreen, avoids the resource consumption involved in producing a new windscreen and cost and time for the customer. Repair, replacement and recalibration extends the life of the vehicle.	As the world's leading VGRRR company, it is Belron's responsibility to lead the sector on solutions that eliminate waste. Building on the success of their recycling and 'repair first' strategies, they will leverage their world class technical expertise and strong partnerships to close the loop on glass and associated products. Belron has an ambition to recycle 100% of glass waste where possible.	% glass waste recycled	72%	3.2.1.
		Driving down emissions	Business & Society risk: Belron has a direct and indirect impact on climate change from the CO₂ generated by its business operations. It therefore has a responsibility to monitor, manage and reduce its emissions. In doing so, to help it reach its targets it needs to keep pace with the changes in transitioning to a net zero business. Business & Society opportunity: The more that Belron is able to reduce its emissions at pace, the less dependent it will be on fossil fuels which will help to future proof operations, enhance the brand and respond to stakeholder expectations.	Climate change is a global emergency that requires urgent action. Belron is committed to understanding and actively reducing its emissions to net zero and supporting its partners to reduce their impact, working together to do the right thing. They will also support the low carbon transition by investing in renewables and carbon offsets. Belron has committed to achieve a validated SBT from the Science Based Target Initiative by the end of December 2024.	CO ₂ e	237,265 CO ₂ e	3.2.2.
		Sustainable procurement	Business & Society risk: Poor financially run or operationality managed suppliers are a risk to the continuity of the supply chain. From a brand perspective, if suppliers are using unethical practices this can reflect negatively on the reputation of Belron. Business & Society opportunity: Through the application of strict standards and monitoring for suppliers, the company's needs for goods and services are met in a way that achieves value across Belron and all its key stakeholders.	To make a real difference to the societal and environmental impact of its supply chain.	Number of on-site audits	31	3.2.3.

Data marked with is in the scope of the independent limited assurance performed by PwC.

ESG area	Strategic pillar	Linked to material topic	Associated risk / opportunity	Ambition	KPI	2021 Value	Section in the disclosure
MAKING A DIFFERENCE WITH REAL CARE							
S	Investing in people and society	Promoting diversity, equity, inclusion and well-being	Business & Society opportunity: As a responsible business Belron is committed to ensuring its people reflect the society it serves and being an inclusive organisation. With a focus on well-being and providing support to its people absenteeism is reduced, and talented people are retained.	As part of their ambition to be 'the best place you will ever work', they are committed to prioritising inclusion and well-being. Their product is their people and the service experience - and their commitment to diversity, equity, inclusion and well-being will ensure they remain a top employer where talented people can thrive.	Employee Engagement score	86% 	3.3.2.
		People safety	Business & Society risk: Injury or harm to an employee during the course of their work is a risk not only to the individual but could also lead to negative impact on the brand of the business. Business & Society opportunity: The company's focus on health and safety training maintains the well-being of its people, reduces absenteeism, and helps retain talent. (See Risk section on page 124 for more information)	To prioritise the safety of its people - a core part of every employee's experience at Belron and its family of businesses.	Improvement in diversity amongst the Belron Leadership Group and improvement in gender mix across the Belron family of businesses	Framework developed and key goals set	3.3.1.
		Giving opportunity	Business & Society opportunity: By harnessing the passion and energy of its people, the Belron Giving Back agenda and activities have a positive impact not only on the charities and causes supported but also on people engagement.	Continue their commitment to giving back to drive positive change and to sharing their time and skills with young people to support their career aims.	Three new KPIs: Lost time Injury Frequency Rate (LTIFR) Lost Workday Rate (LWDR) Total Recordable Injury Frequency Rate (TRIFR)	New KPIs (from January 2022)	3.3.3.
G	Belron Responsible Business Foundations	Values & Ethics	Business opportunity: The Belron values and ethics supported by its culture help to maintain its highly engaged workforce and supports the development and maintenance of talent. It is a key foundation to the company's approach of 'doing business responsibly'. Business risk: An ethical breach could seriously damage the reputation of the business and result in significant legal consequences.	They are guided by their values and their ethics to ensure they behave appropriately in everything they do.	Donations (EUR)	EUR 2.3m for Afrika Tikkun EUR 2.5m BRLCF EUR 2.5m Local Giving	3.3.4.
					-	-	3.4.

Data marked with  is in the scope of the independent limited assurance performed by PwC.

3. ESG performance

3.1. Making a difference with real care

3.1.1. Customer experience

Belron'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. They continually monitor quality, listen to customer feedback and, introduce improved ways of working to ensure a consistent high-level service, in the right place and the right time, with the right piece of high-quality glass. During 2021, they continued to implement their enhanced hygiene and safety measures put in place in 2020. Feedback is captured through the Net Promoter Score (NPS) survey that every motorist who has had a vehicle glass repair and replacement service is invited to complete. They were pleased that once again they have maintained a world-class NPS.

During 2021, they undertook two initiatives to further improve their customer experience. In the first they conducted research to get a deeper understanding of why some customers do not book with them. This included one-off studies in the UK and USA and recurring research in France. Secondly, with more and more customers needing recalibration, it is critical that they provide the same level of outstanding service and achieve the same or even better NPS scores. In 2021, through in-depth analytics work they discovered the specific expectations and needs of recalibration customers. They will be taking action on the new insights from these initiatives over the coming year, including refining the customer journey for recalibration customers.

Ambition	KPI	2021 Target	Status	Next steps
Maintain world class customer delight	NPS*	Maintain NPS in mid-80's	83.4 ✓	The output of NPS surveys continues to be reviewed in order to focus on where they can make improvements to its service and to maintain a world-class NPS score.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

**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.*

3.1.2. Customer welfare & safety

Belron aims to 'make a difference with real care' to every customer it serves. This not only means that the customer has the best experience possible during their interaction with the business, but also prioritises their safety on the road. Belron's technicians are highly trained and have the tools and equipment to conduct their work to the highest standards equivalent to OEM (Original Equipment Manufacturer) standards. When required, the technicians will also recalibrate a vehicle's Advanced Driver Assistance Systems (ADAS), using state of art technology.

'Belron Technical' (the company's research and innovation team, focused on continuously improving technical standards) constantly undertakes ADAS research on testing tracks to ensure Belron's processes and tools deliver accurate recalibrations for their customers. The Belron Way of Fitting (their defined best practice approach to repairing and replacing vehicle glass) is continuously updated to reflect the result of this testing. As part of the company's continued focus on recalibration, Belron has introduced a more advanced and precise ADAS recalibration tool. Thanks to its unique vision technology, the tool can be more rapidly aligned for an accurate recalibration. The details of the recalibration process, including vehicle model, date, time and results are recorded for compliance and governance reasons.

In addition, Belron Technical has created a new role to constantly monitor all relevant OEM methods for recalibration processes, procedures and technologies to ensure the company track global camera recalibration trends for the future and can respond to them appropriately. Belron also continues to work closely with its key supply partners to meet the challenges presented by the introduction of secure gateways and encrypted vehicles.

This year has also seen the launch of a new adhesive product for windscreens. Belron Technical has been working with its suppliers to develop a system that enables the technicians to fit windscreens using a single step process, without the need for a separate primer or activator. The new adhesive removes the need for a glass primer by building the same functionality into the chemistry of the adhesive itself. Following a significant amount of development and testing, including pilots in key Belron businesses, the product is being implemented across the Group. Removing the applying primer reduces the number of chemical materials that technicians are exposed to and reduces the amount of waste generated.

3.2. Sustainable products and services

3.2.1. Reducing waste and building a circular economy

The most significant waste product for Belron is the glass when a windscreen cannot be repaired and has to be replaced. The waste glass currently cannot be reused for windscreens, but it can be recycled for other products and the laminate film in windscreens, Polyvinyl Butyral (PVB) can be used to make for example, carpet backing.

Belron's ambition is to recycle 100% of glass where possible and this year they put in place annual targets as a roadmap to achieve this goal. They have established internal targets and committed to recycle 80% of the vehicle glass they handle by the end of 2023 and 95% by the end of 2025, under the terms of a sustainability linked loan agreed in March 2021.

This year they recycled 72% of their waste glass, a significant improvement on the 63.8% recycled in 2020. This was achieved through an increased focus on recycling and the introduction of monthly glass reporting. They have also set up a waste and circular economy working group to encourage best practice sharing between different countries.

The waste and recycling industry is well established in Europe, but this is not so in other countries where Belron operates, and they are working closely with waste partners to enable more glass to be recycled and reused. In the USA, Canada and Australia the size of the countries often means that glass has to be taken long distances to be recycled and they are exploring options to increase the number of local recycling facilities.

Belron's general and hazardous waste is managed by each business in line with local regulations. Hazardous waste is collected and disposed of via specialist contracts. General waste is managed with an emphasis on diversion from landfill and recycling. Their contracts are monitored for performance and periodically market tested to ensure they are benefiting from new opportunities to reduce, reuse and recycle their waste as a resource. In 2022, they plan to introduce waste audits into their larger businesses to inform future actions to further minimise waste.

Ambition	KPI	2021 Target	Status	Next steps
To recycle 100% of glass waste where possible	% of vehicle glass waste recycled	Improve percentage of vehicle glass waste recycled	72% vehicle glass waste was recycled	Continue to increase vehicle glass recycling, with a target of 80% by end of 2023 Work continues around the world to develop new commercial opportunities for the reuse and recycling of waste vehicle glass and the laminate film (Polyvinyl Butyral)

Waste management				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Total waste generated	Tonnes	165,561	168,707 ✓	2%
Total hazardous waste generated	Tonnes	1,675	1,924	15%
Total hazardous waste directed to landfill	Tonnes	1,407	1,538	9.31%
Total hazardous waste directed to incineration (without energy recovery)	Tonnes	-	16	-
Total hazardous waste directed to incineration (with energy recovery)	Tonnes	268	119	-55.60%
Total hazardous waste diverted from disposal to recycling	Tonnes	-	251	-
Total non-hazardous waste generated	Tonnes	163,886	166,783	2%
Total non-hazardous waste directed to landfill	Tonnes	68,411	63,767	-6.79%
Total non-hazardous waste directed to incineration (without energy recovery)	Tonnes	594	0	-100.00%
Total non-hazardous waste directed to incineration (with energy recovery)	Tonnes	3,616	8,050	122.64%
Total non-hazardous waste diverted from disposal to recycling	Tonnes	91,265	94,966	3.95%

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

Due to its increased focus on recycling vehicle glass, a new and more detailed guidance on reporting vehicle glass recycling data was implemented. This included an improved methodology for calculating the amount of non-glass in a windscreen. In addition, a more accurate set of average windscreen weights by country was introduced. These changes in reporting and calculations have resulted in changes in some of the KPIs in comparison to 2020.

Hazardous waste diverted from disposal to recycling mainly consists of electronic waste from France, the UK and Spain.

Autoglass is using a new waste processing supplier to switch from 100% incinerated to 1/3 recycled and 2/3 landfilled.

3.2.2. Driving down emissions

Belron has operations across the world with a wide network of branches, service centres, distribution centres and a large mobile fleet. The company therefore has a direct and indirect impact on the climate through its carbon emissions and has a responsibility to monitor, manage and reduce these emissions.

Belron has a goal to become a net zero emission business in the future and under the terms of the sustainability linked loan agreed in March 2021. Belron committed to have a validated Science Based Target from the Science Based Targets Initiative by the end of December 2024. In 2021 they saw a small increase in total emissions of 7% on 2020 as businesses opened up and travel was resumed. This is despite an increase of customers served of 8% to 16 million and a sales increase of 21.4%.

The priority for 2021 has been to begin to build the company's knowledge and understanding of its full carbon footprint, including the Belron supply chain, while also continuing to reduce its carbon emissions.

Belron has appointed external advisors to validate its existing baseline carbon data and develop a suite of business targets for submission to the SBTi. Part of this work will be to review the quality of the data captured over time, broaden knowledge and fully understand their scope 3 emissions impact. They have not yet completed a full GHG Protocol scope 3 assessment and therefore their scope 3 data only includes the emissions from their upstream logistics (subcontracted distribution vehicles) and business travel.

Belron's global fleet of over 11,000 vehicles accounts for 45% of their direct carbon emissions and they have been testing electric vehicles through in-country trials since 2011. They are currently finalising emissions reductions targets for 2025 and 2030 for the passenger, van fleets and company cars. The plan is to migrate to electric and lower emissions vehicles as soon as is practical to do on a country-by-country basis, once suitable vehicles with the required range and payload become widely available.

Ambition	KPI	2021 Target	Status	Next steps
Understanding and actively reducing emissions to net zero	CO ₂ emissions	Establish and validate initial baseline data	A carbon advisory partner has been appointed and data validation is being completed.	Continuing programme to achieve a Science Based Target

GHG & energy consumption				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Greenhouse gas emissions				
Green House Gas emissions (scope 1,2 & 3)	Tonnes CO₂e	221,162	237,265	7%
Greenhouse gas emissions scope 1	Tonnes CO₂e	118,106	120,792	2%
Greenhouse gas emissions from company owned vehicles	Tonnes CO ₂ e	94,685	96,201	1.60%
Greenhouse gas emissions from natural gas	Tonnes CO ₂ e	22,268	23,327	4.75%
Greenhouse gas emissions from heating fuel oil	Tonnes CO ₂ e	715	710	-0.78%
Greenhouse gas emissions from heating Propane / LPG	Tonnes CO ₂ e	277	250	-9.64%
Greenhouse gas emissions from refrigerant leakage	Tonnes CO ₂ e	160	304	90.00%
Greenhouse gas emissions scope 2	Tonnes CO₂e	20,626	22,002	7%
Greenhouse gas emissions market based	Tonnes CO ₂ e	20,626	22,002	6.67%
Greenhouse gas emissions scope 3	Tonnes CO₂e	82,430	94,471	15%
Greenhouse gas emissions from business travel	Tonnes CO ₂ e	3,181	3,163	-0.58%
Greenhouse gas emissions from upstream emissions scope 1 & 2	Tonnes CO ₂ e	33,307	38,165	14.59%
Greenhouse gas emissions from subcontracted vehicles	Tonnes CO ₂ e	45,942	53,143	15.67%
Greenhouse gas emissions intensity				
Greenhouse gas emissions scope 1 per FTE	Tonnes CO ₂ e	4.66	4.11	-11.71%
Greenhouse gas emissions scope 2 per FTE	Tonnes CO ₂ e	0.81	0.75	-7.91%
Greenhouse gas emissions scope 1 & 2 per FTE	Tonnes CO ₂ e	5.47	4.86	-11.14%
Energy consumption				
Total car gasoline / petrol consumption	Litre	34,163,640	33,852,565	-0.91%
Total car diesel consumption	Litre	7,682,336	8,602,404	11.98%
Total car fuel consumption (hybrid cars)	Litre	0	0	0.00%
Heating natural gas consumption	MWh	114,094	119,383	4.64%
Heating fuel oil consumption	MWh	2,660	2,633	-1.02%
Heating propane / LPG consumption	MWh	1,202	1,086	-9.65%
Grey electricity consumption	MWh	74,488	72,483	-2.69%
Renewable electricity consumption	MWh	22,614	24,771	9.54%

In 2021, Belron was able to revise and improve its data collection process in a number of its business units. This has resulted in restatements for the 2020 greenhouse gas emissions resulting from natural gas, heating fuel oil and for its Scope 2 emissions (market-based).

The increase in emissions from refrigerant leakage is mainly due to improvements in the accuracy of measurements, specifically in Australia and the Netherlands (first year of reporting), as well as due to a new installation in France in 2021. There further has been an increase in the total diesel consumption in 2021 as there were more mobile jobs this year in Australia and France in comparison to 2020.

The scope 3 category business travel includes travel by air, by train, by taxi and by rental cars for both 2020 and 2021. Scope 3 greenhouse gas emissions from subcontracted vehicles come from fuel consumption from subcontracted fitting vans and distribution trucks.

3.2.3. Sustainable procurement

Belron sources and manages the procurement of certain core products and services globally. Centrally procured products include vehicle glass, trims, adhesives, workshop equipment, tools, consumables, and products for resale. Centrally procured services include IT software and maintenance, professional services, and vehicle lease (fleet) providers. Other products and services required by the Belron family of businesses are sourced and managed through their own local supplier networks.

The Sustainable Procurement programme is embedding sustainability at the forefront of all purchasing strategies and buying decisions in Belron. The high standards and expectations of Belron's suppliers that must be met to become and remain a Belron supplier are set out in the Supplier Code of Conduct. Compliance of suppliers with the company's expectations, and their performance against sustainability targets, are all critical requirements of doing ongoing business with Belron.

The Sustainable Procurement Programme advanced significantly in 2021, towards its goal of achieving world-class standards. At the beginning of the year, desk-based research assessments were conducted to provide clarity on the level of potential risk present in each product category and location. The results of the assessments were used to prioritise and schedule bespoke independent on-site social and environmental audits in partnership with TÜV and Elevate, two leading providers. The audit programme roll out has continued, with 31 on-site audits completed to-date.

To support the audit programme, the central team is being further expanded by bringing in additional resources to work closely with suppliers on improving their performance. In addition, they are incorporating sustainability KPIs into their supplier scorecards and their risk analysis has been broadened to encompass environmental risks. Specific focus has been placed on the reduction of waste to landfill and emissions created.

Belron also launched the Sustainable Supplier awards, an annual programme with multiple categories that recognise the success of the company's suppliers and how they can contribute to Belron's responsible business agenda. The criteria for the awards includes positive environmental and social impact, contribution to their responsible business goals, and assessment and audit results. The first award will be presented in 2022.

Belron's primary goals for the year ahead include:

- completing audits of all Group suppliers
- facilitating social and environmental improvements in the supply chain
- improving the safety of the company's suppliers' employees
- working with the fleet team to enhance safety and reduce emissions

The company will continue to work with the Belron family of businesses to share best practices and the central programme framework to support them in managing and monitoring their local supply chains.

Ambition	KPI	2021 Target	Status	Next steps
To make a real difference to the societal and environmental impact of their Supply Chain	# supplier on-site audits	30 to 40 supplier on-site audits	31 on-site audits completed to date	Continue audit roll out programme, including the hire of new role dedicated to post-audit follow up with suppliers to address any gaps and share opportunities.

3.3. Investing in people and society

3.3.1. Promoting diversity equity, inclusion and well-being

Belron continues to recognise the critical importance of Diversity, Equity and Inclusion (DE&I) to its business, its key stakeholders and its customers. Enabling everyone to bring their whole selves to work, creating a diverse workforce and fostering inclusion is key to Belron's culture and values. DE&I is a global priority for the business and is a key component of the Belron Responsible Business Framework. The company's ambition is to continue to have an organisation that protects its people and values difference in all its forms, creating an environment which enables everyone to participate and reach their full potential. Belron is committed to hiring and promoting people on the basis of their ability for a role and their appreciation of and respect and alignment with the company's culture.

Belron has developed a Group wide philosophy, approach and goals to DE&I. An initial key step has been to understand the current position through surveys conducted as part of their employee listening and engagement. In the 2021, annual engagement survey key DE&I questions were asked of all employees globally providing feedback, insights and a solid baseline.

Belron has launched its Global DE&I 'Think Tank' which includes a diverse mix of senior leaders representing our three regions and global functions. The purpose is to bring together a small group of people from across the business who are truly passionate about DE&I. They provide input, advice, learnings and perspectives to help Belron shape its journey both now and going forward. Their countries have also established local groups. For example, Safelite® has created a Diversity & Inclusion Advisory Council which consists of 11 associates, bringing together a unique mix of backgrounds, life experiences, job levels, departments and expertise. Other Business Units will be establishing their own working groups as they continue to progress with their DE&I plans.

Attracting more female technicians into the company is a key area for them. Their countries have been evaluating their current approaches including reviewing their television and hiring advertisements and campaigns; their careers pages; and creating technicians forums to gain a deeper understanding of the experiences and needs of this group.

To begin to recognise and celebrate everyone's uniqueness and to create awareness of different groups and activities, events have taken place such as panel discussions in its Safelite® business on LGBTQ+, Women, Black Lives Matter etc. These will continue on a local level aligned to the needs of the specific country and culture and on a global level to reinforce Belron's commitment and its drive to continue to build awareness and educate its people.

To support delivery of the DE&I goals, a key focus for 2022 will be on DE&I education and awareness starting with the senior leaders across the business.

By 2025, Belron's ambitions are to: improve its gender mix across the business and improve the overall diversity of the Belron Leadership Group.

Ambition	KPI	2021 Target	Status	Next steps
Commitment to prioritize inclusion and well-being to remain a top employer where talented people thrive	Improvement in diversity amongst the Belron Leadership Group and improvement in gender mix across the Belron family of businesses	Development of the approach going forward	Framework developed and key goals set	Continued focus over the coming years with support, engagement and role modelling.

Gender diversity				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Diversity in executive level positions				
Total headcounts in executive level positions as at 31 December	Number	133	145	9.02%
Percentage of male headcount in executive level positions as at 31 December	%	75%	74%	-0.94%
Percentage of female headcount in executive level positions as at 31 December	%	25%	26%	2.84%
Diversity in the Board of Directors				
Total number of directors in the Board of Directors as at 31 December	Number	6	8	33.33%
Percentage of male directors in the Board of Directors as at 31 December	%	100%	100%	0.00%
Percentage of female directors in the Board of Directors as at 31 December	%	0%	0%	0.00%
Diversity in the entire workforce (FTE)				
Total full-time equivalents (FTEs) of own employees as at 31 December	FTE	25,370.00	29,388.03	15.84%
Percentage of male FTEs of own employees on December 31	%	-	79%	-
Percentage of female FTEs of own employees on December 31	%	-	21%	-
Percentage of FTEs with no designation for gender of own employees as at 31 December	%	-	0.4%	-
Diversity in the entire workforce (headcount)				
Total headcount of own employees as at 31 December	Number	-	30,328	-
Percentage of male headcount of own employees as at 31 December	%	-	77%	-
Percentage of female headcount of own employees as at 31 December	%	-	22%	-
Percentage of headcount with no designation for gender of own employees as at 31 December	%	-	0.3%	-

3.3.2. Employee Engagement

Belron employees are at 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 continue to remain key priorities for the business.

The business is committed to attracting, engaging and developing the very best people who are equipped with the capabilities and skills to serve its customers, creating an environment which enables everyone to participate and reach their full potential.

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

Following their first annual global engagement survey in 2020, they conducted their first Progress pulse survey in March 2021. This enabled them to follow up with all their people to understand whether they had seen the results of the first survey and had been involved in action planning. Three out of four of their people had been involved at that point in creating actions to improve engagement and had seen progress since the goals were set. This was followed in the Autumn of 2021 by their second global engagement survey, they included in this survey additional questions specifically focused on DE&I. Their response rate for their second global engagement survey was 86%, over 20,000 people completed the online survey and the engagement score showed 86% of their people are actively engaged.

With continually changing restrictions due to the Covid 19 pandemic, many Business Units have been supporting new ways of working creating more flexibility and choice, health, well-being and smart use of space with for example our Belron International office implemented a 'Ways of Working' cross functional cross level team to input into how working differently can take place and ensuring its people have the correct working conditions whether at the office or remotely.

Ambition	KPI	2021 Target	Status	Next steps
Maintain engagement score in the mid 80% range	Employee engagement score	Maintain high engagement score	86% engagement ✓	Create action plans to address the opportunity areas highlighted from engagement survey feedback.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

The engagement score covers all Belron business-units (excluding franchise countries) and is calculated by taking the average of the total favorable score (i.e., people that answered 'agreed' and 'tend to agree' on a 5-point rating level) across 3 questions that measure the definition of engagement in Belron i.e., 'Being Proud and Committed' in the Global Annual Engagement Survey.

3.3.3. People Safety

People Safety is an area that Belron continues to prioritise and effectively manage as part of its commitment to its people and as a pre-requisite of the business operating responsibly. Health and Safety is important to Belron to ensure they protect its people from undue harm as a result of their work, which often involves physical activities such as handling glass, driving to serve their customers or moving stock in its warehouses. This is not only important as a duty of care to its people, but also to drive strong engagement as a responsible employer and to avoid unnecessary absence and the costs associated with that.

The company sets stringent safety standards in all areas of its operations. With training managed and monitored at local level, the company aims to ensure that its people are appropriately trained for their role and have the right tools and equipment to do their role in a safe way.

To support the training of technicians in 2021, Belron Technical updated its three core training programmes and made them available to all the businesses on a central learning platform. These are:

- **S.T.O.P.** – how technicians look after **Self**, **Tools**, **Organise** their work and use the right **Process**
- **Quality Starts with Safety** – an awareness training of the importance of following the correct processes
- **High Voltage Electrical Vehicle Awareness** to ensure all technicians have the knowledge and competence to work on these vehicles safely. This course has been designed to follow the syllabus of the IMI (Institute of the Motor Industry), which means that once the course and assessment is completed successfully, the technician achieves an internationally recognized certification which also supports their Continual Professional Development (CPD).

In addition, Belron continued to partner with ERM, a leading global provider of environmental, health, safety, and risk related services, to complete safety review assessments in key countries focusing on fitting sites, warehouse, mobile and glazing operations. The focus of the assessments was to better understand the status of health and safety across the business in relation to environment, skills, policies, and procedures. The process also looked to identify areas of alignment and collaboration across the business as well as areas for improvement to ensure Belron has the highest standards of practices in place.

The output of the assessments concluded that health and safety is well managed overall with good systems in place to drive compliance and high standards of health and safety practices. Building on this work and the recommendations set out by ERM, Belron is developing an enhanced Group level health and safety strategy for its family of businesses.

To consistently manage performance across the business, the company has also developed new best-in-class safety metrics to be reported from January 2022. These metrics will help provide further insight into the health and safety performance of the business and identify areas for improvement. To provide leadership at Group level, the business has also appointed a highly experienced Group Health and Safety leader who will further develop the health and safety capability across the Group.

Ambition	KPI	2021 Target	Status	Next steps
To prioritise the safety of its people	To develop Group wide H&S metric	Development of Group wide H&S metric and review performance monthly, whilst reviewing practices and procedures across the business to understand the current landscape.	Country reviews conducted by third-party ERM, to assess and ensure highest standards of H&S practices in place, culture and leadership in key BUs / areas. Follow up action plans are in development to address key risks. Reviews completed in USA, UK, Australia and at Group level and ongoing in Germany, France and Belgium.	Action planning after reviews. Introduction of three comprehensive, best-in-class safety metrics to be reported monthly from January 2022. Strengthening leadership at Group level to drive H&S strategy, leadership and culture across the Group.

Employee safety				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Work-related fatalities				
Total number of work-related fatalities of own employees	Number	0	0	0.00%

Other health & safety KPIs are monitored on a local (country) level. Belron has developed three comprehensive best-in-class safety metrics to be reported centrally on a monthly basis from January 2022. These metrics are, Lost Time Injury Frequency Rate (LTIFR), the Lost Workday Rate (LWDR), and the Total Recordable Injury Frequency Rate (TRIFR).

3.3.4. Giving opportunity

Belron has a deep-rooted sense of responsibility towards the communities it serves which is guided by its heritage and values. 'Giving back' is a key aspect of the Belron culture – the Spirit of Belron – and is common to all Belron people wherever they are. Each business sets its own agenda and through this approach, its people experience a greater sense of personal involvement and achievement. Its commitment to Society and the communities they serve have continued through the pandemic, recognising that people are struggling more now than ever. In 2021, the Belron family of businesses supported their local communities through activities and donations totaling over €2.5m.

The company also recognises the impact it has when its people come together for a common purpose. Belron is proud of its partnership with South African charity, Afrika Tikkun and in 2021, over 8,000 of its people, their families, friends and business partners took part in the second virtual Spirit of Belron Round the World Challenge, which marked the 20th year of this fundraising event. With Covid-19 restrictions still in place in many countries, Belron people once again travelled virtually around the world as many times as possible, this time raising over €2.3m for Afrika Tikkun.

The Belron Ronnie Lubner Charitable Foundation continued to accept applications from Belron people to support charities and organisations on the front line of the Covid-19 pandemic or are still experiencing difficulties due to the crisis. In total, the Foundation donated over €2.5m. During the year the Foundation Trustees engaged external advisers to partner with them to develop a future impact and giving strategy for the Foundation. This work is currently being completed and the Foundation will be relaunched to the Belron Family of businesses in 2022. Overall, donations for the year from local giving, the Spirit of Belron Challenge and The Belron Ronnie Lubner Charitable Foundation totaled €7.3m.

Ambition	KPI	2021 Target	Key achievements	Next steps
Continue to give back to foster positive change	Donations to Afrika Tikkun	Level of donations or amount raised from SOBC – equal to or greater than 2020	A second successful virtual version of the Spirit of Belron Challenge	Continue to support and raise funds for Afrika Tikkun
	BRLCF donations			
	Local giving	BRLCF donates >€2m	Donated €2.5m from BRLCF	Relaunch the Belron Ronnie Lubner Charitable Foundation to the Belron business

3.4. Responsible Business Foundations

Underpinning the Belron Responsible Business Framework, are foundations of; strong governance and inspiring leadership; a continued focus on their values and ethics; and robust reporting and measurement around its responsible business activities.

3.4.1. Strong governance and inspiring leadership

Strong governance and inspiring leadership are important when ensuring the company continues to operate as a highly responsible business, particularly as it grows in size and scale. Belron is committed to ensuring it builds best-in-class governance throughout the organisation, led by a talented set of inspiring leaders.

In early 2021, Belron launched its Best-in-Class Governance programme that plays a key part in its ability to be ready for the future. The programme focuses on how Belron manages its key enterprise risks, increasing the maturity of its control environment, and building a robust and fit-for-purpose internal audit function, that reports to the Audit Committee progress on the risk based internal audit plan. The programme has progressed well – recent progress made includes:

- Belron's **Enterprise Risk** programme, where +250 of its people were surveyed and +60 interviewed to help the company understand and agree its 9 key enterprise risks. Belron subsequently agreed their key Group risks with the GLTM (Global Leadership Team) and Board, assigned risk owners across all countries and functions, and launched its Enterprise Risk Management Steering Committee. The Enterprise Risk Management Steering Committee, with representation from across functions, regularly meet to hear from Group risk owners, and discuss the adequacy of risk current risk mitigation activities and future mitigation plans.
- As part of Belron's **control environment transformation programme**, they have now embedded controls expert team members into all large transformation programmes, as well as started building their centralised control design and improvement team. Relevant Group policies and procedures continue to be developed working closely with functional teams.

In the area of leadership, Belron continued the work to embed its global talent and succession approach which was established in 2020 by conducting its second review cycle. The company now has visibility of the potential of over 400 of its senior global leaders and a clear view on the succession pipeline for its top 175 leaders, including those whose roles were identified as critical. The company broadened Belron's historical leadership model with the Belron Inspiring Leadership Framework focused on key winning behaviour & experiences, as well as the traits and drivers needed to deliver future growth. To attract in the right external talent and to support virtual recruitment they also revamped their approach to executive external hiring based on the Belron Inspiring Leadership Framework.

3.4.2. Belron's Values and Ethics

The Belron Code of Ethics and Guiding Principles are the company's set of values and ethics that have always provided clarity on acceptable behaviour across the organisation, and this continues to be as important today as always. 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.

The business adheres to and promotes clear ethical standards for itself and expects similar standards from all third parties who work with Belron or on its behalf. Human rights are a fundamental pillar of ethics and are addressed in the Belron Code of Ethics and Guiding Principles.

Belron people are expected to always treat each other with respect and ensure that their activities do not contribute directly or indirectly to human rights abuses. In no 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.

In late 2021, Belron worked with an external partner to review and evaluate its current Code of Ethics. The Code is key to promoting organisational values and ethical expectations throughout the Group and continually demonstrates the company's commitment to integrity and ethical values. The work conducted by PwC recommended updates in line with the relevant regulations and government guidance across all markets, benchmarking the Code against operationally similar businesses, and ensuring that all connected policies are fit for purpose and the future.

The updated Code will be supported by a global training programme for all Belron people, using best practice training delivery and annual certification, whilst identifying and ensuring that specific groups of individuals are aware of their own distinct obligations such as leaders, procurement managers and sales teams.

The business' approach to anti-bribery and corruption is assessed within the Ethics section of the EcoVadis sustainability assessment. Each business who participates in EcoVadis answers questions and provides evidence of their policies, actions and results in relation to this topic as well as fraud, money laundering, conflicts of interest, information security and anticompetitive practices. The Belron Group average EcoVadis score for Ethics is 67.9, which is within the top 6% of businesses rated, globally.

3.4.3. Robust Reporting and measurement

Reporting requirements in the area of ESG continue to grow and develop. As well as fulfilling mandatory requirements, Belron is committed to developing its reporting to meet the needs of its different stakeholders and to ensure robust and transparent reporting of all its responsible business activities. Today this includes the Non-Financial Reporting Disclosure within the D'leteren Group annual report; the publication of 11th UN Global Compact Communication on Progress; publication of Belron International statement in response to the UK Modern Slavery Act 2015; and the Belron businesses continue to use the EcoVadis sustainability ratings to measure its performance in the areas of labour practices and human rights, environment, sustainable procurement and business ethics.

In 2021, the Belron business in Finland increased its EcoVadis rating from Silver to Gold; the businesses in France, Denmark, Sweden, Norway and New Zealand all retained their Gold rating; and the business in Belgium was the first Belron subsidiary to achieve the new Platinum rating. Belron is also in the process of mapping out a plan for reporting which includes being ready to meet the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD).

In addition, Belron has been considering its eligibility and level of alignment against the EU Taxonomy's published list of economic activities. Belron's analysis suggests the business falls under 'Repair and Maintenance' within Transition to Circular Economy (Category 4). The Group await further guidance which is expected to come with the publication of the text in mid 2022.

Governance				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Anti-bribery & anti-corruption				
Monetary amount of legal and regulatory fines and settlements (over 10.000 EUR) associated with: - Violations of bribery, corruption, or anti-competitive standards - Environmental, ecological or social issues - Data security breaches	EUR	0	0	0.00%
Collective bargaining agreement				
Share of headcount bound by a collective bargaining agreement (CBA)	%	-	32%	-

4. EU Taxonomy

4.1. Reporting on the EU Taxonomy

To tackle the sustainability challenges the world is facing, the European Union has developed a Green Deal. The aim of this deal is to work towards becoming a climate-neutral continent by 2050. Two key objectives to achieve this goal are to reorient capital flows towards sustainable investments and to increase transparency. Therefore, a classification system for sustainable activities is being developed, the so-called EU Taxonomy. The aim of the EU Taxonomy is to scale up sustainable investments by providing a common European definition of what can be seen as a 'sustainable' activity. Under the EU Taxonomy companies are to disclose which part of their revenues, CapEx and OpEx meet the criteria of the EU Taxonomy. This allows investors and other stakeholders to make better informed (investment) decisions.

In total, six annexes with environmental objectives will be published concerning climate change mitigation, climate change adaptation, water, pollution, biodiversity and circularity. Companies falling under the scope of the EU NFRD (Directive 2014/95/EU), which is the case for D'leteren Group, are obliged to report on specific elements of the EU Taxonomy for the first time in 2021. For this year, companies are required to report on their share of eligibility for Annex 1 (Climate Change Mitigation) and Annex 2 (Climate Change Adaptation). In the coming years, companies will also have to report on their share of alignment, i.e. the extent to which an economic activity makes a substantial contribution to one of the environmental objectives. It is important to note that the EU Taxonomy is to be seen as a living document, which will be amended over the years with new economic activities, new technical screening criteria and / or new environmental or social objectives.

4.2. Conclusions drawn from the analysis

Belron's activities of vehicle glass repair, replacement and recalibration and the related insurance activities are currently not included in the first two annexes of the EU Taxonomy on climate change mitigation and adaptation. This leads to a current eligibility percentage of 0% for the EU Taxonomy KPIs of revenues, CapEx and OpEx.

4.3. Disclosures

Taxonomy eligible	
Revenues	
Total	0.00%
CapEx	
Total	0.00%
OpEx	
Total	0.00%
Taxonomy non-eligible	
Revenues	
Total	100.00%
CapEx	
Total	100.00%
OpEx	
Total	100.00%

Belron's activities are expected to be included in annexes 3-6 on circularity, pollution, biodiversity and water. Therefore, a higher eligibility percentage is expected next year.

Moleskine

Non-Financial Disclosure

1. Business model and value creation

Moleskine is a global, multi-category, multi-channel brand, whose purpose is to unleash the 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 nurture thinking, planning and making, and with services that help achieve creative potential. Its products include notebooks, diaries, bags, writing tools as well as hybrid products that migrate handwritten ideas to the infinite possibilities of the digital world. Furthermore, its services and ecosystem gather content and stories, people and partners, which enable and nurture creativity and self-expression. 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 approximately 300 employees and a vast network of partners. With its headquarters in Milan, Italy, the Moleskine Group also includes, among others, Moleskine America, Inc., Moleskine Asia Ltd and Moleskine Germany. The group designs and sells its products through a multichannel distribution platform. The production itself is outsourced to partner suppliers.

Geographies & Workforce				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Total full-time equivalents (FTEs) of own employees as at 31 December	FTE	348.80	308.30	-11.61%
Percentage of FTEs of own employees in the Eurozone	%	57%	63%	9.17%
Percentage of FTEs of own employees in North America	%	14%	13%	-8.36%
Percentage of FTEs of own employees in the Rest of the World	%	28%	24%	-14.29%

In general, Moleskine's 2021 ESG data covers all Moleskine's operations, including the stores that are managed by Moleskine. If the scope differs, this is described under the relevant table.

Additional background information on the calculations and formulas used for can be found on p.193.

2. Sustainability strategy

2.1. Materiality

Moleskine carried out a materiality analysis in 2020 with the help of an external partner. A dialogue with a selection of stakeholders and the management team, in the form of an online survey and interviews, was set up. This analysis made it possible to identify and prioritise the most critical (hereinafter 'material') non-financial aspects of the business. Specifically, the following material topics were identified: Environmentally friendly products, Environmentally friendly suppliers, Social actions and education, Talent development, Employee well-being and diversity, Responsible governance and Ethical suppliers.

2.2. Impact

With a purpose dedicated to empowering creativity and knowledge in each individual and the entire world, Moleskine contributes to promoting lifelong learning, which is in line with the SDG 4 (Quality education). It contributes to this, first and foremost, via its products, services and digital platforms. But it also contributes to encouraging and enabling lifelong learning and critical thinking among communities through the Moleskine Foundation, which is fully aligned with the company's values and beliefs. Moleskine, in partnership with the Moleskine Foundation, supports creative communities worldwide through the donations of products, which have been repurposed into creative tools by the beneficiary organisations which deliver workshops, training sessions and creative activities for the benefit of local communities.

Moleskine also contributes to the SDG 12 (Responsible consumption and production), with the objective of ensuring sustainable consumption and production patterns. It does so by developing eco-friendly solutions for its products and packaging, but also through the implementation of sustainable solutions for the end-of-life of its unsold objects.

2.3. Sustainability Roadmap (Sustainable Creativity)

The Moleskine journey towards Sustainability has its roots in the brand's DNA.

From the outset, corporate responsibility has been one of the brand's most important values (i.e. the Lettera27 Foundation was established in 2006 and then transformed into the Moleskine Foundation in 2017; the paper used for notebooks has been FSC-certified since 2008, the Code of Ethics was adopted in 2012).

More recently, Moleskine has decided to elevate the significance of sustainability across the enterprise and developed its Sustainability ambitions through the ESG strategy, which has been defined according to the material topics:

- ENVIRONMENT: Building a sustainable brand to last by reducing its footprint, through environmentally-friendly solutions for its iconic products and building a standard of environmental commitments for upcycling and recycling (through a circular economy model)
- 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 covering transparency, integrity and ethical behaviour to build a solid, trusting relationship with stakeholders and to preserve the brand's reputation

Moleskine is committed to moving forward by embedding ESG throughout its entire value chain, translating its ESG strategy into concrete actions and measurable results, with continuous exploration of sustainable, innovative solutions.

2.4. ESG Governance

The ESG strategy and pillars have been included among the levers for growth in Moleskine's strategic plan. The role of the Board of Directors at Moleskine regarding environmental, social and governance issues is to set priorities and oversee progress. Moleskine has appointed an internal Head of Global ESG, who is in charge of defining, coordinating and measuring the progress of the ESG strategy. Every Moleskine manager and their departments play a key role in the implementation of the ESG strategy. They work closely with the global ESG manager to ensure that the ESG pillars are integrated into the value chain. Periodic reporting and monitoring processes are in place at business review meetings, where relevant KPIs are communicated by the Head of Global ESG and reported to the management team on an annual basis through the non-financial disclosure.

In 2020, Moleskine successfully passed the external assurance process for the first selection of KPIs. The assurance process carried out in 2021 is focused on a broader scope, confirming the company's commitment to improving the transparency and data quality of the ESG reporting process.

2.5. Connectivity table

ESG area	Strategic pillar	Linked material topic	Associated risks / opportunities	Ambition	KPI	2021 Value	Section in disclosure
E	Build a sustainable brand by reducing the company's footprint, through environmentally friendly solutions for its iconic products	Waste management & circular economy	Risk for society: Moleskine has a direct impact on the environment, which is partly due to the waste generated by unsellable products. Opportunities for business: The move to a circular economy model will allow Moleskine to reduce its carbon emissions, improve its resource management, and meet customer demands.	Develop a strong waste management and circular economy approach	#tonnes of paper saved	45 tonnes	3.1.1.
		Impact on climate change	Risk to society: Moleskine has a direct and indirect impact on climate change, which results, respectively, from the GHG emissions from its own operations (design, distribution) and from its supply chain activities, as well as direct emissions from the day-to-day use of Moleskine's offices and the mobility of Moleskine's employees. Risk to business: Risk of increasing the cost of raw materials and the risk of failing to adapt fast enough to changing customer behaviour. (p.126)	Set a SBT by the end of 2022	% of CO ₂ e reduction	-	3.1.2.
		World's natural resources	Risk for society: Moleskine has a direct impact on the consumption of natural resources when it procures its raw materials and products.	Continue to be FSC-certified, to guarantee that paper comes from responsibly managed forests, and that the forest is being managed in a way that preserves biological diversity and benefits the lives of local people and workers, while ensuring it sustains economic viability	FSC certification renewal	FSC certified with annual surveillance audit successfully passed	3.1.3.
		Environmentally friendly suppliers	Risk for society: Moleskine is responsible for the environmental footprint of its products which are manufactured by external suppliers.	100% of strategic suppliers of goods to be ISO 14001 certified by the end of 2023	% of purchases from significant ISO 14001 certified (or equivalent) suppliers	96% ✓	3.1.3.

Data marked with ✓ are in the scope of the independent limited assurance performed by PwC.

ESG area	Strategic pillar	Linked material topic	Associated risks / opportunities	Ambition	KPI	2021 Value	Section in disclosure
S	Bring positive change to society by nurturing critical thinking and creativity while acting as an inclusive company and a responsible, leading brand	Employee well-being	Opportunity for business: Moleskine's effort to become a top employer will increase its workforce's sense of belonging.	Become a top place to work at a global level	employee engagement score	3.6  on a scale of 1 to 5 (5 being the highest)	3.2.2.
		Talent development	Opportunity for business: Moleskine, with the right talent management approach, will retain people and develop their potential.	Develop a best-in-class talent management approach (including people skills development)	# number of training hours	900.5 	3.2.3.
		Diversity & inclusion	Opportunity for society: Moleskine offers an inclusive workplace and equal opportunities.	Increase % of international profiles in executive roles	% of International profiles in executive roles	22%	3.2.4.
			Opportunity for business: Diversity and inclusion in the workspace drive creativity and contribute to innovation.	Keep a gender-balanced workforce	% of the under-represented gender	33% of men	
		Ethical supply chain	Risk for business: Unethical behaviour by its suppliers could affect the brand's image.	Keep 100% of strategic supplier of goods be SA8000 certified	% of purchases from significant SA8000 certified (or equivalent) suppliers	100% 	3.2.5.
		Social actions and education	Opportunity for society: Provides young people, with unconventional educational tools and experiences that help foster critical thinking, creativity and lifelong learning.	Generate positive social change (and environmental impact)	# organisations promoting creativity that received creative tools # creative tools delivered these organisations # products donated to social and humanitarian organisations	8 approx. 10,000 8,000 notebooks	3.2.1.
G	Set a long-term governance approach covering transparency, integrity and ethical behaviour to build a solid, trusting relationship with stakeholders and to preserve the brand's reputation	Responsible governance	Opportunity for business: Good governance will generate loyalty from stakeholders.	Ensure good governance	#unethical behaviours reported per year	0	3.3.

Data marked with  are in the scope of the independent limited assurance performed by PwC.

3. ESG performance

3.1. Build a sustainable brand by reducing the company's footprint through environmentally friendly solutions for its iconic products

3.1.1. Waste management & circular economy

In 2021 Moleskine launched a project to measure and then eliminate waste generated by its activities and waste coming from unsellable products. Specifically, Moleskine identified the primary waste generation areas in product development (physical prototypes), in promoting products (product samples and sales tools), as well as in logistic activities (primary and secondary packaging). Waste is also generated by second choice and damaged products, returns, out-of-catalogue collections or limited edition products with expired licences. Thanks to its waste measurement efforts, Moleskine has been able to define guidelines to avoid generating waste. Prevent-Repurpose-Recycle are the three drivers of this project.

Through the application of the guidelines, Moleskine has identified concrete actions which have already been implemented, are underway or will be implemented in the coming months.

In 2021 Moleskine saved around 17 tonnes of paper by replacing the leaflets telling the Moleskine Story with a QR code printed on the notebooks. Moleskine also avoided around 6 tonnes of waste by introducing swatch cards to replace product samples for commercial promotion purposes as well as 1 tonne of waste by replacing paper catalogues with digital ones.

Moleskine repurposed about 3 tonnes of unsellable products into creative tools through the Creative tools for Social change programme. As part of this programme, about 4 tonnes of product coming from the relocation of Milan headquarters (namely prototypes, samples and out-of-catalogues) were donated to organisations with social and humanitarian purposes. Moleskine also has nearly 3 tons of donations through other scattered initiatives.

Moleskine has identified recycling solutions for more than 11 tonnes of product, giving them a second life through a circular economy approach. Recycled products have been recovered to produce new materials and then converted into new products (i.e. new paper products).

Ambition	KPI	2021 Target	2021 Value	Next steps
Develop a strong waste management and circular economy approach	Tonnes of paper saved	New KPI	45 tonnes	Develop a circular economy strategy

Waste management				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Total non-hazardous waste diverted from disposal to re-use	Tonnes	4.60	9.60	108.70%
Total non-hazardous waste diverted from disposal to recycling	Tonnes	-	11.40	-

Moleskine is currently working on monitoring its waste but is not able to report on all its waste streams in 2021. However, Moleskine donates its excess stock, which cannot be sold, to various charitable organisations for reuse, in partnership with the Moleskine Foundation. In 2021 this number was significantly higher due to the relocation of the Milan headquarters. Other waste resulting from the relocation of the headquarters, as well as damaged goods, was recycled.

3.1.2. Impact on climate change

Moleskine accepts its responsibility to manage and reduce carbon emissions derived from its business activities. This is why Moleskine has been measuring the emissions generated from its offices and its stores since 2019. The next identified step is to define an emissions reduction plan aimed at defining a target, in accordance with the Paris Agreement and certified by the SBT Initiative. The target will be defined in 2022 and then submitted to the SBTi for validation.

Moleskine will continue to measure its emissions. Its scope 1 and 2 emissions, measured since 2020, were submitted to independent external assurance the same year. In addition, the company started measuring its scope 3 emissions, thereby preparing for the emission reduction target setting.

Covid-19 has in 2021, as it did in 2020, led to the closure of some stores and offices, which has reduced the overall energy consumption of its facilities. The impact of these closures on GHG data is difficult to calculate as some closures will be permanent.

Ambition	KPI	2021 Target	Status	Next steps
Launch of an emission reduction plan to be validated by SBTi	% reduction of CO ₂ emissions	Start measuring scope 3 emissions	Scope 1, 2 and 3 emissions have been measured	Reduction plan to be submitted to SBTi by the end of 2022.

GHG emissions & energy consumption				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Greenhouse gas emissions				
Green House Gas emissions (scope 1,2 & 3)	Tonnes CO₂e	-	13,275	-
Greenhouse gas emissions scope 1	Tonnes CO₂e	72	94 ✓	31%
Greenhouse gas emissions from cars	Tonnes CO ₂ e	28	25	-11.35%
Greenhouse gas emissions from natural gas	Tonnes CO ₂ e	44	69	55.84%
Greenhouse gas emissions scope 2	Tonnes CO₂e	415	289 ✓	-30%
Greenhouse gas emissions, market-based	Tonnes CO ₂ e	415	289	-30.29%
Greenhouse gas emissions, location-based	Tonnes CO ₂ e	436	303	-30.47%
Greenhouse gas emissions scope 3	Tonnes CO₂e	-	12,891	-
Greenhouse gas emissions from commuting	Tonnes CO ₂ e	-	194	-
Greenhouse gas emissions from business travel	Tonnes CO ₂ e	-	26	-
Greenhouse gas emissions from upstream emissions scope 1 & 2	Tonnes CO ₂ e	-	95	-
Greenhouse gas emissions from waste	Tonnes CO ₂ e	-	18	-
Greenhouse gas emissions from purchased goods & services	Tonnes CO ₂ e	-	7,773	-
Greenhouse gas emissions from downstream transportation	Tonnes CO ₂ e	-	1,230	-
Greenhouse gas emissions from end-of-life of sold products	Tonnes CO ₂ e	-	3,525	-
Greenhouse gas emissions from franchises	Tonnes CO ₂ e	-	30	-
Greenhouse gas emissions intensity				
Greenhouse gas emissions scope 1 per FTE	Tonnes CO ₂ e	0.21	0.31	47.78%
Greenhouse gas emissions scope 2 per FTE	Tonnes CO ₂ e	1.16	0.94	-19.42%
Greenhouse gas emissions scope 1 & 2 per FTE	Tonnes CO ₂ e	1.37	1.24	-9.28%
Energy consumption				
Total car petrol consumption	Litres	-	435	-
Total car diesel consumption	Litres	11,265	9,751	-13.44%
Heating natural gas consumption	MWh	239	373	58.16%
Grey electricity consumption	MWh	1000	918	-8.20%
Renewable electricity consumption	MWh	67	36	-45.92%
Renewable electricity production	MWh	13	10	-19.86%

Data marked with ✓ are in the scope of the independent limited assurance performed by PwC.

The reporting period for the Moleskine's 2021 CO₂ footprint is October 2020 – September 2021. This change has a very limited effect on the footprint since the last three months of 2020 are representative proxies for the same three months in 2021. The increase in scope 1 is due to the reduction in lock-down measures resulting in employees returning to the office.

In 2021, Moleskine started with the calculation of all relevant scope 3 categories. Where the data was insufficient, extrapolations were made based on the results of a life-cycle assessment carried out on one of the products in order to be able to provide a complete picture for the business. The Scope 3 category business travel includes travel by air and by train.

3.1.3. A sustainable supply chain (incl. sustainable sourcing)

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

The company selects its product suppliers according to strict requirements and certifications to guarantee sustainable procurement (including concerning the environmental impact of the 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.

In 2021 Moleskine further improved the sustainability of its sourcing processes: its suppliers of goods are requested to get the ISO 14001 certification that sets out the criteria for an effective environmental management system. In 2021, 96% of its strategic suppliers of good are certified.

Ambition	KPI	2021 Value	Next steps
100% by the end of 2023	% of purchases from significant** suppliers of goods that are compliant with ISO 14001 international standard for environmental management systems (or have an equivalent environmental audit for the production sites where Moleskine products are made).	96% ✓	Work to get 100% by the end of 2023
Continue to be FSC-certified	FSC certification renewal	Last certification in 2020* with annual surveillance audit successfully passed.	Keep ensuring certification

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

* Valid until 2023 and submitted for an annual review

** 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).

3.2. Bringing positive changes to society by nurturing critical thinking and creativity while acting as an inclusive company and a responsible leading brand

3.2.1. Fostering people's creativity and critical mindset

Through our products and marketing / communication strategies

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 of company purpose, brand evolution trajectory and technical capabilities, the teams explore emerging consumer needs – seeking to deploy the optimal solution to empower personal creativity and productivity.

This year, with the unveiling of the new Moleskine website, the brand created a unique space in which to tell the stories of our collaborations with a diverse group of artists, from singer-song writers to poets, university students as well as children in underserved communities. Exploring themes like creativity, education or social issues, this space allows Moleskine to share its culture and values with the community at large, elevating human genius and creativity through a series of inspiring personal stories and creative content. The renovation of Moleskine.com also brought a new section to the website to convey key Moleskine facts, the brand's history, its commitment to social activism alongside the Moleskine Foundation, as well as introducing the Moleskine manifesto to the world. The manifesto is an affirmation of the credo driving the brand and its pledge to support personal creativity and the belief that there is potential in each and every human being to be a creative animal.

2021 saw the relaunch of the historic Moleskine itinerant art show with an opening held at Shanghai's K11, the first art mall in Mainland China. The travelling exhibition is composed of Moleskine notebooks transformed into works of art by notable names in the international art world as well as by students participating in the Moleskine Foundation At Work workshops. The 2021 edition was visited by over 7,000 attendees who embraced Moleskine's purpose of supporting creativity through putting hands on paper and that every Moleskine notebook is a springboard for ideas and inspiration.

Through our social actions : Community engagement

Sustaining creativity and critical thinking in the community is integral to Moleskine's DNA. It is also an opportunity for the company to engage with creative people. Moleskine is committed to collaborating 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 €0.5m, whichever is higher).

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 lifelong learning, with a focus on communities affected by cultural and social deprivation.

Moleskine and the Moleskine Foundation have joined forces to start a long-term programme to support creative communities worldwide, providing them with creative tools, such as notebooks and writing tools, as well as connecting organisations and promoting local activities. Creative Tools for Social Change (CT4SC) is built on the belief that creativity can lead to positive social change, and that writing and drawing by hand on paper is the best way to unleash human genius. In 2021 the programme reached 8 organisations, and about 10,000 notebooks were repurposed into creative tools to benefit the same organisations.

On top of these initiatives Moleskine has identified some beneficiary organisations with social and humanitarian purposes, aimed at sustaining children, such as Save the Children and Terres des Hommes. About 8,000 notebooks have been donated to these organisations.

Ambition	KPI	2021 Value	Next steps
Generate positive social change (and environmental impact)	#organisations promoting creativity that received creative tools	8 organisations	Expand the CT4SC programme
	#creative tools delivered to these organizations	approx. 10,000 pieces	
	#products donated to social and humanitarian organisations	8,000 notebooks donated	Continue to support social and humanitarian organisations

Community engagement				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Total donations	EUR	625,000	533,500	-14.64%

3.2.2. Employee satisfaction and engagement

Strong employee engagement with the corporate culture and goals and staff retention are crucial to the long-term success of the business. In line with the pillars of its culture (Care, Excellence, Passion, Learning and resourcefulness), Moleskine wants to create a specific way of working and encourages its people to act in a result-minded way, focusing on delivery and effectiveness. The company also believes that better creativity and higher quality of contributions will be achieved if its people can get a broader stimulus from outside the working environment (i.e. through 'Inspiring Mornings', breakfasts and talks with external parties about 'Creativity', the 'At Work' programme in partnership with the Moleskine Foundation, etc.).

In 2021 Moleskine carried out a new survey to measure how engaged its people are. The People Survey aims to create a people-centric approach in the organisation in order to become a Top Place to work at a global level.

The key goals of the survey are:

- to give people a voice
- to measure and increase Employee Engagement
- to support organisational growth
- to reinforce the culture of feedback

Specifically, the Employee Engagement Rate was measured through key drivers and about 100 questions were sent to all Global Corporate People. Employees answered each question on a 5-point Likert scale. The average score from those questions makes up the Engagement Rate.

As a development of the People Survey, and in order to build a concrete action plan based on the survey's results, Moleskine launched some internal focus groups on the following areas: Leadership & Development, the Rewards System, Workload & work-life balance, Listening & Local culture, Well-being. These focus groups are run by teams on a voluntary basis and their goal is to identify solutions and initiatives to improve their focus areas.

The focus groups are still working on the areas and the work is based on a "WWW" (Why Why Why) analysis so, after the Problem Identification phase (based on the survey results) the focus groups will identify the root causes through the 5-Whys method.

2021, like 2020, has been marked by Covid-19 and the way employees work has been impacted with remote working and less interpersonal and direct relationships. This has been taken into account by the focus groups in their analysis of the survey results.

Ambition	KPI	2021 Value	Next steps
Become a top place to work at a global level	Employee engagement score	3.6 on a scale of 1 to 5 (5 being the highest satisfaction rate). ✓	Develop the actions that emerged from the focus groups. Carry out the survey on an annual basis in order to follow up on employee engagement.

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

3.2.3. Talent development

Talent Management and Professional Development processes involve every person in the organisation in order to ensure the best possible fit between people & their roles. A Talent Management process has been built to be fully integrated into the Moleskine People System.

During 2021 Moleskine implemented several development actions and processes to support Talent and Professional Development:

- **Appraisal:** Employees share aspirations, international ambitions and a personal development plan in 1-to-1 appraisal meetings. Managers assess their team members (according to potential & performance over time) and evaluate the non-retention risk. The HR department supports this appraisal process. The people in scope are all employees who have an MBO goal (Management By Objectives, a management technique used to set clear goals for a specific time period with progress being monitored regularly). In 2022 this will be extended to all Corporate People and Store Managers.
- **360° Broad-Based Feedback:** A process in which employees receive confidential, anonymous feedback from the people who work around them. The output of this process is an assessment of the person's strengths and weaknesses and the areas for improvement and development. The people in scope for 2021 are those who report directly to the CEO. In 2022 Moleskine is committed to steadily extending this 360° assessment to every manager that reports directly to the ExCo members.
- **Calibration:** ExCo members discuss the assessment reports in order to calibrate their perspectives and share evaluations and actions. It is based on the Performance and Potential of the person.
- **Training:** In 2021 Moleskine ran a specific training session related to talent development: 'how to give and receive effective feedback', one of the most effective tools for growth and development, and essential to improve individual and company performance.

Ambition	KPI	2021 Value	Next steps
Develop a best-in-class talent management approach (including through people skills development)	Training* hours	900.5 ✓	Set up a leadership programme in 2022

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

* Training courses included are "giving and receiving effective feedback" trainings (for office employees and store managers of Directly Operated Stores), specific technical trainings (available to all office employees upon request), root cause and problem solving trainings (for office employees), setting up a business plan (for office employees), technical SAP trainings (for office employees), mandatory H&S trainings (for all Italian employees) and GDPR training (for European office employees that manage sensitive candidate and employee data). Moleskine also offers Italian language courses to his employees but those are not included.

3.2.4. Diversity & Inclusion

Moleskine promotes diversity, rejecting every form of discrimination, and applies the same standard of treatment towards every employee regardless of their religion, nationality, origin, gender or beliefs. It is acknowledged that diversity within the organisation greatly benefits the business thanks to the mix of different genders, mindsets and cultural and professional backgrounds. The company's ambition is to create a working place which resonates with its corporate culture. In line with the five pillars of its culture (Care, Excellence, Passion, Learning and Resourcefulness), Moleskine wants to build a community of people who share a culture and values, who can create, together with economic value, a broader benefit for the whole of society. Diversity is part of the brand's DNA and the company is committed to creating a culture of fairness and equality across all geographies and all roles.

In 2021 Moleskine launched the "Generation Z think tank" composed of 8 people who demonstrate the company's journey in terms of D&I since it includes people from all over the world, Europe, Asia, Africa and the Americas, who reflect race diversity as well as a positive representation of women.

In Moleskine's working environment, 60% of top and middle management are women.

Ambition	KPI	2021 Value	Next steps
Increase % of international profiles in executive roles	% of international profiles in executive roles	22%	Develop a Diversity and Inclusion plan
Keep a gender-balanced workforce	% of the under-represented gender	33% of men	

Gender diversity				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Diversity in executive level positions				
Total headcount in executive level positions as at 31 December	Number	9	9	0.00%
Percentage of male headcount in executive level positions as at 31 December	%	67%	67%	0.00%
Percentage of female headcount in executive level positions as at 31 December	%	33%	33%	0.00%
Diversity on the Board of Directors				
Total headcount on the Board of directors as at 31 December	Number	7	6	-14.29%
Percentage of male directors on the Board of Directors as at 31 December	%	43%	50%	7.00%
Percentage of female directors on the Board of Directors as at 31 December	%	57%	50%	-7.00%
Diversity in the entire workforce				
Percentage of male FTEs of own employees as at 31 December	%	33%	34%	3.22%
Percentage of female FTEs of own employees as at 31 December	%	67%	66%	-1.59%

3.2.5. Ethical Supply Chain

Moleskine's products are sourced entirely from external suppliers. Therefore, from the beginning of the supplier selection process, Moleskine controls a set of social and ethical aspects which are listed in the Corporate responsibility guidelines and which were adopted in 2020. Moleskine's ambition is to increase the number of suppliers who comply with those guidelines and to obtain evidence of each supplier's commitment to the ethical and social topics described therein.

In 2022 Moleskine will continue working to extend the number of suppliers who, in line with the Corporate responsibility guidelines:

- have agreed to adhere to the company's Code of Ethics which, since 2012, has contained the legal and ethical standards to be applied by Moleskine and its suppliers
- have a valid SA8000 certification, the International Social Responsibility Standard, which covers, amongst other aspects, working conditions, under-age workers and non-voluntary work
- are a SEDEX member (or have agreed to become one), one of the world's leading ethical trade membership organisations which works with businesses to improve working conditions in global supply chains
- have accepted the general terms and conditions of supply.

KPI	Ambition	2021 Value	Next steps
% of purchases from significant suppliers* of goods 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.	100%	100% 	Keep 100% of SA8000 certified suppliers

Data marked with  is in the scope of the independent limited assurance performed by PwC.

* 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).

3.2.6. Additional social data

KPI	Unit	2020	2021	Change (2020 vs. 2021)
Headcount own employees				
Total headcount of own employees as at 31 December	Number	390	352	-9.74%
Percentage of male headcount of own employees as at 31 December	%	33%	33%	2.07%
Percentage of female headcount of own employees as at 31 December	%	67%	67%	-1.00%
Headcount by contract (fixed-term / open-ended)				
Total headcount of own employees with fixed term contracts as at 31 December	Number	9	30	233.33%
Percentage of male headcount of own employees with fixed term contracts	%	22%	30%	35.00%
Percentage of female headcount of own employees with fixed term contracts	%	78%	70%	-10.00%
Total headcount of own employees with open-ended contracts as at 31 December	Number	381	322	-15.49%
Percentage of male headcount of own employees with open-ended contracts	%	33%	34%	2.23%
Percentage of female headcount of own employees with open-ended contracts	%	67%	66%	-1.09%
Headcount full-time / part-time				
Total headcount of own employees contracted on a full-time basis as at 31 December	Number	281	242	-13.88%
Total headcount of own employees contracted on a part-time basis as at 31 December	Number	109	110	0.92%
Own employee turnover				
Turnover rate	%	18.45%	43.67%	136.70%
Hours worked, subcontractor staff				
Total number of hours worked by subcontractor staff during the reporting period	Hours	1,440	7,558	424.86%

In 2021, several temporary stores were opened. This resulted in a higher number of employees working under a temporary contract. Furthermore, neither turnover nor the hours worked by subcontractors included Moleskine's store personnel in 2020, which explains the increase since 2021.

Health & safety data				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Lost time injury (LTI) at the workplace				
Total number of lost time injury of own employees	Number	1	1	0.00%
Frequency rate own employees	LTI/1,000,000 Hours worked	1.53	1.80	17.57%
Work-related fatalities				
Total number of work-related fatalities of own employees	Number	0	0	0.00%
Lost time days at the workplace				
Lost time days due to work accidents of own employees	Days	35	2	-94.29%
Severity rate own employees	LTD/1,000 Hours worked	0.05	0.00	-93.28%
Absenteeism (illness and lost time injuries)				
Total days absent of own employees because of illness, lost time injuries or unknown reasons	Days	8,037	2,050	-74.49%
Absenteeism rate own employees	%	9.07%	2.62%	-71.14%

The lost time in days and absenteeism days dropped significantly since 2020. In 2020 more staff were absent compared to 2021 as a result of Covid-19. Furthermore, there was a serious accident in 2020.

3.3. Setting a long-term governance approach covering transparency, integrity and ethical behaviour

Moleskine's ambition is for every employee, at every level in the organisation, to comply with the Code of Ethics and to do business in accordance with the values and behaviour contained therein. When joining the company, every employee is asked to sign the company's Code of Ethics by way of acknowledgement and acceptance of its contents. The Code of Ethics was adopted in 2012 by the Board of Directors.

Since 2013, Moleskine has also implemented Italian Legislative Decree no. 231/2001 by adopting an Organisational and Control Model which aims to prevent the bribery and corruption of public authorities and private entities. According to this regulation, a Supervisory Body oversees the efficiency of the model (through periodic meetings with company representatives) and is notified of any possible breach of the Model through a dedicated email account which is monitored on a constant basis by the Supervisory Body and by the Internal Audit department (organismodivigilanza@moleskine.com). The Supervisory Body formally reports to the Board of Directors once a year. No cases of corruption or bribery and no breaches of the Code of Ethics were reported by the Supervisory Body in 2021.

On top of this, as Moleskine intends to promote a company culture marked by honest, transparent behaviour, along with a solid governance system, it recognises the importance of having a procedure to regulate the possibility of reporting incorrect conduct which is not in line with the company's policies or regulations. A whistleblowing policy was thus approved in 2019 and a dedicated email account has been set up. No suspected or alleged breaches of the principles and requirements outlined in the company's Code of Ethics, or in company policies and procedures, or of any law or regulation by Moleskine's top management, by members of its corporate bodies, or by its employees were registered via the whistleblowing email account in 2021.

Good governance is also achieved by having optimal cybersecurity. Moleskine implements best practices to protect its critical systems and sensitive information from digital attacks. In 2021 the company carried out a cybersecurity maturity assessment and, building on the results of this assessment, a target maturity level has been set and a four-year roadmap has been laid out to reach the desired level, which has been approved by the Audit committee.

Governance-related data				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Training on business ethics				
Percentage of headcount that received training on business ethics (e.g. on the Code of Conduct)	%	0%	0%	0.00%
Collective bargaining agreement				
Percentage of headcount bound by a collective bargaining agreement (CBA)	%	0%	0%	0.00%
Anti-bribery & anti-corruption				
Monetary amount of legal and regulatory fines and settlements (over € 10,000) connected with: - Breaches of bribery, corruption or anti-competitive standards - Environmental, ecological or social issues - Data security breaches	EUR	0	0	0.00%
Number of reported incidents of unethical workplace behaviour or discrimination	Number	0	0	0.00%
Number of confirmed incidents of corruption and bribery	Number	0	0	0.00%

4. EU Taxonomy

4.1. Reporting on the EU Taxonomy

To tackle the sustainability challenges the world is facing, the European Union has developed a Green Deal. The aim of this deal is to work towards becoming a climate-neutral continent by 2050. Two key objectives to achieve this goal are to reorient capital flows towards sustainable investments and to increase transparency. Therefore, a classification system for sustainable activities is being developed, the so-called EU Taxonomy. The aim of the EU Taxonomy is to scale up sustainable investments by providing a common European definition of what can be seen as a "sustainable" activity. Under the EU Taxonomy companies are to disclose which part of their revenue, CapEx, and OpEx meet the criteria of the EU Taxonomy. This allows investors and other stakeholders to make better informed (investment) decisions.

In total, six annexes with environmental objectives will be published concerning climate change mitigation, climate change adaptation, water, pollution, biodiversity, and circularity. Companies falling under the scope of the EU NFRD (Directive 2014/95/EU), which is the case for D'leteren Group, are obligated to report on specific elements of the EU Taxonomy for the first time in FY 2021. For this year, companies are required to report on the share of 'eligibility' for Annex 1 (Climate Change Mitigation) and Annex 2 (Climate Change Adaptation). In the coming years, companies will also have to report on their share of 'alignment', e.g., the extent to which an economic activity makes a substantial contribution to one of the environmental objectives. It is important to note that the EU Taxonomy is to be seen as a living document, which will be amended throughout the years with new economic activities, new technical screening criteria and/or new environmental or social objectives.

4.2. Conclusions of the analysis

Moleskine's activity of designing and distributing writing and reading accessories is currently not included in the first two annexes of the EU Taxonomy on climate change mitigation and adaptation. This leads to a current percentage of 0% eligibility for the EU Taxonomy KPIs of turnover, CapEx and OpEx.

4.3. Disclosures

Taxonomy eligible		
Turnover	(€ x1,000,000)	
Total	0	0.00%
CapEx	(€ x1,000,000)	
Total	0	0.00%
OpEx	(€ x1,000,000)	
Total	0	0.00%
Taxonomy non-eligible		
Turnover	(€ x1,000,000)	
Total	122	100.00%
CapEx	(€ x1,000,000)	
Total	10	100.00%
OpEx	(€ x1,000,000)	
Total	2	100.00%

Moleskine's activities are expected to be included in annexes 3-6 on circularity, pollution, biodiversity and water. Therefore, a higher eligibility percentage is expected next year.

D'leteren Immo

Non-Financial Disclosure

1. Business model and value creation

D'leteren Immo is the real estate branch of the Belgian D'leteren Group and manages its corporate real estate assets. These include offices, workshops, concessions, logistics centres, residential units, car parks and landbanks. Most of the Group's real estate assets are used by the car distribution branch, D'leteren Automotive. In addition to managing its own property, D'leteren Immo offers real estate advice and a range of services to its tenants.

The Immo team consists of 42 permanent employees and 10 freelancers. At the heart of the Company's sustainability ambitions is its 'Invest & Hold' strategy. As a long-standing family business, D'leteren Immo aims for long-term value creation, without rapid valuation objectives. The team manages the Group's real estate assets and makes them more sustainable and future-proof. To ensure its heritage thrives, D'leteren Immo focuses on rigorous governance, sustainable management practices, long-term relationships with its stakeholders, and a well-trained and proactive team.

Geographies & Workforce				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Total full-time equivalents (FTEs) of own employees as at 31 December	FTE	42.60	40.82	-4.18%
Percentage of FTEs of own employees in the Eurozone (Belgium)	%	100%	100%	0.00%

Additional background information on the calculations and formulas used can be found at p.193.

The ESG data of D'leteren Immo covers all D'leteren Immo's properties and business activities.

2. Sustainability strategy

2.1. Materiality

In 2019, D'leteren Immo performed a materiality assessment and drew up a materiality matrix. Based on interviews with internal and external stakeholders, from customers and suppliers to governments and sector associations, the company **identified an extensive set of priorities**. This list resulted in four strategic pillars based around seven material topics: energy consumption, carbon emissions, multi-purpose building, materials & waste management, circular design & use, employee well-being and customer satisfaction. The relevant material topics were posted for each pillars. Since D'leteren Immo's business is constantly evolving, the company will repeat its materiality analysis at regular intervals. In the meantime, the topic of biodiversity has been added to the list of sustainability aspects on which D'leteren Immo is acting.

2.2. Impact

D'leteren Immo supports the transition towards a sustainable, low-carbon economy. The company is determined to contribute to the UN Sustainable Development Goals (SDGs). The most relevant SDGs for D'leteren Immo, to which it can make a tangible contribution, are:

- **SDG 7: Affordable and clean energy.** D'leteren Immo constantly aims to improve its energy efficiency. The company maximises the self-generation of renewable energy on its sites and during construction and renovation activities. For its remaining energy needs, D'leteren Immo purchases only green energy.
- **SDG 9: Industry, innovation and infrastructure.** D'leteren Immo has started the process of adapting its buildings to current and future needs, for example by integrating flexibility into the design of its assets.
- **SDG 11: Sustainable cities and communities.** When creating new urban developments, D'leteren Immo aims for mixed-use projects with an optimal balance between the different uses in order to contribute to the well-being of the local communities.
- **SDG 12: Responsible consumption and production.** D'leteren Immo is determined to engage in the transition towards a circular economy. The main focus is on limiting waste, recycling on site, re-using materials and raising employee and supplier awareness.
- **SDG 13: Climate action.** D'leteren Immo is taking steps to achieve carbon neutrality for its company-related and portfolio-related GHG emissions.
- **SDG 15: Life on land.** D'leteren Immo aims to optimise the use of land at its sites, whilst also minimising the enclosed surface areas. The company incorporates biodiversity considerations into the development of new sites and the management of existing areas.

2.3. Sustainability Roadmap 2030

In 2019 and 2020, the company established a new sustainability strategy, which resulted in four main pillars: to improve the environmental and operational performance of its properties, to design and build future-proof infrastructure, to evolve towards carbon neutrality, and to be a top employer.

To achieve those ambitions by 2030, D'leteren Immo has drawn up a roadmap with the necessary actions. These actions are monitored with well-chosen Key Performance Indicators (KPIs) to track their progress. The Company's BREEAM New Construction certificates and D'leteren Immo's own internal Project Guidelines ensure that building projects and refurbishments are carried out in accordance with the goals and standards set out in the sustainability strategy. D'leteren Immo is also taking steps to become a top employer.

2.5. Connectivity table

ESG area	Strategic pillar	Ambition / Multi-topic KPI	2021 Value	Linked material topics
				Customer satisfaction
				Energy consumption
	Improve the environmental and operational performance of current properties	100% properties with BREEAM In Use-certification	Preparation of BREEAM In-Use certification strategy.	Materials and waste management
				Circular design, construction & use
	Design and build future-proof infrastructure	100% large new projects with BREEAM New construction certification	D'leteren Immo submitted the BREEAM New Construction certificate for the design phase of its Mobilis project.	Multi-purpose building
		&		Biodiversity
	Towards carbon neutrality	100% of smaller projects where internal Project Guidelines are applied	Projects that apply the Project Guidelines will be monitored as from 2022	Carbon emissions
S	Be a top employer	-	-	Employee well-being (incl. diversity and inclusion, employee training & development, H&S)
G				Responsible governance

Data marked with  is in the scope of the independent limited assurance performed by PwC.

2.4. ESG governance

In 2021, D'leteren Immo restructured its existing Sustainability Group. Representatives from all departments now work together in three interdisciplinary groups to measure the Company's progress in terms of its strategic ambitions, and to decide on future steps.

Like the former Sustainability group, the new Sustainability Team was created bottom-up, to promote broad internal support among the employees. The team regularly consults with the Executive Committee and the Board of Directors. Both the Board and the Committee are very committed to a sustainable future: they consistently put sustainability on the agenda and expect it to be integrated in all projects. The long-term financial planning provides resources to achieve the strategic sustainability ambitions.

Associated risks / opportunities	Ambition	KPI	2021 Value	Section in the disclosure
Opportunity for the business: Assess its real estate offer and related services and adapt them accordingly.	Reach a level of excellence in terms of customer satisfaction	NPS score	18.7	3.5.
Opportunity for society: Contribute to energy efficiency and to the transition towards more renewable energy. Opportunity for the business: Reduce dependency on external energy providers, could have a direct financial impact and enable the company to increase the attractiveness of its assets.	Reach 100% of renewable and on-site produced energy at its sites	% self-generated renewable electricity	46.6%	3.1. 3.2.
Opportunity for society: Reduce environmental impact of the waste produced by D'leteren Immo and its tenants.	Continue to provide infrastructure on site to sort and recycle waste generated by the building occupants	-	A report on waste is included in D'leteren Automotive's disclosure	
Opportunity for society: Reduce pressure on scarce resources and limit environmental footprint linked to the production and transport of new materials.	Integration of a circularity study in all projects	# of projects with extensive inventory for (re-) used materials	New KPI	
Opportunity for society: Design future-proof properties to avoid energy and resource-intensive constructions designed to replace outdated buildings. Opportunity to revitalise urban areas by combining working, commercial and living spaces. Opportunity for the business: Avoid future costs linked to changes in building use.	Redevelopment of urban sites	-	-	
Opportunity for society: Improve tenants' quality of life, promote mental health benefits, increased habitats for fauna and flora, improvement of surface permeability, etc. Opportunity for the business: Increase in property values, energy savings, heat performance, permit procedures, etc.	Reach 100% green areas with ecological management	% of biodiverse landscaped green areas compared to the surface of all green areas	New KPI	
Opportunity for society: Contribute to the transition towards a low carbon economy and the fight against climate change. Risk for the business: Risks related to increasingly stringent environmental regulations, and environmental permits. Risks related to increasing pressure on raw material and energy prices, as well as the potential additional cost of adapting buildings for more extreme weather events and patterns. (More information on p.128)	52% reduction of CO ₂ e compared to 2020 by 2030 Reach Net Zero emissions by 2040	% of carbon emission reduction	8.8%	3.3.
Opportunity for the business: Employee well-being increases resilience and supports organisational performance through higher employee engagement. It also helps attract and retain talents.	Maintaining the % of Employee Satisfaction Survey above 80%	Employee satisfaction score	87.70% 	3.4.
Risk for the business: Corruption, attempted corruption and unethical behaviours would impact the Company's reputation and could lead to prosecutions and fines.	Ensure continued commitment to D'leteren Immo's Code of Ethics	-	-	3.6.

3. ESG performance

3.1. Improve the environmental and operational performance of current properties

To assess and improve the operational performance of its properties, D'leteren Immo applies the BREEAM In-Use method. BREEAM In-Use is an international sustainability assessment framework for existing buildings. It encompasses various aspects of sustainability, from water and energy to materials management and partnerships.

D'leteren Immo is currently preparing for a BREEAM In-Use baseline measurement. Over the next few years, the company will conduct various analyses and take measures to make its assets more sustainable. After the baseline measurement in 2025, improvements will be tackled in a more structured way, in the context of a BREEAM In-Use certificate.

Ambition	2021 Target	KPI	2021 Value	Next steps
100% properties with BREEAM In-Use certification	Preparation of BREEAM In Use-certification strategy	% properties with BREEAM In Use-certification	-	Selection of BREEAM In-Use partner, finalising the certification strategy and starting an in-depth analysis of the existing portfolio.

Energy consumption: In 2021, D'leteren Immo started installing smart monitoring systems in several of its buildings, like the Audi building at the Drogenbos site and the Auto Center in Zaventem. With these, the company aims to gain insight into important parameters of the BREEAM In-Use assessment method, such as carbon emissions and energy consumption. These insights will make it possible to define new useful actions to make the existing portfolio more sustainable.

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

Circular design, construction and use: Due to the Covid pandemic, D'leteren Immo could not launch its project to create a working group around the circular economy in 2021. This group will be set up in 2022. However, multiple projects have been led according to the principle of the circular economy, for example by reusing dismantled materials or by supplying dismantled materials to second-hand.

Biodiversity: Since 2018, D'leteren Immo has been taking part in the Flemish government's 'Companies and Biodiversity' Green Deal. Over the past few years, the company has drawn up an ambitious action plan to make the green areas at its different sites more sustainable. At the logistics centre in Erps-Kwerps, for example, a 6,000m² biodiversity zone has been established, with a picnic area, an insect hotel and ecological haystack management. In October 2021, the Green Deal's three-year term came to an end. D'leteren Immo hosted the closing event at its site in Erps-Kwerps, in close collaboration with the Flemish government and other initiators of the Green Deal.

3.2. Design and build future-proof infrastructure

Circular design, construction & use: D'leteren Immo aims to design and build future-proof infrastructure. It creates flexible living and working spaces that respond to current and future needs while minimising their environmental impact. For large construction projects, the company aims for a BREEAM New Construction certificate. This assessment method targets various aspects of sustainable building, like water, energy, mobility and circularity, and covers the full lifecycle of a building through partial certificates for the design stage, the construction process and the adaptability of a building. The BREEAM New Construction certificate is a tool that allows companies to take sustainability as a basic guideline for their projects, and to evaluate their results. It is a formal and valuable recognition of their efforts.

To measure its progress, D'leteren Immo monitors the number of projects that apply the BREEAM New Construction standards. In 2021, the company obtained the BREEAM New Construction certificate for the design phase of its Mobilis project. This iconic Brussels project will accommodate a combination of urban industry, productive activities and commercial functions and answers to D'leteren Immo's ambition to redevelop urban sites with **multi-purpose building**. The energy-neutral building consists of removable platforms, making it easy to adapt to future uses. In the first quarter of 2022, D'leteren Immo also obtained a preliminary certificate for the D'leteren Park project at the Erps-Kwerps site.

To ensure that new small and medium-sized projects are designed and built in accordance with the goals and standards set out in the sustainability strategy, D'leteren Immo has developed internal Project Guidelines. These Guidelines contain a detailed set of criteria to guide project teams right from the concept and design stage.

Ambition	2021 Target	KPI	2021 Value	Next steps
BREEAM New Construction certification for large projects	Kick off BREEAM New Construction certification process for three new projects	# of BREEAM New construction certifications	In 2021, the company obtained the BREEAM New Construction certificate for the design phase of its Mobilis Project.	Proceed with the ongoing certification process for the three projects.
100% of project apply Project Guidelines	Finalise, implement and monitor the Project Guidelines	% of project where Project Guidelines are applied	New KPI, monitored as from 2022	Implement and monitor the projects where the Project Guidelines are applied.

3.3. Towards carbon neutrality

Infrastructure is a major source of greenhouse gas emissions. As a real estate company, D'leteren Immo can play an important role in the transition towards a carbon neutral society. The Company's overall ambition is to reduce its greenhouse gas emissions by 52% by 2030 (compared to the 2020 baseline measurement), and to **reach net zero emissions by 2040**.

D'leteren Immo calculates both its company-related and its portfolio-related emissions. In order to reduce the portfolio-related emissions, it not only invests in energy-efficient buildings, but also in partnerships with tenants, maintenance companies and many others. These partnerships are key to reaching net zero.

Using a carbon footprint calculation, D'leteren Immo was recently able to determine which of its existing sites have the largest carbon impact: these are the sites at Erps-Kwerps, Mail and Zaventem. A further feasibility study will make clear which additional emission-reduction measures are feasible and will be most effective at those locations so that the company can reach net zero emissions by 2040. New developments and refurbishment projects, like D'leteren Park and the Mobilis project, are designed by default to carbon neutral standards.

In 2021, D'leteren Immo also took various steps to reduce its company-related emissions. The company produces its own renewable energy and supplements this when necessary with 100% green energy. In time, D'leteren Immo aims to become completely independent of purchased heat and electricity.

Another important step was the introduction of the new car policy, which included a budget increase, so that every employee can now choose an electric or at least a hybrid vehicle. By 2030, all our cars should be emission-free. Other initiatives to limit the Company's carbon emissions are found across the range of D'leteren Immo's activities.

Ambition	2021 Target	KPI	2021 Value	Next steps
Reduce GHG emissions by 52% compared to 2020 by 2030 Reach Net Zero emission by 2040	Align on reduction plan	% reduction of GHG emissions	8.8%	Initiate a plan to reduce carbon emissions in line with the SBT initiative

GHG emissions & energy consumption				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Greenhouse gas emissions				
Green House Gas emissions (scope 1,2 & 3)	Tonnes CO₂e	7,437	6,786 ✓	-8.8%
Greenhouse gas emissions scope 1	Tonnes CO₂e	143	146	1.7%
Greenhouse gas emissions from cars	Tonnes CO ₂ e	77	75	-3.5%
Greenhouse gas emissions from natural gas	Tonnes CO ₂ e	65	71	9.7%
Greenhouse gas emissions from refrigerant leakage	Tonnes CO ₂ e	1	0	-100.00%
Greenhouse gas emissions scope 2	Tonnes CO₂e	17	0	-100%
Greenhouse gas emissions, market based	Tonnes CO ₂ e	17	0	-100.00%
Greenhouse gas emissions scope 3	Tonnes CO₂e	7,278	6,640	-8.8%
Greenhouse gas emissions from commuting	Tonnes CO ₂ e	12.8	13.34	3.9%
Greenhouse gas emissions from business travel	Tonnes CO ₂ e	0.1	0.02	-70.3%
Greenhouse gas emissions from upstream emissions scope 1 & 2	Tonnes CO ₂ e	32.8	33.3	1.4%
Greenhouse gas emissions from purchased goods & services	Tonnes CO ₂ e	19	8	-54.55%
Greenhouse gas emissions from downstream leased assets	Tonnes CO ₂ e	7,214	6,585	-8.7%
Greenhouse gas emissions intensity				
Greenhouse gas emissions scope 1 per FTE	Tonnes CO ₂ e	3.40	3.55	4.44%
Greenhouse gas emissions scope 2 per FTE	Tonnes CO ₂ e	0.39	0.00	-100.00%
Greenhouse gas emissions scopes 1 & 2 per FTE	Tonnes CO ₂ e	3.78	3.55	-6.25%
Energy consumption				
Total car petrol consumption	Litre	8,635	6,917	-19.90%
Total car diesel consumption	Litre	22,127	22,217	0.41%
Total car fuel consumption (hybrid cars)	Litre	1,027	1,801	75.41%
Heating natural gas consumption	MWh	351	383	9.12%
Grey electricity consumption	MWh	98	0	-100.00%
Renewable electricity consumption	MWh	42	97	130.17%
Renewable electricity production	MWh	14	13	-8.61%
Cogeneration electricity production	MWh	32	36	13.09%
Energy consumption				
% of self-generated renewable electricity	%	-	47%	-

Data marked with ✓ is in the scope of the independent limited assurance performed by PwC.

For its own offices, D'leteren Immo switched to green electricity in 2021, which explains the significant drop in scope 2 emissions and the increase in renewable electricity consumption.

D'leteren Immo had a self-generated renewable electricity of 46.6% in 2021. This percentage of self-generated renewable electricity is defined as the electricity produced by installations such as cogenerations and solar panels at the sites of D'leteren Immo as a share of the total electricity production and purchase of sites owned by D'leteren Immo. Only the sites for which self-generated renewable electricity has been produced for at least one year are in scope.

Furthermore, D'leteren Immo has changed its car policy, promoting a shift in the company fleet from combustion engine vehicles toward hybrid and full electric vehicles. In 2020, a theoretical (conservative) approach was used for all sites for refrigerant leakage. This year, for some of the sites, refrigerants have been assessed using actual activity data, for which the result was 0.

The scope 3 category 'purchased goods & services' includes mainly IT equipment, of which less was purchased in 2021.

Note that D'leteren Immo's waste data is included in the waste data of D'leteren Automotive.

3.4. Be a top employer

3.4.1. Employee well-being and satisfaction

To D'leteren Immo, its employees are its most valuable assets. Employee well-being is a top priority. It encompasses various aspects: from training and development to inclusion, diversity, health and safety. The company is committed to building and retaining a competent and motivated team. That is why it **conducts annual satisfaction surveys among its employees**.

Since 2021, the monitoring is done bottom-up, by a sub-team of the Sustainability Team, with full support from the Executive Committee. The two parties regularly consult each other about the best approach. D'leteren Immo also conducts annual reviews to assess individual employees' needs in terms of their personal and career development.

In 2021, D'leteren Immo drew up an action plan - based on the results of the 2021 satisfaction survey conducted in June - to further improve employee well-being and to encourage participation. The first actions were implemented in 2021, with the rest to follow from 2022.

The action plan lists four areas in which D'leteren Immo can take measures to further improve well-being. The company aims to create meaningful jobs, to promote opportunities for personal and professional growth for all its employees, and to offer a pleasant and healthy working environment. D'leteren Immo also aims to improve its governance and organisational structures in order to enhance employee well-being. Transparent communication, for example, is key to achieving a high level of employee involvement.

D'leteren Immo has observed that people have adapted well to hybrid work and changed working conditions as a result of Covid-19. Despite the challenges of maintaining and promoting social cohesion among employees and deploying 'collective intelligence', individual productivity appears to have increased.

Ambition	2021 Target	KPI	2021 Value	Next steps
Continuous support and improvement of employee satisfaction	Set up a new process for the employee satisfaction survey	Employee satisfaction score	Employee satisfaction score of 87.7%  Participation rate of 72.4%	Continue to implement the action plan to encourage increased participation and improve on action points identified based on the results of the survey.

Data marked with  is in the scope of the independent limited assurance performed by PwC.

The employee satisfaction score covers all of D'leteren Immo's employees and is calculated by taking the average percentage of people who indicate that they are 'satisfied' and 'very satisfied' in 26 survey questions.

3.4.2. Employee training and development

D'leteren Immo ensures the continuous improvement of its team through **personal development and training**. To attract talented staff, the company employs a recruitment and career policy based on sharing values, soft skills, teamwork and technical capabilities. Employees are strongly encouraged to participate in relevant training courses, not only for their personal growth but so they can develop new skills and keep up with the fast-changing world of real estate.

In order to select training courses that are tailored to people's needs, D'leteren Immo helps its employees to map out their existing professional and personal skills and to look for appropriate courses. The company also keeps track of the number of hours its employees spend in training activities each year.

The monitoring processes are currently being finetuned to gain more insight into the development potential. In addition, D'leteren Immo is working on initiatives that make it easier for employees to choose appropriate training courses. The company also supports internal knowledge sharing, for example through Show 'n Tell Events, in which employees and experts can share their insights on relevant topics.

Training				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Average number of training hours by FTE	Hours	28.37	41.17	45.12%

In 2021, D'leteren Immo provided more opportunities for employees to take part in training courses.

3.4.3. Diversity and inclusion

D'leteren Immo is conscious of its responsibility to offer employees a fair and diverse workplace, where everyone is given the same opportunities, regardless of their gender, age, cultural background, physical abilities or other factors. It **aims for equal opportunities** and makes a conscious effort to consider only people's skills, their potential and their achievements when making decisions about recruitment or promotion. The company monitors the number of male and female employees and has recently succeeded in closing the pay gap. To further promote equal opportunities and inclusion, the management team communicates very transparently on a wide range of company-related topics and decisions.

Diversity and inclusion				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Diversity in executive level positions				
Total headcounts in executive level positions as at 31 December	Number	5	5	0,00%
Percentage of male headcount in executive level positions as at 31 December	%	60%	60%	0,00%
Percentage of female headcount in executive level positions as at 31 December	%	40%	40%	0,00%
Diversity in the Board of Directors				
Total number of directors in the Board of Directors as at 31 December	Number	4	4	0,00%
Percentage of male directors in the Board of Directors as at 31 December	%	75%	75%	0,00%
Percentage of female directors in the Board of Directors as at 31 December	%	25%	25%	0,00%
Unadjusted gender pay gap				
Gender pay gap	%	-	-3,91%	-

The unadjusted gender pay gap is defined as the difference between the average gross hourly earnings of men and women expressed as a percentage of the average gross hourly earnings of men.

3.4.4. Employee health and safety

D'leteren Immo **attends to the health and safety of its employees, its customers, its tenants and its suppliers**. The company double-checks its building designs, closely monitors the safety of its construction sites and ensures that all buildings, once they are completed, can safely be used for various purposes. All legal provisions concerning safety are closely adhered to. The company also adds its own additional measures as an extra precaution.

D'leteren Immo invests in high-quality safety equipment for all its employees in technical positions. It organises training courses on first aid methods, safe forklift use, safety certificates, etc. In 2021, the company focused even more than usual on safety training, to increase awareness of its importance. Incidents, if they occur, are always reported and investigated. The number of incidents has been very low for many years.

To further increase safety, the company collaborates with risk prevention advisors and safety coordinators. It also supports the risk prevention advisors of its tenants, mostly D'leteren Automotive and D'leteren Centers, in order to contribute to the tenants' safety.

Employee health and safety				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Lost time injury (LTI) at the workplace				
Total number of lost time injury of own employees	Number	1	0	-100.00%
Frequency rate own employees	LTI/1,000,000 Hours worked	15.27	0.00	-100.00%
Work-related fatalities				
Total number of work-related fatalities of own employees	Number	0	0	0.00%
Lost time days at the workplace				
Lost time days due to work accidents of own employees	Days	2	0	-100.00%
Severity rate own employees	LTD/1,000 Hours worked	0.03	0.00	-100.00%
Absenteeism (illness and lost time injuries)				
Total days absent of own employees because of illness, lost time injuries or unknown reasons	Days	367.9	535.7	45.61%
Absenteeism rate own employees	%	3.40%	5.17%	51.96%
Health and safety training				
Total health and safety training hours of own employees	Hours	171	418,5	144,74%

There has been an increase in the absenteeism figures as there was sadly one long-term illness amongst D'leteren Immo's staff. In addition, more in-house training courses on H&S-related topics were organised at D'leteren Immo in 2021.

3.4.5. Social data

Social Data				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Hours worked, subcontracted staff				
Total number of worked hours by subcontractor staff during the reporting period	Hours	13,376.00	18,138.22	35.60%
Headcount own employees				
Total headcount of own employees as at 31 December	Number	43	42	-2.33%
Percentage of male headcount of own employees as at 31 December	%	70%	64%	-7.86%
Percentage of female headcount of own employees as at 31 December	%	30%	36%	18.13%
Headcount by contract (fixed-term / open-ended)				
Total headcount of own employees with fixed term contracts as at 31 December	Number	0	0	0.00%
Total headcount of own employees with open-ended contracts as at 31 December	Number	43	42	-2.33%
Percentage of male headcount of own employees with open-ended contracts	%	70%	64%	-7.86%
Percentage of female headcount of own employees with open-ended contracts	%	30%	36%	18.13%
Headcount full-time / part-time				
Total headcount of own employees with full-time contracts as at 31 December	Number	37	34	-8.11%
Total headcount of own employees with part-time contracts as at 31 December	Number	6	8	33.33%
Own employee turnover				
Turnover rate	%	4.60%	7.06%	53.53%

In 2021, D'leteren Immo's workload for freelancers was again at a similar level to that of before the pandemic. In addition, three people left the organisation, all of whom were on a full-time open-ended contract.

3.5. Customer satisfaction

Customer satisfaction is a crucial factor in all D'leteren Immo's ambitions. As a service organisation, the company rents out working and living spaces, but also offers other services, like maintenance and energy contracts. Making life easier for its customers is part of D'leteren Immo's added value.

In order to better understand the needs and expectations of their customers, D'leteren Immo launched its first customer satisfaction survey resulting in a positive score of 18.7. Based on the insights from the survey, the company formulated a series of potential improvements to be implemented as from 2022.

Ambition	2021 Target	KPI	2021 Value	Next steps
To be defined	Conduct the first NPS-survey in 2021	Net Promoter Score (NPS)	18.7	Optimise the survey process, implement the action plan based on the insights from the first NPS-survey, and repeat the customer satisfaction survey annually.

3.6. Responsible governance

3.6.1. Measures against bribery and corruption

D'leteren Immo does not tolerate corruption, fraud or money laundering. All contracts include extensive clauses on illegal practices, and employees follow thorough ethics instructions.

In November 2021, D'leteren Immo **launched its own Code of Ethics**. The company provided all its employees with a hands-on training course on the topic with the support of an external partner. The Code of Ethics offers guidance on general business ethics principles. It also provides guidelines for specific situations, like how to react when a supplier offers a gift. All gifts and invitations must comply with accepted market practices and anti-bribery legislation. End-of-year gifts are distributed among the employees by means of a lottery.

In collaboration with the same specialist external partner, D'leteren Immo has also launched an Ethics helpline, as well as a '**whistleblowing procedure**'. Employees can now contact an impartial and specialist helpdesk to ask for advice or to report an unethical situation. Every report is followed up in accordance with a set procedure.

3.6.2. Ethical supply chain

D'leteren Immo operates within a strict social and legal framework. The company attaches great importance to a sustainable purchasing policy and the thorough management of suppliers. All purchases comply with a basic Sustainable Purchasing Charter, which will be further developed and more closely monitored in coming years. A Supplier Code of Conduct is currently being drawn up.

D'leteren Immo is also concerned about human rights. The company often collaborates with building subcontractors and other partners. The working conditions such partners offer are monitored, with regular checks conducted and advice given by a safety coordinator. This monitoring will become more in-depth in coming years.

In 2021, D'leteren Immo started 'mapping' all its suppliers. The outcome of this exercise will allow the company to **analyse its suppliers' sustainability efforts and to fine-tune its purchasing policy**. In major purchasing procedures, for example to select a contractor for an extensive construction project, sustainability is already included as a formal criterion. In 2022, D'leteren Immo will also review its various selection procedures, because different types of project require a different approach.

Governance-related data				
KPI	Unit	2020	2021	Change (2020 vs. 2021)
Ethics				
Percentage of headcount that received training on business ethics (e.g., on the Code of Conduct)	%	0.00%	100%	100%
Anti-bribery & anti-corruption				
Monetary amount of legal and regulatory fines and settlements (over €10,000) connected to: - Violations of bribery, corruption, or anti-competitive standards - Environmental, ecological or social issues - Data security breaches	EUR	0	0	0.00%
Number of confirmed incidents of corruption and bribery	Number	-	-	-
Collective bargaining agreement				
Percentage of headcount bound by a collective bargaining agreement (CBA)	%	100%	98%	-2.38%

D'leteren Immo started giving training on the Code of Conduct in 2021 and implemented a recording process to keep track of incidents related to corruption and bribery in November 2021. In November and December 2021, no incidents were recorded.

4. EU Taxonomy

4.1. Reporting on the EU Taxonomy

To tackle the sustainability challenges the world is facing, the European Union has developed a Green Deal. The aim of this deal is to work towards becoming a climate-neutral continent by 2050. Two key objectives to achieve this goal are to reorient capital flows towards sustainable investments and to increase transparency. Therefore, a classification system for sustainable activities is being developed, the so-called EU Taxonomy. The aim of the EU Taxonomy is to scale up sustainable investments by providing a common European definition of what can be seen as a 'sustainable' activity. Under the EU Taxonomy companies are to disclose which part of their revenue, CapEx, and OpEx meet the criteria of the EU Taxonomy. This allows investors and other stakeholders to make better informed (investment) decisions.

In total, six annexes with environmental objectives will be published concerning climate change mitigation, climate change adaptation, water, pollution, biodiversity, and circularity. Companies falling under the scope of the EU NFRD (Directive 2014/95/EU), which is the case for D'leteren Group, are obligated to report on specific elements of the EU Taxonomy for the first time in FY 2021. For this year, companies are required to report on their share of eligibility for Annex 1 (Climate Change Mitigation) and Annex 2 (Climate Change Adaptation). In the coming years, companies will also have to report on their share of alignment, e.g., the extent to which an economic activity makes a substantial contribution to one of the environmental objectives. It is important to note that the EU Taxonomy is to be seen as a living document, which will be amended throughout the years with new economic activities, new technical screening criteria and / or new environmental or social objectives.

4.2. Conclusions of the analysis

D'leteren Immo's economic activities revolve mainly around the reconversion and redevelopment of sites owned by D'leteren Group and in the management of the real estate assets that are owned by D'leteren Group. The activity in the Taxonomy that is applicable to the activities of D'leteren Immo is:

- 7.7 Acquisition and ownership of buildings (CCM & CCA¹)

With this activity, D'leteren Immo has an important role to play in climate change mitigation and adaptation. The economic activity 'Ownership of Buildings' is included in the EU Taxonomy and this results in most of D'leteren Immo's activities being eligible for the EU Taxonomy. More concretely this results in an eligibility percentage of 98.35% for turnover and a 100% eligibility percentage for both CapEx and OpEx. For next year D'leteren Immo will also report on alignment with the climate objectives.

4.3. Disclosures

Taxonomy eligible		
Turnover	(€ x 1,000,000)	
Total	34.5	98.35%
CapEx	(€ x 1,000,000)	
Total	16.3	100.00%
OpEx	(€ x 1,000,000)	
Total	13	100.00%
Taxonomy non-eligible		
Turnover	(€ x 1,000,000)	
Total	0.6	1.65%
CapEx	(€ x 1,000,000)	
Total	0	0.00%
OpEx	(€ x 1,000,000)	
Total	0	0.00%

1 CCM: Climate change mitigation

CCA: Climate change adaptation

Additional notes and methodology

1. General definitions, formulas & assumptions for the reported ESG data

Carbon footprint

D'leteren Group's carbon footprint and its activities relate to scope 1, 2 and (part of) scope 3 emissions of greenhouse gases (GHG), expressed in metric tonnes of CO₂ equivalents (CO₂e). Scope 1 includes all direct GHG emissions. Direct GHG emissions occur from sources which are owned or controlled by the business activity (e.g. combustion of fuel and natural gas). Scope 2 accounts for GHG emissions from the generation of electricity purchased by the business activity. These emissions physically occur at the facility where the electricity is generated. Scope 3 is a reporting category for all other indirect emissions. These emissions are a consequence of the business activities but occur through sources not owned or controlled by the business itself. The Scope 3 categories included for the different business activities depend on the relevance of the categories and the data available. In 2021, scope 3 was included in the reporting for all business activities.

To calculate the carbon footprint, the Greenhouse Gas Protocol (Corporate Standard) methodology was used. The emission factors mainly come from the Base Carbone, the International Energy Agency, as well as DEFRA. The greenhouse gases included are those covered by the Kyoto Protocol and are: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

Employee turnover rate:

The employee turnover rate is based on the number of own employees (included in headcount) who left the business during the reporting period. The leaving employee is someone who has left the company and is no longer on the company's payroll. The reasons for departure can be voluntary (i.e. the employee chooses to leave the organisation through resignation or early retirement), the end of a contract, dismissal, statutory retirement, medical reasons or death. The employee turnover rate is calculated by dividing the total number of employees (included in headcount) who left the organisation in 2021 by the average of headcount for the current and previous reporting periods

$$\frac{\text{Headcount leaving during the reporting period}}{\text{Headcount previous reporting period} + \text{Headcount reporting period}} \div 2$$

Frequency rate, based on lost time injuries:

A lost time injury is any work-related injury in the workplace that results in the employee not being able to return to work the next scheduled workday/shift. The lost time injury rate or frequency rate represents the number of lost time injuries in a given reporting period compared to the total number of hours worked during that reporting period, and is calculated as follows:

$$1,000,000 * \frac{\text{Total number of lost time injuries (own employees) during the reporting period}}{\text{Total number of hours worked in the reporting period}}$$

Severity Rate, based on lost time days:

Lost time in days are the number of working days lost (i.e. not worked by the employee) due to lost time injuries in the workplace, not counting any days on which the employee would not have worked (hence, excluding weekends, public holidays, part-time days, etc.). This number does not include the day on which the occupational accident occurred. The severity rate, indicating the severity of the injuries that happened in the workplace, is calculated as follows:

$$1,000 * \frac{\text{Lost days due to work accidents (own employees) during the reporting period}}{\text{Total number of hours worked in the reporting period}}$$

Absenteeism rate, based on absenteeism days:

The absenteeism days represent the total number of days that employees have been absent, due to illness, lost time injuries or for unknown reasons. The total days absent should exclude days absent due to maternity leave and days absent due to strikes, as these reasons for being absent are generally known and planned. The absenteeism rate is calculated using an assumption of 254 working days in the reporting year, to remain consistent across businesses.

$$\frac{\text{Total days absent of own employees because of illness, lost time injuries or unknown reasons}}{(254 \text{ working days in the reporting period} * \text{number of FTEs in 2021})}$$

2. Qualitative information referred to in delegated act article 8 (Section 1.2 of Annex I)

Accounting policy

The D'leteren Group disclosures are compiled from the financial figures of D'leteren Auto, D'leteren Immo and Moleskine (these three businesses will from now on be addressed as 'the businesses'). Since Belron and TVH are equity accounted investees they are not included in the consolidated group figures.

For the turnover, the numerator of each of the businesses was compiled by taking the total eligible turnover for the reporting year 2021 (01/01/2021-31/12/2021).

For the D'leteren Group turnover KPI, these were aggregated in full from the participations of D'leteren Auto and Moleskine. The KPI is focusing on external revenue. Therefore, the intercompany revenue and other operating income from D'leteren Immo is not included in the calculation.

For the CapEx, the numerator of each of the businesses was compiled by taking the total eligible CapEx for the reporting year 2021 (01/01/2021-31/12/2021). This is the CapEx that is:

- related to assets or processes that are associated with Taxonomy-eligible economic activities
- part of a 'CapEx-plan' to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned
- related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months

For the D'leteren Group CapEx KPI, these were aggregated in full from the participations of D'leteren Auto, D'leteren Immo and Moleskine.

For the OpEx, the numerator of each of the businesses was compiled by taking the total eligible OpEx for the reporting year 2021 (01/01/2021-31/12/2021). This is the OpEx that is:

- related to assets or processes associated with Taxonomy-eligible economic activities
- part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe
- related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months

For the OpEx the total denominator includes costs relating to R&D, short-term leases, maintenance, renovation, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment both by the undertaking itself or any third party linked to the operations.

For the D'leteren Group OpEx, these were aggregated in full from the participations of D'leteren Auto, D'leteren Immo and Moleskine.

Assessment of compliance with regulation (EU) 2020/852

In our assessment of the eligibility of our businesses' activities, we used the definitions included in the Delegated Acts published by the EU Commission on July 6th, 2021 and applicable to all companies falling under the NFRD as of January 1st, 2022.

Per activity included in the EU Taxonomy, a precise definition is provided, describing the economic activities that fall within the scope of this precise EU Taxonomy eligible activity. We have acted in good conscience and have rigorously followed the scope provided by the definitions. We have not included any activities as eligible if they were not deemed to fall within scope of these definitions. If there was doubt around the inclusion of a certain activity, we have opted to deem this activity as non-eligible. If in the future these activities do appear to be eligible these will be added in the following reporting years.

Some of the identified eligible activities are eligible for both climate change mitigation and climate change adaptation. We have not yet distinguished between the climate objective (and the associated technical screening criteria, do no significant harm principles and minimum safeguards) yet, as alignment is not yet required for this reporting year.

In the non-financial disclosures of the businesses, we have included the disaggregation of each of the KPIs.



To the Board of Directors of D'Ieteren Group

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED SUSTAINABILITY INDICATORS IN THE INTEGRATED REPORT 2021 OF D'IETEREN GROUP

This report has been prepared in accordance with the terms of our engagement contract dated 27 October 2021 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with selected sustainability indicators, marked with a checkmark (✓), of the Integrated Report of D'Ieteren Group as of and for the year ended 31 December 2021 (the "Report").

The Directors' responsibility

The Directors of D'Ieteren Group ("the Company") are responsible for the preparation and presentation of the selected sustainability indicators for the year 2021 marked with a checkmark (✓) in the Report of D'Ieteren Group (the "Subject Matter Information"), in accordance with the criteria disclosed in the Report (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable engagement been performed. The selection of such procedures depends on our professional judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with the Criteria. The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2021 presented in the Report;
- conducting interviews with responsible officers;
- reviewing on a limited test basis relevant internal and external documentation;
- performing an analytical review of the data and trends in the information submitted for consolidation;
- considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the Subject Matter Information. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Our independence and quality control

Our engagement has been carried out in compliance with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organizing the audit profession and its public oversight of registered auditors, and with other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information within the Report of D'Ieteren Group has not been prepared, in all material respects, in accordance with the Criteria.

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**Other ESG related information**

The other information comprises all of the ESG related information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other ESG related information. As explained above, our assurance conclusion does not extend to the other ESG related information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other ESG related information and, in doing so, consider whether the other ESG related information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Other matter - restriction on use and distribution of our report

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report as of and for the year ended 31 December 2021 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 8 April 2022

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
Represented by

A handwritten signature in blue ink, appearing to read 'M. Daelman'.

Marc Daelman¹
Registered auditor

¹ Marc Daelman BV, member of the Board of Directors, represented by its permanent representative Marc Daelman

GRI Content Index D'leteren – Core

D'leteren Group discloses its non-financial information for the third time according to the GRI Standards, option Core. As the Group has a number of business activities in different sectors, the general disclosures is focused on the D'leteren Group entity while the specific disclosures concern the material aspects of each business activity. D'leteren Group aims to apply the UN PRI for its own material aspects, which is more applicable for an investment company than the GRI Topic Specific Standards.

Legend: IR = Integrated Report, NFDR = Non-financial Disclosure Report, FDR = Financial Disclosure Report.

SRS Disclosure

GRI 102: GENERAL DISCLOSURES 2016

1. ORGANIZATIONAL PROFILE

102-1	Name of the organization
102-2	Activities, brands, products, and services
102-3	Location of the organization's headquarters
102-4	Number of countries operating
102-5	Nature of ownership and legal form
102-6	Markets served
102-7	Scale of the reporting organization
102-8	Information on employees and other workers
102-9	Supply chain
102-10	Significant changes to the organization and its supply chain
102-11	Precautionary Principle or approach
102-12	External initiatives
102-13	Memberships of associations

2. STRATEGY

102-14	Statement from senior decision-maker
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3. ETHICS AND INTEGRITY

102-16	Values, principles, standards, and norms of behaviour
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4. GOVERNANCE

102-18	Governance structure
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5. STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups
102-41	Collective bargaining agreements
102-42	Identifying and selecting stakeholders
102-43	Approach to stakeholder engagement
102-44	Key topics and concerns raised

Reference	Remark or omission
IR: Cover page	
IR: D'leteren Group at a glance, p.2-3 IR: Operating model, p.16-19	Rue du Mail, 50 1050 Brussels Belgium
IR: D'leteren Group at a glance, p.2-3	
IR: D'leteren Group at a glance, p.2-3	Legal form: SA/NV
IR: D'leteren Group at a glance, p.2-3	
IR: Key indicators IR: D'leteren Group at a glance, p.2-3 IR: Our team, p.15	
NFDR: D'leteren Group - Additional workforce data, p.6-7	At the Group level, the procurement consists mainly of office supplies, flights & accommodation and energy. For the supply chain of the business activities, please refer to the non-financial disclosures.
IR: History, p.12-13	Please refer to each activity report for specific changes in operations or supply chain.
IR: Risks and Opportunities, p.26-27	
IR: Investment strategy, p.18-19 IR: Impact on society, p.40-41	
	Memberships to associations and organisations is specific for each sector of the D'leteren group's business activities.
IR: Message from the Chairman, p.5 IR: Message from Francis Deprez, p.6-8	
IR: Our values, p.14 IR: Our team, p.15	
IR: Governance, p.22-24 NFDR: D'leteren Group - ESG governance, p.2 FDR: p.111-137	
IR: Value Creation Model, p.20-21 NFDR: D'leteren Group - D'leteren Group ESG management, p.1	
NFDR: D'leteren Group - Human rights, p.8	
NFDR: D'leteren Group - D'leteren Group ESG management, p.1	
NFDR: D'leteren Group - D'leteren Group ESG management, p.1	
NFDR: D'leteren Group - D'leteren Group ESG management, p.1	

SRS	Disclosure
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6. REPORTING PRACTICE	
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102-45	Entities included in the consolidated financial statements
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102-46	Defining report content and topic Boundaries
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102-47	List of material topics
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102-48	Restatements of information
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102-49	Changes in reporting
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102-50	Reporting period
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102-51	Date of most recent report
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102-52	Reporting cycle
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102-53	Contact point for questions regarding the report
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102-54	Claims of reporting in accordance with the GRI Standards
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102-55	GRI content index
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102-56	External assurance
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Reference	Remark or omission
NFDR: Notes to the Consolidated Financial Statements	
IR: About the integrated report 2021 IR: Providing investors with detailed and reliable reporting, p.19 IR: Value creation model, p.20-21 NFDR: D'leteren Group - D'leteren Group ESG management, 135 NFDR: Disclosure of non-financial information - we refer to each section 'Materiality' for the material aspects of the business activities.	
NFDR: D'leteren Group - D'leteren Group ESG management, 135 NFDR: Disclosure of non-financial information - we refer to each section 'Materiality' of each business activity.	
	There is no restatement of information unless otherwise specified in the appropriate section.
NFDR: Disclosure of non-financial information, D'leteren Group, p.135	
	1/1/2021 - 31/12/2021
	4/21/2021
	Annual
IR: Last page	For questions related to the D'leteren Group's report, please contact the Corporate & Financial Communications team (email: financial.communication@dieteren.be)
IR: About the integrated Report 2021	
NFDR: GRI Table	
NFDR: Auditor declaration, p.195	

SRS	Disclosure	Reported by
GRI 103: MANAGEMENT APPROACH 2016		
Topic Specific Standards		
Business activities		
ECONOMIC		
GRI 203: INDIRECT ECONOMIC IMPACTS 2016		
203	Management approach disclosures	D'leteren Automotive D'leteren Immo
Own indicator	Key accounts provided with alternative mobility solutions	D'leteren Automotive
Own indicator	% projects where project guidelines are applied	D'leteren Immo
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016		
206	Management approach disclosures	D'leteren Automotive Moleskine
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practice	D'leteren Automotive Moleskine
ENVIRONMENTAL		
GRI 301: MATERIALS 2016		
301	Management approach disclosures	Moleskine D'leteren Immo
Own indicator	FSC Certification	Moleskine
Own indicator	Projects where project guidelines are applied	D'leteren Immo
GRI 302: ENERGY 2016		
302	Management approach disclosures	D'leteren Immo
Own indicator	Projects where project guidelines are applied	D'leteren Immo
GRI 305: EMISSIONS 2016		
305	Management approach disclosures	D'leteren Automotive Belron Moleskine D'leteren Immo
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	D'leteren Automotive Belron Moleskine D'leteren Immo

Reference	Remark or omission
NFDR: Disclosure of non-financial information, D'leteren Automotive, Connectivity table, p.148-149 NFDR: Disclosure of non-financial information, D'leteren Automotive, Building seamless and sustainable mobility for everyone, p.151 NFDR: Disclosure of non-financial information, D'leteren Immo, Connectivity table, p.184-185 NFDR: Disclosure of non-financial information, D'leteren Immo, Design and build future-proof infrastructure, p.186	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Building seamless and sustainable mobility for everyone, p.151	
NFDR: Disclosure of non-financial information, D'leteren Immo, Design and build future-proof infrastructure, p.186	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Connectivity table, p.148-149 NFDR: Disclosure of non-financial information, D'leteren Automotive, Governance and business ethics, p.155 NFDR: Disclosure of non-financial information, Moleskine, Connectivity table, p.172-173 NFDR: Disclosure of non-financial information, Moleskine, Setting a long-term governance approach covering transparency, integrity and ethical behaviour, p.181	
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NFDR: Disclosure of non-financial information, Moleskine, Connectivity table, p.172-173 NFDR: Disclosure of non-financial information, Moleskine, A sustainable supply chain, p.176 NFDR: Disclosure of non-financial information, D'leteren Immo, Connectivity table, p.184-185 NFDR: Disclosure of non-financial information, D'leteren Immo, Design and build future-proof infrastructure, p.186	
NFDR: Disclosure of non-financial information, Moleskine, A sustainable supply chain, p.176	
NFDR: Disclosure of non-financial information, D'leteren Immo, Design and build future-proof infrastructure, p.186	
NFDR: Disclosure of non-financial information, D'leteren Immo, Connectivity table, p.184-185 NFDR: Disclosure of non-financial information, D'leteren Immo, Design and build future-proof infrastructure, p.186	
NFDR: Disclosure of non-financial information, D'leteren Immo, Design and build future-proof infrastructure, p.186	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Connectivity table, p.148-149 NFDR: Disclosure of non-financial information, D'leteren Automotive, Managing the environmental impact of their operations, p.149-151 NFDR: Disclosure of non-financial information, Belron, Connectivity table, p.159-160 NFDR: Disclosure of non-financial information, Belron, Driving down emissions, p.163 NFDR: Disclosure of non-financial information, Moleskine, Connectivity table, p.172-173 NFDR: Disclosure of non-financial information, Moleskine, Impact on climate change, p.174-175 NFDR: Disclosure of non-financial information, D'leteren Immo, Connectivity table, p.184-185 NFDR: Disclosure of non-financial information, D'leteren Immo, Towards carbon neutrality, p.187	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Managing the environmental impact of their operations, p.149-151 NFDR: Disclosure of non-financial information, Belron, Driving down emissions, p.163 NFDR: Disclosure of non-financial information, Moleskine, Impact on climate change, p.174-175 NFDR: Disclosure of non-financial information, D'leteren Immo, Towards carbon neutrality, p.187	

SRS	Disclosure	Reported by
ENVIRONMENTAL		
GRI 305: EMISSIONS 2016		
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	D'leteren Automotive Belron Moleskine D'leteren Immo
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	D'leteren Automotive Belron Moleskine D'leteren Immo
305-4	Greenhouse gas (GHG) emissions intensity	D'leteren Automotive Belron Moleskine D'leteren Immo
305-5	Reduction of GHG emissions	D'leteren Automotive Belron Moleskine D'leteren Immo
GRI 306: EFFLUENTS AND WASTE 2020		
306-1	Waste generation and significant wasted-related impacts	Belron Moleskine D'leteren Immo
306-2	Management of significant waste-related impacts	Belron Moleskine D'leteren Immo
306-3	Waste generated	Belron Moleskine
306-4	Waste diverted from disposal	Belron Moleskine
306-5	Waste directed to disposal	Belron Moleskine
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
308	Management approach disclosures	Belron Moleskine
Own indicator	Supplier on-site audits	Belron
Own indicator	ISO 14000 suppliers	Moleskine

Reference	Remark or omission
NFDR: Disclosure of non-financial information, D'leteren Automotive, Managing the environmental impact of their operations, p.149-151 NFDR: Disclosure of non-financial information, Belron, Driving down emissions, p.163 NFDR: Disclosure of non-financial information, Moleskine, Impact on climate change, p.174-175 NFDR: Disclosure of non-financial information, D'leteren Immo, Towards carbon neutrality, p.187	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Managing the environmental impact of their operations, p.149-151 NFDR: Disclosure of non-financial information, Belron, Driving down emissions, p.163 NFDR: Disclosure of non-financial information, Moleskine, Impact on climate change, p.174-175 NFDR: Disclosure of non-financial information, D'leteren Immo, Towards carbon neutrality, p.187	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Managing the environmental impact of their operations, p.149-151 NFDR: Disclosure of non-financial information, Belron, Driving down emissions, p.163 NFDR: Disclosure of non-financial information, Moleskine, Impact on climate change, p.174-175 NFDR: Disclosure of non-financial information, D'leteren Immo, Towards carbon neutrality, p.187	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Managing the environmental impact of their operations, p.149-151 NFDR: Disclosure of non-financial information, Belron, Driving down emissions, p.163 NFDR: Disclosure of non-financial information, Moleskine, Impact on climate change, p.174-175 NFDR: Disclosure of non-financial information, D'leteren Immo, Towards carbon neutrality, p.187	
NFDR: Disclosure of non-financial information, Belron, Reducing waste and building a circular economy, p.162 NFDR: Disclosure of non-financial information, Moleskine, Waste management and circular economy, p.174 NFDR: Disclosure of non-financial information, D'leteren Immo, Connectivity table, p.184-185 NFDR: Disclosure of non-financial information, D'leteren Immo, Improve the environmental performance of current properties, p.186	
NFDR: Disclosure of non-financial information, Belron, Reducing waste and building a circular economy, p.162 NFDR: Disclosure of non-financial information, Moleskine, Waste management and circular economy, p.174 NFDR: Disclosure of non-financial information, D'leteren Immo, Improve the environmental performance of current properties, p.186	D'leteren Immo is looking into possibilities to monitor the waste information.
NFDR: Disclosure of non-financial information, Belron, Reducing waste and building a circular economy, p.162 NFDR: Disclosure of non-financial information, Moleskine, Waste management and circular economy, p.174	
NFDR: Disclosure of non-financial information, Belron, Reducing waste and building a circular economy, p.162 NFDR: Disclosure of non-financial information, Moleskine, Waste management and circular economy, p.174	
NFDR: Disclosure of non-financial information, Belron, Reducing waste and building a circular economy, p.162 NFDR: Disclosure of non-financial information, Moleskine, Waste management and circular economy, p.174	
NFDR: Disclosure of non-financial information, Belron, Reducing waste and building a circular economy, p.162 NFDR: Disclosure of non-financial information, Moleskine, Waste management and circular economy, p.174	
NFDR: Disclosure of non-financial information, Belron, Connectivity table, p.159-160 NFDR: Disclosure of non-financial information, Belron, Sustainable procurement, p.164 NFDR: Disclosure of non-financial information, Moleskine, Connectivity table, p.172-173 NFDR: Disclosure of non-financial information, Moleskine, Waste management and circular economy, p.174	
NFDR: Disclosure of non-financial information, Belron, Sustainable procurement, p.164	
NFDR: Disclosure of non-financial information, Moleskine, A sustainable supply chain, p.176	

SRS	Disclosure	Reported by
SOCIAL		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	Belron
403-2	Hazard identification, risk assessment and incident investigation	Belron
403-3	Occupational health services	Belron
403-4	Worker participation, consultation and communication on occupational health and safety	Belron
403-5	Worker training on occupational health and safety	Belron
403-6	Promotion of worker health	Belron
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Belron
403-9	Work-related injuries	Belron
GRI 404 TRAINING AND EDUCATION 2016		
404	Management approach disclosures	D'leteren Automotive Belron Moleskine D'leteren Immo
404-1	Average hours of training per year per employee	Moleskine D'leteren Immo
Own indicator	Average employee engagement score	D'leteren Automotive Belron Moleskine D'leteren Immo
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
405	Management approach disclosures	D'leteren Automotive Belron Moleskine
405-1	Diversity of governance bodies and employees	D'leteren Automotive Belron Moleskine

Reference	Remark or omission
NFDR: Disclosure of non-financial information, Belron, People safety, p.166-167	
NFDR: Disclosure of non-financial information, Belron, People safety, p.166-167	
NFDR: Disclosure of non-financial information, Belron, People safety, p.166-167	
NFDR: Disclosure of non-financial information, Belron, People safety, p.166-167	
NFDR: Disclosure of non-financial information, Belron, People safety, p.166-167	
NFDR: Disclosure of non-financial information, Belron, People safety, p.166-167	
NFDR: Disclosure of non-financial information, Belron, Sustainable procurement, p.164	
NFDR: Disclosure of non-financial information, Belron, People safety, p.166-1671	
NFDR: Disclosure of non-financial information, Belron, People safety, p.166-167	The data do not provide the information for the subcontractors and do not make the distinction between work-related injury and high-consequence work-related injury.
NFDR: Disclosure of non-financial information, D'leteren Automotive, Connectivity table, p.148-149	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Playing a determining role in the well-being of its employees, p.152-153	
NFDR: Disclosure of non-financial information, Belron, Connectivity table, p.159-160	
NFDR: Disclosure of non-financial information, Belron, Promoting diversity equity, inclusion and well-being, p.164-165	
NFDR: Disclosure of non-financial information, Belron, Employee engagement, p.166	
NFDR: Disclosure of non-financial information, Moleskine, Connectivity table, p.172-173	
NFDR: Disclosure of non-financial information, Moleskine, Employee satisfaction and engagement, p.177	
NFDR: Disclosure of non-financial information, Moleskine, Talent development, p.178	
NFDR: Disclosure of non-financial information, D'leteren Immo, Connectivity table, p.184-185	
NFDR: Disclosure of non-financial information, D'leteren Immo, Employee well-being and satisfaction, p.188	
NFDR: Disclosure of non-financial information, D'leteren Immo, Employee training and development, p.188	
NFDR: Disclosure of non-financial information, Moleskine, Talent development, p.178	
NFDR: Disclosure of non-financial information, D'leteren Immo, Employee training and development, p.188	Belron: the information for Belron is currently not available on a Belron Group level, but is monitored on a local (country) level.
NFDR: Disclosure of non-financial information, D'leteren Automotive, Playing a determining role in the well-being of its employees, p.152-153	
NFDR: Disclosure of non-financial information, Belron, Employee engagement, p.166	
NFDR: Disclosure of non-financial information, Moleskine, Employee satisfaction and engagement, p.177	
NFDR: Disclosure of non-financial information, D'leteren Immo, Employee well-being and satisfaction, p.188	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Connectivity table, p.148-149	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Increasing diversity and inclusion in the workplace, p.154-155	
NFDR: Disclosure of non-financial information, Belron, Promoting diversity equity, inclusion and well-being, p.164-165	
NFDR: Disclosure of non-financial information, Moleskine, Connectivity table, p.172-173	
NFDR: Disclosure of non-financial information, Moleskine, Diversity & Inclusion, p.178-179	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Increasing diversity and inclusion in the workplace, p.154-155	
NFDR: Disclosure of non-financial information, Belron, Gender diversity, p.165	
NFDR: Disclosure of non-financial information, Moleskine, Diversity & Inclusion, p.178-179	The breakdown by age is not deemed relevant for the activities.

SRS	Disclosure	Reported by
SOCIAL		
GRI 413: LOCAL COMMUNITIES 2016		
413	Management approach disclosures	D'leteren Automotive Belron Moleskine
Own indicator	Products donated to social and humanitarian organisations	Moleskine
Own indicator	Total donations	D'leteren Automotive Belron
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016		
414	Management approach disclosures	Belron Moleskine
Own indicator	Supplier audits	Belron
Own indicator	Purchases compliant with SA8000 or equivalent	Moleskine
GRI 416: CUSTOMER HEALTH AND SAFETY 2016		
416	Management approach disclosures	D'leteren Automotive Belron D'leteren Immo
Own indicator	NPS	D'leteren Automotive Belron D'leteren Immo

Reference	Remark or omission
NFDR: Disclosure of non-financial information, D'leteren Automotive, Connectivity table, p.148-149 NFDR: Disclosure of non-financial information, D'leteren Automotive, Community engagement, p.155 NFDR: Disclosure of non-financial information, Belron, Connectivity table, p.159-160 NFDR: Disclosure of non-financial information, Belron, Giving opportunity, p.167 NFDR: Disclosure of non-financial information, Moleskine, Connectivity table, p.172-173 NFDR: Disclosure of non-financial information, Moleskine, Through our social actions: Community engagement, p.176-177	
NFDR: Disclosure of non-financial information, Moleskine, Through our social actions: Community engagement, p.176-177	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Community engagement, p.155 NFDR: Disclosure of non-financial information, Belron, Giving opportunity, p.167	
NFDR: Disclosure of non-financial information, Belron, Connectivity table, p.159-160 NFDR: Disclosure of non-financial information, Belron, Sustainable procurement, p.164 NFDR: Disclosure of non-financial information, Moleskine, Connectivity table, p.172-173 NFDR: Disclosure of non-financial information, Moleskine, Ethical supply chain, p.179	
NFDR: Disclosure of non-financial information, Belron, Sustainable procurement, p.164	
NFDR: Disclosure of non-financial information, Moleskine, Ethical supply chain, p.179	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Connectivity table, p.148-149 NFDR: Disclosure of non-financial information, D'leteren Automotive, Improving the life of their customers, p.154-155 NFDR: Disclosure of non-financial information, Belron, Connectivity table, p.159-160 NFDR: Disclosure of non-financial information, Belron, Customer experience, p. 161 NFDR: Disclosure of non-financial information, Belron, Customer welfare & safety, p.161 NFDR: Disclosure of non-financial information, D'leteren Immo, Connectivity table, p.184-185 NFDR: Disclosure of non-financial information, D'leteren Immo, Customer satisfaction, p.190	
NFDR: Disclosure of non-financial information, D'leteren Automotive, Improving the life of their customers, p.154-155 NFDR: Disclosure of non-financial information, Belron, Customer experience, p.161 NFDR: Disclosure of non-financial information, D'leteren Immo, Customer satisfaction, p.190	

Share Information

D'leteren share

Minimum lot	1 share
ISIN code	BE0974259880
Reuters code	IETB.BR
Bloomberg code	DIE:BB

Stock market indices

On 31 December 2021, the D'leteren share had the following weightings in Euronext indices:

BEL ALL-SHARE: 1.46%
 BEL CONS DISCR: 79.28%
 BEL CONTINUOUS: 1.46%
 BEL MID INDEX: 11.58%

Evolution of the share price and traded volumes in 2021

	2021	
Performance	153.1%	
Total shareholder return ¹	176.3%	
Average price (EUR)	113.19	
Maximum price (EUR)	175.70	15/12/2021
Minimum price (EUR)	65.10	29/01/2021
Average volume (in units)	44,534	
Maximum volume (in units)	354,474	17/12/2021
Minimum volume (in units)	10,430	24/12/2021

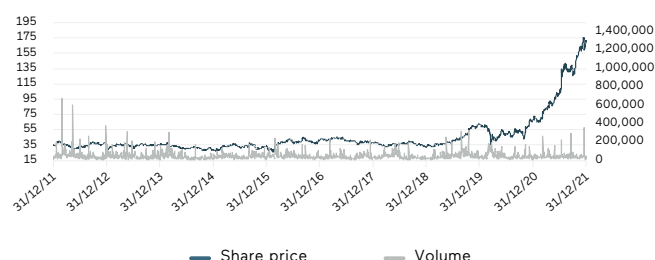
1. Based on gross dividends



Evolution of the share price over 10 years

	01/01/2012 – 31/12/2021	
Performance	403.7%	
Total shareholder return ¹	439.5%	
Average price (EUR)	45.84	
Maximum price (EUR)	175.70	15/12/2021
Minimum price (EUR)	26.08	11/02/2016
Average volume (in units)	45,981	
Maximum volume (in units)	675,467	29/02/2012
Minimum volume (in units)	5,286	04/12/2012

1. Based on gross dividends



Dividend

If the allocation of results proposed in Note 21 of this report is approved by the Ordinary General Meeting of 2 June 2022, a gross ordinary dividend of €2.10 per share will be distributed. The dividend will be paid starting on 9 June 2022.

Evolution of the gross dividend per share over 10 year

