

# Disclosure of non-financial information

## 1. The D'Ieteren Group

As the parent company, the impact of the D'Ieteren Group is most visible in its investment decisions and the support it provides to its different activities. The Group currently has four activities: D'Ieteren Auto (100%-owned), Belron (54.85% of voting rights), Moleskine (100% owned) and D'Ieteren Immo (100% owned). It has a long-term strategy for growth and value creation in its businesses, which it actively supports to strengthen their positions in their specific industries or regions. The overall objective is to create value for all stakeholders.

In 2019, D'Ieteren Group formalized its mission to increase its impact on the wider society with which it engages. In particular, the Group aims to build a family of businesses that reinvent their respective industries in search of excellence and a meaningful impact. Accordingly, the Group decided in 2019 to take additional steps to support its activities by further embedding sustainability within their organisations. As in 2018, communications professionals and sustainability experts of D'Ieteren Group, D'Ieteren Auto, Belron, Moleskine and D'Ieteren Immo gathered in Brussels at the end of 2019 to discuss how best to align their sustainability reporting methods and share best practices. It helped to pinpoint the Group's ambitions: to assist the activities in defining a clear sustainability strategy and in enhancing the reliability, accuracy and comparability of their non-financial data.

### 1.1. D'IETEREN GROUP'S 2019 NON-FINANCIAL REPORTING: STRUCTURE AND METHODOLOGY

For this reporting, the Group has decided to follow the same structure as for last year - based on the material themes identified in 2018. However, this year both D'Ieteren Auto and D'Ieteren Immo are releasing separate disclosures while the two activities were previously combined.

The main themes identified in 2018 arose from the materiality analysis that was conducted for each activity based among others on the standards of the Sustainability Accounting Standards Board (SASB). The SASB has defined a set of 77 standards that identify a range of material sustainability themes for specific industries. Close examination of these standards has made it possible to select material themes that are more relevant to the industries in which D'Ieteren Group operates. External sustainability experts supported D'Ieteren and its activities in this task and helped to ensure that the materiality assessment was consistent and accurate.

Moreover, D'Ieteren has aligned its material themes with the UN Sustainable Development Goals (SDGs). The 2030 Agenda for Sustainable Development, which consists of 17 Goals covering 169 targets, was adopted by all United Nations Member States in 2015. For each of the identified material themes, D'Ieteren identified the related SDG and SDG targets and looked at how its activities were contributing to meeting the UN goals.

This year, for the first time, D'Ieteren Group aligned itself with the Global Reporting Initiative (GRI) Standards (core option). The GRI Standards (SRS) have been developed over the last 20 years and represent global best practice for reporting on economic, environmental and social issues. The GRI Content Index is available on p.172.

### 1.2. THE WAY FORWARD

Building on its mission statement, the Group has defined clear ambitions with regard to sustainability. It acknowledges its role in society by investing in meaningful companies and by supporting its activities to further embed sustainability within their organisations.

To this end, in early-2020 D'Ieteren Group helped its activities to re-assess their materiality analysis. The aim was to extend stakeholder engagement with a view to really meeting the expectations of external stakeholders.

All four activities received support from external sustainability experts to conduct this exercise. A list of priorities was then defined to highlight the most material themes (or themes that should be given priority in order to optimize activities' impact on their stakeholders – internal and external – and ultimately on the environment and society as a whole). As definitions of sustainability are constantly evolving, the definition of material themes will also be subject to modification.

The results of the new materiality analysis will be used as a starting point to formulate a sustainability strategy for each of the activities, with clear priorities for the coming 5 years. It will also form the basis for the Group's next non-financial reporting.

In parallel, D'leteren Group aims to improve the quality and reliability of its non-financial information. With this in mind, the Group asked PwC to conduct a readiness assessment in 2019. Implementation of the resulting recommendations should pave the way for some assurance of the 2020 reporting.

## 2. D'leteren Auto

### 2.1. DESCRIPTION OF THE ACTIVITIES

As part of its 70-year old relationship with the Volkswagen group, D'leteren Auto imports and distributes the vehicles, spare parts and accessories of Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti and Porsche across Belgium.

The distributed brands represent around 22% of Belgium's new car market. D'leteren Auto manages a strong network of independent dealers across the country and owns dealerships on the Brussels-Malines-Anvers axis. Besides distributing vehicles in Belgium, D'leteren Auto provides after-sales services, including bodywork and general maintenance. It also sells used vehicles through its own independent network consisting of dedicated My Way centres, Audi Approved Plus outlets and authorized distributors. It provides car financing and long-term car rental services through a joint venture between D'leteren and Volkswagen Financial Services. And finally, it distributes Yamaha products in Belgium and the Grand Duchy of Luxembourg through D'leteren Sport.

D'leteren Auto's business model is currently evolving towards the offer of more fluid, accessible and comfortable mobility solutions as a way of improving the day-to-day lives of citizens. The company is strongly focused on promoting responsible mobility, mainly through the initiatives of the subsidiaries LabBox (a start-up developing new mobility solutions) and EDI (charging solutions for electric cars).

### 2.2. GENERAL APPROACH TO SUSTAINABILITY

Although mobility is a vector of prosperity and integration, it cannot escape the challenges raised by a range of economic, environmental, social and safety issues. D'leteren Auto is aware of this and accepts its share of responsibility. The company's primary commitment is to improve the lives of citizens by offering fluid, accessible and sustainable mobility options. D'leteren Auto is also working to build a wide raft of mobility services that will facilitate easier, more sustainable travel for all citizens. It will achieve this through the Lab Box subsidiary, which is deeply involved in creating innovative and flexible mobility services, and through its core business by developing a range of services linked to the use of electric cars.

D'leteren Auto also strives to reduce its environmental footprint by transforming its infrastructure and adapting its behaviour. Over recent years, D'leteren Immo – which manages D'leteren Auto's property assets – has implemented various measures aimed at using energy more efficiently and integrating alternative energy sources.

Another major priority for the company is to offer its people a working environment that is safe and enriching. D'leteren Auto has launched multiple initiatives to improve staff welfare, enable their professional development and enhance their working environment and conditions.

Finally, through its Give & Gain patronage programme, D'leteren Auto is fully committed to causes that are related to socially-responsible mobility where the company can bring real added value, while simultaneously encouraging its employees to get involved in such causes.

### 2.3. ENVIRONMENTAL AND SOCIAL THEMES WITH A MATERIAL IMPACT

- 1) Climate impact/CO<sub>2</sub> emissions
- 2) Waste management
- 3) Innovation
- 4) Sustainable procurement
- 5) Customer satisfaction
- 6) Employee development and well-being
- 7) Employee safety
- 8) Community engagement
- 9) Ethical principles
  - a. Respect for Human Rights
  - b. Zero tolerance for fraud and corruption
  - c. Inclusion and diversity

# > Climate Impact/CO<sub>2</sub> Emissions

## WHY IS IT MATERIAL?

D'leteren Auto's main impact on the environment concerns comes from its activity of distributing polluting combustion vehicles. This has created new challenges for D'leteren Auto, such as stricter legislation, new forms of taxation on transportation and new regulations related to corporate vehicle fleets. But this trend also creates numerous opportunities for developing innovative new mobility solutions aimed at reducing the number of polluting vehicles on our roads.

In addition to the products it delivers, D'leteren Auto's own operations and processes also have an environmental impact.

### UN sustainable development agenda



D'leteren Auto's distribution activities have a negative impact on the climate.

However, the company is trying to reduce this impact by adapting its offer and developing alternative mobility solutions and by producing renewable energy.

## MANAGEMENT APPROACH

D'leteren Auto is expanding its clean car offer (in 2019, the company sold more than 1,000 fully-electric vehicles). To promote their use, it is providing, through its subsidiary EDI (Electric D'leteren Solutions), a pack of smart solutions for battery charging and green energy generation aimed at private and professional customers.

The company also develops alternative mobility solutions, notably through its Lab Box subsidiary (fleet sharing for businesses, including cars, electric scooters, etc, intermodal services that integrate public and private transport, MaaS platforms to facilitate the adoption and management of corporate mobility budgets..)

Internally, it raises employee awareness by promoting working from home, environment-friendly driving habits, or multimodal mobility solutions that combine different modes of transport such as public transport and company cars, cycling or car-pooling with guaranteed parking space.

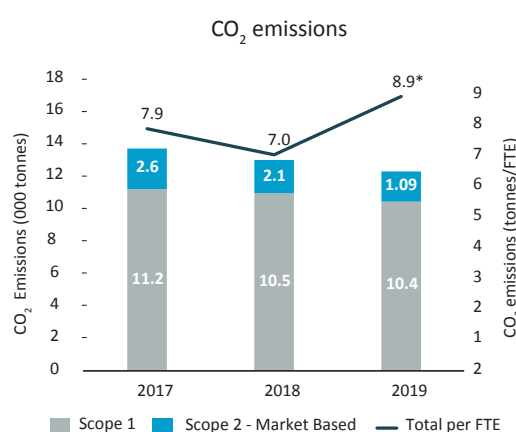
The company adopts D'leteren Immo's approach to (renewable) energy management, thereby lowering the energy consumption of its buildings while increasing the share of self-produced renewable energy.

## KEY INDICATORS

### Case study – D'leteren renews showroom concept

In order to adapt its commercial strategy to better cater to customers in search of a high-quality experience, D'leteren Auto, in partnership with Škoda and Audi, opened and tested two pop-up stores, one located in a shopping mall in Brussels and the other in central Anvers.

Baptised The Place To -e-, the stores were opened by Audi for a period of 3 months, enabling visitors to discover the concept of electrical mobility and to reserve a test-drive of an Audi e-tron. "D'leteren Auto wanted The Place To -e- to inform and inspire Anvers citizens about electrical mobility by offering a wide range of experiences and activities", explains Stefan Kerckhoven, director of Audi Import. The store became something of a hotspot that was used as a backdrop for conferences on themes such as sustainable travel, urban mobility and technology.



\* The 2019 relative KPI (tCO<sub>2</sub>e/FTE) increases significantly due to a correction in the boundary for calculating the number of FTEs. The Sopadis FTEs have been excluded as Sopadis is also excluded from the carbon footprint. In next year's report we will adjust the historical figures to provide a thorough basis for monitoring our climate performance.

**Scope 1 emissions** are direct emissions from owned or controlled sources.

**Scope 2 emissions** are indirect emissions from the generation of purchased energy.

**Scope 3 emissions** are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. (Source: GhG Protocol)

## > Climate Impact/CO<sub>2</sub> Emissions (after)

### OUR 2019 ACHIEVEMENTS

Developed by the startup Lab Box, Poppy is a car-sharing solution that helps to reduce overall car emissions. Barely two years after its launch in Anvers, Poppy has also grown in Brussels and around the Zaventem airport. It has a fleet of 550 shareable electric cars, including models such as the Seat e-Mii, the Ibiza CNG and the Škoda Citigo-e. A fleet of e-steps and e-scooters is also available. Poppy integrates these different transport offers in a single application, thereby enabling its 50,000 users to choose the mode most suited to their needs based on the distance and time of a given journey. The startup also enables users to travel within the three zones where Poppy is present.



D'leteren Auto is also encouraging the transition to electric transport and the reduction of pollution from traditional vehicles by improving its EDI charging infrastructure. To ensure that its offer is adapted to all available vehicle models and all electrical installations, EDI offers single-phase and three-phase charging stations and a card enabling users to recharge their vehicles at 100,000 public stations in 25 countries across the European Union. For its corporate customers, EDI also offers a split-billing option, which separates the cost of recharging at home and forwards it to the employer. In 2019, EDI added a service facilitating the installation of solar panels.

### THE WAY FORWARD

D'leteren Auto continues to expand its offer of electric cars and the accompanying infrastructure, notably by exploiting the Volkswagen group's ambitious offensive in e-mobility. EDI now aims at a five-fold increase in sales in 2020 compared to 2019. Lab Box will continue to develop its seven initiatives aimed at the new mobility sector: Poppy, MyMove, Husk, Lizy, Ush, Skpir and Mbrella (see Innovation section p 130)

# > Waste Management

## WHY IS IT MATERIAL?

Used cars contain many valuable materials that should be reused upon disposal. As resources become scarcer, the recycling of components contributes to the circular economy. In parallel to its products, D'Ieteren Auto also generates waste through its after-sales activities and offices. The company has identified several risks related to waste management, including fines and reputational impact in the event of failure to respect environmental laws.

## THE WAY FORWARD

Responsibility for waste recycling is being transferred to each D'Ieteren Auto business unit over the course of 2020. This will enable an approach that is more suited to the specific needs of each site.

### UN sustainable development agenda



D'Ieteren Auto has a policy of environmentally sound management of vehicle waste and related chemicals throughout their lifecycle, in accordance with the regulatory framework in force.

## MANAGEMENT APPROACH

D'Ieteren Auto has a waste management policy in place. Employees receive training in how to sort and collect waste generated by the offices, workshops, stores and garages (including paper, residual waste, metal, wood, tires and glass) and in how to store harmful materials.

For the disposal and recycling of its waste D'Ieteren Auto works together with waste management firms like Suez (for all waste), Oilco (used oil), Dechamps (metal) and RecupBat (used batteries). A project coordinator of the main waste collector (Suez) performs periodic site visits for the follow-up and optimization of the on-site waste management.

D'Ieteren Auto also facilitates the recycling of used-vehicles, in particular by offering an extra allowance to clients and non-clients returning their vehicles for recycling. The company works with Febelauto, whose mission is to organise and monitor the recycling of used vehicles, in compliance with the existing European Directive. Febelauto currently manages to recycle around 95% of the weight of vehicles within an approved, tightly controlled circuit, making Belgium one of Europe's best performers in this area.

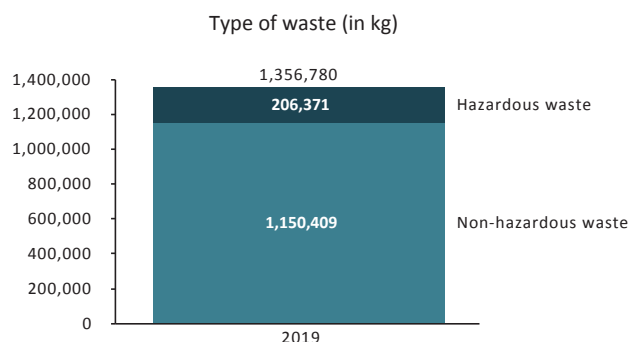
## OUR 2019 ACHIEVEMENTS

Since 2019, three Suez employees oversee daily waste management at the Zen Park, Drogenbos and Auto Center Zaventem sites. As waste was already managed by a D'Ieteren employee at Erps Kwerps and Le Mail, this means that each of the company's large sites now have one person responsible for waste management.

## KEY INDICATORS

In 2019, 77.8% of the company's waste was recycled (in line with 2018). This consisted primarily of paper/cardboard, metal, wood, tires, batteries and cars. Quantity of waste by treatment method:

- Recycling: 262,927 kg
- Waste destined for the cement industry: 24,685 kg
- Incineration with energy recovery: 295,756 kg
- Fermentation/biogas: 4,220 kg

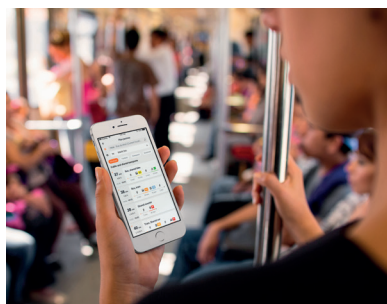


## > Innovation

### WHY IS IT MATERIAL?

The car of the future is being shaped by technological advances, such as electrification, developments in connectivity and automation, and the introduction of smart, multi-use features.

Societal and economic changes are also transforming the concept of mobility, amid tighter restrictions on cars such as Low Emission Zones (LEZ), new forms of taxation and the shift towards a sharing economy. D'leteren Auto wants to use innovation to be at the forefront of tomorrow's mobility markets and thereby ensure the longevity of its business.



**Case study:** multimodality in action  
Launched by Lab Box in September 2018 under the name of Pikaway, then renamed in 2019, Skipr is an app that combines public transport and shared solutions. It helps professional users – companies and employees – to manage their mobility budgets more efficiently.

### KEY INDICATOR

D'leteren Auto investment in the Lab Box subsidiary  
2017: +/- EUR 2.3 million  
2018: +/- EUR 6.5 million  
2019: +/- EUR 9.5 million

### UN sustainable development agenda



D'leteren Auto contributes to sustainable cities by looking for solutions for sustainable mobility services.

### MANAGEMENT APPROACH

D'leteren Auto's business model is to offer more fluid, accessible and sustainable mobility solutions to improve the day-to-day lives of citizens. To support this new approach and integrate it within the business model, D'leteren Auto launched in 2018 the Magellan project, which structured the innovation strategy around two arms: EDI (Electric D'leteren Solutions) and Lab Box. Through these two bodies, D'leteren Auto continues to explore, analyse and develop a range of flexible and innovative mobility services.

### OUR 2019 ACHIEVEMENTS

Lab Box made significant progress across a range of initiatives. Poppy, the interactive sharing platform, continued to grow, acquiring the major Brussels mobility player Zipcar, and by transitioning from a platform that shares only cars to one that shares cars and e-scooters (both step-scooters and bikes).

Lab Box also acquired a professional driver platform called CARASAP, now renamed Husk, to develop an on-demand transport offer. It also launched no less than five new initiatives:

- Lizy, the 100% digital used vehicle leasing platform designed for SMEs;
- MyMove, an application that makes it easier for employees to locate, select and open fleet vehicles and manage their mobility budgets;
- Ush, Belgium's first dedicated self-driving vehicle operator, offers vehicle leasing and support for shuttle services run by local authorities, companies and organisations;
- Skipr, an app that enables users to plan, reserve and pay for their journeys to a predefined destination using different modes of transport.
- Mbrella, a B2B supplier offering automated administration of flexible corporate mobility policies.

### THE WAY FORWARD

Lab Box will concentrate on its existing initiatives. Poppy is targeting breakeven by the end of 2021 thanks notably to tight cost controls. It will accelerate efforts in B2B sales, notably in the context of corporate mobility spending, where it has one of the best offers in Belgium. It will also pursue international growth at Skipr.

## > Sustainable Procurement

### WHY IS IT MATERIAL?

As a vehicle importer and distributor, D'Ieteren Auto's main purchase item is cars, making it highly dependent on its partnership with the production plants of the Volkswagen Group. Any problem with direct suppliers can impact D'Ieteren Auto's own reputation. In addition to the Volkswagen Group, D'Ieteren Auto has other (indirect) suppliers, which it needs to ensure are run as responsible businesses.

### KEY INDICATOR

To date, more than 50% of suppliers have signed the public procurement charter (up from more than 20% in 2018).

#### UN sustainable development agenda



D'Ieteren Auto takes into account social, ethical and environmental criteria when selecting products and services.

### MANAGEMENT APPROACH

For the car import and distribution activity, D'Ieteren Auto has a solid partnership with the Volkswagen group. The most recent distribution contracts signed between the group's plants and approved D'Ieteren Auto dealers at end-2018 contain a specific clause that requires all members of the distribution network to comply with national and international norms and values – in particular those that concern sustainable development, worker protection and the environment. These norms and values form the basis of the Volkswagen group's economic development and the contract provides the German car maker with an assurance that all partners comply with them.

For indirect operational spending, D'Ieteren Auto has partnered with Spot Buy, a procurement platform that manages all orders, thereby enabling the company to reduce the number of suppliers, ensure traceability and thus have more control over its SME suppliers. D'Ieteren Auto gives priority to using local suppliers and has adopted a two-pronged policy towards them:

1. Suppliers must sign the procurement charter. In doing so, they commit to the Ten Principles of the UN Global Compact.
2. When selecting indirect operational products and services, on top of the usual quality/price criteria, social, environmental and ethical criteria are also considered.

When renewing contracts, D'Ieteren Auto ensures that its suppliers are constantly seeking to reduce their environmental footprint. For example:

- Proactive waste management
- Optimisation of vehicle parc and of goods transportation
- Reasonable use of business-related travel
- Proactive management of digital communication

### OUR 2019 ACHIEVEMENTS

The renewal of contracts with marketing agencies and the rationalisation efforts have enabled D'Ieteren Auto to reduce the number of suppliers and to define a set of KPIs that reflect societal recommendations.

### THE WAY FORWARD

D'Ieteren Auto aims for 100% of its indirect suppliers to have signed the public procurement charter.

## > Customer Satisfaction

### WHY IS IT MATERIAL?

Customer satisfaction is highly important for D'Ieteren Auto, which aims to remain the provider of choice for all its clients. Any failure to achieve this objective can harm the image of the company and the brand in Belgium and lead to a loss of market share.

### KEY INDICATOR

A new tool for measuring customer satisfaction will be developed in 2020.

### UN sustainable development agenda



D'Ieteren Auto focuses on client welfare and satisfaction through tailored business solutions, thereby achieving high productivity.

### MANAGEMENT APPROACH

The Magellan project, launched as part of the Vision 2025 plan, aims to adapt D'Ieteren's strategy and structure to meet the evolving mobility needs of clients. The customer care team is available to answer questions clients may have concerning D'Ieteren Auto's products and services.

### OUR 2019 ACHIEVEMENTS

2019 marked the end of the Market Area strategy. D'Ieteren Auto now benefits from a stronger, more autonomous network that will make the company more responsive to client needs. 2019 also saw the implementation of the ambitious Leading the race plan. From 2023, this will lead to the opening of four large, ultra-modern D'Ieteren Car Centers in the Brussels region.

### THE WAY FORWARD

At the start of 2020, a new approach was launched, as part of the Magellan project, to provide clients with a 'Best-in-class' experience. The strategy combines a range of projects designed to favour more transparent communication with clients during the buying process or at the after-sales phase, as well as other initiatives such as the offer of digital showrooms.

# > Employee Development and Well-Being

## WHY IS IT MATERIAL?

In an evolving sector, staff need to be ready to tackle new and future challenges. Preparing for these challenges begins with encouraging a learning mindset among staff and then providing them with the facilities with which to exploit it. D'Ieteren Auto wants to help employees develop their skills and ensure they have job satisfaction. The efficiency of the business ultimately relies on the employees and their commitment to improving both their personal and collective performances.



## KEY INDICATOR

Hours and days of training:

- 2017: 39,605 hours  
or 3 days/employee
- 2018: 41,916 hours  
or 3.15 days/employee
- 2019: 42,700 hours  
or 3.20 days/employee

## THE WAY FORWARD

New campaigns will promote the training offered by MySkillCamp to help employees to pursue their personal and professional growth. In terms of well-being, new training programmes will include workshops on sleep quality and an introduction to mindfulness. A workshop on load carrying is also under consideration.

## MANAGEMENT APPROACH

### > Training and personal development

On arriving at the company, new employees are invited to take part in a morning welcome and integration session that offers a fun look at the history and strategy of the company. They are also given practical information about life in the company, their rights and duties and the possibilities for career development. They also receive specific training on logistics that includes a tour of company buildings and an information session about safety rules.

D'Ieteren Auto encourages the personal and professional development of its employees through appraisals and coaching sessions. Jobs in the car sector rely on very specific technical skills, so the company encourages participation in dedicated training sessions and workshops.

A training programme designed specifically for managers provides an opportunity to revisit the in-house values and to apply them company-wide. In place since 2018, this internal collaboration is helping to build a company culture that is at once innovative and inspiring. D'Ieteren Auto hopes that the process will assist the company's transformation and make it better equipped to meet sector challenges and its own objectives for 2025.

### > Careers and succession

The company respects the principles of good governance in terms of equity, transparency and dialogue. In particular, the CaReer Model was set up to improve transparency in terms of employee expectations, skills and results, while offering opportunities for career development within the company. A succession plan is also in place to guarantee a reserve of potential replacements for key positions within the company.

### > Burnout prevention

In terms of stress and burnout management, employees can receive external counselling or follow learning programmes (burnout prevention, time management, breathing and relaxation techniques, etc). Individual coaching is provided to help employees coping with psycho-social issues. Close monitoring of long-term illnesses has also been implemented. D'Ieteren Auto uses a case-by-case approach to facilitate the reintegration of personnel who have been absent through sickness or injury.

## OUR 2019 ACHIEVEMENTS

MySkillCamp is a learning platform that puts employees in the driving seat of their own personal development, encouraging them to train continuously and autonomously. It offers e-learning sessions (including on LinkedIn), webinars and access to a library containing 10,000 e-books and audio-books.

On the issue of well-being, in addition to workshops on digital detoxing, healthy eating and cardiopulmonary resuscitation techniques (CPR), including how to use an external defibrillator, D'Ieteren Auto has been offering since 2018 a free medical check-up every three years to employees aged 50 and above. In 2019, 75 employees took advantage of the offer.

### UN sustainable development agenda



D'Ieteren Auto is committed to the personal and professional development of its employees and the creation of a decent working environment.

## > Employee Safety

### WHY IS IT MATERIAL?

D'Ieteren Auto operates in the field of car & spare parts distribution and car maintenance and repair. The majority of the work entails the use of potentially dangerous tools, machinery and chemical products and the lifting of heavy loads. Guaranteeing that employees are protected from all hazards in their daily work is a priority. In addition, by promoting safe working practices, D'Ieteren Auto can reduce costs arising from staff injuries and absenteeism.

### KEY INDICATORS

Number of workplace accidents

- 2016: 50

- 2017: 43

- 2018: 29

- 2019: 41

Number of lost working days

- 2016: 2,085

- 2017: 776

- 2018: 742

- 2019: 1,103

Hours of training on safety

- 2016: 667

- 2017: 530

- 2018: 1,724

- 2019: 3,979

### MANAGEMENT APPROACH

Whether it be company employees or outside contractors working on D'Ieteren installations, there is a zero-tolerance policy towards non-respect for safety standards. The prevention department conducts risk assessments, proposes preventive measures and organises workshops on fire prevention and safety.

### OUR 2019 ACHIEVEMENTS

The initiatives launched in 2019 include risk assessments of electrical installations, training open to all staff members in the use of automated external defibrillators as well as annual training courses in first aid and fire prevention and control. In 2019, maintenance workshops also trained personnel in the risks related to high-voltage batteries.

### THE WAY FORWARD

While recognising that eliminating all risk is an unattainable goal, D'Ieteren Auto aims to get as close possible to zero incidents. The objective is to stay below the overall frequency and average seriousness of accidents in the automobile sector. It also wants to get absenteeism as low as possible and certainly to keep it below the level seen in Belgium's private sector (7% in 2018 in Belgium, according to a survey by Securex).

After a high number of workplace accidents in 2019, D'Ieteren's Health & Safety team plans to analyse the causes and examine the trends in order to take the appropriate measures.

### UN sustainable development agenda



D'Ieteren Auto is committed to the safety of its employees and the creation of a decent working environment.

# > Community Engagement

## WHY IS IT MATERIAL?

D'Ieteren Auto's community engagement programme finances projects that have some connection to its activities with a view to maximising the company's impact and creating value added.

## KEY INDICATORS

In 2019, the Give & Gain programme financed more than a dozen projects for a total amount exceeding EUR 55,000.

## THE WAY FORWARD

The Give & Gain mobility challenge will hold events throughout 2020 with the aim of encouraging more employees to adopt and support non-profit organisations engaged in projects related to socially-responsible mobility.

## MANAGEMENT APPROACH

The main focus of the philanthropic Give & Gain policy is socially-responsible mobility. The company aims to involve its workforce in the charitable projects that it finances.

## OUR 2019 ACHIEVEMENTS

In 2019, more than 300 employees walked, ran or pedalled in support of charitable projects linked to socially-responsible mobility. A dedicated app converted the kilometres into euros that went towards supporting more than 12 projects such as the purchase of bicycles and sport wheelchairs, improving access to buildings, the adapting of vehicles for transporting the disabled, the purchase of an electric cargo tricycle and support for disabled artists contributing to an exhibition on the theme of mobility.

In parallel, D'Ieteren Auto's annual call for projects has enabled it to help socially-isolated elderly people, to help young disabled people to take part in sport, raise awareness about sustainable mobility among young people, and support the delivery of food parcels to people in difficulty.

## UN sustainable development agenda



As a sponsor of long-term programmes closely linked to socially-responsible mobility, D'Ieteren Auto contributes to more accessible transportation systems with special attention to those in vulnerable situations.

## ETHICAL PRINCIPLES

D'leteren Auto has issued a Code of Ethics called "The Way We Work", a copy of which is handed to all new employees and is easily accessible in digital form on the company's Intranet site. The company's values, best expressed as Honourable, Curious boldness, Enthusiasm, Supportiveness, Perseverance, form the foundation for D'leteren Auto's decision-making and day-to-day actions.

## > Respect for Human Rights

### WHY IS IT MATERIAL?

Failure to respect human rights or any form of unethical discrimination can have serious repercussions for the reputation of the company and may lead to legal proceedings and lower workplace morale.

### KEY INDICATOR

The Code of Ethics was revised in 2018 and published on the company intranet. An updated version is planned for 2020.  
In 2019, D'leteren Auto's HR partner Attentia received five requests for informal psychosocial assistance.

### MANAGEMENT APPROACH AND RESULT OF THE POLICY

D'leteren Auto operates within a strict social and legal framework that covers areas such as working conditions, health and safety standards and regulations concerning collective negotiations. The company is also committed to promoting a work environment that favours mutual respect. There is zero tolerance for harassment, intimidation, oppression, exploitation, discrimination, racism, sexism and homophobia. A reporting procedure will be implemented in 2020 for people who have witnessed or been victims of inappropriate behaviour that goes against the company's ethical principles. D'leteren Auto is also invested in the safety, personal development and job satisfaction of its employees (see previous sections).

Looking beyond its own business activities, D'leteren Auto requires its suppliers to adhere to the public procurement charter, which applies the ten principles of the United Nations Global Compact (see previous section on sustainable procurement).

#### UN sustainable development agenda



D'leteren Auto makes sure that individual rights are respected throughout the organisation.

## > Zero Tolerance for Fraud and Corruption

### WHY IS IT MATERIAL?

Corruption, attempted corruption, fraud and money-laundering breach ethical principles and constitute a risk to employees and the company insofar as they can lead to legal proceedings and cause reputational damage.

### KEY INDICATOR

No incidents related to fraud or corruption were reported in 2019.

### MANAGEMENT APPROACH AND RESULT OF THE POLICY

The company's Code of Ethics – The Way We Work – clearly states that all employees must respect laws regarding fraud and corruption. Corruption, attempted corruption, fraud and money-laundering are not tolerated within the company. Any gifts and invitations that employees may receive from clients, suppliers or any other partners, or that employees may offer to clients, must comply with commercial practices and anti-bribery legislation.

In 2019, the VW group also set up a training programme for its business partners dealing with how the fight against corruption fits into the group's code of conduct. D'leteren Auto staff and employees in the company's distribution network will follow the course in 2020.

#### UN sustainable development agenda



D'leteren Auto plays its part in collective efforts to prevent corruption and bribery in all their forms.

## > Inclusion and Diversity

### WHY IS IT MATERIAL?

D'Ieteren Auto is aware that it is responsible for providing its employees with an equitable workplace where all staff benefit from the same opportunities, regardless of their sex, age, culture or physical capacities.

### KEY INDICATOR

Trend in number of women in management positions:

- 2016: 20.63%
- 2017: 23.12%
- 2018: 23.18%
- 2019: 24.39%

### MANAGEMENT APPROACH AND RESULT OF THE POLICY

As stated clearly in its Code of Ethics, D'Ieteren Auto guarantees equal opportunity in the workplace. Decisions on recruitment, promotion or internal rotation are based solely on an individual's expertise and performance.

#### UN sustainable development agenda



D'Ieteren Auto contributes to SDG 16, which aims, among other targets, to promote and enforce non-discriminatory laws and policies for sustainable development.

## 3. Belron

### 3.1. DESCRIPTION OF THE BUSINESS

Belron® is the worldwide leader in vehicle glass repair and replacement (VGRR) operating through wholly owned businesses and a network of franchises in 39 countries, across six continents. Belron owns more than ten well-known brands in the industry including Carglass® across Europe, Autoglass® in the UK and Safelite® Autoglass in the USA and employs just under 30,000 people over half of whom are highly skilled technicians. Building on its existing capability and expertise, Belron has taken an industry-leading position in ADAS (Advanced Driver Assistance Systems) recalibration.

In 2019 the Belron group had 29,121 people, 2,739 service centres and 9,888 mobile units.

Belron exists to “make a difference with real care”, impacting its four stakeholders: its customers, its people, society and its shareholders. This is a clear purpose that is shared by every business and employee wherever they operate.

### 3.2. THE GENERAL APPROACH TO SUSTAINABILITY

Belron is a signatory to the United Nations Global Compact (UNGC) and its Ten Principles of responsible business. This commits Belron, along with over 10,000 other businesses, to do business responsibly by aligning strategies and operations with ten principles on human rights, labour, environment and anti corruption, and by taking strategic action to advance broader societal goals.

The ten principles are set out in a code of business ethics blueprint, developed by Belron, from which each of its corporate business units develop their own localised code. This approach enables each business to customise and personalise its code of business ethics to include local policies and legislation to resonate with its people, whilst maintaining the core Belron ethical culture. The General Manager in each business is responsible for ensuring that all their people are made aware of the localised ethical framework and how it applies to their role including specific responsibilities, objectives and actions.

### 3.3. ASSESSING PROGRESS TOWARDS SUSTAINABILITY AMBITIONS

The aim of Belron is to be considered World Class by each of its stakeholders. To measure progress for its corporate responsibility activities, Belron is using an externally assessed sustainability tool provided by Ecovadis. The topics in the assessment are based upon international standards including: UNGC Principles, ISO26000 Framework, the Global Reporting Initiative Standards and the International Labour Organisation conventions. The Belron businesses are assessed on their policies in place, the actions to implement the policies and the results of those actions in four key areas: environment; labour practices & human rights; ethics; and sustainable procurement.

Once the analysis is completed by Ecovadis, each business receives a full scorecard and a rating score between 1 and 100. A score of 37 to 45 results in a Bronze rating, 46-61 Silver and 62+ Gold. The scorecard provides guidance on areas to prioritise in order to make improvements. Each business unit is then responsible for deciding the action plan for improvement, with support from Belron International.

This process also enables Belron and its businesses to benchmark against over 60,000 other organisations from over 150 countries who have been assessed by Ecovadis. World Class is interpreted as being in the top 2% of all businesses assessed, which equates to a score of 70 or above.

18 of the Belron business' were reassessed in 2019 resulting in a total of 12 being rated Gold and 9 rated Silver. Overall the Belron group has again made good progress towards its target of having each of its corporate businesses Gold rated by the end of 2020.

In terms of overall performance, the average score for the Belron Group has increased from 60.4 in 2018 to 62.9 at the end of 2019, achieving its target of a group average of 62.

During 2019 it was decided to weight the Ecovadis scores by the average number of employees in each country to more clearly show the effect that some of the larger countries have on the overall score for the Group. Recalculating the score in this way changes the overall score at the end of 2018 to 57.0 and at the end of 2019 to 59.3. To achieve the target of all the corporate businesses being gold rated (with a score above 62) by the end of 2020, Belron will look to support the improvement actions of the individual businesses, particularly those who are currently Silver rated. A key focus of this is the significant action being taken to improve the way suppliers are chosen and managed to include ethical, sustainable and environmental criteria, and an added focus across the Group on non-financial results and KPIs.

In Q4 2019/Q1 2020 Belron was part of the materiality analysis carried out by D'Ieteren Group to identify the main impacts Belron has on its wider ecosystem, through a series of interviews and surveys with internal and external stakeholders. The outcome will support the overall sustainability strategy going forward including identifying key non-financial performance indicators, setting targets, and establishing a management review process to track progress and actions for improvement.

The annual CSR Ambassadors Workshop was held in November 2019 with 17 of the Belron businesses represented. They were joined by representatives from Belron Group Support. The main messages included; how to share best practice, priority action around extending the sustainability focus to include the supply chain, and setting clear targets both from the Centre and locally, along with action plans to improve performance.

At the workshop, the businesses in Italy, Germany, the US, France and Portugal were all recognised by Gary Lubner, for their activities and successes in corporate responsibility and sustainability.



01



02



03



04



05

- 01 Giovanna Forzieri, Carglass Italy, receiving the award for best Ethics Initiative from Gary Lubner  
 02 Jens Krees, Carglass Germany, receiving the award for joint best Giving Back Initiative from Gary Lubner (ex-aequo)  
 03 Karen Hamilton, Safelite, receiving the award for joint best Giving Back Initiative from Gary Lubner (ex-aequo)  
 04 Stephane Contini and Delphine Moracchini, Carglass France, receiving the award for best Environmental Initiative from Gary Lubner  
 05 Ana Torres and Pedro Soares, Carglass Portugal, receiving the award for Best Societal Impact Budget from Gary Lubner

## > Climate Impact / CO<sub>2</sub> Emissions

### WHY IS IT MATERIAL?

Being an international company with national businesses in six continents across the world, involving branches, warehouses and fleets, Belron has a direct and indirect impact on climate change.

Non-renewable energy sources, which contribute to climate change and air pollution, represent a risk for Belron due to volatility in pricing of fossil fuels plus the ever increasing burden of carbon and air pollution taxes. Stakeholders are also becoming increasingly concerned about climate change and expect demonstrable action from large companies such as Belron towards the UN climate change target.

It can also represent an opportunity as, in almost all its markets, Belron leads the market in offering a Repair First strategy, which on average reduces the carbon impact by 75% over replacement. Reducing energy consumption will also reduce costs of doing business.

#### Case:

In 2019 many Belron businesses made big changes to their operating models, with most opening additional low energy consumption branches to bring their service closer to the customer and which reduced mobile activity. In addition stock and delivery frequency was optimised in many countries (with more to come in 2020) which has reduced the number of delivery journeys. Coupled with an increasingly effective use of vehicle tracking, allowing optimised routing and improved driver behaviour, this means a significant reduction in Scope 1, fuel related carbon emissions.

#### UN Sustainable Development Goals (SDG)



Belron committed to the principles 7, 8 and 9 of UN Global Compact

Belron works hard to understand, measure and manage its impact on climate change, both locally and globally. In particular, it seeks to limit its emissions through its repair first strategy.

### MANAGEMENT APPROACH

Belron works hard to understand, measure and manage its environmental impacts. It monitors carbon emissions directly in its control, such as those related to the energy consumption of its branches and its fleet, as well as Scope 3 emissions related to travel and subcontracted logistics. Belron has developed and shared a carbon footprint reporting tool across all the corporate business units and supports them in measuring, managing and reducing their carbon footprint.

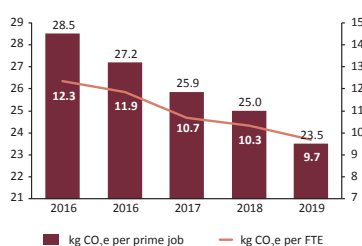
### WHAT WAS ACHIEVED IN 2019

Belron has now included the full Scope 3 impact of its activities in the carbon reporting from each business and this enables Belron to see the total opportunity for reducing carbon emissions with all stakeholders. It also allows the calculation of product related carbon footprint for each business so they can compare the carbon impact of decisions affecting mobile vs branch activity, and repair vs replacement work. In order to ensure that the calculation is in accordance with the international standard for calculating carbon emissions and product carbon footprint, Bureau Veritas was engaged and the model certified to ISO14067. This confirmation of the robustness of the reporting will allow each business unit to verify their product carbon footprint to an internationally recognised standard, to have confidence in setting future reduction targets and to use for external communication.

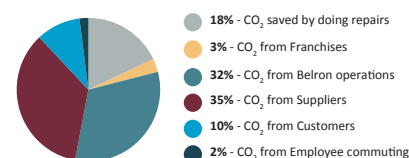
Belron continues to offset the carbon emissions of its international events such as the Spirit of Belron Challenge held in the UK. Carglass France and Carglass Germany also use carbon offsetting and, in total, 7,019 tonnes of CO<sub>2</sub> emissions were offset across Belron in 2019.

### KEY INDICATORS:

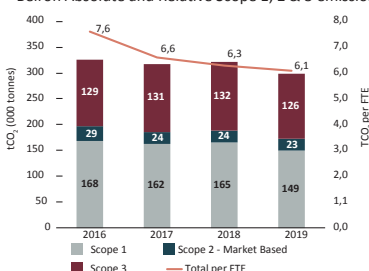
Belron's Carbon Emission Reduction Programme



Full Carbon Impact in 2019 of Belron's Activities



Belron Absolute and Relative Scope 1, 2 & 3 emissions



The Belron total carbon emissions fell in 2019. This has helped reduce the company's own carbon emission intensity from 28.5kg CO<sub>2</sub> per prime job in 2015 to 23.5kg CO<sub>2</sub> in 2019 representing a 6.0% fall in 2019 and a total reduction over 5 years of 17.6%.

The Belron Repair First Strategy again saved over 140,000 tonnes of CO<sub>2</sub> which represents 17% of total emissions.

Overall, the Ecovadis assessment on the environmental aspect improved from 61.7 in 2018 to 66.2 at the end of 2019, showing significant improvement particularly around the quality of reporting and management review of performance.

### WAY FORWARD:

Now that Belron has measured the full impact of its activities in Scopes 1, 2 and 3 it will evaluate the opportunity to formulate a group-wide carbon reduction programme.

# > Waste Management

## WHY IS IT MATERIAL?

The biggest waste product by weight is the glass taken from the customers' vehicles. It is a potentially dangerous product if not disposed of responsibly and, while it cannot be reused, there is an opportunity to recycle the glass into other products. Recycling the glass efficiently helps Belron significantly reduce cost associated with waste as well as minimising its environmental impact.

Ensuring that hazardous waste is safely disposed off and minimising the amount of general waste to landfill are two other areas of particular concern for Belron.

### Case:

The second windscreen recycling plant on the West coast of the US was brought into production by Safelite in conjunction with its recycling partner, Shark. This increased the potential recycling in Safelite from 70% to 90% with only a few locations not covered. A trial of the use of Supplainers (glass delivery boxes which are common place in Europe) to deliver and collect glass from the branches took place in 2019 which significantly improved the efficiency of glass handling and, when fully implemented, would enable all branches to recycle glass more efficiently.

## UN Sustainable Development Goals (SDG)



Belron aims to achieve environmentally sound management of glass and other materials throughout their life cycle, in accordance with agreed international frameworks, in order to minimize their adverse impacts on human health and the environment. In addition, Belron works at substantially reducing waste generation through prevention, reduction, recycling and reuse.

### UN Global Compact:

Belron is committed to the principles 7, 8, 9 of UN Global Compact

## MANAGEMENT APPROACH

The 'Repair First' strategy plays a role in the company's continuous effort to reduce waste by avoiding the need to replace the glass.

However, when repair is not possible, Belron aims to recycle the glass waste and considers innovative approaches and supplier partnerships to achieve this. Where recycling in its operating countries is not in place or is inadequate, Belron has evaluated alternative options such as reverse logistics and partnering with local recycling companies to increase the percentage of products recycled. With other waste streams Belron aims firstly to minimise use by setting technical standards for the amount of product needed during each job and secondly, define clearly what to do with specific waste streams to maximise recycling.

## WHAT WAS ACHIEVED IN 2019

Recycling glass (the main waste stream) improved from 62% in 2018 to 68% in 2019 with a corresponding drop in glass being landfilled.

The amount of waste saved by the Belron Repair First policy increased from 19% in 2018 to 22% in 2019.

### Case: Repair Days at Carglass France

Being the most 'famous repairer in France', Carglass felt that they are in a good place to promote the value of repair through its annual Repair Days.

Working with local community organisations Carglass promoted all the good practices of repair that aim to extend an item's life span and therefore reduce waste.



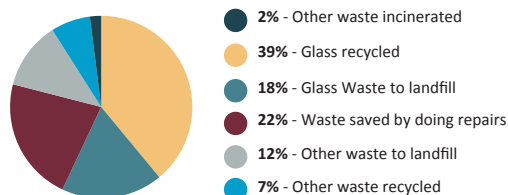
The Repair Days is a yearly roadshow where Carglass people showcase their activity through demonstrations and workshops. The workshops were a great success, receiving 100% positive feedback on social media.

## KEY INDICATOR

The Ecovadis assessment on the Environmental aspect includes both waste management and carbon emissions and as previously stated has improved from 61.7 in 2018 to 66.2 at the end of 2019



Belron Waste Management 2019



## WAY FORWARD

Belron will continue to improve its recycling rates and will work with its recycling partners and business units to extend the ability to recycle all glass, particularly toughened glass. There will also be a review across all business units to see how best to support countries with recycling activities, especially those covering large geographic areas and limited windscreen recycling facilities.

## > Innovation

### WHY IS IT MATERIAL?

Innovation is an important area for Belron and it invests a lot of resources in ensuring that it is at the forefront of glass and vehicle technology in order to be well prepared for changes in the VGRR market. In addition, it focuses on developing new tools and techniques to support the business, helps to ensure that it is operating efficiently and safely both for its customers and its people.

### WHAT WAS ACHIEVED IN 2019

In 2019 Belron Technical significantly increased its focus on ADAS recalibration with an updated training and awareness programme rolled out to all branch employees. Testing has been completed on new technology to make ADAS recalibration software available as soon as new vehicles appear on the market.

### UN Sustainable Development Goals (SDG)



Belron aims to achieve higher levels of economic productivity through diversification, technological upgrading and innovation

### Case



*The new Glass Medic repair curing light.*

A new repair curing system was launched and replaces the original ultraviolet neon light with LED technology. This allows better tuning of the light frequency to cure the Belron repair resin faster and more effectively. It will also reduce power consumption with a set timer and use rechargeable batteries, making the unit less cumbersome and self-contained. A great example in innovation not only supporting the improvement of customer quality, but also an easier tool to use for the technician, and a benefit to the environment.

### MANAGEMENT APPROACH

Maintaining the market leading Glass Medic repair system and HPX resin technology has been important to maximise repair potential, to offer customers high quality, to lower the costs associated with replacing damaged vehicle glass and to reduce the environmental impact by repairing instead of replacing.

Belron has its own dedicated research and development division, Belron Technical. This is a team of innovators and thinkers – all focused on driving technical standards and developing innovations that break new ground in vehicle glass repair and replacement, as well as ADAS recalibration.

Belron also invests in other central functional areas such as purchasing, distribution, operations support, customer insight, marketing, digital and people development.

All of this helps Belron maintain its market leadership position and to offer cutting edge services to its customers.

### KEY INDICATOR:

The Belron Technical R&D budget for 2019 GBP 1.8m.

### WAY FORWARD

With the increasing adoption of ADAS technology by vehicle manufacturers Belron will focus on improving its service delivery and rolling out the ability to calibrate all vehicles as soon as they appear on the market.

## > Sustainable Procurement

### WHY IS IT MATERIAL?

Almost 40% of Belron turnover is spent on buying products and services. The majority by value is glass but there are many other products, such as glue, repair resin, trims and mouldings, tools and uniforms. First and foremost, Belron needs to be sure that the suppliers' business ethics reflect its own, as they become part of the value chain delivered to the customer. This requires more diligence and clear evidence that companies like Belron validate how the supplier manages its business and how it sources its products.

In addition, poor financially run or operationally managed suppliers pose a risk to the continuity of the supply chain. From a brand perspective, if suppliers are using unethical practices or sub-suppliers this can reflect negatively on the reputation of Belron.

### WAY FORWARD

The Belron objective is to have all suppliers (incl. local business unit suppliers) assessed and managed according to their risk profile. Belron International Group Purchasing has also adopted a lead accountability for the procurement of indirect materials as well as direct. This will lead to more consistency in the assessment of sustainable procurement approaches, especially with larger regional or global suppliers.

Belron will also expand the scope of its on-site audits, working in partnership with suppliers for continuous improvement.

### UN Sustainable Development Goals (SDG)



Belron seeks to procure quality products from Responsible and sustainable sources and to minimize the environmental and negative social impact of its value chain.

### Summary of the Belron Approach to Supplier Risk Management



### MANAGEMENT APPROACH:

Belron obtains products from almost 100 global supplier locations on a group wide basis, and manages them through a Supplier Management Programme. This programme ensures that all suppliers of Belron are ethically compliant, financially stable, manage their risks, and comply with all legal requirements. This is done through a combination of on-site audits, external assessments, and internal management. This is to ensure that suppliers are fit for purpose and meet high ethical standards.

Each Belron business unit has its own process of managing the risk and sustainability criteria of its local suppliers. This is evaluated through the Ecovadis assessment.

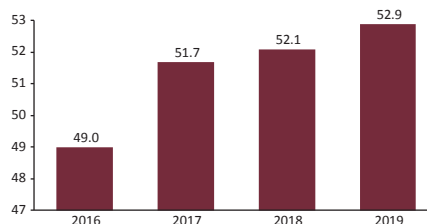
### WHAT WAS ACHIEVED IN 2019

During this reporting year, 55% of the Group suppliers (managed by the Group Purchasing Team) completed an Ecovadis assessment, meeting the minimum score requirement. The assessment process was supported with the continued programme of on-site audits.

In-country purchasing teams continued to manage their local suppliers with best practice shared across from the Centre, supporting the acceleration of sustainable practices throughout the supply chain.

### KEY INDICATOR

Ecovadis score on aspect Supply Chain



The external assessment of progress in developing a sustainable supply chain has shown incremental increases over the past 4 years from 49.0 in 2016 to 52.9 in 2019.

## > Customer Welfare

### WHY IS IT MATERIAL?

The Belron customer sits at the heart of the business and the company's purpose to, 'make a difference with real care'. To maintain its position in the market and to grow, Belron needs an experienced, highly trained technician team with the right piece of quality glass at the right time and place, for every job.

Not doing so would impact the customer experience, pose the risk of a breach of fitting standards which could in turn impact customer safety, and reputation of the Belron business.

### WAY FORWARD

The new service model continues to be rolled out across the group and the benefits to both Belron and its customers are expected to continue to be delivered in 2020.

### UN Sustainable Development Goals (SDG)



By the quality of its service, Belron contributes to reducing the number of global deaths and injuries from road traffic accidents



Belron contributes to achieving higher levels of economic productivity through diversification, technological upgrading and innovation.

### MANAGEMENT APPROACH

The company offers an omni-channel experience to its customers; they can make contact by phone, online or by visiting a branch.

When a replacement is required, the work is performed by highly skilled technicians. The products and training are designed to deliver a service which is equivalent to the Original Equipment Manufacturer (OEM) standards. When applicable, the technicians will also carry out the recalibration of the car's Advanced Driver Assistance Systems (ADAS), which is paramount to ensure the safety of its customers on the roads. Furthermore, the Belron strategy to repair first, saves its customers both time and money.

Belron works in partnership with the insurance companies so that it can provide a seamless service for the motorist by making the vehicle insurance claim on the motorists' behalf.

It constantly reviews operational quality and monitors how its customers feel about the service they receive, using this to drive even better service. The company commits to respond positively and promptly to customer claims, enquiries and complaints made in good faith.

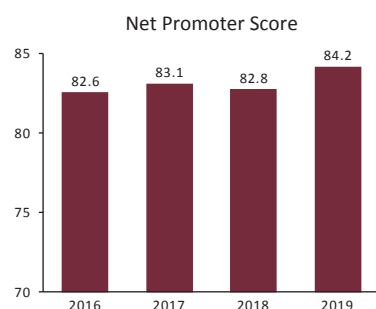
To regularly measure customer satisfaction across each of its business Belron asks customers to rate on a scale of one to ten, "How likely are you to recommend us to a colleague or friend?" (Net Promoter Score). This is measured on a weekly basis in every business unit and the results reviewed to see how Belron can maintain and improve its service to its customers.

### WHAT WAS ACHIEVED IN 2019

Customer centred research and analysis continued to drive the business' understanding of how best to serve its customers. A new service delivery model was launched in 2019. This has helped to balance the mobile service with branch-based service depending on the distance to the customer, and the speed of delivery depending on the customers' needs, while still maintaining world class levels of customer satisfaction.

### KEY INDICATOR

Belron consistently achieves a global NPS score of +80.



# > Employee Well-Being and Development

## WHY IS IT MATERIAL?

Belron employees are at the very core of the business' quality of service. Therefore, their well-being and engagement are paramount. Furthermore, fostering employees' well-being is increasingly relevant in attracting and retaining talent to the business.

### Case:

Belron once again celebrated some exceptional people across its business. The Belron Exceptional People Awards (BEPA) recognises, thanks and celebrates the Belron people who are making a big difference to customers and colleagues.

Those people in the business who make a big impact; are highly regarded by colleagues or customers; and perform exceptionally time and time again, are nominated and all nominees are considered by a panel including Gary Lubner.

Winners receive a personalised thank you by a Belron director and are given a bespoke gift or experience that truly means something to them.

In 2019, 77 BEPA winners were recognised from 23 Belron countries.



## WAY FORWARD

Belron Technical will continue to roll out the IMI qualification to all trainers across Belron for VGRR, for ADAS recalibration and for dealing with high voltage vehicles (required for working on electric/hybrid vehicles).

As the talent review and succession planning process continues, Belron will have a consistent view of its people and the development of successors, ensuring its People strategy enables the company to achieve sustainable business growth.

## MANAGEMENT APPROACH

Belron continues with its aspiration to provide an environment for its people which is "the best place they will ever work".

Whilst each Belron business has its own policies and procedures in place with regards to its people, the core culture is maintained across the Group. The Spirit of Belron is described in four attributes: Care, Driven, Collaborative and Genuine with the Genuine attribute encompassing the business' Guiding Principles of Integrity, Respect and Trust.

With just under 30,000 people across the business in different roles, Belron recognises the areas that contribute to an employee's overall wellbeing:

- feeling valued
- innovation is celebrated
- customer focus is exceptional
- excellent work is recognised
- a genuine commitment to training and development
- a strong 'giving back' ethos
- ethics and responsibility are fundamental

For these areas to be meaningful for Belron people, the business units have many programmes in place that include training and development, recognition programmes, flexible working, feedback and community involvement.

## KEY INDICATORS

The Belron People Measure survey continues to have a consistent response rate of over 50% which is a key focus as the business wants to hear from as many people as possible. This 'pulse' survey is sent out on a monthly basis to between 25% and 100% of employees within each business.

The average score (out of 10) across the business year on year is as follows:

- 2019: 7.5
- 2018: 7.5
- 2017: 7.8
- 2016: 7.5

In addition, the Ecovadis assessment tracks the overall progress of performance in Labour Practices and Human Rights, which has shown continuous improvement. This has reflected in the average scores for this area improving from 61.7 in 2018 to 65.2 in 2019.

## WHAT WAS ACHIEVED IN 2019

The Institute of the Motor Industry (IMI), who approves standards of training and accreditation for the automotive industry, has approved Belron International as an IMI Awarding centre for VGRR and ADAS.

This stamp of approval endorses the Belron Way of Fitting (BWof) as a Quality Assured Programme to an industry standard. Belron is the first global VGRR company to be awarded this, giving independent credibility and a competitive advantage across the automotive industry as well as recognising and benchmarking the skill and development of the technicians.

Belron seeks to create an environment where all its people can thrive and be at their best, recognising that this is integral to the company's performance. In 2019 the business launched its talent review and succession planning process that will help future proof the business from the leadership team down.

## UN Sustainable Development Goals (SDG)



More than offering a decent work environment, the Belron aspiration is for all its employees to feel that it is "the best place they will ever work". Thereby, it also fosters productive behaviors, customer orientation and strong performance. UN Global Compact: Belron is committed to principles 3, 4, 5, 6 of UN Global Compact

## > Employee Safety

### WHY IS IT MATERIAL?

A key component of the Belron culture is the care it has for its people. The company demonstrates this through its focus on health and safety training and overall employee well-being.

One of the core risks identified is injury or harm to an employee whilst they are carrying out their role. This could result in long term absenteeism legal consequences and economic loss as well as distress to the employee and their family.

### KEY INDICATOR

Each business is required to report on a monthly basis the number of reportable work-related accidents.

Safety training and accident information is also included in the Labour Practices and Human Rights section of the Ecovadis assessment. Each business collects and reports its own KPI and is responsible for defining improvement actions to minimise the number of accidents. The average score in this area has increased from 61.7 in 2018 to 65.2 in 2019.

### MANAGEMENT APPROACH

Belron believes in creating a safe working environment for its people and customers. The business commits to providing everyone with the correct training and skills to feel confident in their role including stringent safety procedures for technicians so that they can deliver the highest technical standards.

Belron developed safety standards which are embedded in the Belron Way of Fitting. This is the method, tools, training and assessments developed and implemented across the group by the technical team of Belron. This includes Quality Starts with Safety - an awareness training of the importance of following the correct process when replacing a windscreen and the consequences of not doing it right 1-2-3-Easy - a training programme on the ergonomics of how technicians can avoid injury while doing their job and the STOP programme - how technicians should look after Self, Tools, Organise the work and use the right Process.

In addition, each business is responsible for implementing the necessary measures to comply with their national requirements and many businesses have dedicated Health and Safety and/or Internal Audit personnel to audit their procedures as well as highly skilled trainers to monitor and update training as needed. This local responsibility also covers Distribution and Warehouse activities and Customer Call Centres and Head Office personnel.

### WHAT WAS ACHIEVED IN 2019

The Belron businesses continue to monitor and manage their health and safety incidents, with action plans in place for continuous improvements. To support the local process, Belron has implemented a common measure to be reported at Group level to track incidents across its operations.

### WAY FORWARD

In 2020 Belron will collect and monitor monthly KPIs for work related health and safety incidents. This will support Group level and line management governance and enable focus to be brought on sharing best practice.

Belron Technical will update all the core training programmes relating to both customer and technician safety.



### UN Sustainable Development Goals (SDG)

Through respecting standards and setting ambitious programmes aimed at increasing its employees safety, Belron contributes to promote labour rights and to ensure a safe and secure working environment for all its workers.

# > Community Engagement

## WHY IS IT MATERIAL?

Belron believes it has a responsibility to give back to the communities where it operates and in South Africa where the roots of the business lie.

'Giving Back' is a key aspect of the Belron culture, demonstrating the 'Care' attribute of the Spirit of Belron.

By involving its people, through their passion and energy, these activities have a positive impact not only on the communities where the business operates, but also on engagement.



### Case:

In October, the Belron business in the US hosted the **Safelite® Autoglass Charity Classic**. This event saw Safelite leaders, business partners and charity representatives come together at the New Albany Country Club, Ohio to raise money for the Safelite Foundation's Impact Grant Programme. The programme provides grants of up to USD 25,000 that enable a charitable organisation to make a significant impact in its community.

Since 2011, the Charity Classic has helped the Safelite Foundation generate and distribute more than USD 3 million through 140 impact grants. In 2019, the event raised a record-breaking USD 1.5 million.

The Safelite® AutoGlass Foundation was created in 2005, aimed at supporting organisations that promote the health and well-being of families through monetary and in-kind contributions, as well as volunteer hours.

## MANAGEMENT APPROACH

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

## KEY INDICATOR

Total fundraising:

### Afrika Tikkun

2019	EUR 1.7 million
2018	EUR 1.2 million
2017	€ EUR 1.2 million

### Local giving

2019	EUR 3.75 million
2018	EUR 3.45 million
2017	EUR 3.25 million

## WHAT WAS ACHIEVED IN 2019

The Belron businesses continued to partner with local charities and organisations. These long-term partnerships enable the businesses and their people to fully understand the needs of the organisation and where they can make a difference. Over 300 charities have benefited from financial or in-kind support from the Belron businesses.

Belron once again hosted a successful Spirit of Belron Challenge. The event in September saw 1,650 Belron people, their families and friends, business partners and suppliers, from 23 of the Belron businesses, swim, cycle and run for the global charity partner, Afrika Tikkun.

The event also recognised and celebrated the 25th anniversary of the charity, setting a fundraising target of ZAR 25 million (approximately EUR 1.5 million). In the true Belron 'spirit', its people and its partners came together and smashed the target.

The Belron people were also joined by four Afrika Tikkun beneficiaries - Tumelo, Njabulo, Puseletso and Fortunate who were chaperoned by Nehwoh, General Manager of the Uthando and Belron Centres. These young people personify for Belron how its support makes a difference every day to thousands of lives in South Africa.

## WAY FORWARD

Belron and its businesses will continue to look at ways that it can have a positive impact on the communities in which it operates, as well as continued support for Afrika Tikkun at Group level.

### UN Sustainable Development Goals (SDG)



Through the Belron/Afrika Tikkun partnership the charity is able to support over 17,000 beneficiaries across many programmes in its 'cradle to career' model.

## ETHICAL PRINCIPLES

## &gt; Respect for Human Right

## WHY IS IT MATERIAL?

Human rights are a fundamental pillar of ethics and the Belron Guiding Principles support this. The company has established clear standards for itself and sets expectations of similar standards from its partners.

A breach of these standards not only impacts those involved but could result in a detrimental impact Belron brands caused by adverse publicity.

## KEY INDICATOR

The businesses' approach to ensuring that the Human Rights of its people and those within its supply chain are upheld, is measured and evaluated within the Ecovadis sustainability assessment. Within two areas of the assessment - Labour Practices & Human Rights and Sustainable Procurement - each business provides information on its policies, actions and results on topics such as working conditions discrimination and social dialogue.

The overall Group average score for 2019 for Labour Practices & Human Rights was 65.2, up 3.5 points from 2018.

## UN Sustainable Development Goals (SDG)



Belron makes sure that individual rights are respected throughout the organisation within its sphere of influence.

UN Global Compact: Belron is committed to principles 1 and 2 of UN Global Compact

## MANAGEMENT APPROACH

Human rights are addressed in the Belron ethics policy and Guiding Principles as well as through the programme in place to assess suppliers. Belron people treat each other with respect and ensure that their activities do not contribute directly or indirectly to human rights abuses. The business adheres to and promotes clear ethical standards for itself, and expects similar standards from all third parties who work with Belron or on its behalf.

In the company's Guiding Principles, it commits to promote a culture of respect and equal opportunity in which individual success depends solely on personal ability and contribution. It also commits to promoting an open and fair recruitment process, hiring and promoting people on the basis of their ability for a role and their appreciation, respect and alignment with the Belron culture.

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

## WHAT WAS ACHIEVED IN 2019

The Belron businesses have been developing and launching their localised codes of conduct. Through the awareness training carried out in the businesses, the best practice communication shared emphasised the importance and responsibility of speaking up. To support this, Belron provides a centrally facilitated Speak Up line through a third-party provider. Whilst Belron encourages concerns to be raised within the local country, the Speak Up line is provided as an additional channel to raise concerns confidentially. Belron is committed to ensuring that those who raise concerns are free from retaliation or reprisals.

During 2019, 33 calls were made to the line with 22 of these being classed as 'Original Incident Reports'. All reports are investigated by the Central Legal team in conjunction with the country contact, to find an appropriate resolution to the issue raised. The Ethics Hotline in the US business (also through a third-party provider) received 43 reports during the reporting year. Eight of these reports were substantiated and appropriate action was taken.

In 2019, the Belron Group Supply Chain Management team formalised its approach to assess and monitor the sustainability activities of its Group suppliers. A key aspect of this approach is auditing of activities using the Ecovadis sustainability assessment as well as site-level audits. The on-site audits include interviews with workers on site. The workers are randomly selected from different departments and ensure a mix of gender representation. The interviews include questions on working conditions such as wages, working hours and health and safety. The output from the interviews is included in the audit report and corrective action plan. The Group Purchasing team works closely with suppliers on all areas of non-compliance or improvement opportunities in order to maintain ongoing development.

# > No tolerance for Bribery and Corruption

## WHY IS IT MATERIAL?

Belron is explicit in its Guiding Principles that it will not tolerate any forms or attempts of corruption or bribery either towards or by its people or partners regardless of local customs and business practices.

A breach of this could seriously damage the reputation of the business and result in legal consequences.

## UN Sustainable Development Goals (SDG)



Belron contributes to reducing corruption and bribery in all their forms UN Global Compact: Belron is committed to principle 10 of UN Global Compact

## MANAGEMENT APPROACH

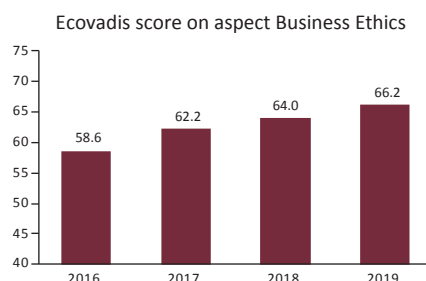
The Belron Guiding Principles are in place and upheld to ensure that offences such as bribery and corruption are not tolerated within the business. Anti-bribery and corruption is one of the compliance matters that the Group Legal team promotes throughout the business. The approach is business unit and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

Training and awareness sessions on anti-corruption law and anti-corruption policies is provided where Belron perceives any material risk, in order to help ensure that each business continues to compete fairly and in compliance with all applicable anti-bribery laws.

## KEY INDICATOR

The businesses' approach to anti-bribery and corruption is one of the topics measured within the Fair Business Practices/Ethics section of the Ecovadis sustainability assessment. All the businesses provide information about their policies, actions and results in relation to this topic as well as conflicts of interest, fraud, money laundering; and anti-competitive practices.

In 2019, the overall average score across the Group in this area once again saw an increase, up from 64.0 to 66.2.



## 4. Moleskine

### 4.1. BUSINESS DESCRIPTION

Moleskine is a global, multi-category, multi-channel brand, dedicated to supporting the users in expanding knowledge, creativity and individual expression. Its ecosystem is made of products and services, content and stories, people and partners, places and channels, which combine, enable and nurture creativity and self – expression: notebooks, diaries, journals, bags, writing instruments, reading accessories and hybrid products that migrate content from paper to digital devices and vice versa. They provide open platforms to create, communicate and share ideas.

Moleskine has its fingers on the pulse of contemporary creativity and is present across a network of websites, blogs, online groups and virtual archives, not least within the brand's own online community, myMoleskine.

Moleskine is a creative company enjoying steady growth. It has about 550 employees and a vast network of partners. With its headquarters in Milan, Italy, the Moleskine Group also includes, among others, Moleskine America, Inc. (established in 2008); Moleskine Asia Ltd (2011), which controls Moleskine Shanghai and Moleskine Singapore; Moleskine France (2013) and Moleskine Germany (2013).

The Group designs and sells its products through a multichannel distribution platform in more than 115 countries. The production itself is outsourced to partner suppliers.

### 4.2. OUR APPROACH TO SUSTAINABILITY

With a mission statement dedicated to supporting our users in expanding knowledge, creativity and individual expression, the question of sustainability has always been at the heart of Moleskine's concerns. Moleskine's most valuable creative capital is of course its own people, for whom it aims to provide a fair and enriching work environment.

In 2019, Moleskine's People Strategy focused primarily on reconnecting and engaging staff with the Company purpose. To pursue this objective, the Leadership Team identified the Corporate culture as the prime motor for embracing and manifesting the Company's purpose in everyday life. 2019 therefore has seen numerous initiatives designed to enrol the entire Group into embodying the core cultural values that are essential to "leading the Moleskine way".

The non-profit Moleskine Foundation was launched in 2017. The Foundation – which is fully aligned with the values and beliefs of the Company – fosters creativity for social change through a number of educational initiatives, with a focus on communities affected by cultural and social deprivation, such as At Work (<https://moleskinefoundation.org/initiative/atwork>), a Quality Education program carried out in several African countries.

The Company is also aware that its products use natural resources. It therefore seeks to balance economic benefit and environmental protection in its activities, developing them with respect for current environmental regulations while bearing in mind the rights of future generations. As the Company operates primarily as a distributor, most of its environmental footprint comes from the operations of its suppliers. It therefore ensures that its values are respected throughout the supply chain.

To further investigate and develop on sustainability Moleskine built an ECO-Team joining people from different departments and with different perspectives; including both at executive and employees' level. It meets periodically to set up priorities and monitor Moleskine's sustainability ambitions. Moreover, the company is engaging with its stakeholders in order to elaborate further on its materiality analysis and is currently in the process of making a Life Cycle Analysis (LCA) of one of its core products. The results of these analyses will help Moleskine in 2020 further define its priorities and sustainability ambitions.

### 4.3. MATERIAL ASPECTS:

- Environmental impact of product design
- Sourcing of materials and natural resources
- Energy efficiency and CO<sub>2</sub> emissions
- Social and ethical supply chain
- Innovation
- Employee well-being and satisfaction
- Community engagement
- Ethical principles
- Respect for human rights
- Zero tolerance for corruption and bribery
- Inclusion and Diversity

# > Environmental Impact of Product Design and Packaging

## WHY IT IS MATERIAL

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

Adapting to the growing demand of clients to reduce the environmental footprint of the products they are using also creates a great business opportunity for Moleskine. Moreover, failure to comply with environmental standards and regulations can lead to additional costs and potentially harm the Company's reputation.

## KEY INDICATOR

- 99.8% of paper products in the 2019 catalogue have a reusable paperband.

## UN Sustainable Development Goals (SDG)



Moleskine aims to contribute to reducing waste generation through prevention, reduction, recycling and reuse.

## MANAGEMENT APPROACH AND WHAT WAS ACHIEVED IN 2019

In order for Moleskine to understand the environmental impacts of its products along the entire value chain (i.e. from design to production, use and end of life), the company aims to make a life cycle analysis of one its core products. This will enable to capture the possibilities for improving the ecological footprint of its products. Moleskine takes environmental criteria into account when designing new products. In order for Moleskine to understand the environmental impacts of its products along the entire value chain (i.e. from design to production, use and end of life), the company aims to make a life cycle analysis of one its core products. This will enable to capture the possibilities for improving the ecological footprint of its products..

In Moleskine's sustainable product development process, a significant area of focus is packaging with the aim of reducing the waste:

- designing it for reusability (also in 2019 the Notebook paperbands carry B-side graphics that turn it from paper waste into an object or paper tool to be kept and used);
- looking for new solutions with low environmental impact (i.e. substituting paper bags stuffing with recyclable air bubbles, which allow significant save on weight and volume, both for storage and transportation).

## WAY FORWARD

In 2020 the Company will continue working both on packaging and alternative materials for its core products in order to reduce its environmental impact.

# > Sourcing of Materials and Natural Resources

## WHY IT IS MATERIAL

Moleskine must exercise responsibility when choosing the materials it uses in its products, since such choices will inevitably impact the world's resources. Even though Moleskine does not produce its products, it designs them and initiates their production.

The use of chemicals can also affect the health of end consumers. This can represent a risk for the brand's good reputation as well as costs associated with the non-compliance with standards and regulations.



## UN Sustainable Development Goals (SDG)



By ensuring that all its paper products come from responsibly- managed forest, Moleskine

contributes to SDG 15 which aims to promote the implementation of sustainable management of all types of forest, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.



The Company also contributes to SDG 12 as, by respecting the above-mentioned regulations,

Moleskine aims to reduce the impact of the materials it uses on the environment and human health.

## MANAGEMENT APPROACH AND WHAT WAS ACHIEVED IN 2019

Moleskine is aware of its responsibility to ensure the resources it uses are sourced with respect for the environment.

The main material used is paper (paper products represent roughly 83% of our net revenues in 2019).

Paper is a sustainable raw material when sourced responsibly. Given current deforestation concerns, Moleskine's policy is to ensure that the paper and wood used comes from sustainably-managed sources. Hence, since 2008 Moleskine is "FSC Chain-of-Custody" certified. The certification is renewed every five years and requires annual audits for validation.

One of Moleskine's priorities is to find a balance between ensuring high product quality and using sustainable materials to make those products. To this end, all its paper is acid-free and ECF (elementary chlorine free). Also, all products and materials comply to major international regulations such as REACH and Proposition 65.

## KEY INDICATORS

- Moleskine has obtained and maintained the FSC Chain-of-Custody certification since 2008. All paper products in 2019 were sourced and supplied through the FSC certified supply chain.
- All paper used in Moleskine paper products is acid-free and ECF (Elementary Chlorine-free).
- Moleskine actively ensures that its products are compliant to international regulations in force - such as REACH and Prop65 - at all times, and that they do not contain any SVHCs (Substances of Very High Concern). Regular tests are conducted on finished products and materials, by third party accredited labs.

## WAY FORWARD

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

# > Energy efficiency and CO<sub>2</sub> emissions

## WHY IT IS MATERIAL

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

## WAY FORWARD

Based on the results of our CO<sub>2</sub> emissions calculations, we will look at the opportunities for further reduction.

## UN Sustainable Development Goals (SDG)



By implementing climate change measures, Moleskine contributes to SDG 13, which involves taking action to combat climate change and its effects.

## MANAGEMENT APPROACH

Moleskine takes steps to shrink its own—direct - environmental footprint by investing in renewable energy and by promoting sustainable mobility for its employees.

In 2019 the Company has started to reflect on ways to assess Moleskine's global – indirect - environmental impact and decided to start calculating direct CO<sub>2</sub> emissions arising from energy consumption in Moleskine's offices and stores, all over the world (scope 1 and 2 emissions).

## WHAT WAS ACHIEVED IN 2019

In line with Moleskine's resolution to invest in renewable energy 60 solar panels covering a total of 97,50 square meters were installed in 2018 on the roof of the Milan headquarter.

In 2019 the electricity meter has been installed to start tracking from 2020 the green energy kWh produced by the solar panels.

Moleskine also reached several agreements with Milan's public transport operators (Azienda Trasporti Milanese and Trenord), including favourable conditions for Moleskine employees who buy season tickets.

A new Courier service started working in Milan, where Moleskine's headquarter is located: through "bike messengers" it provides a sustainable courier service that tracks CO<sub>2</sub> emissions saved for each trip.

## KEY INDICATORS

> **15,000 kWh annual estimated renewable energy production for 2019.**

> **For the first time Moleskine published its CO<sub>2</sub> emissions**

Direct CO <sub>2</sub> emissions	tCO <sub>2</sub> e	
Scope 1	183,82	32%
Scope 2 (market based)	394,02	68%
	<b>577,84</b>	

## > Social and Ethical Supply Chain

### WHY IT IS MATERIAL

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

In terms of risk, failure by suppliers to comply with these standards of ethical conduct could have a negative impact on Moleskine's reputation. Moreover the shutdown of a key supplier, by consequence of non-compliance, could also disrupt business continuity.

#### UN Sustainable Development Goals (SDG)



Moleskine's procurement policy contributes to SDG 8, which aims to protect labour rights and to promote safe and secure working environments for all workers.

### MANAGEMENT APPROACH

Moleskine has processes in place to ensure their suppliers' commitment to social well-being.

Moleskine's aim to reaffirm the Group's deep-seated commitment, to meet the highest standards of legal and ethical conduct in its commercial dealings, is clear from the General Conditions of Supply which contain a term where Moleskine asks its vendors to comply with the Company's Code of Ethics. In addition, Code of Ethics agreed compliance is reminded in the footer of any Purchase Order.

Next to this, Moleskine's General Conditions of Supply require suppliers to guarantee that every stage of their production chain complies with the SA8000 International Responsibility Standard (or equivalent, such as SMETA or BSCI). This standard applies to all working conditions and covers safety, hygiene, under-age workers and non-voluntary work (exploitation), the legitimacy of employment contracts and the environment. The Company verifies whether suppliers are certified, by asking them copy of the certifications. Moleskine asks companies that are not certified to begin the certification process and monitors their progress.

### KEY INDICATOR

In 2019, 91% of purchases (in EUR) from significant suppliers of goods come from companies that are compliant with Moleskine Corporate responsibility guidelines.

### WAY FORWARD

In 2020 Moleskine will actively work to ensure that all its significant suppliers of goods reach full compliance with Moleskine Corporate Responsibility Guidelines.

# > Innovation

## WHY IT IS MATERIAL

Moleskine caters for creative consumers who are open to new ideas and ways of increasing productivity/self-expression. Among Moleskine's target audiences are digitally-connected professionals, knowledge workers and students who are used to the convenience of digital technology but who still enjoy creating plans and developing ideas on paper first but have come to appreciate the convenience of digital technology. Increasingly Moleskine also caters to the audience delivering digital first or pure digital offerings. By remaining relevant in both the analog and digital domain, Moleskine seeks to follow the needs of the users, and delivers platforms for creation that can travel and grow with the user over time.



The Pen+ Ellipse seamlessly combines the everyday experience of writing and creating by hand with the digital world.

## MANAGEMENT APPROACH

The Company dedicates significant energy to identify areas for innovation across every product category, while also seeking ways to innovate internal processes, the business model and overall corporate culture. Driven from a solid foundation in company purpose, brand evolution trajectory, technical capabilities, the teams explore emerging consumer needs – seeking to deploy the optimal solution, at any given time, designed to empower personal creativity and productivity.

## WHAT WAS ACHIEVED IN 2019

In 2019, the Digital Development and R&D departments sought to identify solutions to bridge the analogue-digital continuum, creating a connection between digital and paper products. In addition the continued focus on digital first and pure digital solutions took form. This resulted in the launch of the Adobe Connected Paper Tablet and the Dropbox Smart Notebook. 2019 saw the full execution of the acquisition of EDO.IO a app services development company, which was identified through the Moleskine Open Innovation program in 2018. 2019 brought to market the third Digital App in the collection – Flow by Moleskine. Flow is a digital notebook that removes all the clutter and long list of choices, enabling the you to stay in your creative flow – giving you the tools to customize your experience to your own preferences. Flow was awarded the 2019 Apple Award for Design and Innovation as well as winning Apple Best App for iPad, 2019.

## KEY INDICATOR

In 2019, Moleskine took further steps for strengthen the skills of its innovation team. +20 Employees of Moleskine received a specially designed Innovation Course, delivered by the Politecnico of Milan to be awarded MIP – Masters of Innovation. In 2019 Moleskine increased its direct investment in the digital category. This was done through direct investments in projects in the innovation pipeline, as well as investment into new ventures. The ventures include the Moleskine Digital Studio JV and the EDO.IO start-up. In total this means a doubling in terms of investment over 2018 into projects that will enter the market throughout 2020 and early 2021.

## WAY FORWARD

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

## UN Sustainable Development Goals (SDG)



By constantly innovating with the launch of new original products (including its M+ collection), Moleskine contributes to SDG 8, which aims to achieve higher levels of economic productivity through diversification, technological upgrading and innovation. Part of the product roadmap remains extending the value of Moleskine objects over time, making the objects non-disposable, while still ensuring industry best standards for recycling and materials sourcing.

# > Employee Well-Being and Development

## WHY IT IS MATERIAL

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

## KEY INDICATORS

- In 2019 Moleskine dedicated more than 370 hours to staff training and development, involving more than 130 people.
- 2 Inspiring Mornings in 2019 in Milan
- 10 Culture workshops in EMEA, 3 in America

## WAY FORWARD

An internal survey, to measure the effectiveness of the Culture Workshops showed a high interest and appreciation of the initiatives. In Italy and in America several spontaneous Culture initiatives have been developed by internal staff. Roll out of the Culture project in Asia planned for 2020. Inspiring Mornings will continue also in 2020 across in all the countries.

## UN Sustainable Development Goals (SDG)



Moleskine is committed to the development of its employees and wants to contribute to creating a decent working environment.

## MANAGEMENT APPROACH

Since 2019, Moleskine took an integrated approach under the "Total Rewards System". The TRS implies that investment in people is not only related to monetary status (basic salary and variable incentive bonus), but is also related to a more general investment in the corporate well-being of staff (workplace, learning, engagement, work-life balance). In terms of learning, Moleskine provides its employees with professional learning, personal development programmes and technical training. Moleskine is also committed to using internal job rotation before hiring external candidates.

## WHAT WAS ACHIEVED IN 2019

- In 2019, Moleskine launched the People&Culture Project to engage our people on the 5 corporate Values "Pillars": excellence, learning, care, resourcefulness, passion. The roll-out has been organized through many internal workshops, which involved Italy, France, UK, Germany and America teams.
- In 2019 Moleskine launched several learning & development initiatives:
  - Part-time collaboration and co-teaching with MBA International MIP;
  - Retail Experience Training Lab for EMEA Store Managers;
  - Individual coaching for Executive roles;
  - Technical training to enhance basic skills in languages and IT systems/tools;
  - Individual training to empower employee's soft skills;
  - Training to enhance technical skills in sales approach.
- In 2019 we have launched the Inspiring Mornings, an initiative shared with the Moleskine Foundation: thanks to direct contact with authors with significant personal stories in the contemporary creative scene Moleskine personnel have had an opportunity for personal enrichment on different themes, experiences and points of view, all focused on creativity as an engine of social transformation.

# > Community Engagement



## WHY IT IS MATERIAL

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

It is part of Moleskine's DNA to sustain creativity and critical thinking in the community.

Moleskine believes that community engagement can create opportunities to engage creative people.

## MANAGEMENT APPROACH

Moleskine has a twofold approach to community engagement:

- sustaining culture and creativity (Moleskine Cultural Programming and Content): A number of activities aim to nurture the brand's close relationship with leading cultural institutions and their communities. This involves curated events, cultural partnerships and content that take place in its physical and digital spaces. Through content platforms such as FOLD Magazine, we align with the forefront of contemporary culture and inspire personal development and positive social change. We bring our audience closer to emerging and established cultural figures through intimate and inspiring conversations. We create a space of inspiration, shared learning and creative exchange by speaking to thought leaders committed to redefining community by tackling such issues as equality, identity, inclusivity, sustainability, representation in art, etc.
- promoting education and critical thinking in communities affected by cultural and social deprivation (Moleskine Foundation).

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



The Company has recently strengthened its relationship with the Moleskine Foundation in a joint mission to create co-curated cultural formats that leverage creativity as an engine for positive social change.

## WHAT WAS ACHIEVED IN 2019

Among initiatives in 2019 aimed at sustaining creativity within the creative audience, Moleskine established partnerships with London Design Festival, with TEDx Milan, and the Power Station of Art Shanghai. In its triennial 2018-2020 business plan, Moleskine has approved the yearly designation of a sizeable contribution that will cover the structural costs of the Foundation and allow it to have a sustainable, long-term vision. Henceforth, 100% of the resources received by the Foundation can go directly to creating a positive social impact.

## KEY INDICATORS

- 395,000 EUR were given to the Moleskine Foundation in 2019.
- Cultural Partnerships: London Design Festival, TEDx Milan, Asama Photo Festival, Power Station of Art Japan.
- High-profile Cultural Figures Engaged: Ding Yi (world-renowned Chinese artist), Thirza Schaap (Artist known for her role in raising awareness on plastic problems), Alexia Tala (Curator), Giorgia Lupi (world expert on data design), Farshid Moussavi (celebrated architect), Camille Walala (famous designer), Liu Xiaodong (one of the most famous contemporary Chinese artists), etc.

## WAY FORWARD

The 10 years of shared value and expertise have allowed Moleskine and the Moleskine Foundation to develop a new innovative partnership model of social engagement that brings together a non-profit organisation and a business to create a more significant social impact on a larger scale. The Moleskine Company is committed to collaborate with the Moleskine Foundation by putting its network, its people and its infrastructure at the disposal of the Foundation.

## UN Sustainable Development Goals (SDG)



Through the Moleskine Foundation, Moleskine contributes to SDG 4, which aims to increase the number of youth and adults with relevant skills, including technical and vocational skills, that will create decent employment opportunities and encourage entrepreneurship.

**ETHICAL PRINCIPLES**

## > Respect for Human Rights

**WHY IT IS MATERIAL**

Moleskine is committed to meet the highest standards of legal and ethical conduct in its employee management and commercial dealings. Non-compliance with standards and regulations can bring costs and reputational damages.

**KEY INDICATOR**

- In 2019 no Human Rights breaches were registered by the Supervisory Body.

**UN Sustainable Development Goals (SDG)**

Moleskine makes sure that individual rights are respected throughout the organisation

**MANAGEMENT APPROACH AND RESULT OF THE POLICY**

The legal and ethical standards that Moleskine adheres to are described in the Company's Code of Ethics, adopted in 2013. All of Moleskine's employees are requested to accept the Code when joining the Company, as the Standard of General conditions of Supply submitted to vendors that supply Finished products contains the acceptance of Moleskine's Code of Ethics.

The Company considers unacceptable any type of violence, harassment or undesirable conduct that violates the dignity of a person. All those who observe or are the victim of any form of harassment (sexual or linked to personal, cultural or religious diversity) are asked to report this to the relevant managers or to the Supervisory Body.

The Company aims to propagate and reinforce a safety culture by developing awareness of risks, and developing knowledge of, and compliance with, current prevention and protection legislation, promoting responsible behaviour on the part of all workers. No employee or contractor may expose others to risks and dangers that might cause harm to their health or physical safety, and each worker is responsible for and must act to ensure effective management of workplace health and safety.

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

## > Zero tolerance for Corruption and Bribery

**WHY IT IS MATERIAL**

Any forms of attempted or actual corruption and bribes can represent a reputational risk and lead to legal fines.

**KEY INDICATOR**

In 2019 no cases of corruption or bribery were registered by the Supervisory Body.

**UN Sustainable Development Goals (SDG)**

Moleskine contributes to global efforts to counter corruption and bribery in the corporate sector

**MANAGEMENT APPROACH AND RESULT OF THE POLICY**

In 2013, Moleskine implemented the Italian Legislative Decree 231/2001 by adopting the Organizational and Control Model aimed at preventing bribery and the corruption of public authorities and private entities.

It also complies with the Italian Entrepreneurial Association Guidelines (Confindustria Guidelines). A Supervisory Body oversees the efficiency of the Model and must be informed of any possible violation.

The Supervisory Board reports twice a year to the Board of Directors.

# > Inclusion and Diversity

## WHY IT IS MATERIAL

Moleskine promotes diversity, rejects all forms of discrimination and applies the same standard of treatment toward each employee regardless of their religion, nationality, origin, gender or beliefs. Any episode of discrimination would put Moleskine's reputation at risk. Furthermore, diversity within the organization greatly benefits the business thanks to the mix of different genders, mindsets, cultural and professional backgrounds.

## KEY INDICATOR

In Moleskine's working environment 57% of the top and middle management are women.

## UN Sustainable Development Goals (SDG)



Moleskine contributes to SDG 16, which aims, among other targets, to promote and enforce non-discriminatory laws and policies for sustainable development

## MANAGEMENT APPROACH AND RESULT OF THE POLICY

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

Moleskine recognises the importance of its employees as one of the fundamental factors in achieving corporate objectives, and adopts procedures and techniques for recruiting, development, evaluation and training aimed at providing equal opportunities without discrimination on the basis of gender, age, sexual orientation, religious beliefs or any other factor.

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

## 5. D'Ieteren Immo

### 5.1. ABOUT D'IETEREN IMMO

D'Ieteren Immo SA/NV is one of the four subsidiaries of D'Ieteren Group. The company was founded in mid-2016 to look after D'Ieteren Group's Belgian property interests, which are mainly used for the activities of D'Ieteren Auto. 2019 was the third full year in which various investment projects were completed. Our team pursues investment projects and carries out studies into possible site renovations, while undergoing constant training that enables it to identify and develop potential sources of sustainability, innovation and creativity. D'Ieteren Immo's team includes 44 permanent employees and 10 freelancers. The company supports dealers of the brands of the Volkswagen Group in Belgium by implementing and following the branding and architectural guidelines of the various brands.

### 5.2. GENERAL SUSTAINABILITY-BASED APPROACH

#### 5.2.1. Principles

As a real estate company, D'Ieteren Immo wants to lead the way in the transition to a sustainable society. With this aim, in 2019, the company embarked on an intensive, ongoing process of developing a sustainability strategy, with the support of an external sustainability expert, Futureproofed.

Together with internal and external stakeholders, D'Ieteren Immo has defined the key trends and impact areas that determine its sustainability strategy. This intensive exercise has resulted in a materiality matrix. .

A sustainability working group has been set up to provide an internal support. Together with this working group, made up of employees from various departments within D'Ieteren Immo, priority themes and goals have been defined based on interactive sessions and our vision.

This intensive process has resulted in the following comprehensive and ambitious strategy:



D'Ieteren Immo has identified eight themes for which it has formulated specific goals. Together, these form the building blocks for D'Ieteren Immo's twofold sustainability strategy:

- **D'Ieteren Immo wants to be a top employer and a partner for change**
  - As an employer, D'Ieteren Immo aims to create an inspiring and safe working environment in which employees are encouraged to develop, personally and professionally.
  - D'Ieteren Immo is also convinced that partnerships and relationships with various stakeholders are essential for achieving its goals.
- **D'Ieteren Immo wants to design, build and maintain for the future (portfolio management)**
  - D'Ieteren Immo aims for forward-looking and sustainable management of the existing buildings in its portfolio.
  - The company also wants to lead the way for renovations and the development of new projects by designing and building sustainable and resilient infrastructure that creates the greatest possible value on the long term.

<sup>1</sup> For more details, see Section 1.3 'Materiality matrix'.

The journey to this sustainability strategy is well underway. The goals set in 2019 will be re-evaluated on a regular basis and refined in the light of the insights gained.

The sustainability working group is developing an action plan for 2020, in which the goals will be translated into specific actions and indicators to enable systematic monitoring of performance.

To measure the social and environmental impact of its activities, D'leteren Immo works with an external sustainability expert, Futureproofed, and will develop an evaluation tool. Based on the insights gained, actions will be taken to minimise negative impact and optimise positive impact.

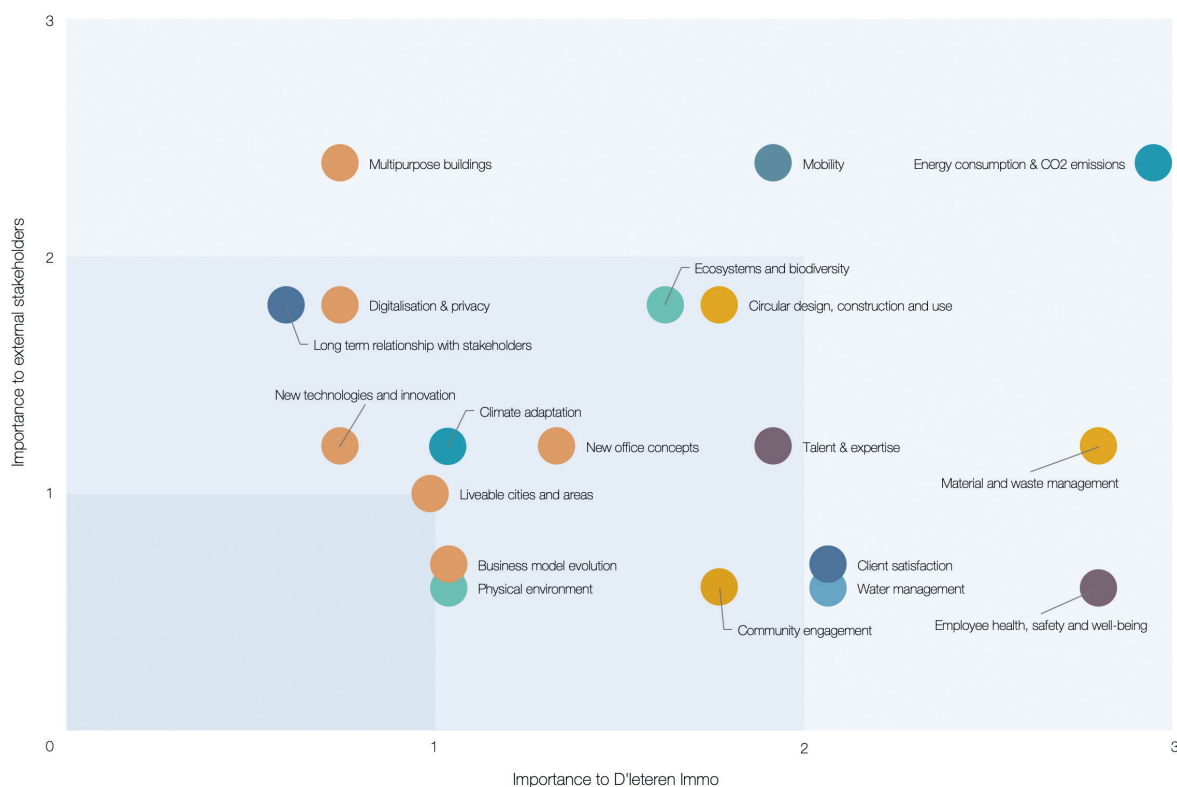
In 2020, D'leteren Immo will work with the same partner to develop guidelines, based on the Sustainable Development Goals, for the design and realisation of new, futureproof infrastructure.

### 5.2.2. Materiality matrix

D'leteren Immo is conscious of the impact of its activities on both society and the environment. In order to identify sustainability issues and prioritise the most important ones for its business and stakeholders, the company drew up a materiality matrix in 2019. This involved interviewing various stakeholders, selected based on their relevance (authorities, clients, suppliers, industry associations, etc.). This resulted in subjects which are the most material for D'leteren Immo and served as a springboard in formulating a sustainability strategy.

D'leteren Immo will review and refine this matrix on a regular basis, in dialogue with its stakeholders.

D'leteren Immo materiality matrix 2019



### 5.3. MATERIAL ECOLOGICAL AND SOCIAL ASPECTS

- Climate-positive buildings
- Natural environment
- Efficient material management
- Smart water management
- Futureproof infrastructure
- Sustainable mobility
- Improved quality of life
- Strong relationships & partnerships

## > Climate-Positive Buildings

### WHY IS IT MATERIAL?

Buildings and infrastructure are responsible for high energy consumption and are therefore a major source of greenhouse gas emissions. Infrastructure is responsible for around 40% of energy consumption and 36% of CO<sub>2</sub> emissions in the EU. Along with increasing climate awareness, energy requirements for new buildings are becoming stricter and this trend is expected to continue in the coming years. Ultimately, this benefits all parties as energy efficient buildings are more comfortable for users and have a smaller ecological footprint. The higher construction costs of these modern buildings are eventually offset by lower running costs.

### WAY FORWARD

- The company will continue its studies around geothermal energy, sewer thermal energy and surface water heat pumps under the Mobilis project and other future projects.
- Each building will be given an energy ID and equipped with sensors to improve the energy efficiency.
- We will opt to switch to green energy suppliers or to generate our own power where possible.
- In future, D'Ieteren Immo will also closely monitor the performance of its buildings in the area of sustainability using the evaluation tool developed in partnership with Futureproofed.

### MANAGEMENT APPROACH

To reduce the impact of its buildings on the environment, D'Ieteren Immo works towards the following goals:

- Improving the energy-efficiency of its buildings by raising awareness and implementing smart solutions
- Maximum commitment to producing and storing its own renewable energy
- Promoting a sharp reduction in CO<sub>2</sub> emissions in the design and implementation of projects

#### Case study - Installation of 500 kW battery storage system on the Kortenberg site

The Kortenberg site uses solar panels to supply power for a large proportion of its consumption. During working hours, the site can use the energy generated there. However, at weekends, all power goes into the grid. To use this electricity more efficiently, the company is considering a solution for storing this energy in a battery container, in partnership with two universities. Thanks to an energy management system, the batteries constantly communicate with the solar panels, the cogeneration unit and the heating system in order to optimise energy performance.

### ACHIEVEMENTS IN 2019

- The H2O Project, in partnership with two universities, which studied how energy generated by solar panels could be stored in a battery container (see case study).
- Installation of 6,695 m<sup>2</sup> of solar panels on various buildings: Erps-Kwerps, Kronos Porsche in Mont-Saint-Guibert and Wilrijk sites.
- Completion of the new Kronos Porsche Centre in Mont-Saint-Guibert, which is a high-performing building in terms of energy and ergonomics. The building is equipped with the latest technology and makes maximum use of renewable energy, with the ultimate goal of meeting 80% of the site's energy requirements with self-generated renewable energy. The building has smart lighting, part of the roof is made of glass for maximum infiltration of daylight, there are solar panels on the roof and solar cells are also integrated into the structure of the building itself.
- Installation of smart meters for electricity, water and gas for better monitoring, for example in the Porsche Centre in Mont-Saint-Guibert and in the buildings on the sites of Porsche Center Antwerpen in Wommelgem, Auto Center Zaventem (below ACZ) and Auto Center Mechelen (below ACM).
- Insulation of the roof of the Volkswagen garage in Kontich.
- Installation of LED lighting and motion sensors instead of light switches in new projects and renovations of office spaces, including in D'Ieteren Immo's offices on its Erps-Kwerps site.

### KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the total quantity of self-generated renewable energy on sites to gain an insight into D'Ieteren Immo's contribution to the production of renewable energy and/or an overview of the types of energy and their consumption to show from which sources D'Ieteren Immo obtains its power.

#### UN Sustainable Development Goals (SDG)



Buildings and infrastructure are responsible for high energy consumption and have a significant impact on the environment. D'Ieteren Immo is committed to reducing the energy consumption and lowering emissions of its buildings and activities by improving energy efficiency via smart solutions and by raising awareness and maximising the purchase and production of renewable energy.

# > Natural Environment

## WHY IS IT MATERIAL?

The proliferation of concrete and encroachment on nature is leading to a decline in biodiversity, particularly in cities. There is a growing need for infrastructure incorporating natural elements and allowing for sustainably maintained green spaces. This promotes biodiversity, improves air quality and also offers a healthy and relaxing space for users and employees. Given the size and location of its sites, D'Ieteren Immo can make a real difference here.

## KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the percentage of green areas compared to the total area of the sites and/or the percentage of green spaces maintained in an ecologically responsible manner.

### UN Sustainable Development Goals (SDG)



By incorporating green spaces and natural elements in its projects, D'Ieteren Immo creates calm, comfort and improved air quality and quality of life.



In this way, the company also helps reduce harmful emissions and adapt to climate change more effectively.



By respecting the natural environment in the design, construction and management of its infrastructure and by incorporating green spaces, natural elements and biodiversity in all of its projects, D'Ieteren Immo helps preserve natural ecosystems.

## MANAGEMENT APPROACH

To increase the biodiversity of its sites, D'Ieteren Immo works towards the following goals:

- Designing, building and maintaining infrastructure with respect for the natural environment
- Incorporating green spaces and natural elements in its projects
- Promoting biodiversity in its projects to help maintain the natural ecosystem



Porsche Drogenbos

### Case study:

Extension of the Seat showroom at Auto Center Mechelen (ACM). In 2019, ACM extended its Seat Showroom. In this project, D'Ieteren Immo financed the biodiverse creation of new green spaces itself. The dealer committed to maintain the green spaces in an ecologically responsible manner.

## ACHIEVEMENTS IN 2019

- D'Ieteren Immo has created biodiverse areas on several sites, in which appropriate vegetation is planted and insect hotels, haystacks, dead hedges and wooden picnic furniture are installed.
- The company has concluded Green Deals for its Kortenbergh, Drogenbos garage and Drogenbos bodywork sites to promote biodiversity on these sites.
- The communal garden of Tenbosch Housing's residential building has also been laid out in a biodiverse manner and is maintained in an ecologically responsible manner.
- To keep the green space both biodiverse and visually attractive, in 2018, the company went into partnership with Pro Natura, an organisation active in the social economy sector and specialises in eco-friendly garden design and management.

## WAY FORWARD

- D'Ieteren Immo is beginning to implement a biodiversity management plan for its Erps-Kwerps site, including via the re-landscaping of the orchard in partnership with Pro Natura. In view of its success, the company intends to roll out biodiversity zones on more sites.
- The company also intends to assess what is the best way of preserving its green spaces.
- In parallel to the incorporation of green spaces and biodiversity in its renovation projects, the company also intends to incorporate wadis and other natural elements in all new projects from the design phase.
- For all renovation and new-build projects, D'Ieteren Immo will investigate whether conversion to or installation of green roofs is possible. For example, in the Mobilis project, all green spaces and green roofs will be created 100% biodiverse and maintained in an ecologically responsible manner.
- The company will raise awareness among its clients and encourage them to establish biodiverse green spaces and maintain them in an ecologically responsible manner.

## > Efficient Material Management

### WHY IS IT MATERIAL?

Rising demand for scarce resources and construction materials is forcing the construction and real estate sector to use and reuse materials efficiently in all phases of the project cycle. Commitment to recycling and reuse can substantially reduce the quantity of waste produced. In addition, growing awareness of the environmental impact and carbon footprint of materials and products is generating rising demand for eco-friendly, low-carbon alternatives. By limiting the use of new materials where possible, encouraging reuse and considering alternative eco-friendly materials, D'Ieteren Immo helps promote a low-carbon circular economy.

### KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the percentage of FSC certified wood in projects, monitoring of the quantity of construction waste per project/construction site and/or the percentage of projects based on circularity.

### UN Sustainable Development Goals (SDG)



D'Ieteren Immo contributes to the shift to a circular economy by reducing waste and promoting the reuse of materials in the life cycle of its projects. In addition, the company intends to use local, high-quality and eco-friendly products from

responsible and sustainable sources in order to reduce the social and environmental impact of its value chain.



### MANAGEMENT APPROACH

To speed up the transition to a circular economy and futureproof its materials policy, D'Ieteren Immo works towards the following goals:

- Contributing to a circular economy by reducing waste and encouraging reuse throughout the life cycle of our projects
- Promoting the use of local, high-quality and eco-friendly products and materials
- Maximum commitment to recyclable and removable materials and structures



#### Case study: Havana Project

The renovation of an office space at Auto Center Zaventem involves various examples of efficient material management. For example, in this project, D'Ieteren Immo reused insulation material from the previous false ceilings to insulate the new floor. In addition, the original ceiling frame was reused and filled

with materials recovered from various sites, such as wood, carpet, etc. Finally, to fit out this office space, furniture and decor from previous offices at the headquarters were reused or purchased second-hand.

### ACHIEVEMENTS IN 2019

- When the bodywork activities ceased on the Mail and Centre sites, the paint spraying booths and other equipment were removed and sold as second-hand equipment, instead of scrapping them.
- For the refurbishment of an office space for the Customer & Business Development (CBD) department on the Erps-Kwerps site, D'Ieteren Immo investigated which materials and furniture could be reused. Whatever other furniture was still needed was purchased second hand.
- For the Mobilis project, an analysis and inventory of materials from the existing building is in preparation. In BIM (Building Information Modelling), a powerful 3D model of the building is created, enabling an overview of the quantities and properties of the construction elements present in preparation for the smart dismantling of the existing building.

### WAY FORWARD

- D'Ieteren Immo plans to dismantle existing buildings or spaces smartly, as planned for the Mobilis project, for example. In this process, the existing building is taken apart instead of being demolished, so that as many materials as possible can be recycled and reused on the same site or within the circuit of the circular economy. This approach leads to a maximum decrease in the quantity of construction waste and a sharp reduction in the ecological footprint of the construction waste.
- Another planned action in the area of efficient material management is the introduction of a revised waste policy for sites so that D'Ieteren Immo can ensure greater recycling and reuse of materials as a client.
- In addition, the company is committed to use as much 100% FSC certified wood as possible in its projects.
- The company will also investigate how materials can be used 'as a service': light fittings, carpet tiles in office spaces, etc.
- In conjunction with Futureproofed, D'Ieteren Immo will develop guidelines on aspects including the use of materials and products in new build and renovation projects.

# > Smart Water Management

## WHY IS IT MATERIAL?

In view of the nature of the current activities on the majority of D'Ieteren Immo's sites, a substantial part of the soil is paved over. Due to climate change, periods of heavy rainfall are occurring more frequently. The combination of these two factors means that the risk of flooding and a saturated sewer system is increasing. This can lead to damage and disruption on D'Ieteren Immo's sites and beyond. In addition, it is difficult for groundwater levels to recover in regions short of water such as Flanders, due to a lack of water penetration.

## KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the percentage of paved surfaces per site, the percentage of sites with systems for the collection and recycling of stormwater and/or the percentage of stormwater compared with total water consumption.

## UN Sustainable Development Goals (SDG)



D'Ieteren Immo is committed to minimise its impact on ground and surface water through the installation of systems for the efficient collection and treatment of waste water. In addition, the company can reduce consumption of drinking water and make this more efficient by smart water management through the collection, buffering and recovery of water.

## MANAGEMENT APPROACH

In order to reduce water usage and minimise the risk of flooding, D'Ieteren Immo works towards the following goals:

- Ensuring smart water management through collection, delayed drainage and recovery of rainwater
- Reducing water consumption and promoting recycling
- Minimising the impact on ground and surface water by choosing effective collection and treatment systems



Contact Center Volkswagen

## ACHIEVEMENTS IN 2019

- In various projects, D'Ieteren Immo studied solutions for more efficient collection and infiltration of stormwater. For instance, during the renovation of the facade and car park of the Volkswagen Contact Center in Kortenberg, grass blocks and wadis were installed.
- On various sites including the new Porsche Center in Mont-Saint-Guibert, ACM in Mechelen and Auto Center Zaventem, smart water meters were installed at strategic locations in the building to monitor water consumption more efficiently and detect unnoticed leaks more quickly.

## WAY FORWARD

- For new projects, there will be a strong focus on achieving maximum infiltration of stormwater and the installation of green roofs will also be considered as a way of delaying stormwater runoff.
- As part of the Mobilis project, extra storage is provided for rainwater and studies are analysing the possibilities for using rainwater-based adiabatic cooling in the longer term.
- On the Erps-Kwerps site, a stormwater study is in preparation and we are investigating how the overflow of stormwater from the underground infiltration basin can be disconnected from the sewer system and connected to a nearby stream.
- In addition, D'Ieteren Immo wants to measure consumption of drinking and stormwater on all sites and detect anomalies.
- When a car wash needs to be installed, D'Ieteren Immo will encourage the operator to choose a system with a closed circuit, connected to a biological water treatment unit.
- Finally, the company intends to review its purchasing policy for certain products, and use only biodegradable soaps, for example.

# > Futureproof Infrastructure

## WHY IS IT MATERIAL?

Due to the constantly changing needs and requirements of society, including new ways of living and working together, demand is growing for multipurpose buildings and projects. In addition, the transition to the sharing economy is making it easier to challenge existing business models. The shift from product to service is also transforming the offering of D'Ieteren Auto, so far the biggest user of infrastructure from D'Ieteren Immo, which is evolving to offering mobility as a service. In turn, this impacts on the use and design of garages and showrooms. For example, city showrooms could become smaller due to increasing digitalisation, so that D'Ieteren Immo has to revitalise buildings which fall vacant due to this trend.

In addition, digitalisation, smart technologies and other innovative solutions are becoming increasingly important in future-oriented design, maintenance and use of buildings. Efficient information gathering about buildings and building materials in the various phases of the project cycle can be a great asset for reducing costs and maximising efficiency, for instance.

## KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for 2020. Possible indicators include the percentage of projects in which flexible spaces are used and where there is potential for conversion.

### UN Sustainable Development Goals (SDG)



By developing sustainable, flexible and attractive infrastructure which meets current and future



requirements, and by converting vacant buildings so that they are aligned with the local infrastructure, D'Ieteren Immo can help develop sustainable cities and communities.

The company can also stand out from its competitors by exploring and implementing innovative, sustainable solutions.

## MANAGEMENT APPROACH

In order to offer the maximum response to society's changing needs and requirements, D'Ieteren Immo works towards the following goals:

- Supporting sustainable choices by offering flexible and attractive infrastructure that meets existing and future needs
- Exploring, applying and promoting innovative and sustainable solutions
- Converting vacant buildings so that they are aligned as closely as possible with local infrastructure
- Promoting sustainable use of the infrastructure by tenants



### Case study:

#### Mobilis – The garage of the future

The Mobilis project, to be completed in 2023, is a real model of sustainability in Brussels. D'Ieteren Immo has used this redevelopment to design a project that can serve as an example for future construction projects on all levels. Besides many modern

technologies to limit the impact on the environment (zero energy, no use of fossil fuels, solar panels, green roof, green spaces organised to encourage biodiversity and managed in an ecologically responsible manner, etc.), the building is designed to meet the challenges of the future. Although a building is usually costed over 50 years, D'Ieteren Immo wanted to go further and this project allows for a large, primary structure which can serve its purpose for at least 100 years. There is a secondary, removable structure inside the main one. For example, floors and slopes can be easily removed, or levels divided thanks to their height, creating extra storeys. Even the technical facilities within this secondary structure, such as the air conditioning, can be removed and reused. This means that the function of the building can be totally changed in a short space of time and at low cost.

## ACHIEVEMENTS IN 2019

- In 2019, D'Ieteren Immo designed the ambitious Mobilis project (see case study on this page)
- The BIM working group was also launched, to prepare for its application to construction and redevelopment projects

## WAY FORWARD

- D'Ieteren Immo wants to maintain this momentum and apply BIM to other projects besides the Mobilis project.
- In 2020, the vacant Heyvaert site will temporarily house a project designed to promote the circular economy. The project has been given the fitting name Circularium. Although outdated, the site is still in perfect condition. Pending its redevelopment, we have opted to retain it in full and change its function. This means that the site will be able to accommodate tenants who are connected to one another due to their activities in the context of the circular economy and/or who produce sustainably or locally. In this way, outdated buildings can be reused for new ideas.
- In converting the vacant buildings, D'Ieteren Immo also wants to allow for future needs and is working with government organisations to identify them.
- In new projects, D'Ieteren Immo wants to pay greater attention to designing modular, flexible buildings and infrastructure, bearing in mind the perspective of existing and future users, and integration with the environment.
- In addition, the company will focus on the use of smart technologies, green innovations and new technologies in the fields of sensors and data management in order to achieve maximum efficiency in both existing buildings and new-build projects.

# > Improved Quality of Life

## WHY IS IT MATERIAL?

Due to increasing stress in the workplace, besides physical health, increasing importance is being placed on mental health. A good work-life balance is essential. The business world is also changing so fast that the concept of lifelong learning is becoming more and more important for employees. Thanks to training, they keep up to date with aspects such as new technologies, developments and improvements that are essential for them to continue to carry out their tasks effectively. Employers also need to keep up with developments in a modern career, which evolves over time based on employees' age and changing interests. D'Ieteren Immo believes that employees are a company's most important asset. The company must therefore pay sufficient attention to the above points so that its employees stay healthy, happy and engaged. In this way, the company can also build a good relationship with its staff.

## KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for this material aspect. Possible indicators include the percentage of employees who have undertaken training, the average number of training hours per employee, the employee satisfaction rate and/or response rate to the employee satisfaction survey.

## UN Sustainable Development Goals (SDG)

D'Ieteren Immo is committed to creating attractive jobs in a safe and healthy environment.

The company does this by giving its employees equal opportunities for personal and professional development and by communicating in a transparent and respectful manner with the organisation.



## MANAGEMENT APPROACH

D'Ieteren Immo considers its employees to be the company's most important asset and therefore prioritises the following goals:

- Providing attractive jobs in a healthy and safe working environment
- Guaranteeing equal access to personal and professional development for all employees
- Developing infrastructure in which the safety, wellbeing and health of users are central
- Promoting open and respectful communication within the company



*D'Ieteren Immo offices located at Erps – Kwerps*

## ACHIEVEMENTS IN 2019

- D'Ieteren Immo redesigned and reorganised the workspace in renovations or refurbishments of office spaces including the CBD department in Kortenberg, the HR department at the headquarters in Brussels, D'Ieteren Immo's own offices on the site in Kortenberg or the project Havana (see case study on the subject of efficient material management). This created a pleasant, homely atmosphere. Informal workspaces were also implemented, such as a coffee corner or brainstorming area.
- In addition, an optimal indoor climate was created by optimising the technical installations.
- D'Ieteren Immo's employees had the opportunity to enjoy a training event during which they were able to develop their personal and professional skills.
- The company has introduced monthly breakfast sessions for all employees. These sessions offer an ideal opportunity to keep informed about key themes and developments within the company. They also allow them to network informally with colleagues from different departments within the organisation.
- A monthly internal newsletter was also produced.
- For the third time, in September 2019, D'Ieteren Immo conducted a survey into employee satisfaction.
- Ties were also strengthened in the sporting area, especially by taking part in Immorun, a popular running event in the property world.

## WAY FORWARD

- For the increased comfort of its employees and tenants, the company will optimise the ventilation, lighting and heating in its buildings.
- As part of lifelong learning, D'Ieteren Immo intends to continue to ensure that its employees have equal access to training.

## > Sustainable Mobility

### WHY IS IT MATERIAL?

The capacity of our road network is under heavy pressure. This not only affects the liveability of our city centres, but also impacts on the well-being of D'leteren Immo's employees. As a result, demand for alternative and shared forms of mobility is on the rise. Since D'leteren Immo's infrastructure is integrated with the urban network, sustainable mobility is of material importance for the company and its employees. In addition, through its infrastructure, D'leteren Immo can respond to future traffic flows in the city and support D'leteren Auto in developing D'leteren Mobility.



*Bike to work – Cycle park and cloakrooms for D'leteren staff.*

#### **Testimonial from Adeline Piret, architect at D'leteren Immo:**

Since July 2017, I cycle to work every day. After trying out an electric bike, I was immediately sold and got myself one. I believe it's the best way for short to medium journeys (easily up to 10km) in a busy, hilly city like Brussels. My 5km journey takes 15 minutes, that's roughly as long as by car without traffic jams.

As an architect, I was lucky enough to design the 'Bike to work' project, a cycle park and cloakrooms for D'leteren staff. Based on my experience, I was able to work out what elements were needed to make the cycle park convenient and easy to use for cyclists. For example, when you arrive, you can park your bike in a safe and dry place in the locked bike-to-work bike shed. There's access to lockers to store your cycling accessories (gloves, helmet, vest). The bike-to-work area is also equipped with charging points for your bicycle battery. Finally, there are even tools for maintaining your bike or carrying out minor repairs!

I think it's amazing that I know exactly what time I'll get home when I cycle, whereas the same journey by car can often take as long as 45 minutes in the rush hour. That saves me a load of stress about missing an appointment for example or not getting to my children's school on time.

Because my cycle journeys are short, I don't use the showers, unless I go running with my colleagues at lunchtime. Everything's set up for a convenient shower, to keep your gear safe and secure, leave your towels to dry, etc.

All in all, I'm sold on the Bike-to-work concept!

## > Sustainable Mobility (after)

### KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'leteren Immo is defining the performance indicators for this material aspect. Possible indicators include the average number of kilometres driven in a company car per employee (km/person).

### UN Sustainable Development Goals (SDG)



By promoting the use of sustainable means of transport and reducing the time employees spend in traffic, D'leteren Immo is working to improve the quality of life of its staff and reducing the emissions from its fleet.

### MANAGEMENT APPROACH

D'leteren Immo wants to encourage its employees to make as many journeys as possible by a sustainable means of transport and to choose company cars that have a smaller environmental impact, since the fleet accounts for a significant proportion of the company's emissions. D'leteren Immo therefore prioritises the following goals:

- Facilitating sustainable and efficient work-related mobility
- Significantly reducing work-related mobility needs

### ACHIEVEMENTS IN 2019

- In the spring of 2019, several employees of D'leteren Immo were invited to take part in a pilot project of Lab Box around alternative mobility for private and business journeys. Participants committed to give up their company cars for a month. They were given a mobility budget and used an app enabling the use of different modes of transport (e.g. car sharing, cycling, electric scooters, public transport, etc.).
- Since 2019, D'leteren Immo also offers its employees the possibility of leasing e-bikes.

### WAY FORWARD

- D'leteren Immo is committed to reduce commuting by facilitating teleworking and optimising the meeting culture.
- The company is also investigating possibilities for developing a revised mobility programme for its employees.
- D'leteren Immo's new projects also take into account the mobility of future users. Accordingly, the Bike-to-work concept will be applied where possible (see testimonial above). A concrete example is already incorporated in the Mobilis project, with a large, convenient bike shed with 80 places, along with the usual facilities according to the Bike-to-work concept such as convenient showers, large changing rooms, lockers, etc.

# > Strong Relationships and Partnerships

## WHY IS IT MATERIAL?

Partnerships in the construction and real estate sector tend to be ad hoc and short-term, hindering efficient collaboration. Strong, long-term relationships with users, suppliers and public authorities are essential if we are to lead the way in the area of sustainability as a real estate company. Thanks to the expertise of its teams, D'Ieteren Immo can tackle a variety of challenges in its projects and create a competitive advantage. The company can also get its clients and communities on board by involving them in a project. The company wants to stay a step ahead, by anticipating certain regulations at national, European or even global level, for example. It is also becoming more important to involve the community in every phase of the projects, to match them as closely as possible to their needs and ensure integration. After all, infrastructure is only truly sustainable when users are also part of the story. In short, strong relationships and partnerships are crucial if D'Ieteren Immo is to achieve its goals.

## KEY PERFORMANCE INDICATORS (KPI)

At the time of publication of this report, D'Ieteren Immo is defining the performance indicators for this material aspect. Possible indicators include the number of 'show and tells' and/or the number of contracts with businesses from the social economy.

## UN Sustainable Development Goals (SDG)

In order to make the transition to a sustainable future, it is essential for D'Ieteren Immo to build long-term partnerships with clients, suppliers and public bodies, and to involve its community and tenants in its projects. This also means sharing its knowledge and expertise, inside and outside the group.



## MANAGEMENT APPROACH

It is essential for D'Ieteren Immo to be able to rely on long-term partnerships in the supply chain, with providers, users and public authorities. For this reason, the company is committed to the following goals:

- Building long-term relationships with clients, suppliers and public services and promoting mutual synergies
- Promoting the exchange of knowledge and expertise inside and outside the group
- Promoting the involvement of the community and tenants in new projects and existing buildings
- Leading the way in the area of sustainability in partnerships

### Case study:

#### Partnership with Pro Natura

D'Ieteren Immo wants to create more biodiverse green spaces on its sites and maintain them in an ecologically responsible manner (see the subject of 'Natural environment' for more details). To achieve this as efficiently as possible, in 2017, the company entered into a partnership with Pro Natura for the design of green spaces, biodiverse garden design and eco-friendly maintenance of existing and future green spaces on its sites. This partner has more than 25 years' experience in creating biodiverse natural spaces and offers bespoke professional solutions for local authorities, businesses and individuals. Pro Natura is also a company with a social impact. It is a learning and work experience hub for anyone who has difficulty finding a job. This enables D'Ieteren Immo to learn from a true expert in biodiversity while at the same time offering opportunities to people who have difficulty returning to the job market.

## ACHIEVEMENTS IN 2019

- D'Ieteren Immo works with companies from the social economy such as Pro Natura (see case study) and Atelier Groot Eiland in conjunction with carpentry firm Klimop.
- The company has also entered into dialogue with public authorities regarding unique projects such as Mobilis and Circularium.
- D'Ieteren Immo took part in meetings of the learning network for Green Deal Businesses and biodiversity.
- Internally, multidisciplinary working groups have been introduced as a new way of working (for example the BIM, communication, sustainability working groups, etc.).
- A 'Workspace' communication channel has also been launched on which employees can post photos and messages.

## FUTURE

- To convey its expectations clearly to participants in selection processes organised by the company, D'Ieteren Immo will draw up project guidelines based on its objectives. In this way, the company will build long-term partnerships.
- In addition, the company will organise a 'show and tell' with internal and external specialists about particular subjects or projects to promote the sharing of knowledge and expertise.
- Employees will also have the opportunity to take part in a 'step into my shoes' programme in which they can go around with a colleague from another department for a day.
- The company will also participate in a learning network meeting for Green Deal via a presentation about its actions around biodiversity.
- In addition, D'Ieteren Immo will promote projects focussing strongly on the circular economy with participation in Be Exemplary and/or Be Circular. These are initiatives of the Brussels-Capital Region to reward real estate projects of an exemplary and innovative nature in and around Brussels.

**ETHICAL PRINCIPLES**

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

## > Respect for Human Rights

**WHY IS IT MATERIAL?**

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

**MANAGEMENT APPROACH**

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

## > Zero tolerance for Corruption and Bribery

**WHY IS IT MATERIAL?**

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

**MANAGEMENT APPROACH**

Corruption, attempted corruption, fraud and money laundering are not tolerated at D'Ieteren Immo. Gifts and invitations received by employees from clients, suppliers or other partners, or offered by employees to clients, must comply with accepted market practices and anti-bribery legislation.

## > Inclusion and Diversity

**WHY IS IT MATERIAL?**

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

**MANAGEMENT APPROACH**

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

**UN Sustainable Development Goals (SDG)**

D'Ieteren Immo must do business fairly and respectfully to lead the way in the area of sustainability in the real estate sector. In addition, the company is committed to strive for gender equality by offering equal opportunities.