



project ZERO

ACCELERATING THE TRANSITION
TOWARDS A LOW-CARBON MOBILITY

D'leteren

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During our nearly 200-year existence, we have already experienced a number of economic crises. Over the past 100 years alone, we have managed the effects of the Great Depression in the 1930s, World War II in the 1940 and 50's, the oil crisis in the 1970s, the bursting of the internet bubble in the early 2000s, the banking crisis in 2008, Dieselgate in 2015 and more recently the Covid crisis. Each time, we dealt with them successfully and came out stronger.

The climate crisis, however, is a different story. This is a crisis of extraordinary magnitude that will affect everyone living on this planet and could have potentially huge negative consequences. Fortunately, there is a plan to curb the climate crisis. It was adopted by the international community in 2015. We know it as the Paris Agreement. It ensures that we can limit global warming below 2°C. To do so, we all must halve our CO2 emissions by 2030 and reduce them to zero by 2050.

There are four industries crucial to the implementation of the Paris Agreement: energy, clothing, food and mobility. Thus, we are an important part of the solution, the ball is in our camp. And that is a good thing, because as usual, we are taking our responsibility, we wrote it all down in our Manifesto. Therein, we have made it clear to everyone that we are taking the lead in the transformation of Belgian mobility by aligning our mobility solutions with both the needs of our customers and the needs of society.

What you are reading now is the how we are going to do it. This is our transition plan, which we call 'Project 0'. It is how we will transform our company into a net-zero company while changing the mobility sector by offering the necessary low carbon mobility solutions to our customers and consumers. Consider this your handbook. In it we will give you the necessary information you need to assess this challenge, understand the main levers of the Project 0-plan and define the actions you think are needed to implement it.

Feel free to give us your opinion, because to be successful, cooperation is essential.

We've had our challenges in the past. What we are facing now, as a planet and as a company, is the biggest one yet. Today we are taking the necessary steps that future generations of D'leteren will be proud of!



Denis Gorteman
CEO D'leteren



How does a net-zero world look and feel like?

If we want to transition as a society, economy, and company, we need to know what we are transitioning to. We need to know how a net-zero world will look and feel like. The climate scientists already know, and all agree, it will be a better world to live in. And it is not something that takes place in the distant future. Implementing the Paris Agreement correctly means we will stabilize global warming as from 2050, which will not only be an incredible achievement for humanity but also transform our lives in numerous positive ways.

Imagine waking up in a world where the air you breathe is crisp and clean, free from the pollution and smog that once plagued our cities. The skies above are a brilliant blue, and you can see the vibrant greenery that blankets the landscape. The effects of climate change are mitigated, and the weather is again more predictable and stable.

As you step outside, you notice the absence of noise pollution. Zero-emission vehicles silently glide by, powered by renewable energy. Cars are no longer as prevalent on the streets as they are today, people now use different forms of carbon-free mobility. The streets are also lined with trees and green spaces, providing shade and a refreshing ambiance. The sound of birdsong fills the air, signaling the return of biodiversity and thriving ecosystems.

In this net-zero world, energy is derived entirely from renewable sources. Solar panels and wind turbines are a common sight, harnessing the power of the sun and wind to generate electricity. Every home is equipped with efficient energy systems, allowing for self-sufficiency and minimizing waste. Clean and affordable energy is accessible to all, eliminating energy poverty and ensuring a more equitable society.

As you go about your day, you notice how sustainable choices have become the norm.

Recycling and composting are second nature to everyone, as are reducing waste and conserving resources. Plastic pollution is a thing of the past, as alternative materials and packaging have been adopted widely.

In this net-zero world, technology has played a crucial role in driving innovation and efficiency. Smart cities are seamlessly interconnected, optimizing energy use and transportation systems. Artificial intelligence aids in predictive modeling and resource management, ensuring the most effective allocation of resources.

Perhaps the most remarkable aspect of this net-zero world is the sense of collective achievement and hope. People and companies are aware that their actions matter and that they are part of a global effort to protect the planet. Communities and businesses, small and large, have come together to tackle environmental challenges, fostering a sense of solidarity and empowerment.

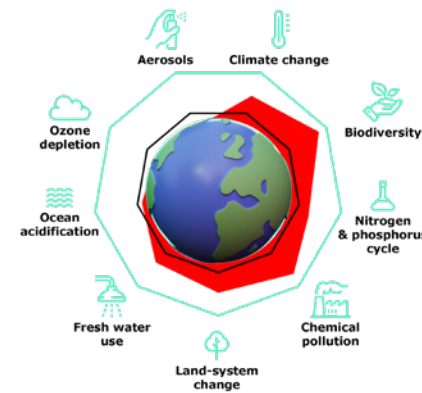
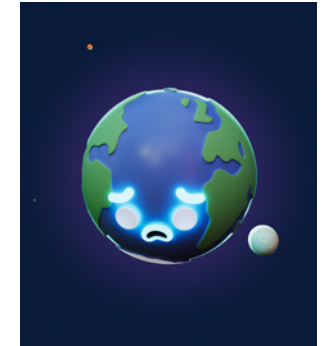


The key to this transition is implementing the Paris Agreement. Project 0 is our commitment to it. The CO2 emissions we can reduce make a big difference. With Project 0, we are not only making a difference for ourselves, but we are also doing our bit for our social transition.

Climate and biodiversity are the absolute priority for us and our planet

Stress... We all suffer from it. How long a person can live with stress without it adversely affecting their health depends on their stress limit. It is different for everyone, but we all try to avoid crossing that limit for too long and too far.

Our planet has its limits too. There are nine of them, scientists call them the "planetary boundaries". These planetary boundaries can be thought of as the limits or thresholds that define a safe operating space for human activities on Earth. That means that if the impact of our economic output respects the planetary boundaries, we can enjoy economic growth safely.



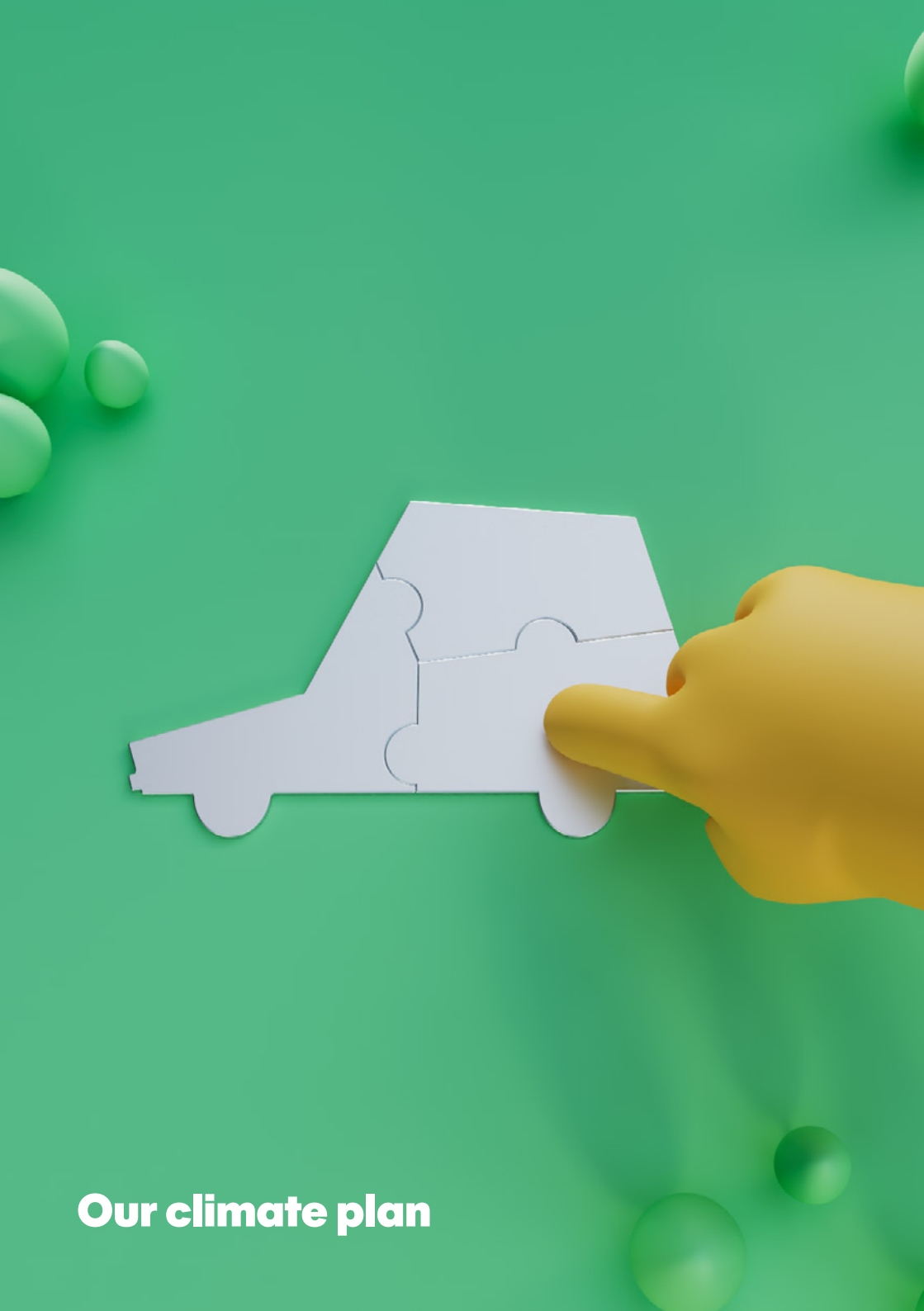
Not surprisingly, we are crossing numerous boundaries today. But the fact that we are crossing six of the nine was unexpected to many. So our planetary system is feeling very stressed and we need to relieve it quickly. The two most important earth systems we need to unburden most quickly are climate and biodiversity. Not only because a breakdown of these two earth systems makes it impossible to transition to a net-zero world, but also because the growing cost of the extreme weather caused by global warming and the potential risk to business continuity due to the growing biodiversity loss will become economically unbearable at some point.

In 2022 the **global cost of extreme weather** was almost 20% greater than the total cost of 2002-2021 combined. And the European Central Bank calculated that 72% of eurozone companies rely on at least one "biodiversity-related service" such as pollination, clean water, healthy soil, timber, or sand to produce to operate their business.



As the Paris Agreement states, the key to a net-zero world is halving our CO2 (and other GHG) emissions by 2030 and bringing them down to zero in 2050. By doing so, we respect the two most important planetary boundaries, climate and biodiversity, significantly relieving our planet and lowering the economic risk for companies like us.

Project 0 is the plan to bring down the emissions generated by our activities. Because of the scale of emission reductions we bring, we are also making a fundamental contribution to de-stressing the planet.



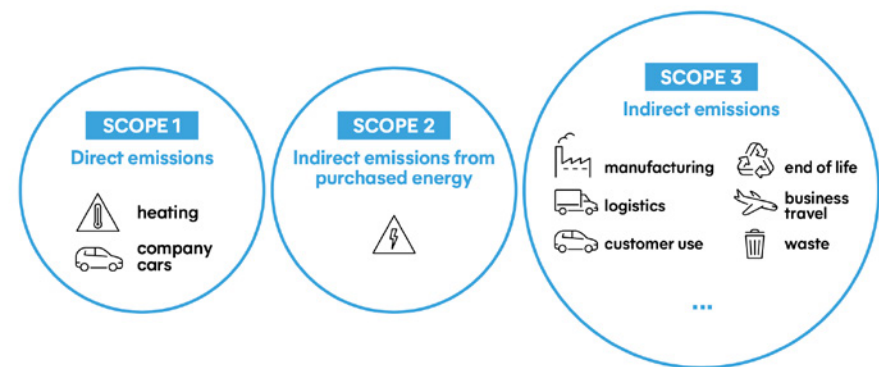
Our climate plan

Our climate plan has been developed in accordance with the Science Based Targets Initiative (SBTi). It means it backed by the most recent scientific insights. An SBTi climate plan covers **three domains** and has **two important deadlines**.

Three important domains

A climate plan covers 3 domains or 3 scopes. These are categorizations used to measure and manage greenhouse gas (GHG) emissions within an organization's activities and value chain.

1. **Scope 1 emissions** are the direct GHG emissions that occur from sources that are owned or controlled by our company. These emissions are typically a result of burning fossil fuels on-site, such as emissions from company-owned vehicles, manufacturing processes, or onsite power generation. Our Scope 1 CO₂ emission⁽¹⁾ totalled 9,929 tons CO₂ in 2023.
2. **Scope 2 emissions** include indirect GHG emissions associated with the consumption of purchased electricity or heat. These emissions occur from the generation of energy that we consume, but it is produced by a separate entity, such as Engie. Our current Scope 2 CO₂ emission⁽¹⁾ totalled 502 tons CO₂ in 2023.
3. **Scope 3 emissions** encompass all other indirect GHG emissions that occur as a result of our activities but are beyond our direct control. These emissions occur throughout our value chain, including upstream and downstream activities, such as, transportation and distribution, waste disposal, commuting and business travels but also the production, the usage and the end-of-life of our cars and other products we sold. When consumers step on the accelerator, we are responsible for the emissions they cause as a result. Scope 3 emissions are often the most significant and challenging to measure as they extend beyond an organization's operational boundaries. In 2023, our Scope 3 CO₂ emission⁽¹⁾ totalled 5,25 million tons CO₂.



⁽¹⁾for D'leteren Automotive and all its subsidiaries

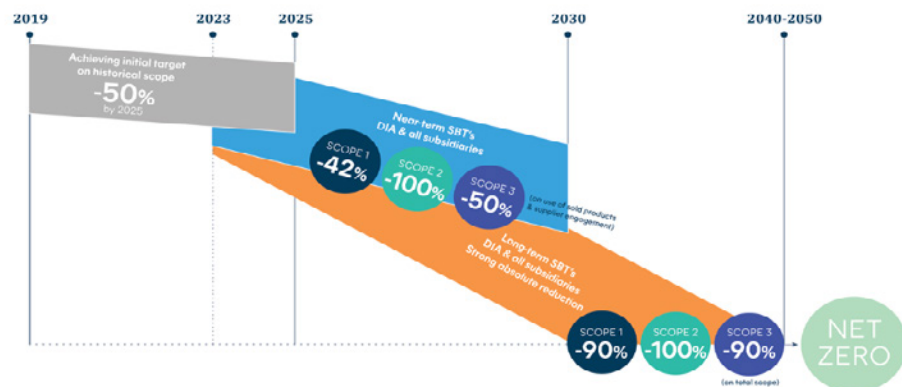
Two key objectives

These two goals are in line with the Paris Agreement. The first target is in 2030, the second in 2050. If we respect them, we will stabilize global warming by 2050. This will keep us below +2°C in 2100 compared to the pre-industrial era of 1850.

Currently, the temperature increase is +1.2°C. If we add up the commitments of the international community and companies, we are on a trajectory of at least +2.7°C by 2100. Therefore, it is imperative that decision makers and companies put an ambitious plan on the table to drastically reduce greenhouse gas emissions and meet the 2030 and 2050 deadlines.

Key steps in our climate plan

We have phased our plan to reduce greenhouse gas emissions in accordance with the requirements of the SBTi (Science Based Targets initiative) and the Paris Agreement.



As a first step, we will achieve our first goal of reducing CO2 emissions by 50% by 2025 compared to 2019. This mainly concerns emissions related to our activities, such as energy consumption of our buildings and vehicle fleets, as well as emissions resulting from logistics for new vehicles and parts to our dealers, business travel, waste and commuting. This applies only to the area of D'Ieteren Automotive, D'Ieteren Centers and Porsche Centers in Antwerp and Brussels (formerly s.a. D'Ieteren n.v.).

Next, we will reduce direct and indirect emissions (Scope 1, 2 and 3) by a minimum of 42% in 2030 compared to 2023 for D'Ieteren Automotive and all its majority subsidiaries. At this point, we will thus consider both direct and indirect emissions, including those associated with the production, use and end-of-life of the products we sell.

A. Our own emissions

We will reduce our direct CO2 emissions for D'Ieteren Automotive and its subsidiaries with about 42% in 2030 (vs 2023) to become net-zero in 2050, meaning a reduction of about 90% of our direct CO2 emissions.

How are we doing this? Well, here is a list of key-levers...

- Promoting energy saving behavior on all our sites
- Better isolated buildings
- Switching to green electricity & green gas on 100% of our sites
- Minimizing the need to travel to work with hybrid ways of working
- Offering solutions for employees who do not have company cars
- For business travels, choosing the greenest form of transport depending on the circumstances
- Highly selective waste sorting
- Further investing in greener logistics
- Greener procurement with ESG criteria to select suppliers
- etc.



Reducing our own emissions depend on our daily attention to it. The electrification of our vehicle fleet is a high-impact measure. But small actions can also have a big impact, especially if we do them all together. We are open to your initiatives. We expect you to come up with a list of initiatives that you and your people commit to. It can be the big world-improving idea, but it doesn't have to be. Small bits help too.

B. Indirect emissions

We will reduce our indirect emissions that are due to the production, use and end of live of all products we sold (new and used vehicles, spare parts and accessories, charging stations, solar panels, bikes,...)

These categories of the scope 3 are the most important ones and the most difficult ones to reduce. Our target for 2030 is to reduce these categories of the scope 3 emission by minimum 42% (vs 2023) and around 90% in 2050.



▶ The D'Ieteren Climate School

To take effective action, it is important to be well informed! This is why we created the D'Ieteren Climate School, where you will have the opportunity to gain a thorough understanding of climate issues and the possible levers for action.



Filling in the blanks on the most relevant categories of scope 3

We have identified three levers that will lead us to our goals in 2030 and 2050 will lead us to our goals. These are explained below and are integrated into the strategy of the company.

Lever One - Electrification and renewable energy

We aim to have at least 60% of our vehicle sales are electric by 2030. Why? Because an electric vehicle generates on average 6 times less emissions than a fuel car over its lifetime and 2 times less if we also include the emissions associated with production and end of life are included. The electrification of our sales is thus essential for our transition to a low-carbon future. It is also of important to our economic profitability, as the European Union recently announced a ban on the use of internal combustion engines starting in 2035 (with the exception for e-fuel), which means that our traditional market segment is shrinking rapidly. The product range is also an important factor in striking a balance between profitability and CO2 emissions. To make the transition to electric vehicles for our customers, we must ensure that charging is easy and, to be consistent, we must promote the use of green energy. Here EDI and Go Solar play an important role.

Lever 2 - Extending the life of our vehicles

Think of a used garment: it avoids the emissions associated with the production of a new piece of clothing. The same goes for a refurbished phone, ready for a second life. Do you see the comparison? Extending the lifespan of our vehicles is an action that benefits our planet.

By using a less polluting vehicle, by sharing, by good maintenance, by offering appropriate services offer, by overhauling and by promoting use rather than ownership, we can we are on a promising trajectory in line with current trends while reducing our carbon footprint. Keep that in mind.

Lever 3 - Accelerate the growth of our low carbon activities

We need to accelerate the growth of our products and solutions for low carbon mobility accelerate. Every time a customer chooses for a low-carbon solution, we avoid we include emissions from a product with high carbon content in our Scope 3. Think of Lucien or Microlino. How can we ensure that these products and services perform better/ excel even more in the mobility of the future?



All as one

Transforming a company historically based on high-emission products to one known for successfully marketing low-carbon products and services is undoubtedly a major challenge.

But that's what we want to do.

The reasons listed in this handbook speak for themselves: the well-being of our planet, our quality of life, that of future generations, the future of our business.... The spectrum is broad.

To achieve this, we must keep in mind one key success factor: we must move forward together. All as one.

We are aware that it will not always be easy. Far from it... Not everyone will be on the same wavelength. Some will hesitate, others will resist. This is normal.

We will face a number of contradictions. Balancing profitability and carbon neutrality is a complex exercise. But let's not wait for an ideal business model to evolve sustainably.

The climate crisis is the biggest issue our company has ever faced. A frightening reality, but we can also look at it from a different perspective. It presents an incredible opportunity to contribute to accessible and sustainable mobility and thus a better world. What our business will look like in 2050 will be determined over the next decade. It is exciting to be part of this process. Let us act with conviction and make future generations grateful and proud of D'Ieteren.



Need more info ?

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