



May 2012

**Communication on Progress
(COP) of the UN Global
Compact's Ten Principles
2012**



CEO Statement of support

Belron® is the world's largest vehicle glass repair and replacement business operating wholly-owned and franchised businesses employing over 25,500 people in 34 countries worldwide. Being a responsible business is the foundation of our ambition to become the World's Natural choice vehicle glass repair and replacement business. Being a signatory to the UN Global Compact enables us to demonstrate to all our stakeholders our commitment to being a sustainable business so that we continue to be a trusted and respected company in the eyes of our people, customers and partners.

We do this in part by ensuring that the Global Compact's 10 principles are embedded in all that we do - in the way that we operate our business and treat our people, the way we manage our impact on the environment and the way in which we give back to the communities we work in.

This is a way of working that we have always believed in at Belron® but over the last three years we have put a more structured approach in place to manage our performance on sustainability issues, to ensure it is a strategic focus throughout our operations and that we have appropriate practices in place. Our approach provides a platform for meeting the requirements of a number of external standards and commitments, including the United Nations Universal Declaration of Human Rights and the United Nations Global Compact and is most evident in our Code of Ethics – Our Way of Working.

2012 is the second year of reporting on all of our Corporate Responsibility activities and achievements not just in affirming our on-going support for and commitment to the UN Global Compact. The following report provides a summary of the activities of Belron® in relation to and progress in implementing the UN Global Compact's Ten Principles. Further detail on our corporate responsibility journey and achievements to date can be found at <http://www.belron.com/About-us/Corporate-social-responsibility/Our-CR-journey.aspx>

Gary Lubner, CEO, Belron®
May 2012



May 2012

At Belron® we are committed to ensuring that we have the highest standards of ethical conduct in everything that we do and we believe that

everyone has a role to play in this. We have a clear set of guidelines as to how we should conduct our business and how our people should behave towards their colleagues, our customers and our communities.



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Businesses should make sure they are not complicit in human rights abuses

All Belron® operations are managed and operated to high ethical standards that protect and support the rights and interests of all human beings. All employee, contract and supplier working conditions are required to be compliant at least with national legislation and in cases where this is deemed insufficient, with the relevant International Labour Organisation (ILO) Standards. Belron® has systems in place to ensure that the Articles of the United Nations Universal Declaration of Human Rights are assessed, prioritised and implemented as they apply to our sphere of influence. This means that in no instance will inhumane treatment of employees be acceptable including any form of forced labour, physical punishment or other abuse.

A practical example of how we are demonstrating this commitment is our active supplier audit process which we started in 2010. This ensures that those working with us also comply with our high standards and principles.

Our Global Code of Ethics is another demonstration of our commitments. Our Way of Working <http://www.belron.com/About-us/Corporate-social-responsibility/Our-way-of-working.aspx> sets out our commitments in this area and has been presented to every Belron® management team across the world. This session, which includes raising awareness and training employees specifically on Human Rights, has been delivered to 97% of employees across the Group. In addition, the awareness session is delivered to all new employees as part of our induction programme. Since the rollout of the Code started we have put in place a confidential complaints process using an independent provider. The Speak Up line enables our employees and anyone beyond the organisation to report anything they believe is not in keeping with the commitments we have made as an organisation including any perceived infringement of their rights. More information on our Speak Up line can be found at <http://www.belronethics.com/>

May 2012

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the rights to collective bargaining

Every Belron® business unit respects the right of all employees and contractors to be involved in trade unions or collective bargaining arrangements. We engage directly with our people through well-developed communication programmes, but we ensure that we as a business and our suppliers uphold the freedom of association and the effective recognition of the right to collective bargaining.

The Global Code of Ethics <http://www.belron.com/en/About-us/Corporate-social-responsibility/Our-way-of-working.aspx> upholds this right. Where we have employee representatives we ensure that they are able to fulfil their duties without discrimination and that employee representatives have access to their members in the workplace.

We actively encourage and support the employee representatives of our European countries to meet by facilitating a yearly forum whereby these representatives come together to discuss important policies and decisions.

Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour

Our Global Code of Ethics <http://www.belron.com/en/About-us/Corporate-social-responsibility/Our-way-of-working.aspx> commits us to ensure that our operations do not contribute directly or indirectly to human rights abuses. We will not work with any organisation that fails to uphold basic human rights and includes any form of forced labour, physical punishment or other abuse. We are completely committed to reporting any concerns about human rights abuse immediately. Our independent Speak Up line will enable any employee to report any direct violation of this internally. Our on-going supplier audits will check that those working for us do not commit such violations.

Principle 5: Businesses should support the effective abolition of child labour

Belron® outlaws the use of child labour in any form. We do not employ anyone below the age of 16 or the local legal minimum employment age should this be different in a country we operate in. We will not use suppliers who use child labour in any manner. This is one of the areas covered by our on-going supplier audits. In addition we are working on a global Supplier questionnaire which will include providing evidence on all these elements during the procurement process.

Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation

At Belron® any form of discrimination based on race, nationality, religion, age, disability, gender, marital status, sexual orientation, pregnancy, union membership or political affiliation is unacceptable and we have policies and procedures in place should such



May 2012

situations arise to deal with them promptly and effectively. This commitment to eliminate discrimination is set out in the Global Code of Ethics

<http://www.belron.com/en/About-us/Corporate-social-responsibility/Our-way-of-working.aspx> and again during the global rollout part of the awareness training specifically focussed on discrimination. Through our Speak Up process we encourage people to raise questions and express criticism in the hope that we will hear about any form of unfair discrimination in order to eliminate it should it occur.



Our CR journey

As well as welcoming diversity in our workplace we are completely committed to creating working environments in which everyone feels valued and can be heard. We are constantly creating a culture of communication with all employees using surveys, newsletters, the intranet, workshops, forums and showcasing our employees talents at worldwide events such as Best of Belron® <http://www.bestofbelron.com>.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

At Belron® we take our responsibility for the environment very seriously and we aspire to grow our business in a manner that is environmentally sustainable. In order to achieve this we apply a precautionary approach in our decision-making and integrate environmental principles into our business strategy as outlined in our Global Code of Ethics <http://www.belron.com/en/About-us/Corporate-social-responsibility/Our-way-of-working.aspx>.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility;

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

At Belron® we are committed to minimising our environmental impact throughout our global operations. We know that one of our most important environmental impacts is CO₂ emissions and we measure these on an annual basis in every one of our corporate business units, reporting them centrally. In 2010 we set a target to reduce our emissions by 30% by 2015 and all of our business units are committed to take action to achieve this ambition.

Our biggest sources of carbon emissions are from our vehicles, the energy consumed in our buildings and our logistics, both our own and third-party.

In 2011 we made real progress in understanding the improvements that can be made to our buildings in order to drive out energy and carbon savings. We have reviewed existing

May 2012

technologies available and have developed a short list of low cost solutions that can easily be incorporated into our existing branches.



Throughout 2012 we will be piloting the use of these energy efficient technologies in branches across the globe.

Low carbon vehicles will be a key element in reducing our environmental impact. In 2011, electric vehicles (EV's) were trialled in three countries which provided us with a greater understanding of the role they can play in our business operations. There are still some areas where we need to gain further clarity on operational performance; however we are determined to find a solution to successfully integrate EV's into our fleets.

Four of our business units have implemented ISO 14001 certified environmental management systems, with two more hoping to gain certification by the end of 2012.

We reduce vehicle glass waste as much as possible by repairing windscreens first. Where this is not possible we aim to recycle the glass, however in some of our operations the infrastructure to support recycling does not exist. We are actively pursuing innovative new ways to achieve glass windscreen recycling where historically it has been difficult to recycle the glass. We have set a challenging target of a zero to landfill policy on all the vehicle glass waste we generate by 2015.

Our supplier management process requires our business partners to adhere to our environmental principles and our supplier audit monitors and evaluates their environmental performance. More detailed examples of how we are practically implementing initiatives to reduce our impact on the environment can be found at <http://www.belron.com/About-us/Corporate-social-responsibility/Our-way-of-managing-our-impact/Explore-our-local-stories.aspx>

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Our ethical principles are in place to ensure that offences such as bribery and corruption are not tolerated within the business and our approach to it is detailed in the Global Code of Ethics <http://www.belron.com/en/About-us/Corporate-social-responsibility/Our-way-of-working.aspx> which applies throughout the Group and sets out our clear principles and guidelines towards bribery and corruption, money laundering and fraud prevention.

Belron® will not accept or offer money to induce favourable treatment for Belron® including the acceptance or donation of money to any employee of a government organisation or a government official. We do not tolerate any such activity by our employees and those with whom we do business.

May 2012

All Belron® employees, contractors and external parties are encouraged to raise any genuine concern about suspected misconduct



or malpractice, including bribery, facilitation payments, extortion and money laundering provisions, ethical misconduct or any perceived infringement of their rights through our independent Speak Up line. Any concerns are properly investigated in a fair and effective manner and we have mechanisms in place to ensure that no form of retaliation or reprisal for reporting suspected infringements takes place as a result of a raised concern. More information on our Speak Up line can be found at <http://belronethics.com/home>.

Our internal Risk department ensures consistency with our anti-corruption commitment by completing periodic internal reviews throughout our operations. Our legal team consistently provide training and awareness on our competition law policy which is common to all our business units and complete tailored programmes for local markets to ensure that we continue to compete fairly and in compliance with all applicable competition laws.

All UK Boards have adopted the policy on anti-bribery as out-lined in our Global Code of Ethics. They are finalising a comprehensive risk assessment of the UK operations taking into account, where relevant, wider geographical implications. Other Group businesses are undertaking their own assessments as necessary, taking into account local conditions and requirements.

How do you intend to make this COP available to your stakeholders?

Our COP is integrated into our overall communication strategy with stakeholders delivered principally through our Corporate Responsibility report which can be found at <http://www.belron.com/About-us/Corporate-social-responsibility/Our-CR-journey.aspx> (web based and as downloadable PDF). In addition, our COP is available through our internal intranet. We are orienting our corporate responsibility reporting towards the GRI framework (C-level).