



May 2014

Communication on Progress (COP) UN Global Compact's Ten Principles 2014

CEO Statement of continued support

Belron® is pleased to reaffirm its continued support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

Being a signatory to the UN Global Compact enables us to demonstrate to all our stakeholders our commitment to being a sustainable business. The Ten 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.

In addition to our support of the UN Global Compact's principles we continue to be guided by our four Corporate Responsibility commitments which influence all of our day-to-day operations:

Ethics – all employees understand the responsible way of working

Our people – we create a fantastic work environment by recognising and encouraging development within an open and honest organisational culture

Giving Back – we support every business unit to become involved in giving back to their local community and we go beyond this by supporting causes as a global group

Environment – we work hard to manage and reduce our impact on the environment and we are taking meaningful steps to continuously improve in the long term

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 is most evident in our Code of Ethics – Our Way of Working.

In this Communication on Progress we provide a summary of the activities of Belron® in relation to our ongoing commitment to the UN Global Compact's Ten Principles.

A handwritten signature in black ink that reads 'Gary Lubner'.

Gary Lubner
CEO, Belron®



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At Belron® we continue to develop our reputation for being a trusted and respected company in the eyes of our people, our customers and our partners. 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 principles that guide the decisions and support the actions of everyone at Belron®, wherever they are in the world.

These guiding principles are formalised in our Code of Ethics - Our Way of Working. This document is made available to all employees and is translated into our local country languages.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
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Principle 2: Businesses should make sure they are not complicit in human rights abuses

All Belron® operations continue to be 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 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.

In 2010 we established a supplier audit programme to ensure the integrity of our supply chain. Our audit criteria are designed to reflect the principles of the UNGC, legislative requirements and our own Code of Ethics – Our Way of Working. This Labour Compliance Assessment looks at many different areas including; child labour, health and safety, discrimination, environment and business ethics. The programme ensures that those working with us also comply with our high standards and principles. During 2013 audits were carried out at two key suppliers and further audits are scheduled for this year.

The Belron® Code of Ethics – Our Way of Working awareness training session is available to new employees as part of their induction programme. This session, which includes raising awareness and training employees specifically on human rights, has been delivered to our employees across the Group, with many of our businesses running refresher programmes.



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Whilst we encourage these sessions to take place face to face we recognise that this is not always possible, therefore we have made the training available online through our Belron® Ethics website (www.belronethics.com). This public site gives access to the Code of Ethics policy booklet in all our languages as well as information and access to our independent speak up channel.

Belron® encourages all its employees to speak up when they see a situation that they believe is not in keeping with the Our Way of Working principals. It may be something which affects the employee personally, or their colleague, or something which could impact the reputation of Belron®.

Employees can speak to their line managers if they witness anything that concerns them. An independent Speak Up line and online reporting channel is also available to all employees where they can raise issue and concerns.

In 2013, twenty-one calls were made to the Speak Up line. An independent central team working with local executive management followed up all concerns raised through the service. Feedback was provided to callers if they followed up through the Speak Up line, which was relatively rare since most issues were resolved locally. This system continues to prove very effective for Belron® employees and the business as a whole.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the rights to collective bargaining
Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour
Principle 5: Businesses should support the effective abolition of child labour
Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation

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 Belron® Code of Ethics 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.

Our Code of Ethics 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



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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 channel enables any employee to report any direct violation of this internally and our on-going supplier audits will check that those working for us do not commit such violations.

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 support of our on-going supplier audit programme we have developed a global supplier code of conduct. Key suppliers will be required to demonstrate acknowledgment and actively support the code.

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. We have policies and procedures in place should such situations arise to deal with them promptly and effectively.

Our commitment to eliminate discrimination is set out in the Belron® Code of Ethics and there is a specific focus on this as part of awareness sessions. We encourage our employees to speak up should they encounter any form of unfair discrimination in order to eliminate it should it occur.

The Belron® business in France has designed a training programme for managers to raise awareness about stress, harassment and bullying in the workplace. The programme ensures that every manager understands the issues and has the right tools to help their employees. This programme is part of the manager induction programme.

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 and forums.

At Belron® we also have in place global recognition programmes; the Belron® Exceptional Customer Service Award: www.belronheroes.com and we showcase our employees' talents at worldwide events such as Best of Belron® <http://www.bestofbelron.com>.

In 2013 the Belron® business in New Zealand achieved 6th place in Best Place to Work New Zealand having recorded their highest ever engagement result. The Belgium business achieved 4th place in the Best Companies to Work for competition and also received a silver



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award from Investors in People. The business in Australia were finalists in the Australian Human Resources Institute award for Corporate Social Responsibility.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges
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Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility;
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Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies
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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.

In order to continue our commitment to reducing CO₂ emissions we continue to focus on our fleet of operational vehicles; our branches and our waste during 2013. Further progress was made on reducing vehicle fuel consumption, which is responsible for producing around 40% of our CO₂ emissions. By the end of 2013, 70% of operational vehicles had systems that reduce fuel use, either through limiting device fitted to the engine or a feedback system alerting drivers when they are not driving economically.

In the UK business, over 1,000 vehicles have a device fitted. This provides real-time visual and audible feedback helping the driver manage and improve their driving style. The initial results of this on-board system equates to an annual saving of over 400,000 litres of fuel and over 1,000 tonnes of CO₂.

Belron® also continues to review alternative fuel technologies to see how it can incorporate them into its future fleet. Low carbon vehicles will be a key element in reducing our environmental impact and we are determined to find a solution to successfully integrate these vehicles into our fleets. In 2012 we established a long term electric vehicles (EV's) trial in The Netherlands and although they have zero CO₂ emissions, the initial results indicate the current vehicles are only able to perform to an acceptable level within the correct urban setting. As a result we are also evaluating natural gas at our distribution centre in Belgium and in our business in Greece.

We have also piloted a timer system in some branches to control the heating when it is not required. When the access gate stays open for too long the heating is automatically switched off and after operational hours the heating is automatically switched to a lower



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level. This simple initiative has seen CO₂ emissions drop by almost 30% with a total of 13,000 litres less fuel oil used, therefore significantly reducing the overall carbon footprint.

By repairing windscreens first where possible, we reduce the amount of vehicle glass waste. Where we have to replace the glass we aim to recycle the waste as much as possible. The innovative glass recycling programme in the US market, which was established in 2012, has seen the recycling rate increase by 30%. In 2013 the programme enabled 22,000 tonnes of material to be diverted from landfill. The programme received recognition with an Award for Innovation from insurers, USAA in July.

Our overall glass recycling across all our operations is now at 85%. In operations where the infrastructure doesn't currently exist for recycling we continue to look for solutions.

Our supplier management process requires our business partners to adhere to our environmental principles and our supplier audit monitors and evaluates their environmental performance.

In 2013 Belron® was audited by a key account partner through the EcoVadis platform (www.ecovadis.com) and were awarded a Silver rating. The audit covered the areas of environment, labour practices, fair business practices and suppliers; and looked at our policies, our actions and our results in all these areas.

The Belron® business in France implemented ISO 14001 certified environmental management systems in 2013, taking the total of businesses with the accreditation to six.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery
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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 Code of Ethics. This Code applies throughout the Group and sets out our clear principles and guidelines for the prevention of bribery and corruption, money laundering and fraud.

Belron® itself will not accept or offer money to induce favourable treatment for Belron®, for example, accepting money from or donating money to any employee of a government organisation or a government official. Similarly, we do not tolerate any such activity by our employees or by those with whom we do business.

All Belron® employees, contractors and external parties are encouraged to raise any genuine concern about any suspected misconduct or malpractice, including bribery, facilitation payments, extortion and money laundering provisions, ethical misconduct or any



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perceived infringement of their rights through our independent Speak Up line. All 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 any raised concern.

Our internal Risk department ensures consistency with our anti-corruption commitment by completing periodic internal reviews throughout our operations using a comprehensive Risk Management Programme. This programme reviews the areas of oversight and management; relationships with business partners; confidential information and data protection; financial irregularity; our people; environment and giving back.

Our legal team provides training and awareness to all our business units on anti-corruption law and our anti-corruption policies to ensure that we continue to compete fairly and in compliance with all applicable anti-bribery laws.

All UK Boards have adopted the policy on anti-bribery outlined in our Code of Ethics. They have completed a comprehensive risk assessment of the UK operations taking into account wider geographical implications and are currently in the process of implementing the findings. 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 available through our internal intranet and on our external websites <http://www.belron.com/About-us/Corporate-social-responsibility/Our-reporting-approach/UN-Global-Compact.aspx> and www.belronethics.com