



Our Way
of Working
Integrity, Respect & Trust



United Nations Global Compact Communication on Progress 2016





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About Belron®

Belron® is the world's largest vehicle glass repair and replacement (VGRR) company, and the only dedicated provider of VGRR services operating on a global basis. Belron has operations in 33 countries across five continents, specialising in the replacement of irreparably damaged glass and the repair of chipped windscreens.

- **Every three seconds** we complete a job for a motorist
- **Every day** we do over 7,800 windscreen repairs
- **Every week** we complete 115,000 mobile jobs





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CEO Statement

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

In doing so we are committed to the adoption and embedding of the UNGC Principles across our business, to publically report on our progress, and to advance sustainable business practices through advocacy to our employees, business partners and suppliers as well as civil society.

The core of our business is our culture - the Spirit of Belron - this is defined through the four dimensions of collaborative, genuine, driven and caring. In addition we continue to be guided by our four Corporate Responsibility commitments which influence all of our day-to-day operations:

- **Ethical responsibility** – we continue to ensure our way of working is maintained through regular training and monitoring and we are guided by our principles of **integrity, respect and trust**
- **Environmental responsibility** – we continue to take meaningful steps in reducing our impact on the environment
- **Social responsibility** – we continue to be actively involved in supporting communities around the world and selected causes as a global group
- **Employment responsibility** – we continue to strive for exceptional levels of engagement for our employees

Our approach also 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.



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Emerging market changes in 2015

We have made some strategic changes within our emerging market business during this reporting year as we have struggled to deliver profitable growth in this area over the past few years. This is attributed to two primary factors; firstly, the lack of sophistication and control in the insurance segment and secondly, the level of turbulence in these markets.

We entered China in 2009 and expanded into several cities through acquisition. The transformation of the former owner-managed businesses into subsidiaries of a major multinational corporation necessitated significant cost increases in order to achieve the necessary level of compliance. However, due to the lack of sophistication in the market we have been unable to generate the level of sales commensurate with these higher costs. Further, as we grew, the compliance costs we faced continued to increase. After a detailed review in 2015, we took the decision that continuing to pursue the market entry would be excessively costly for the Group at this time.

In Brazil, turbulence in the economy and in the market led to profit challenges over recent years. While our losses decreased in 2015, we are delighted to have concluded a joint venture agreement with Advisia early in 2016. This will give the business the benefit of local entrepreneurs, supported by the global Belron knowledge and capabilities.

While we continue to believe in our capacity to generate value in the VGRR segment we undertook a detailed strategic review in 2015 supported by McKinsey consultants which identified additional service markets where we can leverage our key competencies to deliver future profitable growth. Our focus is primarily on providing additional 'distressed service' to customers for their vehicles and in their



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homes. We are excited by the opportunities that have been identified and will pursue them in 2016 and beyond. At our core will be our goal of making a difference to our customers by solving their everyday problems with real care.

The following report looks at our progress in embedding the UNGC principles for reporting year 2015.

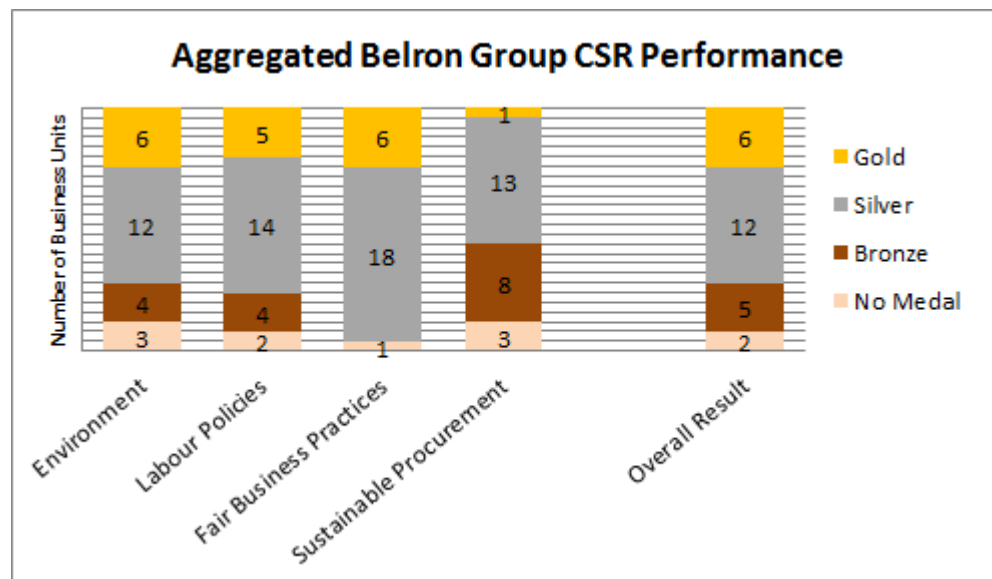
A handwritten signature in black ink that reads "Gary Lubner". The signature is fluid and cursive, with the first name "Gary" and last name "Lubner" clearly distinguishable.

Gary Lubner
CEO, Belron®

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In 2015 Belron implemented a Corporate Social Responsibility (CSR) benchmarking strategy across the group. It requires each corporate business unit to complete a CSR assessment which evaluates how well they are doing against key criteria in line with the ten principles of the United Nations Global Compact. The assessment has a key focus on environment, labour practices and human rights, fair business practices and sustainable procurement analysing the policies each business has in place, the actions taken to implement these policies and the results. This is externally assessed by Ecovadis, a leading company working with the likes of Coca Cola, Heineken, Saint-Gobain and Renault.

By the end of February 2016 all our business units had completed their assessment and each received an individual benchmark and scorecard highlighting strengths and areas for improvement. This allows them to prioritise their CSR actions for the coming 12-24 months prior to carrying out their next assessment.





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The results overall are very encouraging as it demonstrates good progress in many countries, as well as clearly highlighting areas for local action and where we can share good practice across the group. The overall score for the group puts us in the top 30% of all the 25,000 companies assessed.

Six of the business units were rated gold level overall, which puts them in the top 10%. Later in 2016 Belron will host a workshop to develop the common themes for the group and focus on key areas for improvement with an aspiration to be gold rated across the group by 2020.

Labour & Human Rights

The aggregated results from all the business units show that both the labour practices and human rights and the fair business practice areas are the highest scoring across the Group. Our labour practices actions rate us in the top 17% in our industry and top 15% for fair business practices.

Within the process of completing the assessment the business units need to provide their policies and actions including their implementation of health and safety policies; working conditions; actions in place regarding discrimination and human rights; employee rights to join collective bargaining organisations and health and safety indicators such as accident rates and hours of training.

The comprehensive assessment also provides us with an overview of how well the Belron Code of Ethics - Our Way of Working is embedded across the Group. The results show that it is still an effective way of communicating the way in which we do business; how we work together, how we work with others and how we manage the business.



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It is imperative that 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.

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 European Social Structure meeting held in May 2015, had representatives from 12 of our European businesses. The Structure is available in order to satisfy the needs of the Belron employees working across Europe for relevant and regular information and direct dialogue with Management matters which affect them. This is essential for transnational matters to ensure that the methods and procedures to be installed satisfy the specific needs of the Belron Group by taking into account its organisational and management structure.

As part of the 2015 meeting agenda, representatives were given an overview of the Group's business performance and a high level operating plan for the year ahead. The representatives had the opportunity to put forward any questions or concerns from their business unit colleagues. The representatives were satisfied with the response to their questions. Any area which requires more in-depth discussion or information is included in the agenda for the next meeting (May 2016).



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During this last reporting year, Belron launched a pilot programme introducing the 'Belron People Measure' (BPM). As well as the central business unit - Belron International - Denmark, Sweden and Netherlands are also taking part in the six-month pilot. Each month 25% of employees in these pilot countries (random selection each month) are sent a short pulse survey by text asking three questions about the previous month:

- On a scale of 1-10 how was work for you over the last month?
- What was good about it?
- What could have been better?

The results of each survey are reviewed with action taken wherever possible. These results are also shared across the business unit showing response rate, average score and the comments from the two questions. These surveys enable us to get a regular 'snapshot' of how employees are feeling and enable us to take action. The pilot programme will go towards supporting our 'People' aspiration of being 'the best place you will ever work'.

In line with this aspiration 3 of the Belron businesses achieved external recognition for their workplace:

- Carglass Germany was again recognised as one of the best employers in the country, with independent certification from the Top Employers Institute. Research by the Top Employers Institute showed that Carglass Germany provides exceptional employee conditions and nurtures and develops talent throughout all levels of the organisation. It also found that Carglass Germany has demonstrated its leadership status in the HR environment, always striving to optimise its employment practices and to develop its employees.



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- Carglass Belux was very proud to have achieved a place in the top 10 Best Workplaces in Belgium for the fourth consecutive year. A survey was conducted amongst all employees focusing on credibility, fairness, respect, pride and camaraderie within the organisation. It found that 83% of employees say that Carglass is a very good organisation to work for.
- Belron International achieved an outstanding 4th place in the Medium category (organisations with 50 – 499 employees) in the annual UK Best Workplaces. This was the first time that Belron International had entered the programme, making the result a huge achievement as only a small number of organisations even make the list in the first year of entering. The Best Workplaces programme is run by the Great Place to Work Institute UK, an organisation that specialises in employee research and helps businesses to understand and improve levels of engagement. The programme is the largest and most respected global study of people management and workplace cultures which culminates in the Best Workplace awards.

We are completely committed to continuing to create working environments in which everyone feels valued and can be heard. We are constantly creating a culture of communication with all employees using newsletters, the intranet, workshops, forums and social media where appropriate.

Our internal recognition programmes continued to be a success during 2015 with a record breaking 60 nominations for the Belron Exceptional Customer Service Award (BECSA) - a recognition programme created to recognise Belron people who are providing exceptional service to customers throughout the year – ‘everyday heroes.’



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Eighteen of the Belron business units put forward the enthusiastic and dedicated winners of their local recognition programmes. From the 60 nominations, 26 winners from 15 business units were recognised each winning €3,000 net of tax and a glass award.

The inspiring stories of passion, dedication and commitment to outstanding customer service include:

- technicians striving for perfection with every job, every day and receiving overwhelmingly positive feedback from their customers
- exciting and innovative ideas, from sun hoods to new IT processes and systems
- outstanding individuals who inspire and motivate those around them
- dramatic rescues including a gas explosion and a runaway car.

Through our Code of Ethics and our CSR benchmarking programme we have 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.

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.

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



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

One of the areas for improvement highlighted in the CSR benchmarking is sustainable procurement. A large part of the Belron turnover is spent on buying products and services to carry out its business activities and it has always been important to ensure that these suppliers share the Belron ethical approach to doing business. However with increasing pressure from key insurance and fleet customers and with new legislation being introduced, Belron decided to be more proactive and introduce a coordinated approach to evaluating suppliers.

In 2015, with the support from the Purchasing Managers from around the group, a review was undertaken and a number of key recommendations drafted. These will be piloted early in 2016 and the results presented to the Purchasing Managers for implementation across the Group. This should result in ensuring appropriate due diligence has been carried out across the supply chain including assessments and audits of more strategic and higher risk suppliers. Audit criteria are designed to reflect the principles of the UNGC, legislative requirements and our own Code of Ethics. This Labour Compliance Assessment looks at many different areas including; child labour, health and safety, discrimination, environment and business ethics.

In addition, with the introduction of the Modern Slavery Act into UK legislation, Belron is undertaking a review of how we engage with suppliers under UK contracts to ensure they are carrying out sufficient checks within their activities to manage risks associated with modern slavery within their supply chain. Later in 2016 Belron will be publishing a formal response statement to the Modern Slavery Act with the



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specific actions we intend to take. We will be working with our key suppliers to ensure they are open and transparent about how they deal with this issue within their supply chain.

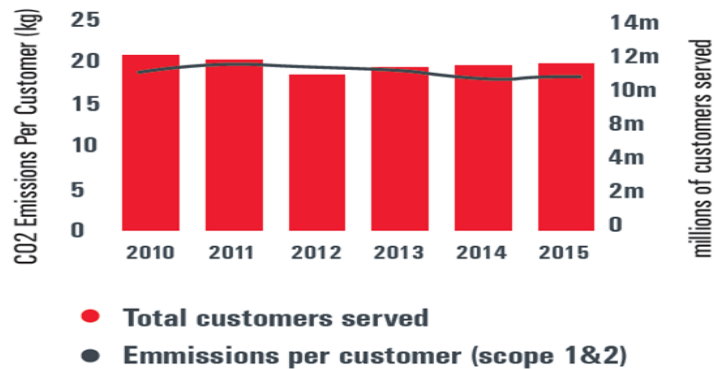
Environment

Our commitment means that we take our responsibility for the environment 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 2015 Belron replaced its internally developed environment reporting system with an externally supported system to ensure that the reporting was in line with Global Reporting Initiative requirements under the United Nations Global Compact. Once the system was set-up to reflect the way the Belron business works, all the data from the old system was validated and transferred to the new system and training on collection and reporting of energy use and waste management was given to all business units.

Feedback has been extremely positive and the objective of providing the business units with a more transparent process and the ability to interrogate and understand their own energy and waste data has been achieved. In addition, the reporting was extended to all business units which meant on-boarding 4 additional countries so that the 2015 data is a more robust and accurate reflection of the Belron environmental impact. More importantly this allows the business units to more accurately target opportunities to reduce their impact and see the results of their actions more clearly.

Carbon Footprint Evolution



The results show that the overall carbon footprint has stayed steady since 2010, with our key measure, carbon emissions per customer, staying under 20kg. The challenge for the next 5 years is to significantly cut the main causes of emissions. These will be around improving fuel efficiency of our transportation network, continuing to roll out low energy lighting and and introducing improved energy management in the branches.

As each business unit's environmental impact is also part of the CSR assessment programme with Ecovadis, they will need to demonstrate what actions they have taken when they are reassessed over the coming months.

We are continuing our search for a commercially viable alternative to fossil fuel vehicles to significantly reduce the carbon emissions of our mobile fleets while maintaining operational efficiency. Some research was carried out in 2015 which looked at technology maturity, infrastructure availability, vehicle suitability, cost and emissions. This will be used in 2016 as the basis for a review with the fleet managers from around the group to evaluate the potential in the main mobile business units.

Executive Summary

Region	Alt. Fuel Technology Potential								
	Petrol	Biodiesel	Electric	Hybrid	LPG	CNG	Bio-methane	Hydrogen	Ethanol
UK									
France									
Netherlands									
Germany									
US									
Australia									

Key

Cost and CO2 savings unlikely

Cost and CO2 savings may exist under certain circumstances

Cost and CO2 saving are likely to be available

Note: Alternative fuel performance is compared to the incumbent technology. The EU this is diesel and in the US and Australia petrol is the predominant fuel.

Initial tests of electric vans have not been successful, mostly due to vehicle size and autonomy. However, in 2015 an evaluation of the Nissan e-NV200 van by our business in France has proved it to be worth extending. At the end of 2015 nine vehicles were implemented in urban areas where the daily van route can be kept to below 100km. In 2016 our French business is continuing to evaluate how to extend the use of these vehicles and expect to double the number of vehicles over the next few months. The performance is being evaluated to develop recommendations on where and how to maximise the use of electric vehicles in other Belron business units, with a view to extending the trial to other areas.

While we have made great strides over the last 5 years in reducing the impact of waste and recycling where possible, we have identified an issue with the PVB layer in the windscreens which is not easily recycled and is often used as a low value additive to road-fill. In the next 6 months we will embark on a research project with other partners in the supply chain to see how we can improve recycling with the ultimate aim to provide PVB which can be recycled into new PVB.



Anti-Corruption

The Fair Business Practice area of the CSR benchmarking programme assesses the policies and actions in place for anti-bribery and corruption, conflict of interest, fraud, money laundering, anti-competitive practices, truthfulness of marketing and advertising messages as well as data protection and privacy.

We are also explicit in our Code of Ethics that offences such as bribery and corruption are not tolerated within the business. 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.

The Belron Group Risk and Assurance which ensures consistency by completing periodic internal reviews throughout our businesses, has developed a specific Ethical Conduct Programme in 2015 to identify existing policies, procedures and controls already in place in relation to ethical conduct across the business. It covers the areas of oversight and management, relationships with business partners, confidential information and data protection, financial property and people.

This programme helps the central team to raise awareness and gather knowledge on the businesses ethical conduct practices so that good practice may be shared, solutions developed and assurance measured. Following the positive feedback received from all four pilot countries - Germany, Sweden, Switzerland and Russia – the roll-out across the group has started. As more reviews are completed 'common themes' and examples of best practice will be shared.



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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 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.

The Speak Up line continues to be an effective system for Belron employees and the business as a whole. During 2015 the Speak Up line received 29 calls from employees either reporting an incident or making an enquiry. Each call is reported to a Belron central team who work with the in-country Executive management to follow up all concerns raised.

Our legal team provides training and awareness to all our businesses 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.

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/aboutus/whatwestandfor/> and www.belronethics.com. View the annual report as part of the D'leteren report <http://www.dieteren.com/en/newsroom/annual-report/2015>

APPENDIX

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Policies & Procedures in place against the Ten Principles

		Policies & Procedures in place
	Human Rights	
1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Belron Code of Ethics - Our Way of Working (available in all the Belron business languages) Ethics on-line portal (www.belronethics.com) Our Way of Working awareness training sessions
2	Businesses should make sure they are not complicit in human rights abuses	Supplier audit programme International Speak Up line available in all Belron business languages Supplier Code of Conduct Ecovadis CSR benchmarking assessment for all corporate businesses
	Labour	
3	Businesses should uphold the freedom of association and the effective recognition of the rights to collective bargaining	Belron Code of Ethics - Our Way of Working Ethics on-line portal Our Way of Working awareness training sessions
4	Businesses should support the elimination of all forms of forced and compulsory labour	Supplier audit programme International Speak Up line available in all Belron business languages Supplier Code of Conduct
5	Businesses should support the effective abolition of child labour	Employee Forums and Works Councils active within business units European Works Council (annual meeting) Health & Safety training for central offices employees and specific training for technician population
6	Businesses should support the elimination of discrimination in respect of employment and occupation	Human Resources policies and procedures in place to ensure employee well-being Global employee recognition programmes in place Ecovadis CSR benchmarking assessment for all corporate businesses
	Environment	
7	Businesses should support a precautionary approach to environmental challenges	Implementation Development of a new carbon footprint reporting tool across all our corporate business units including training and validating of information provided from 2010 onwards Annual reporting of carbon footprint to GRI indicators within parent company shareholders report
8	Businesses should undertake initiatives to promote greater environmental responsibility;	Adoption of Ecovadis platform as an external measure of progress Reporting template to compare branch product carbon footprint with the mobile products Benchmarking tool to identify opportunities to reduce building related energy and the associated carbon footprint Sharing of best practice for use of reverse logistics to centralise disposal of waste

9	Businesses should encourage the development and diffusion of environmentally friendly technologies	<p>Centralised evaluation of suppliers' CSR credentials to promote great responsibility within the supply chain</p> <p>Template to comply with the European Energy Directive</p> <p>Ecovadis CSR benchmarking assessment for all corporate businesses</p>
Anti-corruption		
10	Businesses should work against corruption in all its forms, including extortion and bribery	<p>Belron Code of Ethics - Our Way of Working</p> <p>Ethics on-line portal (www.belronethics.com)</p> <p>Our Way of Working awareness training sessions</p> <p>Supplier audit programme</p> <p>International Speak Up line available in all Belron business languages</p> <p>Supplier Code of Conduct</p> <p>Russia anti-corruption policy</p> <p>Key principles Anti-Competitiveness</p> <p>Anti-Competitiveness online training module</p> <p>Anti-Bribery policy</p> <p>Risk Management Programme</p> <p>Ethical Conduct Programme</p> <p>Ecovadis CSR benchmarking assessment for all corporate businesses</p>