



United Nations Global Compact Communication on Progress 2018

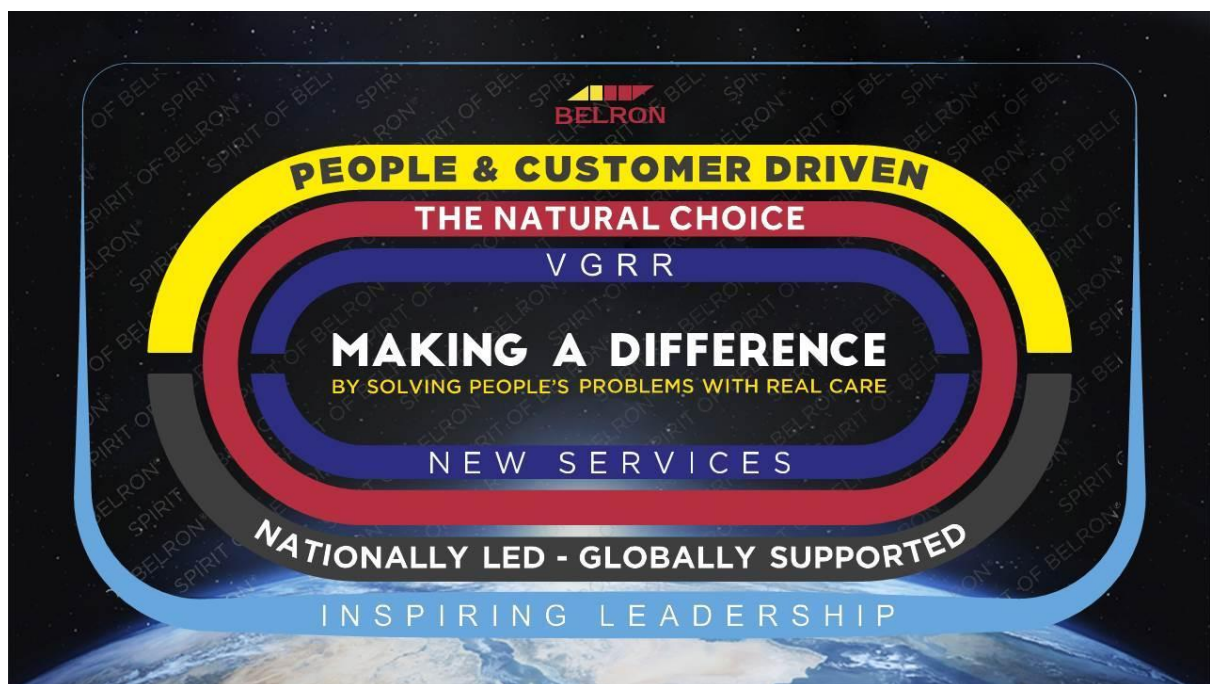


About Belron®

Belron makes a difference by solving people's problems with real care. We are the worldwide leader in vehicle glass repair and replacement (VGRR) with more than ten major brands - including Carglass®, Safelite® Autoglass and Autoglass®. In 2017, Belron acquired several businesses carrying out Auto Damage Repair and Replacement (ADRR) and Home Damage Repair and Replacement (HDDR). In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance customers.

There are over 28,000 people in the Belron business who all help make a difference to around 16.5 million consumers each year, in 35 countries on six continents. We focus on service quality, generating a very high level of customer satisfaction.

Key initiatives that support these outcomes are: the aim to become the natural choice through building exceptional brands; our ability to build outstanding key partnerships; our focus on being people and customer driven through a nationally led-globally supported operating model; and a continued focus on leadership, purpose and culture - the Spirit of Belron.



CEO statement of support

For the eighth consecutive year, Belron® is pleased to reaffirm its continued support as Signatory to the Ten Principles of the United Nations Global Compact (UNGC). In doing so we are committed to the adoption and embedding of the UNGC Principles across our business, to publicly report on our progress and to advance sustainable business practices through advocacy to our people, our business partners and suppliers as well as civil society.

We entered 2017 with a clear purpose - to make a difference to our customers, our people, our shareholders and our communities. We had stretching plans for our existing vehicle glass repair and replacement (VGRR) business in the face of continued expected market declines. We also had an ambition to extend into other distressed consumers services, notably automotive and home damage.

Despite a challenging market, it was another successful year for our existing VGRR businesses. We served a record number of consumers, delivered record service levels and made great strides with our service extension plans. We entered the automotive damage repair and replacement market in five countries either through offering a solution for minor accident damage or for the whole spectrum of vehicle damage. We also entered the home damage market through an acquisition in France and an agreement with a franchise group in Australia and New Zealand. We welcomed a new minority shareholder in Belron and continued our journey to become more purpose driven.

The approach to these changes in our business is supported by our unique culture - the Spirit of Belron, and is aligned with our purpose of “Making a difference by solving people’s problems with real care”. I believe our success can only be achieved by having highly engaged and motivated people who reinforce our culture. By listening to how our people are feeling on a regular basis through our Belron People Measure we are able to continuously improve the environment in which they work and align our organisation more closely to our purpose and strategy, supported by our values.

As well as ensuring our people are thriving in their work, we commit to all our business activities being carried out in a sustainable and responsible way. This means that we continue to look at ways of minimising our impact on the environment; that we take care of our communities both locally and globally; and that we continue to uphold our core principles of Integrity, Respect and Trust in everything we do.

Some particular highlights during this past reporting year was the continued engagement of our business units with the CSR Improvement Programme where we continually see our businesses make the most of this sustainability assessment. Overall, the evaluations show that Belron is in the top 10% of the 45,000+ organisations across the world that have been assessed by Ecovadis. Over the past 18 months 21 of our businesses have either

maintained or improved their CSR rating, and we will continue to support them in the coming year as we aim for our target of being gold rated by 2020. We believe that being a responsible business not only fosters pride in our people and helps us identify and manage risks, but is also a key differentiator, making us a better business to partner with.

All our businesses continued to look at ways they can make a positive difference in their communities, either through volunteering their time, sharing resources or raising money through local initiatives. Over the year, these activities enable us to support over 300 charities worldwide. A huge personal highlight for me in 2017 was the Spirit of Belron Challenge. I was once again humbled by the commitment and spirit of our people, their families and friends, and our business partners as they swam, cycled and ran to raise money for our global charity, Afrika Tikkun. Together we raised over EUR 1.2 million; the highest amount raised in the event's 16-year history.

The following report looks at our progress in embedding the UNGC Principles for reporting year 2017, across our VGRR business. Due to the acquisitions of the ADRR and HDRR being recent, we are still working on how we will implement our CSR approach to those new activities. This should be in place by the end of 2018.

A handwritten signature in black ink, reading "Gary Lubner". The signature is fluid and cursive, with the first name "Gary" being more prominent than the last name "Lubner".

Gary Lubner

CEO, Belron®

The Belron CSR Strategy



- **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
- **People responsibility** – we continue to strive for exceptional levels of engagement for our people

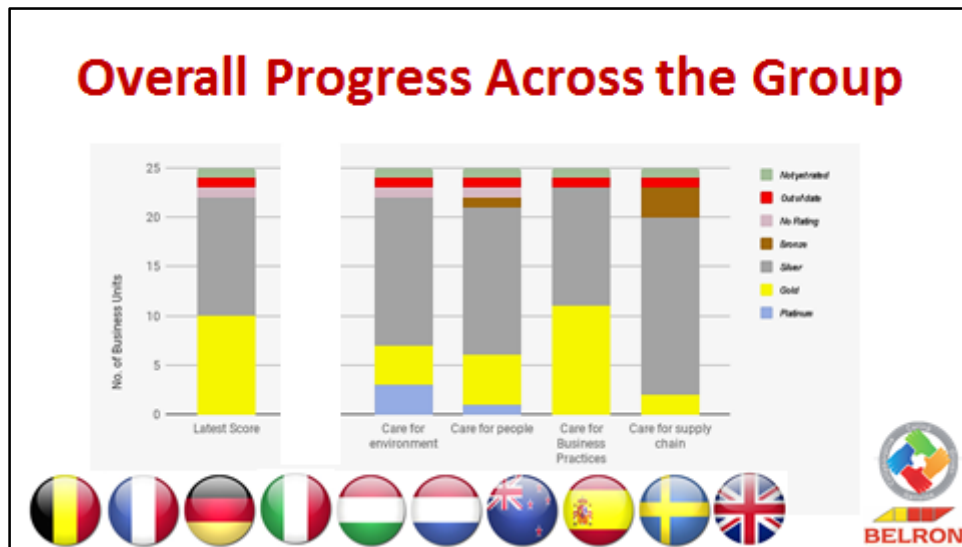
Belron has continued to provide support to the businesses to define what this means and how people are expected to behave to support these commitments. With a clear strategy for continuous improvement in all these areas, the Belron businesses are gaining greater clarity about what to do to embed the principles for a sustainable business into their everyday activities.

Belron has made great progress with its strategy of externally assessing and benchmarking the CSR (Corporate Social Responsibility) progress of each of its businesses, using the Ecovadis (www.ecovadis.com) sustainability platform. The assessment evaluates the gap between the aspirations outlined in the principles of the UNGC and the current status of actions taken in each Belron business. It provides a benchmark against other organisations and a scorecard which identifies opportunities for improvement.

Each business is evaluated on the policies in place, the actions taken and the results achieved in relation to four themes: minimising impact on the environment, labour practices

and human rights, customer relations and fair business practices, and suppliers' sustainable performance. Once the analysis is completed by Ecovadis, each business receives a full scorecard and a rating score of gold, silver or bronze.

This sustainability benchmarking continues to be a useful tool in supporting all our businesses on their CSR journey. The output from the assessment process delivers a clear framework for each business to make improvements. From the recent re-assessments, Belron has 10 businesses rated gold, 13 rated silver and one bronze. Overall, this puts Belron in the top 10% of over 45,000 companies worldwide, assessed by Ecovadis.



Following the review of the way we communicate and implement the Belron Code of Ethics - Our Way of Working, in early 2018 we launched our new approach through the Belron Executive Leadership population. This focuses on the 'Genuine' pillar of the Spirit of Belron and our core principles:

- **Integrity:** we believe that we build and maintain the confidence of others by being consistent in what we say and what we do.
- **Respect:** we demonstrate respect by showing consideration and care of others and our environment.
- **Trust:** by acting with integrity and showing respect for others, we build and maintain trust in who we are and what we do.

The responsibility for promoting and living the behaviours and principles throughout the business lies with the leadership population. Through this new, decentralised approach each business will develop their own version of a code of conduct based on the core principles, bringing greater engagement and ownership across the business.

Labour Practices & Human Rights

Assessment & standards

The aggregated results from the Ecovadis assessment show that the areas of labour practices and human rights, and fair business practices continue to be the highest scoring areas across the group. These results show that Belron is in the top 10% of the 45,000+ business assessed by Ecovadis around the world.

Within the process of completing the assessment the business units need to provide their policies, actions and results in relation to 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. This process enables our businesses to regularly revisit policies and procedures to ensure they are up to date with all relevant legislation and working practices.

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 everyone. All of our people, our contractors and our 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.

We make it clear in our commitments and our core principles that 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.

Everyone at Belron and those we partner with are encouraged to speak up if they are involved in, or are witness to, a situation which is not aligned to the core principles. Whilst this is encouraged to be done internally, Belron provides to its people a speak up facility, managed through a third party provider, Expolink. During 2017 eleven calls were made to the Speak Up line, with issues raised fully investigated by a Belron Group Legal representative and the business unit involved.

Although there is a new, decentralised approach to a Belron code of conduct, we will continue to provide the speak up facility, centrally. New materials, an on-line reporting channel and an app will support the relaunch of this facility to the business.

People engagement & recognition

The Belron People Measure, which was successfully launched in 2015, is now live in 24 of the Belron businesses. This is a simple, short pulse survey which randomly selects 25% of

Belron people from each business via text every month. The survey asks for a rating of 1 to 10 on “How as work for you last month?” and verbatim comments on “What was good about it” and “What could have been better?” Average scores across the business in 2017 ranged from 6.8 to 8.8 with a consistently high response rate. The tool is providing insightful feedback on opportunities to improve engagement in all areas. This pulse survey, along with a number of other activities in support of 12 specific areas that we know drive engagement help us towards our aspiration of being ‘the best place you will ever work’.

Several businesses were recognised in their national Best Place to Work competitions. The Belron businesses in Norway and Belgium as well as the global support centre at Belron International, all achieved top 10 positions in their countries.

In 2017 we launched a new global recognition scheme - the Belron Exceptional People Awards - that recognises, thanks and celebrates our people who are making a big difference for our customers or colleagues. We asked our businesses to nominate people they truly value. Those that make a big impact; are highly regarded by colleagues or customers; and perform exceptionally time and time again.

This new recognition programme had 63 winners - individuals and teams - from 20 of the Belron countries. Winners receive a personal thank you by a Belron director and are given a bespoke gift or experience that truly means something to them.

Maintaining and developing the standards of our technician community is paramount for delivering outstanding customer service as well as keeping our people on the front line engaged and motivated. In 2017 we continued our technician assessment programme and started the development of a new training and awareness programme for ADAS, which covers the Advanced Driver Awareness Systems such as lane deviation and emergency braking which are becoming more and more common on new cars. The train the trainer programme will be delivered to all business units during 2018 and cascaded to all technicians to ensure they can recognise these systems, understand the implications, and have the right tools and training to safely return the vehicle to the customer.

Part of the strategy to reinforce safety, quality and customer service standards and to recognise and reward our best technicians, is our biennial technician competition, known as ‘Best of Belron’. This year is the 10th edition of the competition, at which 30 Belron countries will be represented. Each country has already held local competitions to identify their national champion and the international final will be held in Frankfurt, Germany, where the winner will be crowned ‘Best of Belron’.

Communicating

We want to ensure that we are creating working environments in which everyone feels valued and has the opportunity to thrive. There are various channels available which include newsletters, the intranet, workshops, forums and social media where appropriate.

Every Belron business unit respects the right of all their people 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. Our European countries have work councils in place and also where required, the businesses have collective agreements in place.

Belron centrally facilitates a Social Structure Meeting once a year where representatives from European countries meet for two days. The 2017 meeting which included representatives from eight countries, met initially to discuss the issues they wanted to raise. They then received a business update from the Belron Group Support Services Director and an update on the 'People Driven' agenda. This was followed by a discussion on the issues the representatives had tabled. Each topic was discussed in detail with the Regional People and Leadership Manager who Chairs the forum and actions were agreed. A member of the Belron Group Legal Counsel, who acts as Secretary for the forum distributed the Minutes and supporting documents as a follow up.

Supplier partnerships

Belron International Ltd (the global support centre for the Belron businesses) has implemented a new process for the on-boarding and management of group suppliers. The scope of this process covers all suppliers who have a contract with Belron International Ltd for supply to business units or affiliates.

The process specifies what actions are to be taken during both bringing new suppliers on-board and their ongoing management, and covers the following four specific areas:

- Financial standing and ability to continue trading
- Risk management and ensuring continuity of supply
- Compliance to Belron Code of Conduct and local legislation
- Correct legal protection through adequate contracts, and ensuring the supplier commits to adhering to the Belron Supplier Code of Conduct ongoing as a key requirement to become and to remain a supplier of Belron

The process specifies the steps to be taken for both the categorisation of suppliers (A, B or C) and the actions to be taken for each supplier category, which include the following:

- On-site audits for a select number of suppliers per year
- Online evidence based audits for all A and B category suppliers
- Self-assessment surveys for all C category suppliers
- In-house checks of selected criteria for all suppliers

The process ensures that all suppliers continue to both comply with the Belron Code of Conduct and prove they are capable of supplying goods or services as required. Suppliers who successfully continue to pass the process are 'approved' for business, and any supplier who fails the process are 'unapproved' and would need to demonstrate corrective actions have been taken in order to regain their approved status.

Belron conducts at least four on-site audits per year of category A suppliers and all category B suppliers are expected to complete an externally evaluated on-line assessment. These suppliers are assessed for compliance to both Belron Code of Conduct and all relevant country specific legislation. All our lowest risk, category C suppliers are expected to complete an online self assessment.

The audits and assessments cover Labour Standards, Health and Safety, Environment and Business Ethics, and their scope includes all types of workers including direct employees, labour provider workers, workers employed by service providers and workers provided by contractors.

The outcome of the audits and assessments flag all areas of non-compliance. These areas are included in a corrective action plan (CAP) report which is followed up by the Belron Purchasing Team to ensure they are all addressed and actioned to a satisfactory level. This process helps to protect Belron International and the subsidiaries, and to promote sustainable and ethical business practices within the supply chain.

In 2017 the Belron businesses based in the UK, published a slavery and human trafficking statement in accordance with the Modern Slavery Act, setting out our approach to addressing the risk as well as our due diligence process.

- [Belron International Ltd statement](#)
- [Belron UK Ltd statement](#)

Through our core principles 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 our people or those in our supply chain, be acceptable including any form of forced or bonded labour, physical punishment or

other abuse.

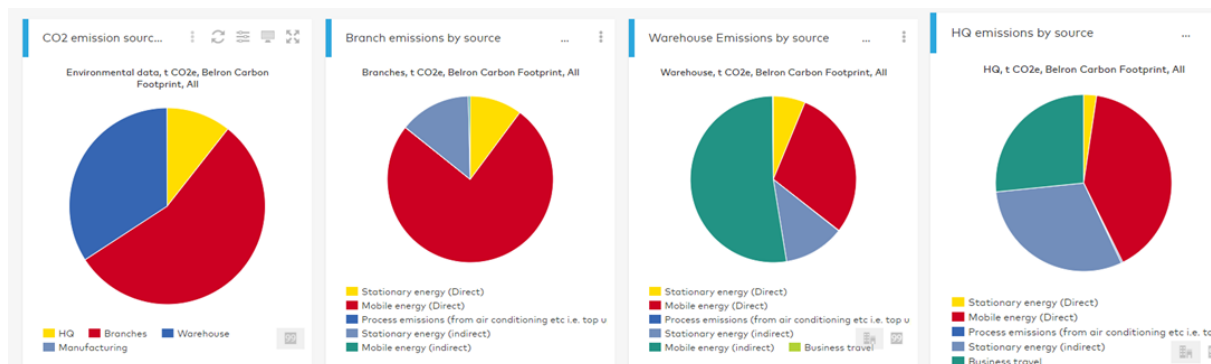
Belron outlaws the use of child labour in any form. We do not employ anyone below the age of 16 or the local legal minimum employment age should this be different in a country we operate in. We will not use suppliers who use child labour in any manner.

The average score for sustainable purchasing from our external assessment programme places Belron in the top 26% of companies assessed by Ecovadis.

Environment

Overall Environmental Impact

Each of the Belron corporate business units collects environmental impact data on an annual basis. This provides good data on which to assess progress on minimising the impact of our business on both carbon emissions and waste.



Just over half our carbon emissions come from our branch activity where we serve our customers. A third is related to our warehousing and distribution activity and the remaining 10% comes from our headquarters in each country which includes our customer contact centres

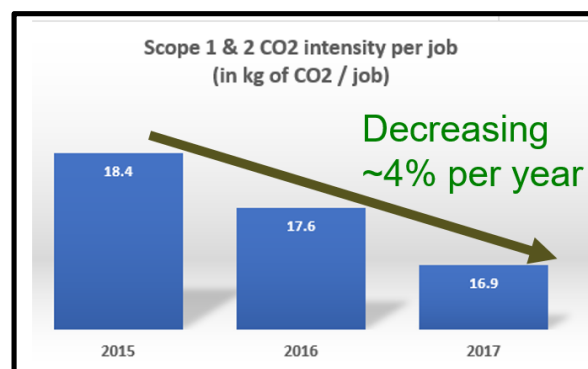
The largest single opportunity for further reduction remains our mobile activity to serve our customers when and where they want to be served and we continue to make progress on introducing lower emission vehicles and managing driver behaviour. Our two key initiatives in this area are to introduce alternative fuel vehicles and concentrate on improving driver behaviour.

A number of businesses have now started to pilot electric or hybrid vans. The experience has been very positive for both technicians and customers, and we have found this works operationally for densely populated areas. In France particularly we have seen the successful introduction of the Nissan eNV200 in the larger cities. However, we are limited with electric vans by the relatively small size of the vehicles and an autonomy of around

100km. We are now working with Ford to pilot a larger, battery driven van with a range extender which will increase autonomy to around 300km. This will be trialled in the UK in 2018 with the potential for introduction in 2019.

Across the business we continually look for other ways to minimise our impact on the environment and a particular initiative in our European Distribution Centre in Belgium involved using the natural daylight as lighting for a new warehouse. Daylight provides 5,000 Lux; twenty times more than the average light strength at a regular workstation, even on a gloomy day. A mirrored, technology based system, the 'LightCatcher', searches for the optimum light spot without using up any energy. A small integrated solar panel ensures that the LightCatcher works completely autonomously without having to be connected to the electricity grid. With over 420 LightCatchers installed in the new warehouse, they will be about to switch off the electric lights for an average of ten hours per day, resulting in a saving of 472,000 kWh of electricity each year. This good practice is shared with other Belron businesses who can look to implement a similar system.

Over the past 3 years our key intensity measure of CO₂e per job has decreased by around 4% per year, demonstrating the positive impact of actions across the business to decrease greenhouse gas emissions and to be more environmentally efficient.



In early 2018 Belron signed a joint venture in the USA for a glass recycling plant on the West coast which will allow us to increase our recycling rate in the country significantly by the end of 2018.

The biggest positive impact we continually make on the environment is our repair first strategy. Repair has around 1/5th the environmental impact of a replacement and in 2017 we carried out windscreen repairs on over 3 million customers' cars. This saved over 125,000 tonnes of CO₂e.

The average group score for environment from our external assessment programme places Belron in the top 10% of companies assessed by Ecovadis.

Anti-corruption

Although the Belron Group is decentralised and operates on a matrix model, the Group Legal function is however centralised. Each of the large business units has a senior lawyer embedded in that business who is part of that business's leadership team and for our smaller businesses a lawyer is assigned to that business and will support it together with local external counsel.

Anti-bribery and corruption (ABC) is one of the compliance matters that the Group Legal function promote throughout the business. Our 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 ABC. 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.

We are explicit in our ethical standards 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 people or by those with whom we do business.

Our CSR benchmarking programme results show that our approach to fair business practices places us in the top 13% of businesses across the world using the Ecovadis platform. Each of our businesses is assessed on the policies, actions and results in relation to 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.

All Belron people, 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 their line manager or someone within the People and Leadership team. If for any reason they feel unable to do that our Speak Up line, provided and managed independently by Expolink, is available in all our business languages for them to use. 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 team continues to work with each of the Belron businesses to ensure consistency with our anti-corruption commitment using a comprehensive Risk Management Programme. This programme reviews several areas of the business including; financial controls, relationships with business partners, ethical breaches and our people.

Making this report available to all stakeholders:

Our Communication on Progress is available through our internal intranet and on our external website <https://www.belron.com/aboutus/whatwestandfor/>

APPENDIX

**United Nations Global Compact
Communication on Progress
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 Supplier audit programme
2	Businesses should make sure they are not complicit in human rights abuses	International Speak Up line available in all Belron business languages Supplier Code of Conduct Ecovadis CSR benchmarking assessment which includes Labour Practices & Human Rights and Sustainable Procurement for all corporate businesses Modern Slavery Act Statements (Belron International & Belron UK)
	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 which includes Labour Practices & Human Rights and Sustainable Procurement for all corporate businesses
	Environment	
7	Businesses should support a precautionary approach to environmental challenges	Carbon footprint reporting tool across all our corporate business units to support them in managing and reducing their carbon footprint Centrally developed best practice environmental policy 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	Centralised evaluation of suppliers' CSR credentials to promote great responsibility within the supply chain Template to comply with the European Energy Directive Ecovadis CSR benchmarking assessment which includes Environment for all corporate businesses
	Anti-corruption	
10	Businesses should work against corruption in all its forms, including extortion and bribery	Belron Code of Ethics - Our Way of Working Ethics on-line portal (www.belronethics.com) Our Way of Working awareness training sessions Supplier audit programme International Speak Up line available in all Belron business languages Supplier Code of Conduct Russia anti-corruption policy Key principles Anti-Competitiveness Anti-Competitiveness online training module Conflict of Interests Disclosures & Questionnaires Risk Management Programme Ecovadis CSR benchmarking assessment which includes Fair Business Practices for all corporate businesses