



UNITED NATIONS GLOBAL COMPACT

Communication on Progress (FY2021)



About Belron®

Belron is the worldwide leader in vehicle glass repair, replacement and recalibration with brands present in 40 countries through wholly owned businesses and franchises, with market leading brands - including Autoglass®, Carglass®, Lebeau Vitres de'autos®, Speedy Glass®, Safelite® Autoglass, O'Brien® and Smith&Smith®. Belron also manages vehicle glass and other insurance claims on behalf of insurance companies.

IN 2021, BELRON...



The following statement and report are a review of progress for reporting year 2021, across the company's vehicle glass repair, replacement and recalibration business. The report is made available to all stakeholders through the internal intranet and the Belron website and will be published on the UNGC website.

CEO Statement of Support

It has been another record year for Belron, despite the continued challenges of the pandemic. Once again, our teams lived our purpose of making a difference with real care for our customers, our people, for society and for our shareholders, and our strong values continued to shine through.

Our NPS (Net Promoter Score) of 83.4 is world class and tells us that our customers love the service we provide. I was very pleased that our people engagement score of 86% remained at the same high level as last year.

We worked hard to keep everyone safe with our strict safety and hygiene measures and we looked after each other. Many teams continued to work remotely, coming together face to face where we could and throughout showing our true spirit of courage, compassion and determination. And as I have said our giving back ethos was as strong as ever.

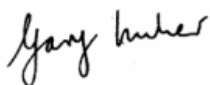
We held our second virtual Spirit of Belron Challenge and I was delighted that we raised a record €2.3m for our global charity partner, Afrika Tikkun, helping disadvantaged children and young people in South Africa. In addition, the Belron Ronnie Lubner Charitable Foundation donated more than €2.5 million to charities around the world. We also launched our Belron Responsible Business Framework and committed to new term loans with sustainability targets. These targets are to recycle 95% of the glass we handle by 2025 and to obtain a validated science-based target to reduce greenhouse gas emissions, from the Science Based Target initiative by the end of 2024.

The Responsible Business Framework brings together all aspects of how we think the Belron family of businesses should be "Doing Business Responsibly". I, along with our leadership teams around the world, want us to be a trusted and respected company in the eyes of our people, customers, partners and society. This means doing the right thing every day and behaving with integrity in everything we do.

We closed the year by announcing that the Belron leadership teams around the world were given an individual gift of cash and shares to around 25,000 eligible colleagues, to thank them for the big part they have played in our great history of success over the years. For me personally, this was one of the highlights of my career and something I'd always dreamt of being able to do.

My heartfelt thanks go to everyone in the Belron family of businesses for all they did in 2021.

I am very proud that we continue to ensure the UN Global Compact's principles are embedded in our operations and the new Responsible Business Framework, and to be communicating our progress for the 12th consecutive year.

A handwritten signature in black ink, appearing to read "Gary Lubner".

Gary Lubner

CEO, Belron®

Overview

Belron has a long tradition of serving society as part of its purpose of 'making a difference with real care'. Throughout its entire history the company has encouraged its people to give back and has supported hundreds of charities, NGOs and community groups, most recently establishing The Belron Ronnie Lubner Charitable Foundation.

We were an early adopter of the EcoVadis sustainability ratings and have also been signatory to the United Nations Global Compact since 2010. Towards the end of 2020, we reviewed our corporate responsibility strategy and developed the Belron Responsible Business Framework. This brings together all aspects of how the company views “Doing Business Responsibly”, which is derived from Belron’s purpose and values. We want to be “a trusted and respected company in the eyes of our people, customers, partners and society, by doing the right thing every day and behaving with integrity in everything we do”.

The Framework has two strategic pillars – Sustainable Products & Services and Investing in People and Society. Our priorities under these pillars are to:

- Reduce our waste and work towards a circular economy
- Drive down emissions
- Integrate environmental and social considerations in all our procurement decisions
- Promote diversity, equity, inclusion and well-being
- Continue giving back to drive positive change
- Prioritise the safety of our people

The Framework was launched across the Belron family of businesses in 2021 and the company has made progress across all elements and has ambitious plans to do more in all areas.

In March 2021 Belron secured new term loans which were structured as Sustainability-linked loans with targets in the areas of waste and emissions. These are to recycle 80% of the vehicle glass we handle by the end of 2023 and 95% by the end of 2025; and to obtain a validated science-based target to reduce greenhouse gas emissions, from the Science Based Target initiative by the end of 2024.

THE BELRON® RESPONSIBLE BUSINESS FRAMEWORK



We recognise that our Responsible Business activities have the ability to contribute to several of the United Nations Sustainable Development Goals. These were considered as part of the review undertaken in 2020. The Belron Responsible Business Framework focuses on having a meaningful impact on the following goals that have the most relevance to our business, our operations and activities:

Goal 12 Responsible Consumption and Production Goal 13 Climate Action Cover the targets under Sustainable Products & Services: Reducing waste and building a circular economy Driving down emissions Sustainable procurement	Goal 8 Decent Work and Economic Growth Goal 10 Reduced Inequalities Covers the targets under Investing in People & Society: Promoting diversity, equity, inclusion & well-being Giving opportunity People safety
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ENVIRONMENT

SUSTAINABLE PRODUCTS & SERVICES

Reducing waste and building a circular economy

We have a 'repair first' approach which along with vehicle glass replacement and the recalibration of Advanced Driver Assistance Systems (ADAS) means we can create value for our customers and wider

society by extending the life of windscreens and ultimately that of vehicles. This reduces cost for our customers and reduces waste and avoids carbon emissions from the production of new glass and new vehicles.

The most significant waste product for Belron is the glass when a windscreen cannot be repaired and has to be replaced. The waste glass currently cannot be reused for windscreens, but it can be recycled for other products and the laminate film in windscreens, Polyvinyl Butyral (PVB) can be used to make for example, carpet backing.

Our ambition is to recycle 100% glass where possible and this year we put in place annual targets as a roadmap to achieve this goal. We have established internal targets and committed to recycle 80% of the vehicle glass we handle by the end of 2023 and 95% by the end of 2025, under the terms of a sustainability linked loan agreed in March 2021.

This year we recycled 72% of our waste glass, a significant improvement on the 63.8% recycled in 2020. This was achieved through an increased focus on recycling and the introduction of monthly glass reporting. We have also established a waste and circular economy working group to encourage best practice sharing between different countries.

The waste and recycling industry is well established within Europe, but this is not so in other countries where Belron operates, and we are working closely with waste partners to enable more waste glass to be recycled and reused. In the USA, Canada and Australia the size of the countries often means glass has to be taken long distances to be recycled and we are exploring options to increase the number of local recycling facilities.

Belron's general and hazardous waste is managed by each business in line with local regulations. Hazardous waste is collected and disposed of via specialist contracts. General waste is managed with an emphasis on diversion from landfill and recycling. Our contracts are monitored for performance and periodically market tested to ensure we are benefitting from new opportunities to reduce, reuse and recycle our waste as a resource. In 2022 we plan to introduce waste audits into our larger businesses to inform future actions to further minimise waste.

Driving down emissions

Belron has operations across the world with a wide network of branches, service centres, distribution centres and a large mobile fleet. The company therefore has a direct and indirect impact on the climate through its carbon emissions and has a responsibility to monitor, manage and reduce these emissions.

Belron has a goal to become a net zero emission business in the future and under the terms of the sustainability linked loan agreed in March 2021 we committed to have a validated Science Based Target from the Science Based Targets Initiative (SBTi) by the end of December 2024. In 2021 we saw a small increase in total emissions of 8% on 2020 as businesses opened up and travel was resumed. This is despite an increase of customers served of 8% to 16 million and a sales increase of 21.4%.

The priority for 2021 has been to begin to build the company's knowledge and understanding of its full carbon footprint, including the Belron supply chain, while also continuing to reduce its carbon emissions.

Belron has appointed external advisors to validate its existing baseline carbon data and develop a suite of business targets for submission to the SBTi. Part of this work will be to review the quality of data captured over time, broaden knowledge and fully understand our scope 3 emissions impact. We have not yet completed a full GHG Protocol scope 3 assessment and therefore our scope 3 data only includes the emissions from our upstream logistics (subcontracted distribution vehicles) and business travel.

Belron's global fleet of over 11,000 vehicles accounts for 45% of our direct carbon emissions and we have been testing electric vehicles through in-country trials since 2011. We are currently finalising emissions reductions targets for 2025 and 2030 for the passenger and van fleets and company cars. The plan is to migrate to electric and lower emissions vehicles as soon as practical to do on a country-by-country basis, once suitable vehicles with the required range and payload become widely available.

Sustainable Procurement

Belron sources and manages the procurement of certain core products and services globally. Centrally procured products include vehicle glass, trims, adhesives, workshop equipment, tools, consumables, and products for resale. Centrally procured services include IT software and maintenance, professional services, and vehicle lease (fleet) providers. Other products and services required by the Belron family of businesses are sourced and managed through their own local supplier networks.

The Sustainable Procurement programme is embedding sustainability at the forefront of all purchasing strategies and buying decisions in Belron. The high standards and expectations of our suppliers that must be met to become and remain a Belron supplier are set out in the Supplier Code of Conduct. Compliance of suppliers with our expectations, and their performance against sustainability targets, are all critical requirements of doing ongoing business with Belron.

The Sustainable Procurement Programme advanced significantly in 2021, towards its goal of achieving world-class standards. At the beginning of the year, desk-based research assessments were conducted to provide clarity on the level of potential risk present in each product category and location. The results of the assessments were used to prioritise and schedule bespoke independent on-site social and

environmental audits in partnership with TÜV and Elevate, two leading providers. The audit programme roll out has continued, with 31 on-site audits completed to-date.

To support the audit programme, the central team is being further expanded by bringing in additional resources to work closely with suppliers on improving their performance. In addition, we are incorporating sustainability KPIs into our supplier scorecards and our risk analysis has been broadened to encompass environmental risks. Specific focus has been placed on the reduction of waste to landfill and emissions created.

In compliance with the UK Modern Slavery Act 2015, Belron International Ltd and Belron UK Ltd published their slavery and human trafficking statements:

- Belron International Ltd: <https://www.belron.com/modern-slavery-act/>
- Belron UK Ltd: https://www.autoglass.co.uk/fileadmin/user_upload/uk/modern-slavery-act-statement-june-2021.pdf

Belron also launched the Sustainable Supplier awards, an annual programme with multiple categories that recognise the successes of our suppliers and how they can contribute to our responsible business agenda. The criteria for the awards includes positive environmental and social impact, contribution to our responsible business goals, and assessment and audit results. The first award will be presented in 2022.

Our primary goals for the year ahead include:

- completing audits of all Group suppliers
- facilitating social and environmental improvements in the supply chain
- improving the safety of our suppliers' employees
- working with the fleet team to enhance safety and reduce emissions

We will continue to work with the Belron family of businesses to share best practices and the central programme framework to support them in managing and monitoring their local supply chains.

LABOUR PRACTICES & HUMAN RIGHTS

INVESTING IN PEOPLE & SOCIETY

Promoting diversity, equity, inclusion and wellbeing

Belron continues to recognise the critical importance of Diversity, Equity and Inclusion (DE&I) to its business, its key stakeholders and its customers. Enabling everyone to bring their whole selves to work, creating a diverse workforce and fostering inclusion is key to our culture and values. DE&I is a global

priority for the business and is a key component of the Belron Responsible Business Framework. Our ambition is to continue to have an organisation that protects its people and values difference in all its forms, creating an environment which enables everyone to participate and reach their full potential. Belron is committed to hiring and promoting people on the basis of their ability for a role and their appreciation of and respect and alignment with the company's culture.

Belron has developed a group wide philosophy, approach and goals to DE&I. An initial key step has been to understand the current position through surveys conducted as part of our employee listening and engagement. In the 2021 annual engagement survey key DE&I questions were asked of all employees globally providing feedback, insights and a solid baseline.

We have launched our Global D,E&I 'Think Tank' which includes a diverse mix of senior leaders representing our three regions and global functions. The purpose is to bring together a small group of people from across the business who are truly passionate about DE&I. They provide input, advice, learnings and perspectives to help us shape our journey both now and going forward. Our countries have also established local groups. For example, Safelite® has created a Diversity & Inclusion Advisory Council which consists of 11 associates, bringing together a unique mix of backgrounds, life experiences, job levels, departments and expertise. Other Business Units will be establishing their own working groups as they continue to progress with their DE&I plans.

Attracting more female technicians into our company is a key area of focus for us. Our countries have been evaluating their current approaches including reviewing their television and hiring advertisements and campaigns; their careers pages; and creating technicians forums to gain a deeper understanding of the experiences and needs of this group.

To begin to recognise and celebrate everyone's uniqueness and to create awareness of different groups and activities, events have taken place such as panel discussions in our Safelite® business on LBGTQ+, Women, Black Lives Matter etc. These will continue on a local level aligned to the needs of the specific country and culture and on a global level to reinforce our commitment and our drive to continue to build awareness and educate our people.

To support delivery of the DE&I goals, a key focus for 2022 will be on DE&I education and awareness starting with the senior leaders across the business. By 2025 our ambitions are to: improve our gender mix across the business and improve the overall diversity of the Belron Leadership Group.

Employee Engagement

Belron employees are at the heart of the business. Belron's performance and achievements are the result of the engagement and commitment of its people. Their well-being, engagement and overall employee experience continue to remain key priorities for the business.

The business is committed to attracting, engaging and developing the very best people who are equipped with the capabilities and skills to serve its customers, creating an environment which enables everyone to participate and reach their full potential.

The company maintains policies and procedures with regards to its employees at each business unit level. The employee engagement initiatives in place include training and development, recognition through local in-country programmes as well as the Belron Exceptional People Awards globally, flexible working options, feedback channels, and community involvement through the Giving Back agendas.

Following our first global annual engagement survey in 2020, we conducted our first Progress pulse survey in March 2021 this enabled us to follow up with all our people to understand whether they had seen the results of the first survey and had been involved in action planning. Three out of four of our people had been involved at that point in creating actions to improve engagement and had seen progress since the goals were set. This was followed in the Autumn of 2021 with our second global engagement survey, we included in this survey additional questions specifically focused on DE&I. Our response rate to our second global survey was 86%, over 20,000 people completed the online survey and our engagement score showed 86% of our people are actively engaged.

With continually changing restrictions due to the Covid 19 pandemic, many Business Units have been supporting new ways of working creating more flexibility and choice, health and wellbeing and smart use of space with for example our Belron International office implemented a 'Ways of Working' cross functional cross level team to input into how working differently can take place and ensuring our people have the correct working conditions whether at the office or remotely.

People Safety

People Safety is an area that Belron continues to prioritise and effectively manage as part of its commitment to its people and as a pre-requisite of the business operating responsibly. Health and Safety is important to Belron to ensure we protect our people from undue harm as a result of their work, which often involves physical activities such as handling glass, driving to serve our customers or moving stock in our warehouses. This is not only important as a duty of care to our people, but also to drive strong engagement as a responsible employer and to avoid unnecessary absence and the costs associated with that.

The company sets stringent safety standards in all areas of its operations. With training managed and monitored at local level, the company aims to ensure that its people are appropriately trained for their role and have the right tools and equipment to do their role in a safe way.

To support the training of technicians in 2021, Belron Technical updated its three core training programmes and made them available to all the businesses on a central learning platform. These are;

1. **S.T.O.P.** – how technicians look after **Self**, **Tools**, **Organise** their work and use the right **Process**
2. **Quality Starts with Safety** – an awareness training of the importance of following the correct processes;
3. **High Voltage Electrical Vehicle Awareness** to ensure all technicians have the knowledge and competence to work on these vehicles safely. This course has been designed to follow the syllabus of the IMI (Institute of the Motor Industry), which means that once the course and assessment is completed successfully, the technician achieves an internationally recognized certification which also supports their Continual Professional Development (CPD).

In addition, Belron continued to partner with ERM, a leading global provider of environmental, health, safety, and risk related services, to complete safety review assessments in key countries focusing on fitting sites, warehouse, mobile and glazing operations. The focus of the assessments was to better understand the status of health and safety across the business in relation to environment, skills, policies, and procedures. The process also looked to identify areas of alignment and collaboration across the business as well as areas for improvement to ensure we have the highest standards of practices in place.

The output of the assessments concluded that health and safety is well managed overall with good systems in place to drive compliance and high standards of health and safety practices. Building on this work and the recommendations set out by ERM, Belron is developing an enhanced group level health and safety strategy for its family of businesses.

To consistently manage performance across the business, the company has also developed new best-in-class safety metrics to be reported from January 2022. These metrics will help provide further insight into the health and safety performance of the business and identify areas for improvement. To provide leadership at Group level, the business has also appointed a highly experienced Group Health and Safety leader who will further develop the health and safety capability across the group.

ANTI-CORRUPTION

Underpinning the Belron Responsible Business Framework, are foundations of; strong governance and inspiring leadership; a continued focus on our values and ethics; and robust reporting and measurement around our responsible business activities.

Strong governance and inspiring leadership

Strong governance and inspiring leadership are important when ensuring the company continues to operate as a highly responsible business, particularly as it grows in size and scale. Belron is committed to ensuring it builds best-in-class governance throughout the organisation, led by a talented set of inspiring leaders.

In early 2021 Belron launched its Best-in-Class Governance programme that plays a key part in our ability to be ready for the future. The programme focuses on how we manage our key enterprise risks, increasing the maturity of our control environment, and building a robust and fit-for-purpose internal audit function, that reports to the Audit Committee progress on the risk based internal audit plan. The programme has progressed well – recent progress made includes:

- Our **Enterprise Risk** programme, where +250 of our people were surveyed and +60 interviewed to help us understand and agree our 9 key enterprise risks. We subsequently agreed our key group risks with the GLTM (Global Leadership Team) and Board, assigned risk owners across all countries and functions, and launched our Enterprise Risk Management Steering Committee. The Enterprise Risk Management Steering Committee, with representation from across functions, regularly meet to hear from group risk owners, and discuss the adequacy of risk current risk mitigation activities and future mitigation plans.
- As part of our **control environment transformation programme**, we have now embedded controls expert team members into all large transformation programmes, as well as started building our centralised control design and improvement team. Relevant group policies and procedures continue to be developed working closely with functional teams.

In the area of leadership, we continued the work to embed our global talent and succession approach which was established in 2020 by conducting our second review cycle. We now have visibility of the potential of over 400 of our senior global leaders and a clear view on the succession pipeline for our top 175 leaders, including those whose roles were identified as critical. We broadened Belron's historical leadership model with the Belron Inspiring Leadership Framework focused on key winning behaviour & experiences, as well as the traits and drivers needed to deliver future growth. To attract in the right external talent and to support virtual recruitment we also revamped our approach to executive external hiring based on the Belron Inspiring Leadership Framework.

Our Values and Ethics

The Belron Code of Ethics and Guiding Principles are the company's set of values and ethics that have always provided clarity on acceptable behaviour across the organisation, and this continues to be as

important today as always. Each Belron business is responsible for the development of its localised code of ethics based on a centralised framework. Communications on ethical behaviours and training are also conducted at local level.

The business adheres to and promotes clear ethical standards for itself and expects similar standards from all third parties who work with Belron or on its behalf. Human rights are a fundamental pillar of ethics and are addressed in the Belron Code of Ethics and Guiding Principles.

Belron people are expected to always treat each other with respect and ensure that their activities do not contribute directly or indirectly to human rights abuses. In no instances will inhumane treatment of its people or those in its supply chain be acceptable including any form of forced or bonded labour, child labour, physical punishment or any other abuse.

In late 2021, Belron worked with an external partner to review and evaluate its current Code of Ethics. The Code is key to promoting organisational values and ethical expectations throughout the group and continually demonstrates the company's commitment to integrity and ethical values. The work conducted by PwC recommended updates in line with the relevant regulations and government guidance across all markets, benchmarking the Code against operationally similar businesses, and ensuring that all connected policies are fit for purpose and the future.

The updated Code will be supported by a global training programme for all Belron people, using best practice training delivery and annual certification, whilst identifying and ensuring that specific groups of individuals are aware of their own distinct obligations such as leaders, procurement managers and sales teams.

The business' approach to anti-bribery and corruption is assessed within the Ethics section of the EcoVadis sustainability assessment. Each business who participates in EcoVadis answers questions and provides evidence of their policies, actions and results in relation to this topic as well as fraud, money laundering, conflicts of interest, information security and anticompetitive practices. The Belron Group average EcoVadis score for Ethics is 67.9, which is within the top 6% of businesses rated, globally.

Robust Reporting and measurement

Reporting requirements in the area of ESG continue to grow and develop. As well as fulfilling mandatory requirements, Belron is committed to developing its reporting to meet the needs of its different stakeholders and to ensure robust and transparent reporting of all its responsible business activities. Today this includes the Non-Financial Reporting Disclosure within the D'Ieteren Group annual report; the publication of 11th UN Global Compact Communication on Progress; publication of Belron

International statement in response to the UK Modern Slavery Act 2015; and the Belron businesses continue to use the EcoVadis sustainability ratings to measure its performance in the areas of labour practices and human rights, environment, sustainable procurement and business ethics.

In 2021, the Belron business in Finland increased its EcoVadis rating from Silver to Gold; the businesses in France, Denmark, Sweden, Norway and New Zealand all retained their Gold rating; and the business in Belgium was the first Belron subsidiary to achieve the new Platinum rating.

Belron is also in the process of mapping out a plan for reporting which includes being ready to meet the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD).

In addition, Belron has been considering its eligibility and level of alignment against the EU Taxonomy's published list of economic activities. Our analysis suggests the business falls under 'Repair and Maintenance' within Transition to Circular Economy (Category 4). We await further guidance which is expected to come with the publication of the text in mid 2022.

END.