



UNITED NATIONS GLOBAL COMPACT
Communication on Progress (FY2020)



About Belron®

Belron® has a clear purpose: ‘making a difference with real care’. It is the worldwide leader in vehicle glass repair, replacement and recalibration (VGRRR), operating in 40 countries through wholly owned businesses and franchises with market leading brands in the industry - including Autoglass®, Carglass®, Lebeau Vitres d’autos®, Speedy Glass®, Safelite® Autoglass, O’Brien® and Smith&Smith®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance companies.



The following statement and report are a review of progress for reporting year 2020, across the company’s VGRRR 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

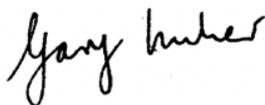
In a year like no other, I am very proud of the way Belron demonstrated its true spirit and responded to the Covid crisis with courage, compassion and determination to deliver the ambitious goals we had set ourselves. From the outset of the pandemic, we put in place and stayed true to a set of principles to guide our actions throughout the crisis, which ensured we kept our focus and acted decisively. I believe that this helped us to achieve the most successful year in our history despite fluctuating demand caused by global restrictions and lockdowns.

I want to pay tribute to the extraordinary people at Belron who have worked tirelessly through the difficulties. We responded quickly to the crisis to put in place enhanced hygiene and safety measures for our teams to continue working. We also moved quickly and efficiently to remote working models. Our teams have upheld the purpose of Belron, 'to make a difference with real care' for our customers by achieving a record 84.9% NPS (Net Promoter Score). They also had a remarkable impact in looking after the safety of our customers, achieving a landmark one million recalibrations during 2020, despite the extreme challenges of the year.

With our commitment to society and our responsibility to support vulnerable communities, our people raised a record €1.7 million in a virtual Spirit of Belron Challenge for our beloved Afrika Tikkun (the Belron global charity partner) which worked to feed communities in South Africa throughout the crisis. In addition, the Belron® Ronnie Lubner Charitable Foundation donated more than €2 million to charities in 2020, with over half of this amount going to organisations directly affected by the Covid pandemic.

I am proud that we continue to ensure the Global Compact's principles of responsible business are embedded across Belron and with our partners. As I've said before, this is not just an initiative for us, it's a responsibility we have as a business to society at large. With this in mind during 2020 we reviewed our Corporate Responsibility strategy and developed a new Responsible Business framework. This process helped us to decide where we should focus our efforts and decide on our priorities. These now include; waste management, carbon emissions reduction, sustainable procurement, employee safety, employee well-being and inclusion and Giving Back.

While there will no doubt be more challenges in the year ahead, I am looking forward to further growth, with an even greater focus on our people and sustainability.



Gary Lubner

CEO, Belron®

Overview

The Belron approach to sustainability is connected to its Purpose of “making a difference with real care” and integrates the culture of the business – the Spirit of Belron attributes of Collaborative, Driven, Caring and Genuine. Despite the challenges presented by the global pandemic in 2020, Belron continued to deploy the Ecovadis measurement tool as a way of assessing progress in all these areas. The tool helps each business unit to assess the policies they have in place; the actions to implement the policies; and the results of the actions. The assessment survey is based on recognised international standards such as the Global Reporting Initiative, International Labour Organisation conventions, as well as the UNGC’s Ten Principles.

Following assessment and analysis, the businesses are provided with a scorecard and rating. The average Group score for Belron is 63.5 with some of the Belron businesses deferring their reassessments to early 2021 due to the impact of the global pandemic. This score keeps Belron far above the average score and in the top 5% of businesses around the world rated by Ecovadis.

The scorecard helps the businesses to direct their focus on specific improvement areas based on recommended priorities. The medal rating and scores awarded were updated by Ecovadis during 2020. The minimum score required for a Bronze medal is now 45 (up from 37), for Silver it is 54 (up from 46) to achieve a Gold medal rating, the minimum score is now 66 (up from 62), and a new higher rating of Platinum was introduced for companies scoring higher than 73. Belron continues to work towards all its businesses achieving a Gold rating.

In 2020, Belron partnered with a sustainability consultancy to conduct a review of its Corporate Responsibility strategy and support the development of a new Responsible Business strategic framework.

The Responsible Business framework focuses on priority areas where the business can make a positive difference and support the global effort through the UN Sustainable Development Goals and the UN Global Compact. To develop the approach, the key stakeholders across the business were interviewed, peer benchmarking was undertaken, and a review of global market and sector trends, as well as the results of the materiality analysis conducted by D’Ieteren Group, the Belron majority shareholder.

As the Belron business moves forward into 2021, it will lay out the foundation of its Responsible Business framework towards clearly defined and ambitious goals in priority areas:

Waste management	Employee safety
Carbon emissions	Employee well-being & inclusion
Sustainable procurement	Giving back

The framework will be supported by the business’ values and ethics; its governance and inspiring leadership; and robust reporting and measurement.

The business is clear that it wants to take on a greater responsibility and play its part in demonstrating that businesses can be part of the solution to important environmental and social challenges.

LABOUR PRACTICES & HUMAN RIGHTS

Safety

Belron employees are the heart of the business and the company's performance and achievements are the results of the engagement and commitment of its people. Their well-being, safety and overall employee experience are key priorities for the business. The company aims to ensure that its people are appropriately trained and have the right tools and equipment to do their role.

For the technician population, Belron has embedded stringent safety standards in the Belron Way of Fitting. These standards range from the correct handling of glass to safe driving practices. The process also defines the method, tools, training and assessments developed and implemented across the business by the technical team. Other safety programmes include Quality Starts with Safety – an awareness training of the importance of following the correct process when replacing a windscreen and the consequences of not doing it right; S.T.O.P. - how technicians look after Self, Tools, Organise the work and use the right Process; and 1-2-3 Easy - a training programme on the ergonomics of how technicians can avoid injury while doing their job. Each business is responsible for providing additional training where required, as well as for implementing the necessary measures to comply with local legislation. These measures extend beyond the technician population to also include distribution teams, warehouse operatives, head office employees and call centre agents.

In response to the COVID-19 pandemic, large sections of the Belron workforce, including whole contact centres, were quickly and effectively mobilised to work from home. The technician workforce was equipped with protective equipment and safety processes and procedures were implemented across branches and mobile services, to protect technicians and customers. This included sanitisation of all touchpoints in a vehicle both at the start and end of every job, which was quickly integrated as a standard part of the Belron Way of Fitting.

In 2020, implementing consistent health and safety measurements across the business was identified as a key priority by the Leadership Team. The business prioritised its efforts on managing health and safety through the global pandemic, ensuring programmes and equipment were in place to keep its people and customers safe. Therefore, progress on new measurement tools was delayed but will continue in 2021 as well as the ongoing safety review work with the company ERM, a leading global provider of environmental, health, safety, and risk related services. As a priority for 2021, the business will continue to work on a stringent and robust framework for reporting incidents at group level.

Highlights from around the business:

O'Brien® Australia achieved excellent outcomes for 2020 in the area of health, safety and well-being. The business's TRIFR (Total Recordable Injury Frequency Rate) fell by 27% vs 2019 and LTIFR (Lost Time Injury Frequency Rate) fell by an incredible 83% vs 2019. This year has seen a sustained and meaningful improvement in its safety leadership, culture and performance. There were a number of important initiatives which were undertaken in 2020 underpinning these results including the "mO'bilise" stretch and flex program for frontline service technicians, a "Resilience 2 Thrive" mental health and well-being training program for all leaders across the business, a transformation in its return-to-work methodology and practice, as well as refocusing the monthly safety leadership review meetings. 2021 will see the roll-out of further step-change initiatives which will have a positive impact on both the lagging and leading safety KPIs including an early intervention physiotherapy program and the complete replacement of its current on-line safety system.

With the impact of COVID-19 and various country 'lockdowns', the businesses took action to ensure employee well-being was maintained and where appropriate, steps were taken for employees to work remotely. For example, Carglass® France accelerated its remote working strategy for head

office, call centre, and function support employees (approximately 700 people). The company took a collaborative approach to its strategy: qualitative and quantitative surveys, brainstorming and meetings. It helped them to create a long-term, efficient and positive remote work experience. Carglass® Germany and Belron International implemented ergonomic procedures and programmes to ensure that employees who had transitioned to working from home were correctly set up to maximise their well-being. To support its people in well-being as well as health and safety, Smith&Smith® appointed a Health, Safety and Wellbeing Advisor and implemented a Wellbeing education programme.

Engagement & well-being

Belron embarked on a world class approach to ensuring it is always listening to its people with a new global engagement survey in October. Belron had historically used the Belron People Measure survey that assessed employee sentiment at a high level, maintaining a group average score of between 7.5 and 8 (out of 10) since 2016. During 2020, Belron chose to adopt a new employee engagement survey, working in partnership with Willis Towers Watson, a global leading provider. The survey included a more comprehensive set of questions aimed at better assessing employee engagement and experience and allowing Belron to benchmark performance relative to similarly positioned peers on key aspects of engagement.

The engagement survey had an 84% response rate showing 86% of the employee population actively engaged. The global engagement survey results showed that employees are highly engaged and feel extremely proud to work for Belron. The deep insights and feedback received allows the business to continue to build on this great foundation for the future. The qualitative as well as quantitative outputs from the survey will enable the business to prioritise on key areas for improvements.

In this unprecedented year, it was also essential that the company fully supported its employees, putting their health, safety and well-being first, but also providing hardship support to those most in need. The pandemic has meant some very difficult circumstances for some of its employees and as a result Belron quickly established a Hardship Fund to support its employees and their families in particularly difficult circumstances. This is fully aligned with the company's purpose of truly making a difference with real care.

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

Belron knows that in a large organisation, difficult situations may arise, or its people are witness to or experience behaviour not aligned with the business' ethical standards. That is why it continued to promote its 'speak up' facility as a channel for its people to raise issues in confidence if they feel unable to do this internally. The Belron provider transitioned from Expolink to Navex Global following its acquisition. Each business was provided with revised contact numbers, web-reporting portal access and materials to support the promotion of the change. This was also an opportunity for each business to reinforce the importance of speaking up.

The labour practices of each Belron business is assessed using the Ecovadis measurement tool. The tool assesses policies, actions, and results in the areas of health and safety, working conditions, social dialogue, training and development, and well-being. This area of the assessment carries the largest weighting of the score (45%), and the current Belron average across the group is 64.5.

Diversity & inclusion

Belron recognises the critical importance of diversity and inclusion to its business and its key stakeholders. As part of the Belron ambition to be the best place you will ever work, the aim is to build an organisation that



values differences in all its forms – treating everyone as an individual and creating an environment which enables everyone to participate and reach their full potential. Belron commits to hiring and promoting people on the basis of their ability for a role and their appreciation, respect and alignment with the company's culture.

The company is in the process of developing a group approach to diversity and inclusion. A first key step has been to understand the current position through surveys conducted as part of the listening and engagement strategy. Belron has already engaged its leadership, building diversity and inclusion into its leadership behaviours and equipping leaders to be advocates and role models for these important issues. More conversations around inclusion are taking place, with roundtables and working groups/committees being planned in the business.

Highlights from around the business:

Responding to the Black Lives Matter movement in the US, Safelite® hosted a panel discussion set up through its Diversity & Inclusion Advisory Council. The online discussion featured valued leaders from across Safelite® sharing their thoughts, feelings and experiences in facing racism. Safelite® also reacted to feedback from its first ever Diversity and Inclusion survey. In particular, it conducted a pay equity analysis and implemented adjustments and completed a people data analysis to understand the gender and racial diversity of its current employee population as well as new hires, promotions and terminations.

At Carglass® in Germany they continued to partner with organisations that support people with disabilities. The aim of Carglass® is to hire more people with disabilities, helping them gain access to the labour market and gain work experience with the aim to offer them a meaningful and fulfilling career. Currently, the business has two active placements that have been with the business for over a year. They receive individual training that fits their special needs and enables them to work as independent as possible.

Sustainable Procurement

The Belron supply chain and its supply partners are integral to the business and delivering excellent service to its customers. 40% of the company's turnover is spent on the procurement of goods and services, with a significant part of this on glass, but also on many other products such as repair resin, glue, moldings, trims, tools, and uniforms. Belron has a network of 70 global suppliers managed at group level, who produce the goods that Belron buys at over 120 production sites.

Sustainable Procurement is a core part of the Belron Procurement strategy, and through the application of strict standards for suppliers, the company's needs for goods and services are met in a way that achieves value across the spectrum, for Belron, but also for society, the economy, and the environment.

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. 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.

All Belron group level suppliers are assessed and managed through the new Sustainable Procurement programme, which ensures that suppliers are ethically and legally compliant, and that financial and continuity risks are managed. This programme is conducted through a combination of internal and external assessments, and on-site audits.

In 2020 Belron appointed a fully dedicated Sustainable Procurement Manager to lead the team responsible for driving significant performance improvements in this area. Following this appointment, the Belron Sustainable Procurement programme was developed and has been structured around three pillars:



- *Transparency* – ensuring that suppliers have visibility of the Belron standards, that Belron has visibility of supplier production locations, and that all stakeholders have visibility of progress and results;
- *Assurance* – ensuring that all suppliers operate in line with the Belron standards, validated through both remote assessments and on-site audits;
- *Reward* – incentivising suppliers to improve their sustainability performance and rewarding those who go above and beyond to make a real difference.

One of the first tasks undertaken was to develop and launch a new Supplier Code of Conduct, which sees a big step forward in both setting and communicating the standards that Belron requires of its suppliers and of ensuring compliance with those standards. Following this, a new online portal was created to record, monitor and track supplier sustainability performance. Belron is now working closely with key suppliers to understand ways in which they can work together to drive sustainability improvements across the entire supply chain.

A set of detailed supplier sustainability KPIs is also being developed which will give a mechanism for all suppliers to be fully assessed, scored and rated against the Belron standards. These KPIs will give Belron a basis on which to set developments targets with suppliers and collaborate with them to drive continuous improvement.

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

https://www.belron.com/fileadmin/user_upload/belron-com/BELRON_International_MSA_statements.pdf

https://www.autoglass.co.uk/fileadmin/user_upload/uk/modern-slavery-act-statement-june-2020.pdf

ENVIRONMENT

Climate Impact/CO₂ Emissions

With operations across the world, and a network of branches, services centres, distribution centres and a large mobile fleet, Belron has a direct and indirect impact on climate change through its carbon emissions. It therefore has a responsibility to monitor, manage and ultimately reduce these emissions. Belron also recognises that reducing emissions across its entire value chain will have a positive societal impact, offer significant costs savings and have reputational benefits to the business while also future proofing for what lies ahead

Belron has committed to drive down emissions as one of its priority areas in the new Responsible Business Framework. Currently it monitors the carbon emissions that are directly in its control, such as those related to the energy consumption of its branches and its fleet, as well as Scope 3 emissions related to travel and subcontracted logistics. Belron has a carbon footprint reporting tool used by some its businesses and supports them in measuring, managing and reducing their footprint.

In 2020 Belron recorded a reduction in its emissions across the business, in part as a result of the impact of the global pandemic on business activities. However, it has once again seen a reduction in the amount of CO₂ per prime job. This has continued to fall over the past 5 years from 28.5kg in 2015 to 20.3kg in 2020.



Belron will initiate in 2021 a project aimed at setting up an emission reduction plan and roadmap to be able to set science-based targets. A first step will be to improve the understanding and management of the company's emissions and carbon footprint.

Highlights from around the business:

Carglass® Distribution (European Distribution Centre (EDC)) in Bilzen, Belgium has reduced its inland shipping emissions by 80% since October 2019, a total of 1,440 truck journeys and 112 tons CO₂.

Inbound containers carrying vehicle glass travel from Antwerp to Genk via barge and from there it travels just a short journey of 1.5km by road to reach the EDC. A current study is also under way to have incoming shipments from Poland transported to Genk by rail and then to Bilzen by road.

At the beginning of 2020, Carglass® France carried out its carbon footprint analysis with 2019 data. This approach to estimate greenhouse gas emissions has a broader scope than the monitoring carried out annually, the results obtained are therefore more exhaustive. Emissions related to the manufacture of glazing represent almost 30% of emissions related to the Carglass® France activity, followed by employee home-to-work transportation, which represents 12% of emissions. These studies help to build the strategy to reduce CO₂ emissions. The involvement of glass suppliers in the process is therefore essential, as is the internal work on employee travel which has been initiated.

During 2020 the UK supply chain, through the speed of service project, reduced the main Mini Distribution Centres from 14 to 8. By optimising the delivery routes for Autoglass® and the wholesale market from these new distribution centres this enabled the UK business to reduce the daily mileage driven for deliveries by circa 2,400 miles per day, representing c20% of the total miles driven per day. In turn this has resulted in a yearly driven reduction of over 600,000 miles. As well as reducing daily miles driven the "speed to service project" also reduced associated carbon emissions by c20%.

Waste Management

For Belron, the most significant waste product is the glass removed from customers' vehicles when a windscreen cannot be repaired and must be replaced. Whilst it cannot be reused for windscreens, the waste glass can be recycled for other products. Recycling the glass efficiently helps Belron significantly reduce costs associated with waste and minimise its environmental impact. In 2020 Belron recycled over 60% of its glass waste and continues to monitor and improve overall recycling rates across its business.

With other waste streams Belron aims firstly to minimise use by setting technical standards for the amount of product needed during each job and secondly, defines clearly what to do with specific waste streams to maximise recycling.

The waste streams are managed by the local businesses in line with legislation, through local waste collectors. Beyond this, Belron uses its distribution centre network to apply reverse logistics and partners with recycling companies to improve overall recycling rates. This data is reported to Belron via its reporting software SoFi by Sphera, to provide an overview of the businesses waste impact and highlights opportunity areas for improvement.

Belron also recognises that the changing nature of its products and services has the potential to increase the company's waste impacts, most notably, the increasing complexity and deployment of ADAS (Advanced Driver Assistance Systems) on windscreens and its impact on the potential for repair, and the company's increasing range and offer around Value Added Products & Services (VAPS). The impacts will be monitored as the business moves forward with its Responsible Business framework.

Highlights from around the business:

Carglass® in Germany launched the GreenTab as a new sustainable product. The product goes straight into the washer fluid tank in the car and is mixed with tap water, resulting in a total of 5 litres of cleaning fluid. The product replaces containers of windshield washer fluid and therefore reduces plastic waste. The feedback received on social media has been very positive.

Autoglass® in the UK introduced initiatives to help reduce waste. The initiatives include: transparent waste bags within distribution centres to improve the sorting of waste materials and increase segregation; a new on-site compactor to reduce the frequency of general waste collected and reduce waste contractors' carbon footprint – this has also reduced expenditure; working with suppliers the business has identified opportunities to reduce packaging on various products; and consolidated its external waste management provision to one provider enabling them to streamline waste collection and maximise recycling and recovery opportunities.

Safelite® in the US recycled more than 1.9 million windscreens in 2020.

Smith&Smith® in New Zealand saw a 3% reduction in non-glass waste products being diverted to landfill, a 21% reduction of overall waste being created and over a thousand tonnes of glass being recycled. The business is continuing to work with its recycling partner on sustainable ways to discard and recycle the PVB (polyvinyl butyral) resin from the windscreens.

ANTI-CORRUPTION

Belron has in place its ethical framework and guiding principles across the business to ensure that corruption and bribery are not tolerated. Anti-bribery and corruption are compliance matters that the company's legal team promotes throughout the business. The approach is also local business and market specific, and therefore the policies and procedures adopted will depend on a number of factors including relevant risk and local rules in each business unit country. In higher risk jurisdictions, enhanced measures are implemented to help prevent anti-bribery and corruption.

To support this approach, training and awareness sessions on anti-bribery and corruption law and anti-corruption policies are provided where Belron perceives any material risk, in order to help ensure that each business continues to compete fairly and in compliance with all applicable anti-bribery laws. Each year, the business requires all local General Managers to sign an annual Statement of Ethical Compliance and Statement of Competition Law Compliance, indicating that their respective local business units complied with the Code of Ethics and Guiding Principles.

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. There were no significant changes made to the business's ethics and compliance programme in the past year however these topics are included in the review that is being carried out as part of the new Responsible Business Framework.

The businesses' approach to anti-bribery and corruption is one of the topics assessed within the Ethics section of the Ecovadis sustainability assessment. Within the assessment each business answers questions and provides evidence on their policies, actions and results in relation to this topic as well as fraud, money laundering, conflicts of interest, information security and anti-competitive practices. The Belron Group average Ecovadis score for Ethics is 66.5.

End