

WE ARE MAKING A DIFFERENCE

SUSTAINABILITY
REPORT 2017



CARGLASS®

AT CARGLASS® WE BELIEVE THAT NOWADAYS COMPANIES SHOULDN'T JUST BE ABOUT GENERATING PROFITS.

THIS IS WHY WE ALSO SEE IT AS OUR MISSION TO CONTRIBUTE TO THE WELLBEING OF SOCIETY.

WE TAKE THIS RESPONSIBILITY SERIOUSLY BY TAKING SOCIAL AND ENVIRONMENTAL ASPECTS INTO CONSIDERATION AS WELL AS PURSUING SUSTAINABLE BUSINESS PRACTICES.



Ladies and gentlemen,

I am delighted to present to you the very first Carglass® Sustainability Report. It comes at exactly the right time, as with our CSR Strategy 'Our responsibility – we are thinking about tomorrow' we have been able to bundle all our sustainability-related activities under one roof for the first time.

Naturally this topic area is not a new one for Carglass®. As a successful company we bear responsibilities – and have worked consistently for many years to fulfil them. As early as 2011 we bundled our social engagement within our foundation 'giving back'; since then we have helped people far and wide through numerous projects. All this is driven by the unique engagement of our employees: thanks to their commitment and motivation we are able to launch more projects year after year, help more people and contribute to a better coexistence within society.

Collaborative, authentic, driven and caring – our social engagement faithfully reflects the fundamental attitude that characterises our work. Anyone who has visited one of our Service Centres will have felt the way we take care of our customers' problems with real care. This attitude shines through in every one of the 1,2 million customer contacts our employees have each year. Moreover, our customers value this attitude highly, and the strength and success of the Carglass® brand are impressive proof of it.

'Making a difference', the slogan of this year's report, is therefore much more than a claim for us. It is a promise that we constantly renew to every single one of our customers. Sustainable, responsible action has been a key element of this promise for a long time now. We do everything possible to ensure that we do not burden people or the environment unnecessarily, that we treat our employees fairly and respectfully, and that they have a safe working environment. These are all aspects of our CSR engagement that we cover in this report, even though we are not legally obliged to. We're reporting because we want to! Transparency and openness are vitally important to us as they form the basis of trust that our customers and partners place in us.

This report is an important first step on our journey towards greater sustainability and a further milestone in the Carglass® success story.

I wish you an informative and stimulating read – and am already looking forward to your feedback!

Yours sincerely,

Jean-Pierre Filippini

SUSTAINABILITY

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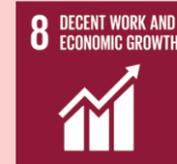
17 SUSTAINABLE DEVELOPMENT GOALS

In September 2015 the member states of the United Nations adopted 17 Sustainable Development Goals. These ambitious goals must be achieved by 2030 to end poverty, protect the planet and ensure prosperity for all.



OUR CONTRIBUTION

We intend to contribute to achieving these global sustainability goals. Our recently established CSR Board has investigated where we can do this most effectively; as a result we will focus on four goals and will place special emphasis on these in our CSR Strategy. We were already able to achieve tangible results in 2017.



8 DECENT WORK AND ECONOMIC GROWTH

- **Secure jobs:** around 96% of our employees are on permanent contracts. [➔ P. 32 et seq.](#)
- **In-house service fitter training:** through this, we also offer jobs at various entry levels. [➔ P. 37](#)
- **Inclusion:** through our internships we offer a route into our company for people with disabilities. [➔ P. 35 et seq.](#)



13 CLIMATE ACTION

- **Use of renewables:** wherever possible, we source electricity from renewables for our locations. [➔ P. 50](#)
- **Continuously reducing our emissions:** by 2022 we aim to reduce our fleet's energy consumption by 20% through the use of electric vehicles and alternative forms of mobility. [➔ P. 51 et seq.](#)
- **Offsetting:** we offset around half of our emissions by investing in certified climate protection projects. [➔ P. 50](#)



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- **'Repair First':** wherever possible, only when a pane is irreparable do we replace it, thereby saving energy and raw materials. [➔ P. 46](#)
- **Economical use of materials:** we measure material consumption at our Service Centres and award locations that use resources very carefully. [➔ P. 46](#)



17 PARTNERSHIPS FOR THE GOALS

- **Repair for Nature:** together with selected insurance partners, we are investing in reforestation projects that help protect the climate. [➔ P. 12](#)
- **Equal opportunities and education:** thanks to our collaboration with associations and initiatives such as Caritas, Joblinge and Afrika Tikkun, through our 'giving back' foundation we are promoting job prospects for people with lesser educational opportunities. [➔ P. 59 et seq.](#)



COMPANY PROFILE

Our Carglass® team is Germany's natural choice for the repair and replacement of vehicle glass. We achieve this by focusing on delivering exceptionally good customer service, being easily accessible and in close proximity to our customers, thinking and acting in a sustainable manner, and by upholding the highest safety standards.

About Carglass®

Carglass® specialises in the repair and replacement of automotive glass, and is market leader in Germany. We employ a workforce of around 2,100, over 1,600 of whom are specially trained Carglass® fitters. Around 300 employees work at our head office in Cologne, Germany, with approximately 200 working at our Customer Contact Centre.

We help motorists throughout Germany at our approximately 350 locations and on the road with our 380 mobile units, handling around 1.2 million customer interactions each year. We serve private individuals through our B2C (business to customer) activities, and through our B2B (business to business) operations we work together with business customers in the rental vehicle, leasing and fleet sector. In addition, our extensive partner network in the insurance sector enables us to process orders quickly and easily for our customers.

Carglass® has been a member of the global Belron® family since 1990, and has been operating as Carglass GmbH since 1993. Our company is headquartered in Cologne, Germany.

About Belron®

Belron International Ltd is the world's largest specialist automotive glass repair company. The Group employs a global workforce of around 29,000, over half of whom are highly qualified fitters, and is active in over 30 countries across 5 continents. Established in 1897 as a family business in South Africa, today Belron® is managed by Gary Lubner, the nephew of the company's founder, from the company's headquarters in the UK.

In 2017 the company generated global sales of around 3.5 billion euros with 11.7 million repairs and new installations of automotive glass. The Belgian company D'Ieteren SA is the majority shareholder in Belron® with a stake of 54.85%. At the start of 2018 Clayton, Dubilier & Rice (CD&R) acquired a 40% share in Belron®, making it the second largest shareholder.



SUSTAINABLE CORPORATE GOVERNANCE

CHAPTER 1

1.1 Corporate Social Responsibility

1.2 Responsible corporate governance

CORPORATE SOCIAL RESPONSIBILITY

1.1

As a company we see it as our responsibility to align the economic success of Carglass® with social and environmental demands. It is a view that we have also embedded in our corporate strategy, as this will ensure our company remains viable in the long term.

Corporate Social Responsibility, or responsible corporate behaviour, has been a hallmark of our company's environmental activities and our 'giving back' foundation for many years now, with our engagement based on our corporate values of integrity, respect and trust.

OUR VALUES

Integrity	Respect	Trust
We are building trust through what we say and do.	We are considerate to one another and to our environment.	We are always consistent in our actions, our morals and our methods.

In 2017 we entered a new stage on our journey to greater sustainability with the formulation of our CSR Strategy. Under the motto 'Our responsibility – we are thinking of tomorrow', we intend to create a uniform understand-

ing across our company, and focus and implement our initiatives even more strategically. External developments, such as the adoption of the UN Sustainable Development Goals and the CSR Directive Implementation Act in Germany, have also motivated us to increase our emphasis on CSR at Carglass®.

When formulating our CSR Strategy we were guided by the corporate strategy and sustainability activities of our parent company Belron®. In doing so, we were consistently guided by our claim 'We are making a difference by solving people's problems with real care' as well as our company values.

Since 2011 the EcoVadis rating platform has regularly reviewed the development status of our sustainability activities. This provides us with a constant overview of our sustainability performance and allows us to use the results to inform our stakeholders as well as benchmark ourselves against other individual national companies of the Belron® Group.

Our award-winning CSR management approach



In November 2017 EcoVadis awarded Carglass® a Gold level recognition medal for its sustainability performance – the second time in a row we have achieved this.

We achieved first place in the 'Automotive glass repair' category in the Sustainability Engagement 2017 ranking performed by the analysis and consulting group ServiceValue in collaboration with the German testing and rating service Deutschland TEST and the magazine Focus-Money.



In June 2017 we won Partslife's Environmental Award for our Repair for Nature project. We also gained our first partner for this in DEVK Insurance.

CSR Strategy: 'Our responsibility – we are thinking about tomorrow.'



Four focal points of our actions

In line with our corporate culture, those departments in our company that have the closest contact with our sustainability focus topics, and which contribute materially to the implementation of our strategy, worked together to develop our CSR Strategy. To define the future focus of our actions we combined a reflection of our previous initiatives with our aspirations for future CSR activities. This analysis produced four strategic fields of action that form the core of our strategy.

Customer service & supply chain: transparency, honesty and ethical action form the foundations of our relationships with customers. We also expect our suppliers to respect our values. Our 'Repair First' strategy enables us to combine eco-friendliness with immediate customer benefit. Before replacing a windscreen with a new one, we first check to see whether the damaged one can be repaired.

People: our employees are making a difference – through their engagement, specialised knowledge and craftsmanship. We see ourselves as having a special responsibility towards them. Through our high social standards and fair, collaborative working environment we show that our focus is well and truly on people. To us, sustainability also means attracting and retaining qualified employees.

Environment: to us, sustainable business not only means 'Repair First' but also being kind to the environment, conserving resources and protecting the climate as part of our approach to environmental management.

Social engagement: our aspiration to share our success with society by giving back is rooted deeply in our DNA and characterises our corporate culture. Since 2011 we have bundled our social engagement activities with our focus on children and adolescents in our 'giving back' foundation.



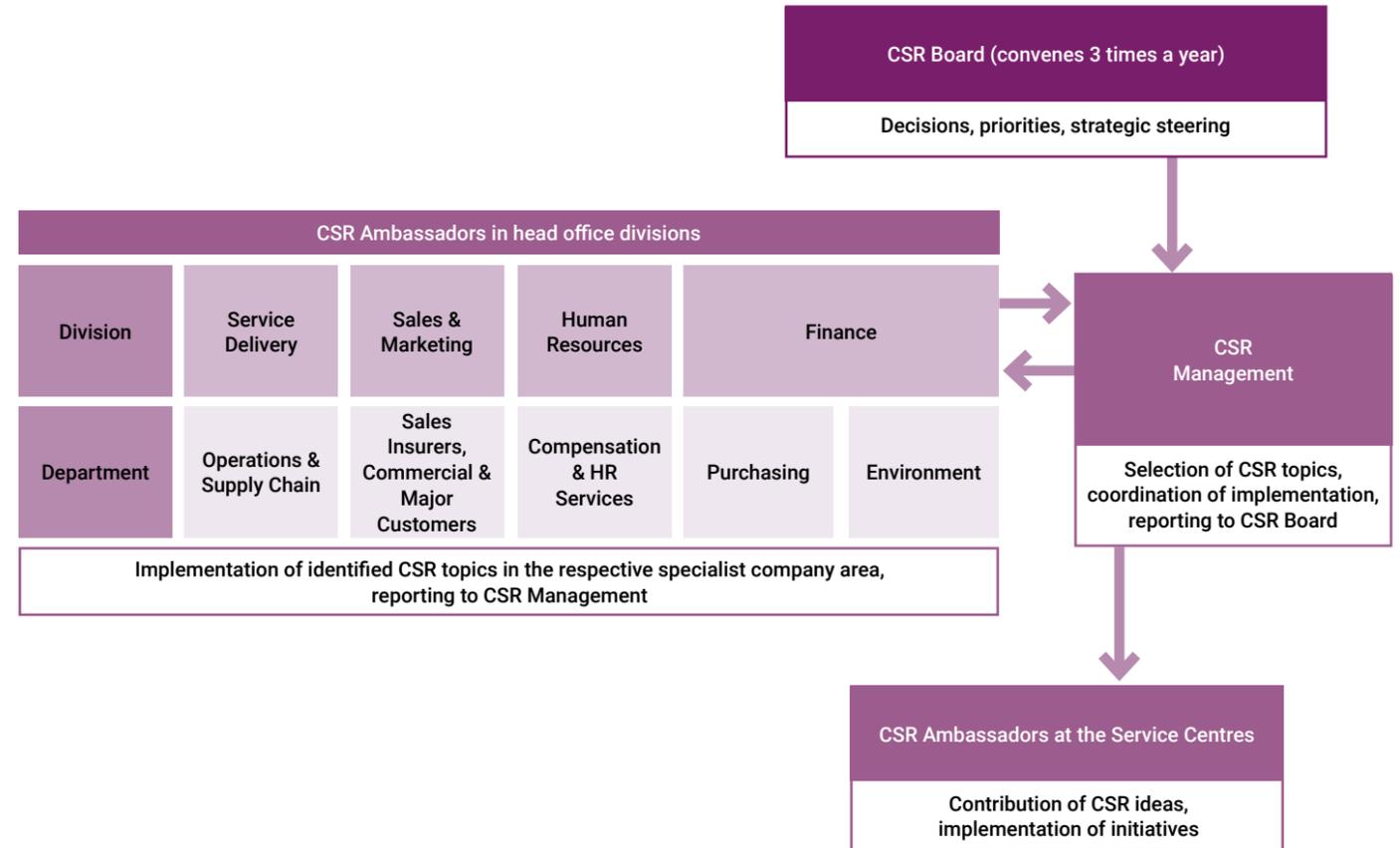
To define the strategic scope of our four fields of action, with the support of an external strategy consultancy we evaluated relevant CSR topics and discussed them in internal committees. The process was also guided by the UN Sustainable Development Goals and the Principles of the Global Compact. We reviewed the appropriateness of

the topics to Carglass®, what contribution we can make, and to what extent we stand out from our competitors. The focus topics we defined set the direction for our future CSR activities. We divide them into three areas, depending on the degree of our engagement.

Overview of Carglass® focus topics



The CSR structure at Carglass



Clear CSR responsibilities

After defining our strategy, we also developed our Carglass® CSR organisation further. At Carglass®, Corporate Social Responsibility comes under the remit of Corporate Communications, making it part of our Sales & Marketing division. Since 2016 an internal CSR specialist has overseen CSR Management. Her duties have included developing the CSR Strategy and coordinating its implementation.

Our CSR Board, which we newly established in 2017, takes strategic decisions. It comprises members of our man-

agement team and executives from our departments. Six CSR Ambassadors from different departments promote awareness of CSR at our Cologne head office. They are in constant contact with CSR Management. In addition, any of our employees – regardless of their regular position – can get involved in CSR at Carglass® and in doing so become an ambassador for sustainability. These regional CSR Ambassadors make a valuable contribution to CSR Management by providing input and supporting the implementation of initiatives, for instance at our locations.

Stakeholders	Dialogue formats	Example of contents 2017
Residents	Local initiatives at our Service Centres, promoting of topics in local and regional media	Technical and Service, 'giving back'/ charity initiatives
Consumers	One-to-one contact at our Service Centres, customer surveys	Customer satisfaction
B2B customers (including insurers, fleet customers)	Personal customer discussions, ads, forums, LOOK! customer magazine	Mobility of the future, digitisation, CSR and service topics
Suppliers	Predominantly personal contact, for example in the context of orders	Purchasing terms
Employees	Training courses, employee surveys, KRACK employee magazine, intranet, newsletters, internal events (such as Best of Belron®, annual events)	Technical and service topics, CSR topics ('giving back' campaigns, campaign weeks, etc.), HR topics (e.g. personal development, compensation/benefits)
Non-governmental organisations	Round tables, invitations to lectures	CSR/'giving back' topics

Stakeholder dialogue

Carglass® is in constant dialogue with its stakeholders, which include anyone with an interest in our business activities such as customers, collaborative and business partners, employees and the media. The forms of dialogue and the topics selected vary depending on our relationship with the specific stakeholder group.

Joint development

Open dialogue with our stakeholders and transparency regarding our activities are key to our success. This applies in particular to our employees, whose awareness we raise through comprehensive CSR measures and whom we also offer numerous opportunities to get involved in Carglass®

activities such as through our 'giving back' foundation – an approach we will also continue in 2018. At the same time, we aim to involve external stakeholders more closely in our strategy. To do so, we plan to engage in dialogue with them through our fields of action and CSR topics, and incorporate their feedback into a materiality matrix. Our business customer magazine will also include a permanent section on CSR from 2018 onwards to make our activities even more transparent to our customers.

To ensure that our CSR Strategy is promoted actively throughout the company and filled constantly with new content, we will review it annually. On top of these actions, we will define specific, measurable goals for selected topics such as environmental management.

RESPONSIBLE CORPORATE GOVERNANCE

1.2

Responsible corporate governance that respects the core principles of integrity, respect and trust unites all members of the Belron® Group. Our decisions and daily actions are underpinned by our values: these shape our reputation and determine our commercial success.

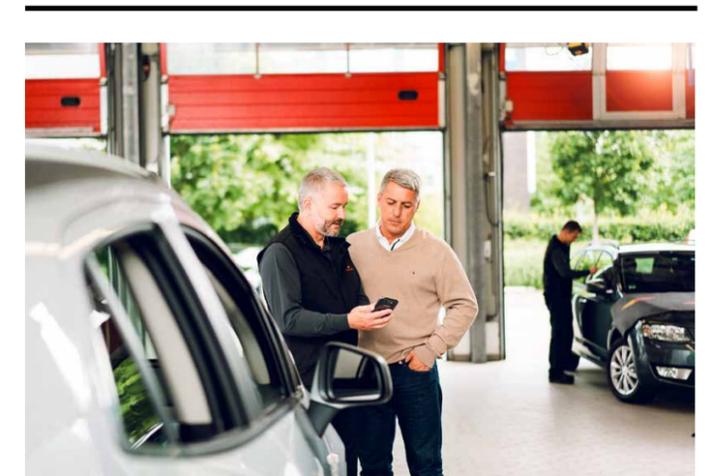
Group-wide Ethics Policy

The Group-wide 'Our Way of Working' Ethics Policy lays the basis for respectful collaboration between colleagues, partners and towards our customers. Highly detailed yet clear and understandable, our policy informs employees and business partners about our corporate principles and raises their awareness of ethical issues.

The Group's Ethics Policy has a global relevance, with each national Group company applying it; however, to take the particular frameworks and specific requirements in individual countries even better into account the policy may need to be adapted to the individual Belron® countries in future.

We are convinced that everyone can bring about positive changes in their area of responsibility by the way they go about their work. To ensure every employee knows how to behave ethically and carefully, we integrate corporate values and ethical principles into everyday professional life and keep them at the forefront of our employees' minds.

New Carglass® recruits receive all the information they need on the importance of our values and on our Ethics Policy in their basic training. In addition, our new e-learning course with a final test on ethics also targets new employees. In 2017 alone 235 new employees completed basic training, with 65 employees taking the e-learning course so far. Besides specialist development goals, in the annual employee appraisals individual behavioural goals are also agreed for day-to-day collaboration, for example as a manager or when working with colleagues from other departments. We address everyday values and guidelines on the intranet as well as at internal events and further activities.



Speak Up! Systematic reporting of suspicious incidents

If our Ethics Policy is violated – even if there is the slightest suspicion that it has been – our employees are required to use the Belron® hotline to report the violation. Every Group brand company has access to the telephone system in their own national language, which is managed independently by an external company with staff who understand 'Our Way of Working' and are trained to handle the call. Calls can be recorded anonymously if required, and then reviewed by experts. Employees typically receive a response within four weeks. If there is good reason to suspect a violation, the matter is forwarded to the appropriate management office.



We ensure that every Carglass® employee always knows how to behave ethically through training, one-to-one discussions and presentations on our Ethics Policy.

Robust preventive steps

The integrity of our actions is the prerequisite for sustained business success. That is why Carglass® is committed to the strict observance of legislation and to ethical conduct in all its business activities. We also require our employees and business partners to follow this principle.

To meet our high compliance standards we work tirelessly to minimise the risk of potential violations, primarily by working to prevent them in the first place. We prevent anti-competitive behaviour by executives at Group level through classroom training, one-to-one discussions, presentations, policies and guidelines as well as online antitrust training courses. In terms of our organisational structure the topic of compliance at Carglass® is represented in our management team by our Finance Director. Four employees report directly to the Finance Director, who are responsible for the various aspects of the topic and also work closely with the Legal Affairs department. In addition, we are currently further strengthening the Audit department at our head office to become even more effective at taking action in this area.

All functional and business areas report regularly to our management team about the development and potential risks in their area of responsibility, with our Audit department monitoring selected risk areas.

We also take rigorous action against corruption and bribery, particularly in the Purchasing and Sales functions. Among other things, our Compliance Policy contains specific requirements relating to benefits and dealing with business partners. It thus provides the fundamental orientation for all Carglass® employees' actions.

As part of our Group-wide Internal Financial Controls (IFC) programme, in 2017 we carried out further internal financial checks. We plan to continue this programme in 2018 in the form of an external audit.

Upholding human rights is also an integral part of our Ethics Policy. Carglass® supports the international standards of the European Convention on Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. In the context of our business activities, we are pleased to report that we rate the risk of human rights violations as extremely low at Carglass®. If any are uncovered, the Speak Up hotline is available to report them.



From the Customer Contact Centre to the Service Centres – we give top priority to data protection at Carglass®.

Regular audits and guidelines

At Carglass® we see compliance as an ongoing process, with a special focus on the relationship with our customers. Through the regular reviewing and auditing of our activities, our internal standards and the comprehensive training of our employees, we ensure that our conduct is always exemplary – and that we will always be relentless in our efforts to earn our customers' trust.

In 2017 we conducted around 200 internal audits (191 at our Service Centres and 8 at our head office). In addition, the technical service provider TÜV Rheinland conducted 32 monitoring audits at various Carglass® locations. In 2017 we also reviewed our Compliance Policy for the need for changes and also adopted an internal auditing policy.

As the market leader we are the subject of particular public attention. Since we consider any compliance incident to be of concern, it is important to us that we prevent them from happening in the first place – an aspiration we lived up to once again in 2017, as we are pleased to report that we were not notified of any significant violations to our Ethics Policy, applicable law or regulations. Furthermore, no fines or financial penalties were imposed on our company.

Ensuring continuous data protection

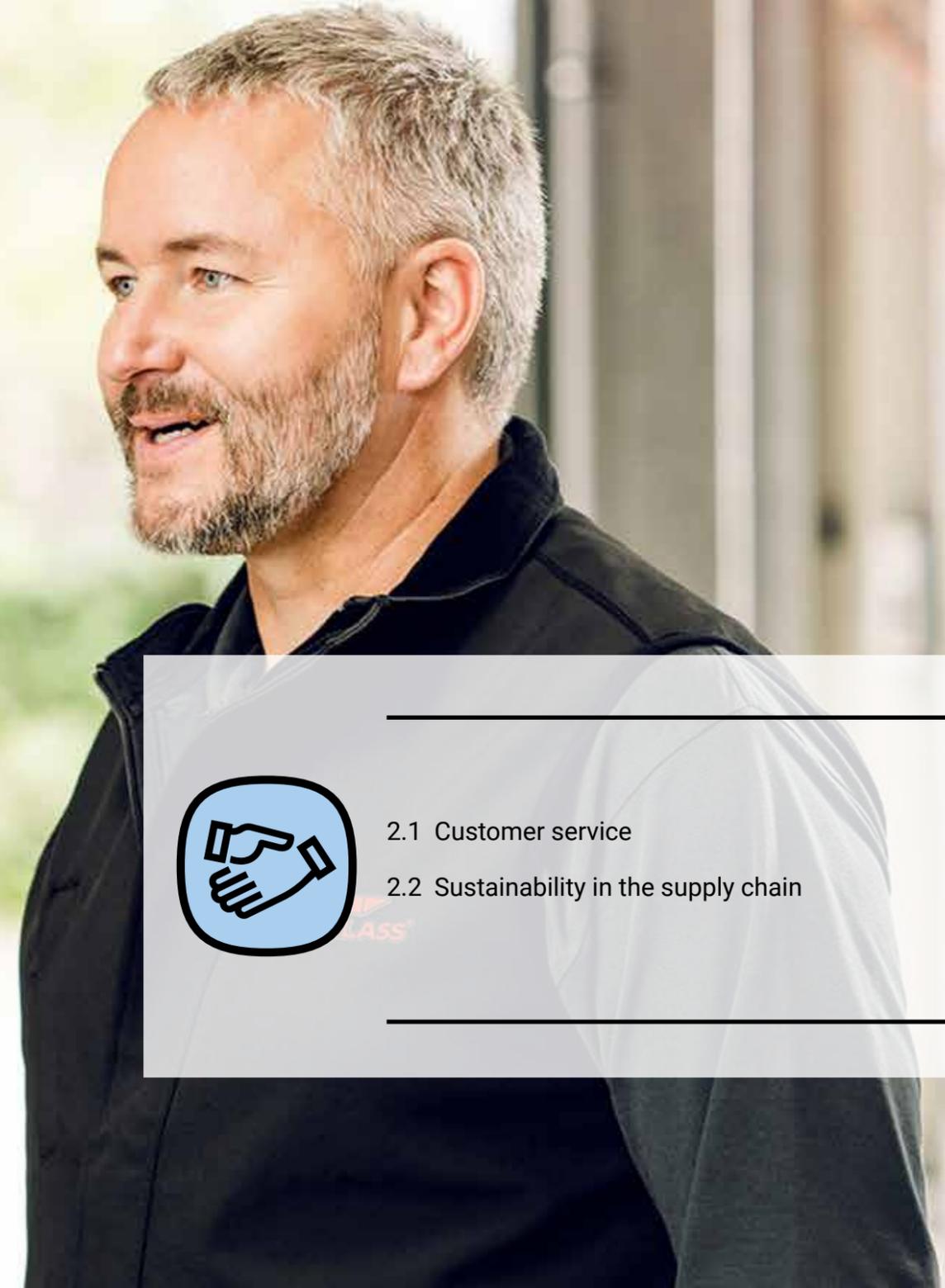
Our customers trust also us when it comes to the responsible handling of their data. Besides the obligation to process our customers' and employees' personal data in full compliance with the law, Carglass® also has an ethical responsibility. Our business partners place high demands on us in this area too, with data transfer from and to insurers being of particular importance. Last but not least, it is in our interests to be especially sensitive to the topic of data protection, and to take appropriate action to protect our brand and corporate values. Thanks to this, we are pleased to report that there were no instances of loss or theft of customer data in the reporting period.

A process at Carglass® ensures that the Data Protection Officer or Legal Affairs department is involved at an early stage in new projects with data protection implications. To be prepared to meet data protection challenges, in 2017 we established a new Business Continuity Management head office department. In addition, we are currently implementing the function of IT Security Officer. Specialist companies also assist us in the area of IT security.

We are currently revising our IT Security Policy so it complies with the ISO 27001 information security standard. In addition, for 2018 we are planning further steps and training courses relating to the standard.

CUSTOMER SERVICE AND SUPPLY CHAIN

CHAPTER 2



2.1 Customer service

2.2 Sustainability in the supply chain

CUSTOMER SERVICE

2.1

Our daily goal is to deliver a positive service experience to our customers. Our claim is 'Making a difference by solving people's problems with real care'. We work hard to fulfil this claim each and every day through our innovative products, employees with first-class training, and excellent customer service.

We aim to offer our customers a first-class experience when it comes to processing their order – from advertising, initial contact, acceptance of their order and carrying out the work, right through to completion of their order. All of our customer-facing employees are trained to make contact with Carglass® as pleasant an experience as possible, with interactions centred fully on the customer.

When dealing with the customer's order, we follow the motto of 'Repair First'. This means that wherever possible we prefer to repair windscreen or window glass rather than replace it. It is an approach that benefits everyone involved: the customer as well as Carglass® enjoy time savings, costs stay low, and negative environmental impacts such as carbon emissions and resource consumption are reduced.

Satisfied customers

Our customers' satisfaction is our most important currency. We are always interested in their feedback and ask them to rate our service. Customer surveys help us identify those areas where we need to improve as well as those where we are already meeting our customers' expectations.

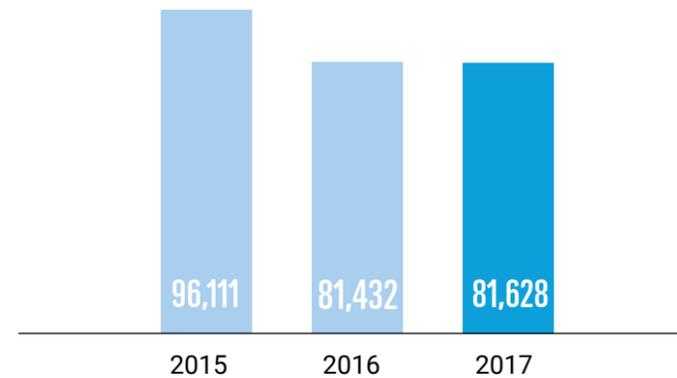
Since 2009 we have gathered data as part of our weekly customer surveys to generate our Net Promoter Score (NPS), which indicates the likelihood of customers recommending our service. Carglass® Germany has achieved an above-average referral rate for many years now – which is both a motivator and confirmation of our hard work.

The results also show that the sustainability activities of Carglass® have led to a slight increase in the NPS both of Carglass® as well as our insurance partners.

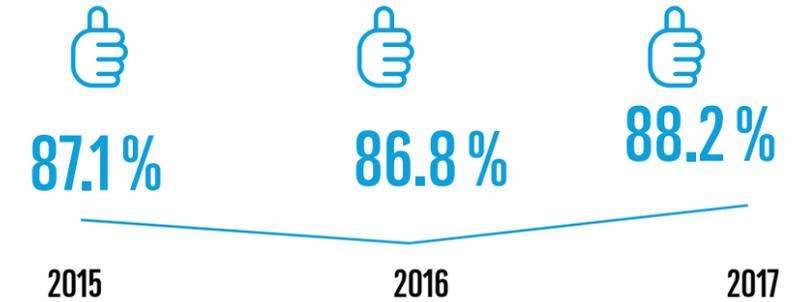
Besides private customers, since 2017 we have also surveyed major leasing, fleet and car rental customers. In doing so, we aim to ensure that service improvements derived from the NPS result meet the needs of the entire customer base even better in the future.

In addition, the survey now also includes questions on customer complaints. This provides us with qualified feedback to tackle dissatisfaction at Carglass®.

Number of customer surveys



Net Promoter Score



Our outstanding customer service

Besides the NPS, numerous external ratings confirm the success of our customer-focus activities. In the reporting year we were particularly pleased to achieve the following awards and recognitions as a result of our efforts:

- **Service Champion** and thus sector winner as well as a place in the top 10 most customer-friendly companies across all industries in Germany in the German newspaper Die Welt's ranking, conducted in collaboration with the Goethe University, Frankfurt am Main
- **TÜV Süd** gave us a 'very good' rating for **Customer Satisfaction in Service**
- **Highest customer confidence** in the Customer Confidence Ranking 2017 of the German financial magazine WirtschaftsWoche
- **Highest recommendation rate** and simultaneous industry and category winner in a study by the German financial magazine Focus-Money in collaboration with ServiceValue and Deutschland TEST
- **Service-focused repair service provider** assessment by hnw consulting.



The safety and satisfaction of our customers take top priority at Carglass®.

Service quality and customer safety

We place the highest demands on the quality of our work, as we see quality as the key factor in customer satisfaction. Through the care we take in our work we contribute to the safety of vehicle occupants, as a correctly glued windscreen can absorb up to 30% of the impact force of an accident as well as stabilise the roof in the event of a rollover. In addition, an intact windscreen assists with the proper functioning of the passenger airbag, as in the event of a collision it braces itself against the windscreen before opening towards the passenger.

The training and development of our employees is essential to the quality of service delivered by Carglass®. By providing all new employees with intensive basic training and through regular reviews of their knowledge in technical assessments, we guarantee the highest standard of service in our daily work.

➔ P. 37 Training and employee development

To ensure the quality of service delivered by Carglass® remains consistently high, all our locations are certified according to the ISO 9001 and 14001:2015 quality management standards within the framework of a matrix certification process. Besides the legal requirements – such as safety-related repair limits (pursuant to Section 19 et seq. of the German StVZO Road Traffic Licensing Regulation) – quality and safety are essential elements of countless internal guidelines and work instructions such as the Belron® 'Way of Fitting', our Group-wide standardised repair process.

We are pleased to announce that during the reporting period we were not notified of any violations with a negative impact on health and safety, nor of any relating to product and service information or the labelling of our products and services.



Application of the ADAS – the Advance Driver Assistance System

Innovative services

We always keep a close eye on industry developments when it comes to enhancing our products and services. Identifying current trends and topics enables us to spot new challenges in good time and allows us to seize them as an opportunity by aligning our products with them.

We evaluate ideas and suggestions to improve or enhance our offering together with our parent company Belron®. The Belron® Technical R&D department sets global standards through its work, and is continually improving our tools, products and services.

Currently, digitisation and the related developments in the automotive industry are particularly relevant. These advancements include the Advance Driver Assistance System, or ADAS, a system that turns the windscreen into a high-tech product. With its integrated sensors and cameras the windscreen is increasingly becoming an integral part of the vehicle's technology, featuring lane-departure warning systems, emergency braking systems, rain sensors and temperature controllers. ADAS sensors are mounted on specific points of the windscreen using wafer-thin special adhesives, and must be calibrated by fine-tuning them for the technology to work reliably. Three-quarters of all

carmakers demand this calibration following the fitting of a new windscreen. We spotted the trend towards ADAS at an early stage, and addressed it by training our employees on how to handle the technology and equipping our locations with suitable hardware and software. Thanks to this investment we can now calibrate any manufacturer's driver assistance system nationwide across Germany.

One of Belron's® own developments, the Ezi-Wire system, allows glued panes to be removed safely using less force – simplifying work for our service fitters and making the process safer. Implementation of our new ART (Advanced Repair Technology) helps improve the quality of stone chip repairs by controlling the injection of repair resin into the damaged area through automated means rather than manually.

We are also harnessing the benefits offered by digitisation for our internal processes. This includes working with Belron® to make an app version of our engineer's manual – something our fitters now utilise on the very same smartphones they use to process customer orders. The digital manual offers general and vehicle-specific information, training videos and a feedback function.

SUSTAINABILITY IN THE SUPPLY CHAIN

2.2

Taking a sustainable approach is a core element of our commitment to deliver what we promise. To honour this beyond our own business activities, we increasingly incorporate sustainability aspects into our purchasing decisions.

From laminated glass to ballpoint pens

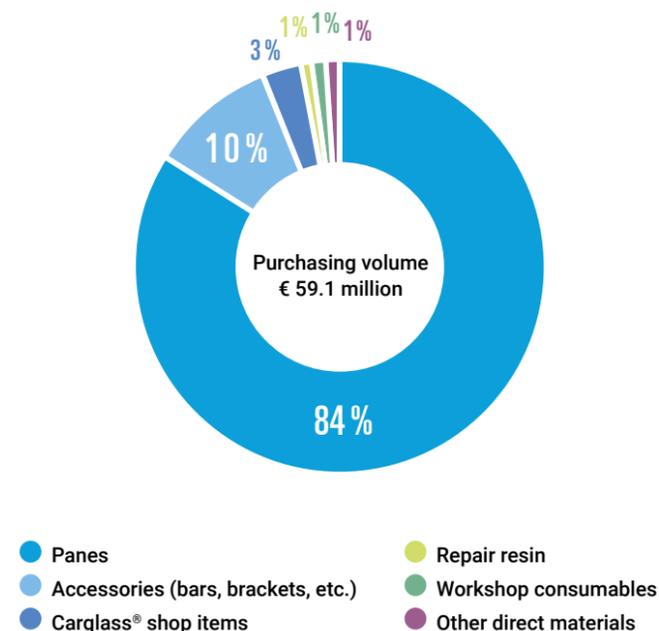
Carglass® procures materials from over 7,600 suppliers based around the world, which we classify as either direct or indirect materials. Direct materials are needed immediately for the repair or replacement of windscreen or window glass. We order these predominantly from the central Purchasing department of our parent company Belron®. Indirect materials are purchased by Carglass® Germany itself: these include many different product groups, such as tools, workwear and office supplies.

To make sure our commitment to sustainability is maintained in such a diverse and complex supply chain, a CSR Ambassador in Purchasing ensures that sustainability topics are integrated into our procurement and purchasing processes. Among other things, a CSR Ambassador in Logistics and Supply Chain is helping to raise colleagues' awareness of sustainability issues. In 2017 we also addressed sustainability aspects with our suppliers to make the Carglass® supply chain even more sustainable.

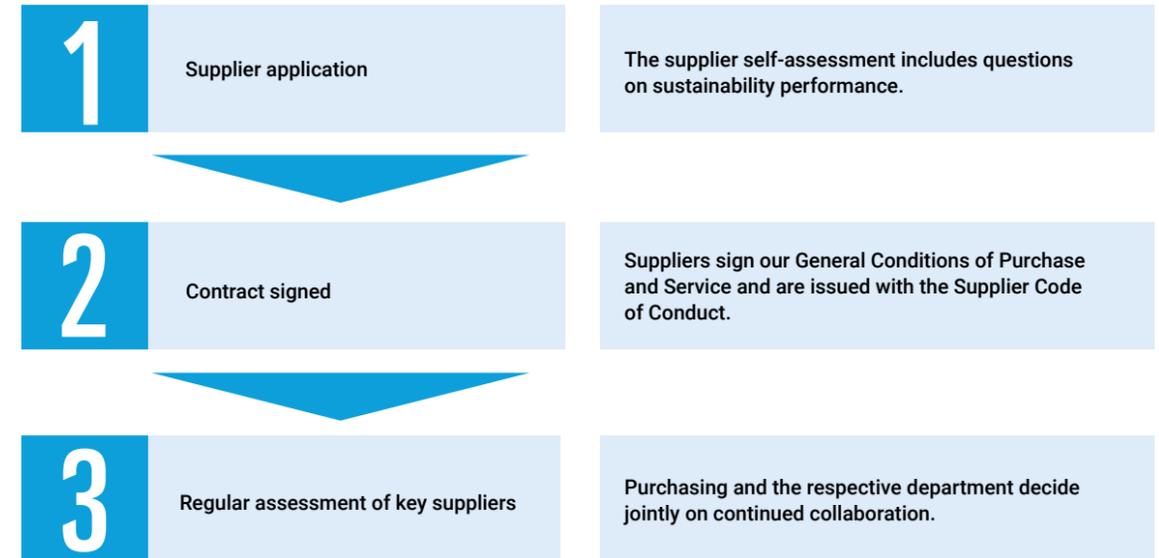
The starting point for managing sustainability impacts is the awareness of potential sustainability risks within the various supply chains. Carglass® Germany identified these for each product group individually in cooperation with the parent company Belron®. Glass panes account for the largest share of our purchasing volume by a considerable degree. A great deal of energy is required to process quartz sand into flat glass – an example of a significant environmental impact that presents a sustainability risk if poorly managed. A deep understanding

of these potential sustainability risks helps us to ask the right questions when selecting suppliers. To gain an even better understanding, in 2018 we will be carrying out a Life-Cycle Assessment (LCA) on windscreens: this will cover the impacts on people and the environment along the entire value chain, such as those caused by resource consumption during production.

Direct material purchasing volume 2017



Carglass® supplier assessment



Objective evaluation and targeted selection of suppliers

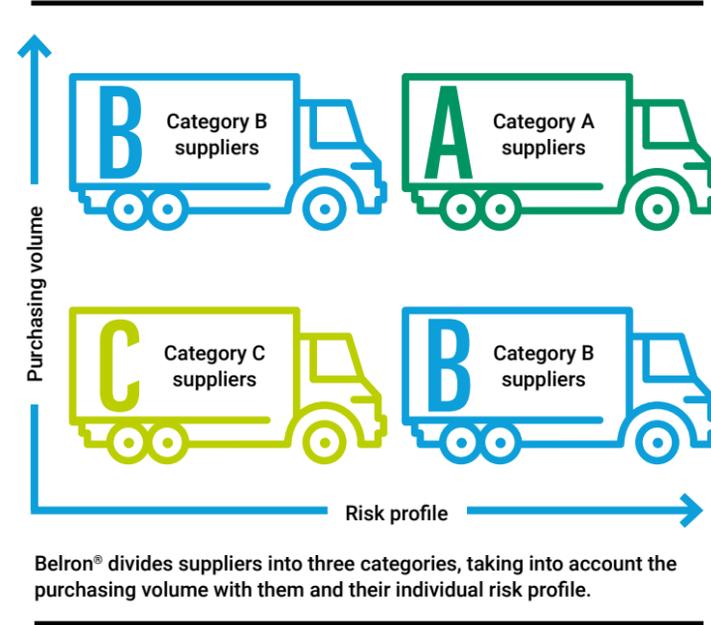
Since 2011 our purchasing criteria have included quality, price, performance/delivery performance, processes, innovation/technology and service considerations. Aspects such as good environmental management, high occupational safety standards, and employee development programmes are particularly decisive if we receive equivalent offers from several suppliers. When assessing and selecting suppliers, Carglass® follows a three-step process.

Our process of approving new suppliers starts with a supplier self-assessment in which potential partners provide information on environmental, quality and risk-management systems. If a contract is concluded, our General Conditions of Purchase and Service are signed. In doing so, our suppliers undertake to comply with applicable laws and other regulations, particularly regarding environmental and occupational safety, as well as to employ a state-of-the-art quality assurance system such as one that meets the ISO 9000:2008 standard. Furthermore, our suppliers commit to our Supplier Code of Conduct, which sets out the Carglass® requirements on ethical business practices. The Supplier Code of Conduct addresses topics including the active combating of corruption and bribery, the respect of funda-

mental employee rights that include equal opportunities and fair pay, preventive occupational safety measures, and the continuous improvement of environmental protection. If our suppliers have not established their own ethics guidelines, we encourage this wherever appropriate in the course of establishing the business relationship.

An additional assessment by our Purchasing department is required for our key suppliers. In the reporting period we assessed 63 of our 71 key suppliers (89%). From 2018 we will perform our initial supplier audits in which we will also review their compliance with environmental and social standards. The aim of these audits is to ensure that the Carglass® principles of conduct are always followed. Where this is not the case we will demand appropriate remedial action.

In 2018 we intend to take further steps towards achieving a more sustainable supply chain. In addition to our own initial auditing of suppliers, we plan to conduct the first Life-Cycle Assessment for vehicle windscreen and window glass. In doing so, we intend to gain insights into key areas to achieve a more sustainable supply chain.



At Carglass® around 250,000 vehicle panes are always in stock.

Supplier assessment and selection at Belron®

As we source our direct materials predominantly through Belron®, the selection and assessment processes of our parent company are directly relevant to us. To be approved as a Belron® supplier, providers must already be supplying Original Equipment Manufacturers (OEMs), i.e. automobile manufacturers. This allows us to ensure that our vehicle panes meet industry quality standards and limit the risk of violating any regulations.

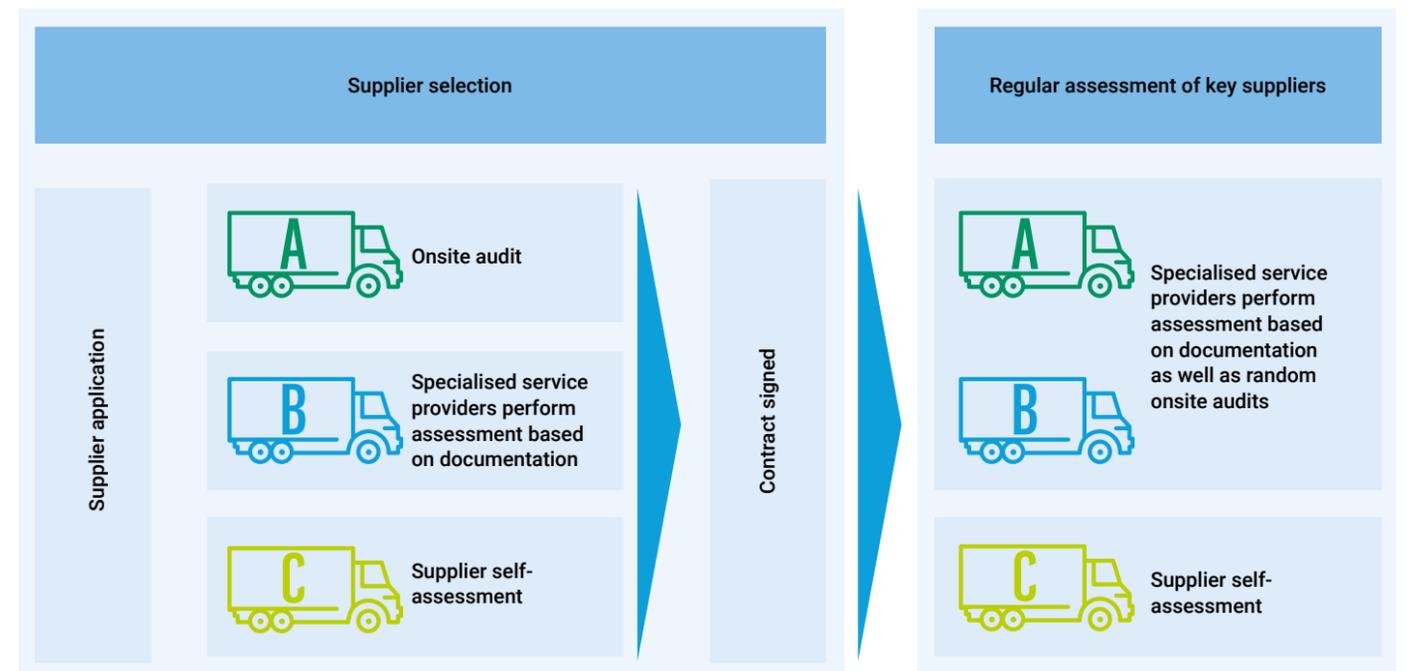
When assessing suppliers, Belron® focuses on supply capability guarantees, the identification and management of risks, the prevention of reputational damage, and compliance with the Group's own CSR standards. Potential and existing suppliers are assessed in all these four areas.

Belron® uses electronic self-assessments, specialist suppliers' online assessments, and onsite audits for this purpose. To decide which type of assessment is most suitable for the respective supplier, Purchasing categorises the supplier into one of three supplier profile categories, taking into account its purchasing volume and individual risk profile.

If the assessment meets Purchasing's minimum requirements, when signing the contract the supplier undertakes not only to uphold the General Conditions of Purchase and Service as well as the Supplier Code of Conduct, but also, where applicable, to follow a development plan with optimisation measures. Suppliers' compliance with this is monitored. This approach ensures that improvements are strived for constantly in the supply chain too.

Currently, Belron® assesses around 15% of suppliers annually using a rolling system onsite at their locations. This focuses on suppliers whose short-term outages would pose a particular risk to the stability of the supply chain. In the reporting year, suppliers that had already been audited accounted for 75% of the purchasing volume. An escalation process is established should there be any significant violations of Belron's® purchasing requirements. We are pleased to report that there were no significant violations of Belron® standards in 2017.

Belron® supplier assessment



PEOPLE

CHAPTER 3



-
- 3.1 Good employer
 - 3.2 Training and employee development
 - 3.3 Occupational health and safety
-

GOOD EMPLOYER

3.1

Carglass® is a strongly value orientated company. We take our corporate responsibility very seriously and consider it our duty to make a positive contribution to society and the lives of our employees.

The number of our employees grows with the success of Carglass®. At the end of 2017 we employed a workforce of around 2,100, 96% of whom are on permanent contracts. We only employ temporary workers to a very limited extent, particularly at our Customer Contact Centre to cover high order volumes at peak periods. We strive to hire temporary workers who have already worked with us for an extended period, show good performance, and embrace the Carglass® spirit.

In the reporting period we completely outsourced the storage of vehicle panes, wipers and accessories to an external logistics service provider. This will allow us to be more

flexible and cost-efficient in adapting the way we use resources to meet actual demand, while maintaining our high standards of customer service. We made a strong point of making sure that the 20 employees affected by the change were treated fairly and offered further career opportunities where possible. As a result of our efforts, nine employees took up employment elsewhere at Carglass®, while three were hired by the external logistics company.

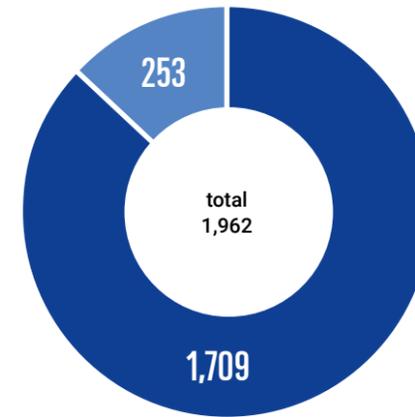
Our employees' interests are represented in a range of ways including by our Works Council, which comprises 19 members – five of whom are released from their normal duties for this task.



Exceptional employees!

2017 marked the first time the Belron Exceptional People Award was presented. As part of this, 80 exceptional Carglass® employees were nominated at a national level in the three categories of 'Collegiate behaviour', 'Customer-focused approach' and dealing with an 'Exceptional work situation'. Employees who have won awards at a national level are also in the running to receive the Group-wide award from Belron®, either as an individual winner or as a winning team. In addition to the honour and esteem that goes along with the reward, the winners receive donation cheques that they can use for charitable organisations of their choice.

Number of employees (headcount) 2017*

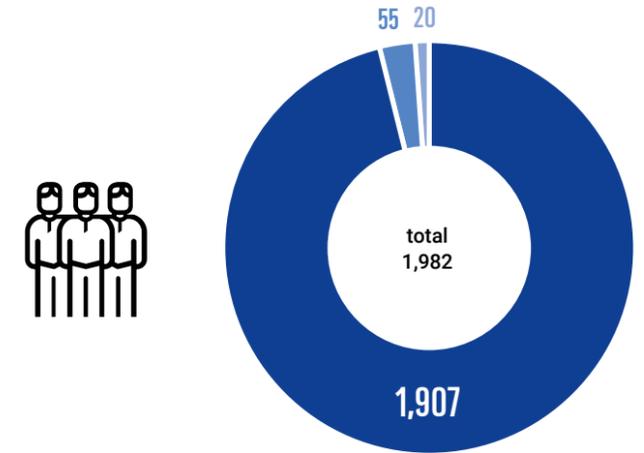


Full-time and part-time employees

- Full-time
- Part-time

*Excluding temporary workers, casual workers and those on minijob contracts

Number of employment contracts 2017*



Employees on temporary and permanent contracts

- Permanent contracts
- Temporary contracts
- Temporary workers

*Excluding casual workers and those on minijob contracts

The Carglass® spirit

Carglass® is a good employer – this is also confirmed time and again by external rankings and awards, such as the one we received in 2017 from the Top Employers Institute.

The unique Carglass® spirit is characterised by a collaborative, authentic, caring and driven approach built on a shared mindset of success. We put people at the centre of everything we do at Carglass® – and we want our employees to feel as at ease as possible in their job. To gain insights into this, we record employee satisfaction each month by running a short survey. The cycle is chosen so that all employees can give their feedback at least twice a year. We then roll out measures at a departmental, regional and company level based on the survey results.

Since 2017 a newly launched video format – MTalk (Management Talk) which is run on a regular basis – has improved internal communication by our management team across all hierarchical levels.

In the reporting year we also conducted a comprehensive survey of our workforce in collaboration with the research and consulting institute Great Place to Work®. The overall result: 70% of interviewed employees rated their job as 'very good', with our welcoming culture and long-term career prospects considered to be 'above average'. We communicated the detailed results to the managers of all departments to implement improvement measures rapidly. In our HR department we are working on increasing employee participation in future surveys to better reflect the satisfaction and aspirations of the workforce.

Our employees' high level of satisfaction and the way they identify with Carglass® is also evident through our featuring of them in our communication activities. In TV and radio ads they become our brand ambassadors because they are the best at conveying genuine passion and enthusiasm for our services.



On the hunt for the world's best service fitter

Every two years at the international Best of Belron® competition, Belron® chooses who will be crowned the world's best vehicle glass fitter. Here our fitters can show their skills and abilities in handling new technologies, current quality standards and safety aspects. In January 2018 Carglass® selected the national winner who will represent Germany in June 2018 at the international finals in Frankfurt am Main, Germany, as one of the 30 country representatives.

Walk the talk

In the reporting year we revised our company suggestion scheme 'Nicht quatschen, machen' (walk the talk) through which we actively involve our employees in helping shape the further development of Carglass®. In each case, ideas can be submitted over a two-month period. These are then voted on by colleagues via the intranet before the five best suggestions are sent to the departments for review – and then the whole process starts over again.



39 IDEAS have been successfully implemented since the programme launched in 2014.

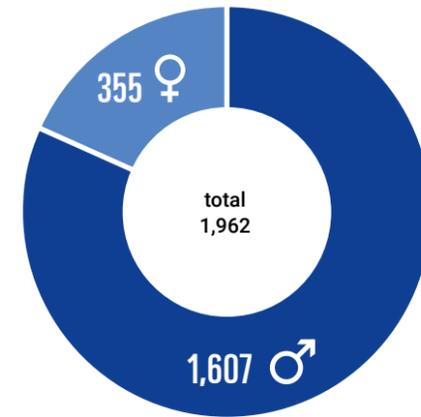
Fair pay and attractive benefits

We offer fair, performance-based, gender-independent pay to all of our employees, providing remuneration commensurate with market rates that are determined regularly by our Compensation & Benefits department. To achieve better market comparability we orientate ourselves by the respective Carglass Grading System classifications.

In addition, we offer our employees attractive benefits such as anniversary bonuses, contributions to private savings, an occupational pension and health-related offerings. In 2016 we introduced a Christmas bonus for our service fitters and administrative workers. At the start of 2018 our new supplementary health insurance scheme came into effect: this offers employees additional benefits in the areas of naturopathic treatments, visual aids and dental treatment. Carglass® finances two thirds of this occupational health scheme, with the employee funding the remaining third.

Corporate responsibility at Carglass® also includes supporting employees in need. Since 2009 our emergency fund 'Kollegen helfen Kollegen' (colleagues help colleagues) has been in place to offer financial assistance to employees and their families in exceptional emergencies. The funds are financed by donations from our employees. To benefit from this fund the emergency situation must have been triggered by a specific event that was not self-inflicted.

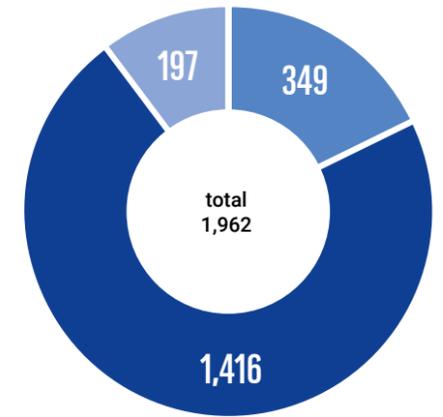
Number of employees by gender and age group 2017*



By gender

- Men
- Women

*Excluding casual workers and those on minijob contracts



By age group

- < 30 years old
- 30 – 50 years old
- > 50 years old

Diversity makes us strong

At Carglass®, diversity in the workforce is seen as an advantage that contributes to innovation, a modern way of thinking, and to the inclusion of all different interests. The only thing that counts is having the right attitude, regardless of educational background, gender, ethnicity, religion, ideology or sexual preference. This is why non-disclosure of information relating to age, gender or level of education is not considered negative even in our application process. Our principles for a diverse workforce and fair treatment of our employees are set out in the Belron® 'Our Way of Working' ethics policy.

Carglass® understands a diverse workforce as also including people with disabilities in the company: these employees also have a voice, with their interests represented by a Works Council member with severe disabilities.

30 NATIONALITIES were represented in our workforce in 2017.

charta der vielfalt

Since 2011 Carglass® has worked closely with the organisation Caritas in Cologne, as we aim to hire more people with disabilities and offer them a meaningful and fulfilling career. In doing so, we help integrate people with disabilities in our society. We also advocate this aspiration by participating in the corporate initiative 'Charta der Vielfalt' (Diversity Charter), which promotes diversity in the working world.



On Diversity Day, Caritas Cologne presented a specially designed picture on diversity at Carglass®.

Creating prospects – for all

In 2017 and 2018 Carglass® participated in the German Diversity Day, which saw people with disabilities being given the opportunity to do an internship for a day at Carglass® service centres in Cologne, Berlin and Munich, Germany. As a result we were able to offer some of the participants a longer-term internship or contract – an approach that we will continue to pursue going forward.



TRAINING AND EMPLOYEE DEVELOPMENT

3.2

Targeted training and further education is the key to our company’s future success. Our employees can grow with us through our in-house training to become an automotive glass repair and replacement specialist, and develop through our wide range of further education programmes.

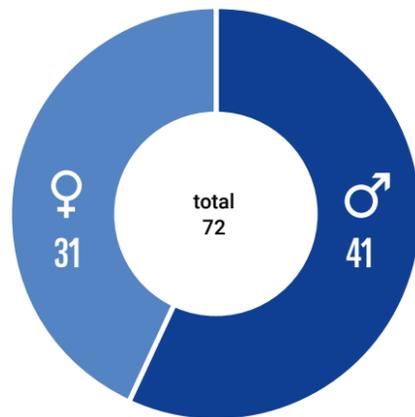
The future is built on bringing good ideas and know-how together, which is why we aim to encourage the development of every single employee. We do this as targeted training and further education is critical to the success of Carglass® – and a key component of our responsibility towards our employees.

Besides the individual target agreements, our Winning Behaviours set out the conduct we expect from our employees. They form the basis for collaboration within the company and for the customer-focused provision of our services.

Everyone in the company can develop further, strengthen their specialist knowledge, and expand their skills. Our employees are also supported by their managers, who encourage and challenge them. For their independent professional development, our Carglass® Academy is open to all employees with tailor-made offerings and its own trainers. Employees can register directly for seminars, and thus cover their own development needs. In addition to onsite events, e-learning courses are also offered: these are either developed by the Carglass® Academy or are offered by external partners, such as language courses. The implementation of wide-ranging education and development processes makes Carglass® a future-focused, knowledgeable and learning organisation.

To plan our training and further education needs, we use our biannual Progress Together employee discussions where individual, professional and personal goals are agreed and then recorded in a development plan. While development discussions are mandatory for all employees except for fitters, they can participate voluntarily. For some employees, such as managers and experts, the review is included in variable remuneration components.

Number of employees on parental leave 2017*



Parental leave

- Men
- Women

*Excluding casual workers and those on minijob contracts

Achieving a good work-life balance

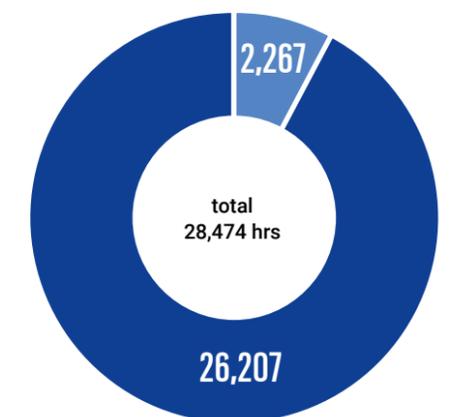
Whether at our head office or at our Service Centres, we aim to offer our employees maximum flexibility to keep their work and private life in a healthy balance. This is why we offer our employees the opportunity to work from home as well as flexible working time models wherever we can. Building on this, in the reporting year we introduced new working time regulations.

In addition, through our PME family service we also support our employees’ families with childcare services and provide organisational assistance in the event of family emergencies.

➔ P. 40 Enjoying success with healthy employees

Last but not least, in 2017 we developed a sabbatical programme that allows employees to take a temporary break. The programme will launch in the summer of 2018.

Number of professional development hours 2017



Professional development hours

- Middle and senior management
- All other employees

Becoming a qualified vehicle glazer with Carglass®

Since the profession of 'vehicle glazer' is not a recognised training profession, we offer budding talent the chance to become qualified fitters at Carglass®. Internal training starts with basic training at our Carglass® Training Centre in Siegen, Germany. Following that, the employee is trained onsite at one of our training Service Centres, where the Service Centre Manager and specially trained fitters pass on their know-how to the future service fitter. Our Technical Coaches also provide support by giving help and advice to employees during the training period and beyond. 120 service fitters completed our in-house training programme in 2017. In addition, we offer our operations employees the opportunity to gain further qualifications by having their own qualifications verified by TÜV Rheinland.



Besides our general professional development offering, specific programmes are available to various employee groups:

- The **Personal Development Programme (PDP)** is aimed at employees with long-term development goals to achieve a position in middle management or a managerial/specialist position. They can strengthen their expertise and expand their personal skills within 18 to 24 months and qualify as a manager.
- Our **Management Trainee Programme (MTP)** has been giving fitters the opportunity since as early as 2001 to qualify to become a Service Centre Manager. Once an assessment is passed, two intense weeks of training await the future manager to get them fully prepared for their new assignment.
- **Care & Growth:** this model provides a framework for how we see leadership, and sets a top-down development process for all managers in motion. Through this, leadership skills and the overall leadership culture at Carglass® is further improved.

In addition, we also offer the following employee development measures:

- **On-the-job training:** this opportunity for further development is intended mainly for commercial employees. Technical Coaches are available who provide onsite technical support to employees, assisting them in the replacement and repair of vehicle glass.
- **Talent pools:** employees can apply to join talent pools, enabling them to acquire additional skills and qualify to switch to a more senior position. There are three levels: Bronze (to become a team leader), Silver (= PDP) and Gold (to progress to the next most senior management level).
- **360-degree feedback/Styles & Climate:** this is a feedback tool that helps managers develop further. It involves employees providing their manager with feedback on a host of topics such as their leadership or the working atmosphere in the team.

OCCUPATIONAL HEALTH AND SAFETY

3.3

The health and safety of our employees is extremely important to us. To help safeguard this, a comprehensive occupational safety management system and our 'Fit & Gesund' (Fit & Healthy) company health management scheme contribute to the wellbeing of our employees.

Carglass® bundles occupational safety topics within a dedicated department which is headed up by the Occupational Safety Manager; this person reports to the Technical Manager, the Head of Operations Support, and the management team. Every quarter, the Occupational Safety Committee advises on relevant topics, which are communicated throughout the company.

Preventive occupational health and safety management system

The regular auditing of our Service Centres also includes reviewing their occupational safety performance. The basis for preventing work-related accidents is the trade association's occupational safety management system. It enables us to record and analyse occupational and commuting accidents systematically to gain insights into accident hotspots. In addition we conduct a root cause accident analysis in the event of exceptional accidents. To promote our employees' health in the workplace we use customised ergonomic protective gear that is comfortable to wear. We also incorporate our employees' wishes and suggestions in this selection process. In response to their feedback, in 2017 we examined the work shoes that were in use and studied possible alternatives that are more comfortable.

All Carglass® locations are certified to OHSAS 18001. Employee safety awareness is promoted by the Service Centre Managers and Technical Coaches through clear rules (such as work instructions) as well as seminars and training courses.

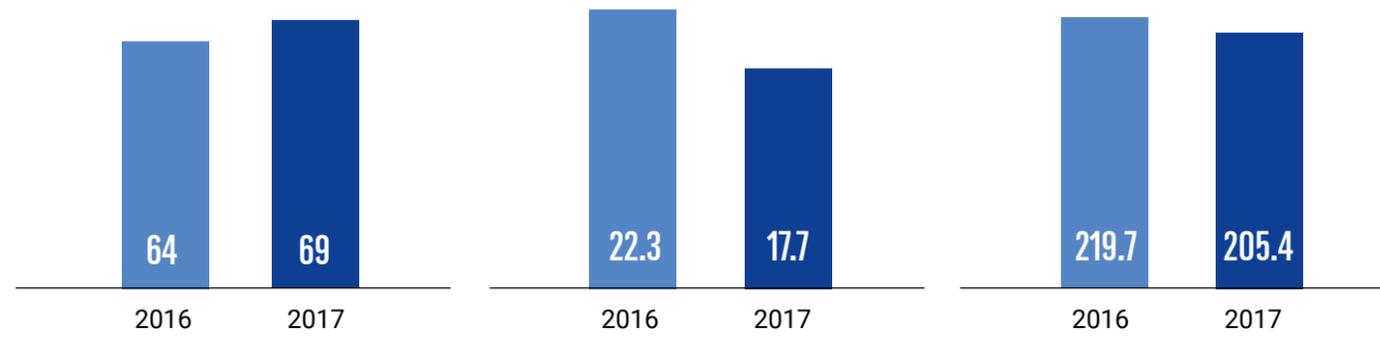
New employees are trained in occupational health and safety as well as in fire safety at our Siegen Training Centre. Furthermore, all Service Centre employees participate in an annual safety programme at their respective locations. Our field employees out on the road receive the same training and work to the same standards as those employees based at our Service Centres, with field employees able to access forms, work instructions and safety data sheets via their mobile devices.

All managers participate in an e-learning course on occupational health and safety as well as fire safety. They have access to a corresponding briefing document to ensure they can pass on their knowledge to their direct reports. Around 530 managers are involved in this briefing process.



Through personal protective equipment (PPE) Carglass® guarantees the highest safety standards for every employee.

Occupational safety KPIs



Occupational safety KPIs

Lost Time Injury Frequency Rate

Number of accidents resulting in lost working time (of one day or more) per 1 million hours worked

Accident severity rate

Lost working time as a result of occupational accidents per 1 million hours worked

Analysing accidents, preventing root causes

Our aim is to prevent all occupational accidents. Even though occupational accidents in relation to the number of employees and hours worked were low in 2017, we see further room for improvement.

Working with cutting tools and on platforms poses an increased risk of occupational accidents at Carglass®. This is something we are currently working on countering with new, comfortable, cut-resistant protective gloves and new platforms with rigid steps. We also pay special attention to the chain of instruction from the Service Centre Manager to the individual service fitter.

The correct handling of hazardous substances is communicated to employees in safety briefings, in accordance with accident prevention guidelines and the German Ordinance on Hazardous Substances as well as through work instructions and safety data sheets. In our hazardous substances list, an item of personal protective equipment is assigned to each hazardous substance and corresponding work instructions are provided to rule out any possible unprotected contact.

Success through healthy employees

Our 'Fit & Gesund' (fit & healthy) company health management scheme has been in place since 2013. It focuses on preventive measures in the areas of health and quality of life. Through this, we support our workforce in leading a healthy professional and personal life. Fit & Gesund is based on four key fields of action: work, nutrition, exercise, and family & work.

Work

We want to make our employees' workplace as attractive as possible, such as through health-promoting measures on ergonomics and on stress management. In 2017 our office employees had the opportunity to have their equipment configured by a trained specialist, and were given material support to help alleviate physical strain.



Outlook 2018

As we want to provide even more focused and higher quality support when our colleagues return to work following a long period of sickness, we are currently working on a new model to implement our occupational integration management system. We are also trying to further uncover health issues caused by physical activity, and to relieve the burden in everyday work. Furthermore, we intend to implement new measures in the area of movement and fitness promotion.



Movement

We encourage our employees to lead a healthy lifestyle through our 'Aktiv mit Carglass®' (active with Carglass®) bonus programme. With our health-promotion bonus record introduced in 2017, we encourage our employees to get to grips with the topic of health at an early stage and take preventive steps, such as by having preventive check-ups and using sports offerings, and to recognise the need for action sooner rather than later. Many of our employees participate regularly in company runs and major Group-wide events such as the Spirit of Belron® Challenge triathlon, which is held in the UK.

Nutrition

We are raising our employees' awareness of how essential good nutrition is. 2017 marked the first time we offered a nutrition seminar focusing on the psychological reasons for hunger. The details covered and the participants' feedback convinced us to hold three further events of this kind in 2018.

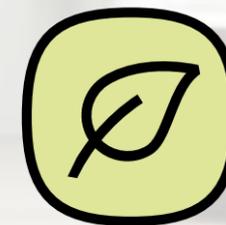
Family & work

Since 2011 an external service provider has been helping our employees to bring their work and family lives into better balance, with free counselling offerings. These include the provision of personal support solutions for children or dependants in need of care, crisis counselling in the event of burnout, trauma or partnership problems, and childcare places at over 60 childcare and educational institutes. On top of this, there were a host of different seminars and training events on offer.

One particular challenge for health management at Carglass® is the fact that we have many small locations dotted around Germany. As many of the commercially available and potentially beneficial health-promoting measures are designed for locations with over 30 employees – and Carglass® has on average fewer than five employees per Service Centre – we strive to reach every employee through our own schemes. This has led us to develop a range of initiatives that include the Carglass® bonus record and our own programme to help people quit smoking.

ENVIRONMENT

CHAPTER 4



4.1 Environmental management

4.2 Leader in resource conservation

4.3 Commitment to climate protection

4.4 Raising environmental protection awareness

ENVIRONMENTAL MANAGEMENT

4.1

We are fully aware that our activities also have an environmental impact. To fulfil our environmental responsibility towards current and future generations, we are continuously minimising our negative environmental impacts through our environmental management system.

Certified environmental management system

At Carglass® we comply as a matter of course with our obligation to protect the environment, which is regulated in Germany through national, regional and industry-specific laws. We also go beyond this by setting our own standards to fulfil our environmental responsibility towards future generations. To help us achieve this we have established a comprehensive environmental management system that enables us to control our processes very carefully, conserve resources optimally and minimise any negative environmental impacts of our business activities.



The Risk & Compliance department of our Finance division is responsible for our Environmental field of action. The EMS (environmental management system) meets the internationally recognised management standard ISO 14001:2015. It is also certified every three years by TÜV Rheinland together with our Quality Management team, and reviewed annually as part of monitoring audits. Certification of our management systems covers all our locations. Our integrated management system approach ensures that our Environmental Management team is in constant contact with our Occupational Safety and Quality Management specialists.

Externally accredited companies perform energy audits as stipulated by the law, in accordance with the European standard EN 16247. The environmental regulations that are binding on Carglass® are summarised in an online legal database (covering the area of legal compliance provided by EcoIntense GmbH) and are regularly checked and supplemented with the support of the service provider eco COMPLIANCE. To ensure full compliance with regulations

we inform our departments and provide recommendations for action in the form of procedural and work instructions on our intranet. We also review these processes as part of our regular internal audits. Our audit checklist comprises all topics and processes relating to the integrated management system; it therefore also covers those environmental aspects and impacts that are material to Carglass®. In 2017 we achieved an audit result of 94.1% for the Environment area, with ongoing self-assessment enabling us to provide targeted training to employees and highlight improvements.

We are pleased to announce that in the reporting period Carglass® was not notified of any complaints about negative environmental impacts, nor of any violations of environmental laws and regulations.

Our Environmental Policy motto



The starting point for our engagement is the Carglass® Environmental Policy. It serves as a guide to our employees in taking sustainable action and highlights the importance of environmental protection for our company.



The Carglass® Environmental Strategy: 'Wir denken an morgen' (we are thinking about tomorrow)

WE TAKE CARE OF OUR ENVIRONMENT IN ALL ACTIONS, EVERY DAY.



Strategic environmental management

Resource conservation and climate protection form the framework of our Environmental Strategy. In practical terms, our 'Repair First' strategy underpins our aspiration that vehicle glass should only ever be replaced if the law does not permit a repair. This conserves resources, saves energy and reduces emissions.

The Carglass® Environmental Strategy sets out our fields of action. These are divided into five core areas and are framed by the topics of climate protection and resource conservation. Our Environmental Strategy includes 'hard' and 'soft' topics: hard topics are those in which we can track our target achievement by measuring and evaluating

KPIs. These include material consumption (e.g. cleaning agents and paper), waste recovery (e.g. waste separation and recyclable elements) as well as energy consumption (e.g. energy sources such as electricity and gas). Soft topics include sustainable consumption and environmental education. These promote corporate environmental awareness and reinforce the credibility of our Environmental Strategy.

To ensure we make continual long-term progress in each of the five core areas, we are further developing our environmental management targets and measures together with our specialist departments. In the coming year we will start introducing binding KPIs, among other steps we are taking.

LEADER IN RESOURCE CONSERVATION

4.2

Every day we use materials at Carglass® without which we would not be able to provide our service to our customers. Some of these materials contain raw materials which are only available in limited quantities globally. Consequently, we factor procurement options and the resource situation into our purchasing decisions and seek out sustainable alternatives wherever possible.

Material consumption and sustainable use

Resource conservation is a focus topic of our Environmental Strategy, and an area in which we aim to become a leader within the Belron® Group. This is why we are working to conserve our use of materials and striving to use sustainable products. Depending on the area of use, this can include reusable, recycled, recyclable or eco-friendly alternatives.

This approach is exemplified by our 'Repair First' strategy. As part of this, we check whether we can perform a Glass-Medic® repair on a windscreen before we even begin thinking about replacing it. Even when it is not possible to repair every stone chip this way, the potential resource savings are huge – and this is also good for the environment.

3,273 TONNES of glass are saved annually through our 'Repair First' strategy.



To optimise our use of materials and thereby conserve resources, in summer 2017 Carglass® launched its internal Eco Fox Challenge competition. Its aim is to get our employees to reduce their use of resources during the repair or replacement of panes to the greatest extent possible, without sacrificing the quality of the service. Every employee can help minimise the use of cleaning paper, adhesive tape and disposable tools and only use as much material as genuinely required. Once a quarter, the Service Centres that have reduced their material consumption the most are awarded for their efforts. In 2017 the Eco Fox Challenge was presented with the internal Belron Virtus Award: this is awarded by our parent company Belron® in recognition of outstanding interdisciplinary projects that reflect corporate values. The inclusion of further materials in the Eco Fox Challenge is already being planned to drive resource conservation at Carglass® further.



Material consumption 2017

LAMINATED PANES
6,092.9 T



CLEANING PAPER
97.5 T



RUBBER FRAMES
2,259 UNITS



ADHESIVES
166,509.6 L



WIPERS
126,597 UNITS



SCREEN CLEANER
72,325 L

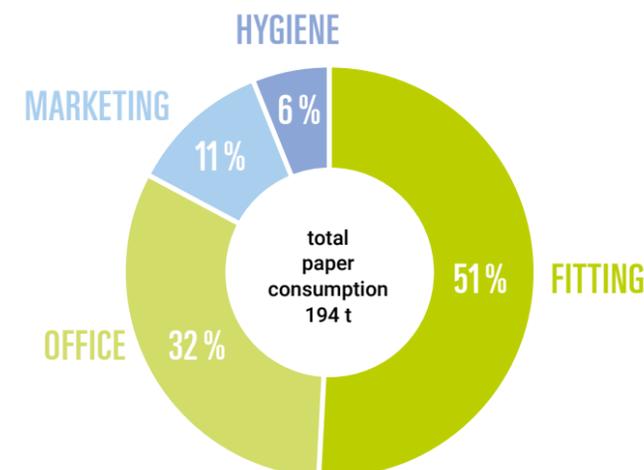


TRIMS
456,313 UNITS

Reducing our paper consumption

At Carglass® our Paper Policy has been in force since November 2017. We intend to reduce our paper consumption, particularly regarding paper made from virgin fibres. This is because we use over 194 tonnes of paper annually, mainly in the form of cleaning paper for windscreens and invoice paper. Wherever possible, we aim to use recycled paper or paper that has been certified as originating from sustainable forestry. We are already using recycled paper as copier paper and in the area of hygiene. Furthermore, we are using more sustainable paper to produce our employee and customer newsletters. Since 2017 our Service Centres have been using reusable footwell protectors in customer vehicles instead of disposable mats. In parallel, we are currently reviewing whether reusable cleaning cloths can be used to clean vehicle glass at all our locations.

Paper consumption by use 2017



Reducing water consumption

No water is used in the repair or replacement of automotive glass. Just as at our head office and Customer Contact Centre, our Service Centres only use water in the kitchen and sanitary areas. The resulting wastewater can therefore be discharged into the sewage water system without requiring pre-treatment.

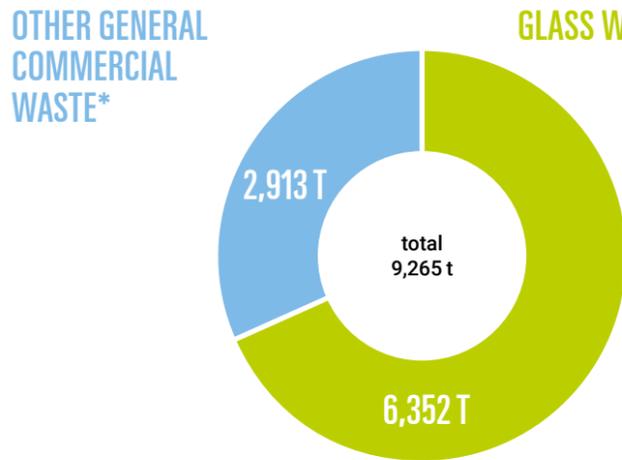
Even though we only consume water in household quantities at Carglass®, we still intend to act responsibly in this area. As such, at our head office we have installed water aerators to reduce our freshwater consumption. To optimise our drinking water requirements we are currently reviewing whether to switch from drinking-water cooler bottles used at our Service Centres to filtered tap water.

Promoting sustainable consumption

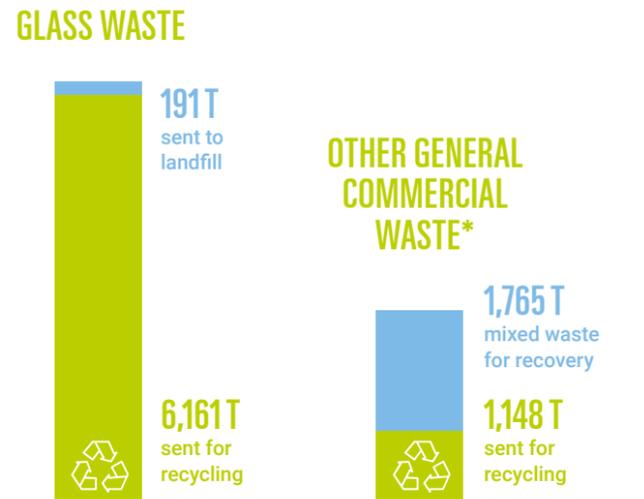
We take a sustainable approach to consumption even when it comes to the everyday materials we consume, independently of those used to provide our services. For example, at our head office we introduced organic fair trade coffee and provided employees with their own reusable cup made from renewable bioplastic to avoid unnecessary waste. We will also be switching over our Service Centres gradually from capsules to organic fair trade coffee. These changes are immediately visible to our customers and employees – helping to raise their awareness of environmental protection and sustainable consumption.

➔ P. 53 Raising environmental protection awareness

Waste in weight 2017



Waste by disposal method 2017



* Film, plastics, glass, wood, paper, cardboard, packaging materials, shredded paper, mixed construction and demolition waste

NOTE: Figures include information provided by our recycling service provider Remondis (Germany locations) and EDC (European Distribution Centre).

> 78.9% of waste was sent for recycling.

Responsible waste recovery

We constantly strive for a clean and efficient recycling process, and to continually improve our recycling rate. We separate waste correctly at all our locations to comply with local and national laws and regulations. To safeguard this, we work with our partner Remondis throughout Germany, and we dispose of our waste at certified city, municipality or local authority facilities. We also aim to make it possible for all employees to separate waste directly at their workplace.

At 68.6%, glass accounts for the greatest share of our waste volume, followed by mixed packaging, film and paper. Owing to the high proportion of laminated glass waste, it is especially important to us to recycle this correctly. In this regard we are achieving a recycling rate of 97%. Around 60 of our locations are connected to the reverse logistics system of our European central warehouse in Hasselt, Belgium, with the remaining locations recycling their glass waste locally via Remondis. We are currently weighing up the pros and cons of the reverse logistics system to determine the best method of disposing of glass

waste. We dispose of any waste properly and correctly that cannot be recycled.

We donate redundant IT equipment to the non-profit organisation AfB social & green IT (AfB = Work for People with Disabilities), which specialises in wiping data from discarded IT hardware and preparing the hardware for reuse. This not only conserves natural resources and reduces emissions, but also safeguards jobs for people with disabilities.

In 2017 we implemented the changes required by the German Commercial Municipal Waste Regulation (Gewerbeabfallverordnung). This involved inspecting the separation of individual waste constituents at our locations, improving internal documentation and providing appropriate training to individual employees. To continue to improve our performance, at the start of 2018 our disposal and recycling processes will be audited by an external company. The results will allow us to derive and roll out measures to optimise our waste management. In this regard, reducing unnecessary packaging waste remains our ongoing goal.

COMMITMENT TO CLIMATE PROTECTION

4.3

We consider it our responsibility to contribute to global climate protection. Therefore, together with resource conservation, climate protection forms the framework of our Environmental Strategy. Among other ways, we are protecting the environment through our 'Repair First' strategy; this is because carbon emissions are almost two-thirds lower with a repair than a replacement glass pane.

Our climate balance

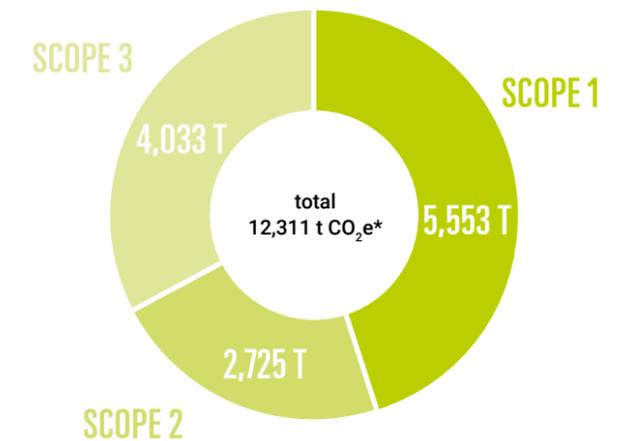
We can only make targeted improvements to our processes when we know what our negative climate impacts are. This is why we record our energy consumption every year and analyse our greenhouse gas emissions using SoFi sustainability software.

In 2017 our direct CO₂e emissions resulting from the combustion of gas for heating and the consumption of diesel in our vehicle fleet amounted to approximately 5,553 t (Scope 1), with around 2,725 t CO₂e (Scope 2)** emitted through the generation of purchased electricity. We also record selected Scope 3 emission categories, such as on subcontractor travel or business trips.

In 2017 we also calculated our product carbon footprint related to the repair and replacement of windscreens. This covers the greenhouse gas emissions along all stages of the value chain, i.e. from sourcing the raw materials right through to final disposal. Initial results show that around 80% of our product-related emissions outside our own business activities are generated in the Scope 3 category. In 2018 we will publish our product carbon footprint KPIs for the first time.

The planned measures to improve climate protection at Carglass® include developing our own Climate Strategy to prevent, reduce and offset our energy consumption.

CO₂ footprint 2017** (in t CO₂e)



A distinction is often made between three Scopes when gathering data and reporting on greenhouse gas emissions.

Scope 1: Emissions arising directly from the company's activities, such as through the burning of fossil fuels (direct emissions).

Scope 2: Emissions that are generated externally for the production of energy that the company purchases (indirect emissions).

Scope 3: Emissions in upstream and downstream stages of the value chain (indirect emissions).

* CO₂ equivalent: the warming effect of various greenhouse gases is measured in terms of the benchmark CO₂e.

** Calculation of emissions values by Belron® through a location-based approach, i.e. using the average value for Germany excluding provider or product-specific emissions factors. Over 75% of the electricity purchased comes from renewables. Currently, Carglass® only records selected Scope 3 emission categories.

Carglass® offsets emissions

Greenhouse gases such as CO₂ have a global impact, regardless of where they are re-leased. This is why they can be compensated by promoting environmental and climate protection projects elsewhere. In 2017 Carglass® offset 6,870 t of CO₂ – equivalent to over half of our emissions. As our parent company has African roots, we chose a reforestation project in Ethiopia and an energy efficiency project in Ghana. The projects carry the Gold Standard – the highest quality standard for offsetting projects. Besides offsetting carbon, this guarantees that a contribution is also made to sustainable environmental and social development within the project scope.

Gold Standard



Efficient energy use

Carglass® Germany has around 350 locations nationwide. As the construction and state of modernisation of each building differs, different requirements exist regarding the introduction and implementation of energy efficiency measures. Our business activities centre around services; consequently, our electricity and gas consumption as well as the diesel consumed by our fleet are the main sources of greenhouse gas emissions within our direct control (i.e. Scope 1 and Scope 2) – with vehicles, gas heaters, air conditioners, lighting and IT equipment the main causes.

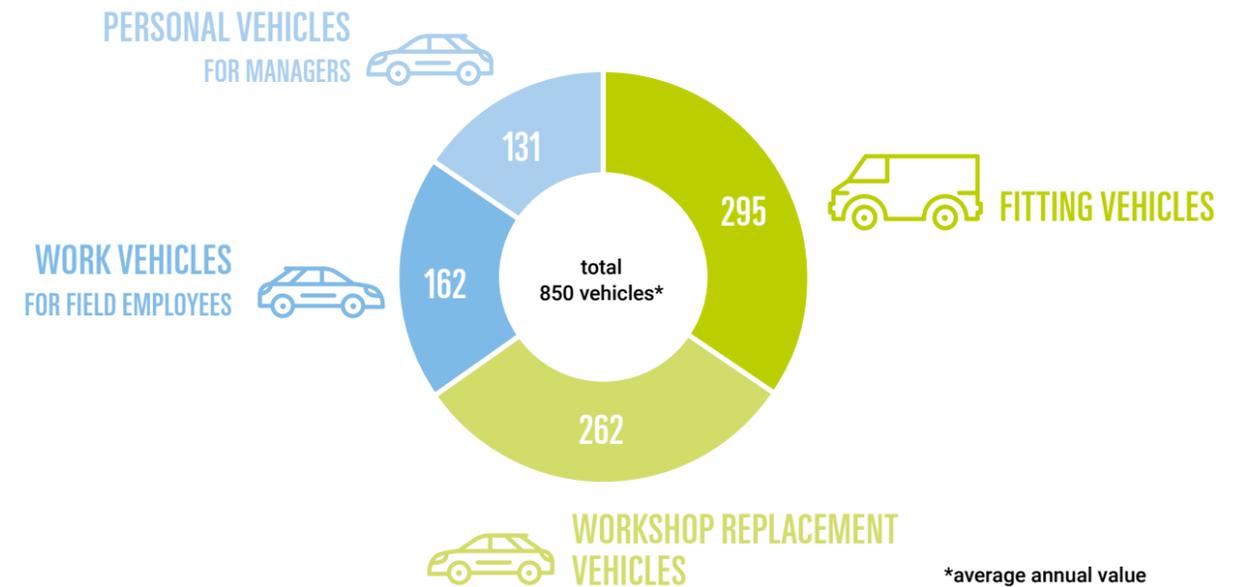
We examine possible savings potentials through energy audits and by analysing findings derived from the calculation of our climate footprint. One of our current priorities is switching to LED lighting owing to its considerable energy-saving potential. In the reporting year we converted 60 locations to LED lighting, which will yield energy savings of up to 95,472 kWh annually.

Since as early as 2012 we have been sourcing electricity for our locations from renewable energy sources, where it is possible to do so under German tenancy laws. In the reporting year this accounted for over 75% of our total energy consumption.

Going forward we intend to use smart meters at our locations to work in an even more energy-efficient way. By controlling our energy consumption directly we will be able to develop and implement measures to reduce energy use and emissions in a much more targeted way. Furthermore, we are looking into commissioning a photovoltaic system at one of our Service Centres.

Reducing energy consumption and emissions should also make sense operationally, so the most efficient measures are not always within our direct control. Nevertheless, to make a contribution to effective climate protection, in the reporting period we decided to offset most of our emissions by investing in climate protection projects.

Carglass® fleet 2017



Fleet and logistics

Mobility is critical to delivering our services in a customer-friendly way. In the reporting year the Carglass® fleet comprised around 850 vehicles, including personal and work vehicles for mobile order processing as well as the workshop replacement vehicles that we offer our customers while their own cars are with us for repair. In total, our vehicles are responsible for greenhouse gas emissions of around 4,316 t CO₂e – equivalent to around a third of our total emissions.

Four factors are key in terms of our fleet's climate impact: its size, the choice of propulsion system, route planning and employee awareness. To manage these variables effectively we established development guidelines towards achieving our targets for the Carglass® fleet in 2022. They form the basis for an integrated development approach to our customers' and employees' mobility. These include such things as identifying future mobility needs, reducing fleet consumption, and the integrated development of the infrastructure required for our future fleet. Reviewing all implemented measures on an ongoing basis for their effectiveness and efficiency ensures that we make robust progress on the way to achieving sustainable mobility.

We have set ourselves two ambitious targets with our Development Policy 2022.

Reducing our vehicle fleet's energy consumption by 20%

We aim to reduce the energy consumption of the Carglass® fleet by 20% until 2022. To meet this target, we have already approved upper limits on carbon emissions per kilometre – and we review on a regular basis whether these limits can be lowered. To keep employees and customers mobile going forward, we are evaluating all suitable mobility alternatives to determine whether they are viable for Carglass®. This involves focusing on alternative forms of propulsion and car-sharing schemes, which we will soon be trialling at an initial set of locations.

Electric vehicles to account for 30% of our fleet by 2022

Most of the vehicles in our fleet have diesel engines. In future we intend to increase the share of electric vehicles progressively to account for 30% of our fleet by 2022. To achieve this, we will focus primarily on the Service Centre vehicles used by our employees – an area where we have already made progress thanks to the addition of 14 electric vehicles to our fleet in 2017.



The switchover to electric vehicles is part of our Development Policy for the Carglass® fleet in 2022.

We have also been testing a hybrid-drive vehicle. Looking forward, we aim to make electric vehicle-charging points increasingly available to our customers, so that we can also deploy electric cars as workshop replacement vehicles. In 2017 we already built eleven charging points, with a further 20 planned for 2018.

We can only achieve our targets for 2022 if we succeed in getting our employees on board with the idea of sustainable mobility. This is why we organised a campaign day on this topic in 2017 where our employees could learn more about alternative forms of mobility and try them out onsite. To promote the regular use of sustainable mobility among our employees, they can use the charging points at our head office to charge their electric cars and bicycles.

Logistics

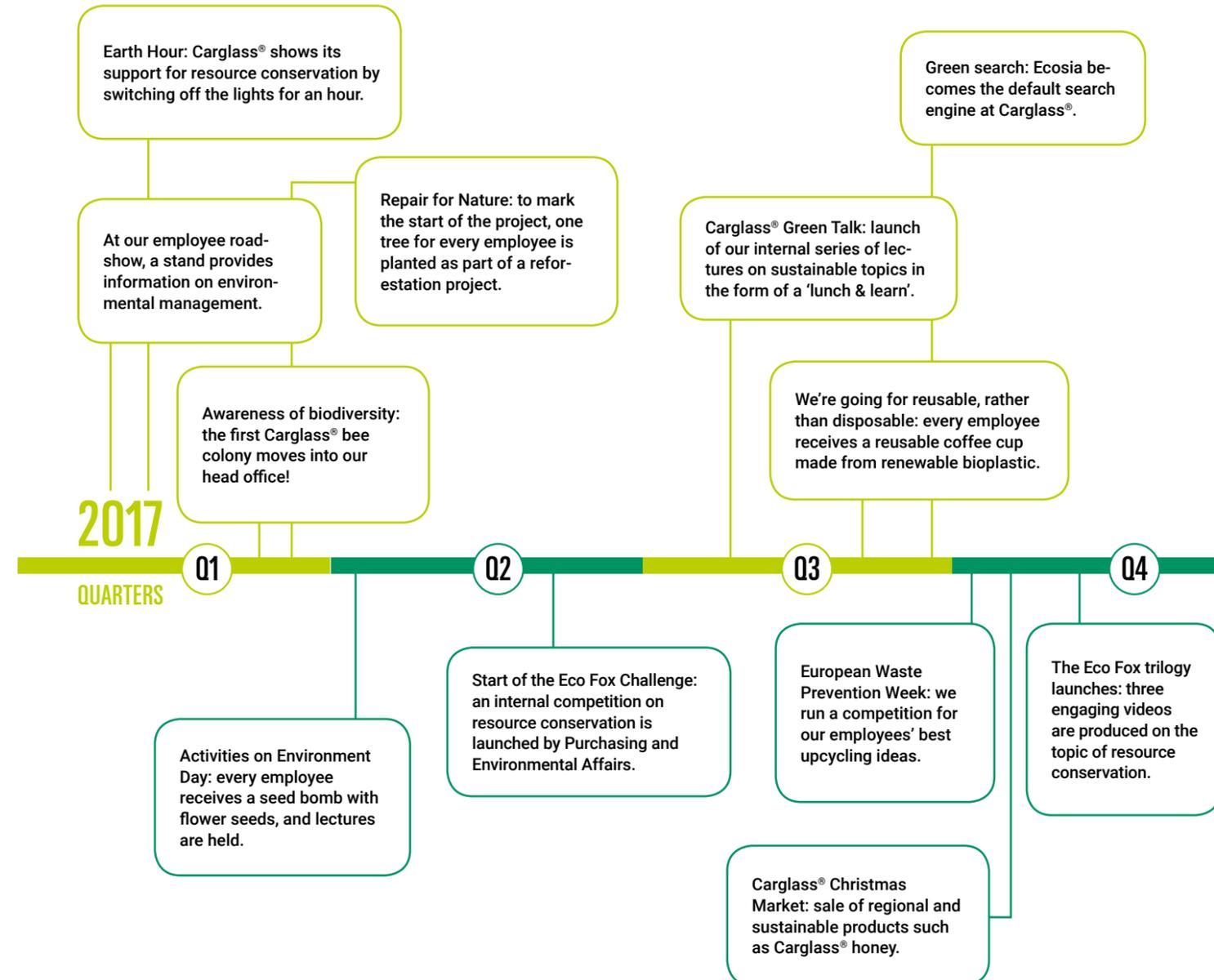
We use external services providers to take care of the logistics needs for our business activities. Goods flow primarily between the central warehouse in Belgium and the regional warehouses (hubs) which we outsourced in the reporting year, as well as our Service Centres located across Germany. Goods are transported mainly by road using trucks and vans.

To minimise fuel consumption and carbon emissions, journeys from the hubs to the Service Centres in particular are planned as efficiently as possible – something we also require our service partners to review continually. We survey fuel consumption on a regular basis to check this. In future we aim to achieve further operational improvements to reduce our logistics costs such as by reducing the return rate and the number of incorrect orders.

RAISING ENVIRONMENTAL PROTECTION AWARENESS

4.4

Our aim is to raise the awareness of all Carglass® employees of the importance of our environmental activities and the progress the company is making. In 2017 we trained around 100 fitters in special audit courses on topics such as waste separation and energy consumption. For 2018 we plan to continue our existing initiatives and introduce an e-learning course on environmental education.



SOCIAL ENGAGEMENT

CHAPTER 5



5.1 We are giving back something good to the world

5.2 Our highlights of 2017

WE ARE GIVING BACK SOMETHING GOOD TO THE WORLD

5.1

As a successful company we want to contribute to the wellbeing of society – something we have been doing since 2011 through our ‘giving back’ foundation. Together with our dedicated employees and partners, we provide daily assistance precisely where it is most needed.

Social engagement has always been an important cornerstone of our sustainability activities at Carglass®. And as a successful company the aspiration to give something back to society is rooted deeply in our DNA – something that stretches right back to one of the founders of Belron®, Maurice ‘Morrie’ Lubner. From rather humble beginnings, he became a successful businessman. His dearest wish was to give back to society what it had made possible for him.

The idea of ‘giving back’ is the foundation for our commitment at Carglass® to national and international social projects, and is also a major factor in the social engagement activities of our parent company Belron®.

We defined the areas of youth welfare, health, culture, training and education, sports, and supporting vulnerable people as the focus of our ‘giving back’ foundation’s social engagement activities. Particular attention is given to disadvantaged children, adolescents and their families through Afrika Tikkun, a project launched by the founding family of Belron® – the Lubner family – to support orphans and vulnerable youngsters in South Africa.

The ‘giving back’ foundation acts independently, is funded by Carglass® and can call upon our company’s organisational resources if needed. Carglass® donates at least 100,000 euros to ‘giving back’ each year, a sum that reached 120,000 euros in 2017. In addition, we raise donations through our employees’ active involvement and via a range of events such as sporting events and charity sales.

2017 marked the first time we had provided a 1,000-euro donations budget to each of our 20 business regions, which they could spend on eligible projects. The selection process involved employees first putting forward sugges-

tions which the foundation’s Board and Council as well as the regional managers then examined to see whether they reflected the foundation’s purpose.

We are highly transparent about our foundation funding and expenditure, with the data updated each month on the intranet for all employees to see.

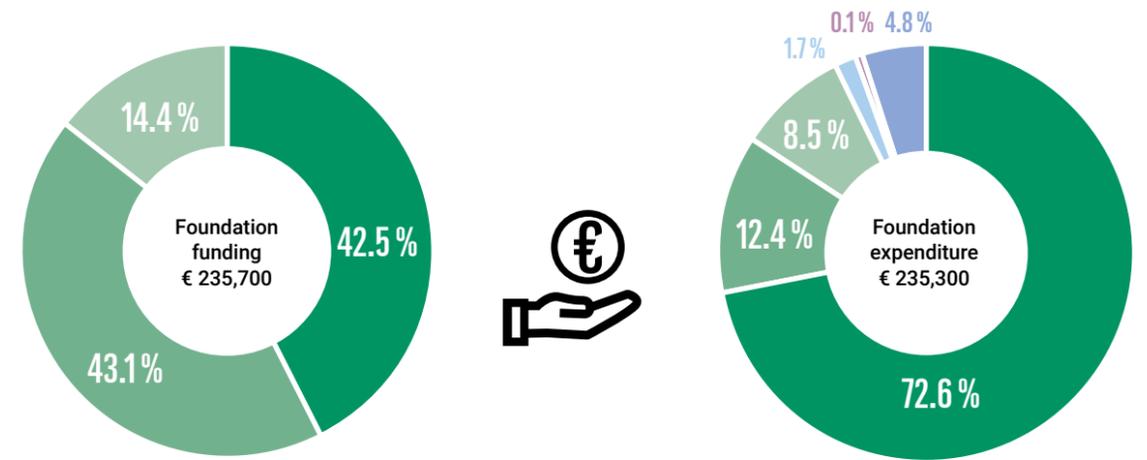
As a general principle, Carglass® and ‘giving back’ do not support political actors or parties.

Around **€ 235,700** raised in foundation funding together with our committed employees and partners in 2017.



The ‘giving back’ foundation supported World Children’s Day in Cologne, Germany in 2017 with a colourful stand. See page 54-55 for an example of just one of the many great photos of kids and their parents that were taken on the day.

Foundation funding and expenditure



Foundation funding

- From Carglass®
- From employee initiatives
- Other (donation boxes and ‘amazonsmile’ etc.)

Foundation expenditure

- Afrika Tikkun
- Cologne Children’s Hospital
- Joblinge
- Regional project support
- Overheads (bank account and other fees)
- Other forms of support

Employee involvement as a success factor

We are convinced that the social engagement of a company can only ever be truly credible and effective if is actively supported by committed employees. This is why at Carglass® we encourage our employees to get involved at all levels in the company and also in ‘giving back’. Furthermore, our parent company Belron® also initiates fundraising campaigns in which the individual national companies get involved. The largest event is the Spirit of Belron® Challenge triathlon: this is held in the UK and attracts employees from all over the world – with the Carglass® team from Germany regularly featuring as one of the largest. As part of the major event, entry fees as well as separate donations from the national companies, such as external firms, are donated to the Afrika Tikkun organisation. Just over 40 percent of the foundation’s annual income is generated thanks to the voluntary efforts of our employees. A unique commitment that shows that our employees are more than willing and passionate about getting involved to help children and adolescents in difficult life situations.





Cycling for a good cause



Alongside amateur cyclists, pro racers and some famous faces also took part in the Tour de Magellan.

02 September 2017 marked the 7th time the Tour de Magellan charity cycling event organised by the children's organ transplant charity Kinderhilfe Organtransplantation e. V and the 'giving back' foundation had taken place. The route covers 111 km around Cologne, and the ride saw many cycling pros and famous faces taking part once again, including Jan Ullrich, Fabian Wegmann, Ulrike Nasse-Meyfarth, Heike Henkel and Christian Schwarzer. The actor and patron of our foundation, Thomas Maximilian Held, also took part in the charity event. For every kilometre ridden and every participant, the main sponsor and organiser magellan netzwerke GmbH donates 1 euro to children's charity projects. This cycling event has raised over 127,000 euros in recent years.

€ 7,200 in donations were raised thanks to the cycling event in 2017.

Buzzing with new colleagues

In what is in all likelihood a unique example of employee social engagement in Germany, Carglass® is now the owner of its very own bee colony – making us a honey producer! One of our employees, a full-time project manager and hobby beekeeper, takes care of the bees. In doing so, he is supporting the Carglass® commitment to biodiversity and together with his colleagues is helping to raise funds for 'giving back' through the sale of the honey he collects. In 2018 we expect to expand the initiative to two more locations in Germany, Berlin and Hamburg.



Setting the course for the future

At Carglass® we are already setting the course to ensure our social engagement activities achieve even more of an impact by implementing a bundle of measures. A road-map sets out the future focus areas of our 'giving back' foundation, providing the necessary transparency of our plans both internally and externally. Building on our success so far, we are pursuing ambitious goals and intend to continuously increase our foundation funding such as by increasing employee engagement, involving regional CSR Ambassadors, strengthening the involvement of suppliers and B2B customers, and further expanding our sponsorship engagement activities.

In addition, in future we will be working to position our foundation's focus even more clearly, for instance through stronger communication of the foundation's purpose and the expansion of regional foundation projects. This will ensure that our social engagement continues to embody the Carglass® spirit and meet our own high standards.

OUR HIGHLIGHTS OF 2017

5.2

We help where our assistance is needed urgently. In addition to our projects for which we provide permanent support – Afrika Tikkun, Joblinge and Pänzilvania Ward B3 at the Children's Hospital in Cologne – 'giving back' is also active in and donates to a range of charitable causes. They are coordinated by 'giving back' – and supported by the dedicated efforts of Carglass® employees.

Afrika Tikkun – helping people to help themselves in South Africa's townships

This non-profit organisation supports orphans and vulnerable youngsters in impoverished communities in South Africa by helping them to help themselves, from cradle to employment. It reaches 750,000 families, provides them with hygiene products and equips them with skills for life. Supporting Afrika Tikkun is one of the Carglass® and Belron® focus areas in social engagement. Donations are generated continuously for this cause through the participation of Carglass® employees in events such as the Spirit of Belron® Challenge triathlon in London.

At the start of 2017 a group of employees was able to travel to South Africa for the first time to experience at first-hand the positive impacts that the donations of 'giving back' were achieving – a truly emotional experience for everyone involved. The return visit took place in July, when four South African teenagers from Afrika Tikkun were invited to spend a week in Cologne to get to know our company for themselves and gain valuable impressions.

€ 170,600 is the sum of donations made in 2017 by our 'giving back' foundation to Afrika Tikkun.



Afrika Tikkun
Developing Young People
from Cradle to Career



Playing soccer for South Africa

The Soccer Cup held as part of the Spirit of Belron® Challenge to benefit Afrika Tikkun was one of 2017's highlights. 16 soccer teams took part in the charity football tournament in Cologne at the invitation of Carglass®. This included a celebrity team put together by the presenter and foundation sponsor Shary Reeves. All proceeds from the tournament went to the 'Paint it Purple' campaign, which raises awareness of the educational needs of African families with disabled children. Our four young South African guests also got involved in the tournament where they got to show off their sporting prowess.



Children's Hospital in the Riehl district of Cologne – help for chronically ill children

As a 'good neighbour' we support the Pänzilvania Ward B3 for chronically ill children at the Amsterdamer Straße Children's Hospital in Cologne. Pänzilvania offers children with chronic illnesses, such as diabetes, rheumatism or asthma and their families personal care and support in dealing with the illness with the aim of improving the children's quality of life and making their everyday life more comfortable. Through 'giving back', Carglass® donates at least 20,000 euros each year to the Children's Hospital.



Donating is fun

The annual Carglass® and Friends concert has been organised for many years now by one of our employees to entertain and help raise funds for the Children's Hospital in Cologne-Riehl. At the concert, former patients of the Carglass®-funded ward for chronically ill children join Carglass® employees and friends for a colourful programme of entertainment. In 2017 alone the concert raised almost 3,000 euros in additional donations for the Children's Hospital.

Around **€ 29,100** in donations went to the Pänzilvania project in 2017.

Joblinge – furthering young people locally

As a founding shareholder of the Cologne education initiative 'Joblinge', Carglass® is actively supporting the vocational development of young people. The initiative aims to provide career prospects to unemployed young people with differing skill levels and to see them join the labour market. During the six-month programme, young people learn key skills on the job and expand their social skills with the help of employees and voluntary mentors. This gives them the opportunity to be accepted into a regular training scheme or employment. In ten years, 7,500 youngsters have taken part in the programme – 75% of whom have then successfully transitioned into vocational training. 2016 saw the launch of the 'Joblinge Kompass' scheme, a second programme specifically for young refugees. Besides financial assistance, as part of the programme Carglass® provides traineeships for career orientation.



€ 20,000 is donated annually by Carglass® through 'giving back' to Joblinge.



Girls' Day – future opportunities for girls

Every year girls aged between 12 and 16 get the chance to see Carglass® up close and personal as part of Germany's nationwide Girls' Day. Ten Carglass® Service Centres throughout Germany open their doors to girls, where they learn about the career opportunities open to them at Carglass®. Onsite workshops give them all the information they need on the apprenticeships and courses in the fields of manual skills, technology, science and IT we offer. This is a valuable source of inspiration for girls to think about their own careers in an area in which women are traditionally underrepresented.



Combining forces and doing good – Carglass® and Sixt

2017 was the first time that 'giving back' had collaborated as part of a joint donation collaboration with the non-profit Regine Sixt Children's Aid Foundation 'Drying Little Tears'. The aim was to raise money for the expansion of an urgently needed games room for Afrika Tikkun. As part of the campaign, Carglass® donated 5 euros from the sale of every water repellent glass coating – doubling donations to the Regine Sixt Children's Aid Foundation by 30,000 euros. This joint effort raised a total of 60,000 euros which, in addition to the expansion of the games room, will ensure that the children receive social and educational support for two years.

Paint it Purple – flying the flag for inclusion

On 30 May 2017, the fifth German Diversity Day, Carglass® and 'giving back' set a clear example in support of social inclusion. With initiatives where the colour purple played a very visual role, this made an unequivocal statement in favour of greater tolerance towards disabled children. The Paint it Purple campaign initiated by Afrika Tikkun aims to tackle the stigmatisation of disabled children, appeals for their freedom to lead a self-confident and free life, and calls for the right to education despite disability. Employees and prominent supporters of the foundation set an example by wearing the colour purple. Furthermore, Caritas Cologne presented us with a powerful picture on the subject of diversity, which they naturally created in purple.



The sponsors of 'giving back', Thomas Maximilian Held and Torsten Knippertz, also got involved in the Paint it Purple campaign.

➔ P. 35 Diversity makes us strong

ABOUT THIS REPORT

This is the first Sustainability Report produced by Carglass GmbH. It describes our strategy, objectives and progress in the area of sustainability. The report covers the financial year 2017 (01.01.2017 to 31.12.2017). The editorial deadline was 31.05.2018.

The report appears in two versions: the summary provides a compact overview of the sustainability activities at Carglass®. It is printed in German and English. The full Sustainability Report can be found on the Internet, also in German and English, at: www.carglass.de/nachhaltigkeitsbericht

The report was prepared following the internationally recognised standards of the Global Reporting Initiative (GRI). The report has not been audited by a third party.

The report focuses on the four topics of Customer Service & Supply Chain, People, Environment, and Social Engagement. These also represent the four fields of action of the Carglass® Sustainability Strategy, which was formulated in the reporting year. To select the content of the report, we also called on the suggestions of our stakeholders and the expertise of an external sustainability consultancy.

A great deal of information was collated for the first time for this report. It was gathered electronically, and the KPIs were recorded predominantly using sector-specific software. Rounding may cause totals to differ from the sum of the contributing figures. While it is not yet possible to provide an account of progress over time in some cases, this is something we will strive for in the future.

Carglass GmbH only operates locations in Germany, so unless stated otherwise the information in this report applies to all of these locations.

In the interests of legibility, we have avoided the use of double-gender pronouns. No significance is implied and our statements are gender-independent.

This corporate report contains forward-looking statements based on certain assumptions, expectations and views of the management of Carglass GmbH. These statements are therefore subject to a number of known as well as unknown risks and uncertainties. A variety of factors, many of which are beyond the control of Carglass®, affect the company's business activities, strategy, results, performance and achievements. These factors and actual developments may cause the company's results, performance and achievements to differ materially from those expressed or implied in the forward-looking statements.

Carglass® does not warrant that the assumptions underlying the forward-looking statements are free of error, and accordingly cannot warrant in any way whatsoever that these assumptions will materialise as presented. Furthermore, Carglass® assumes no obligation nor does it intend to update these forward-looking statements or correct them in the event of a development other than the one anticipated.

The company plans to publish its next Sustainability Report in summer 2020.

If you have any feedback or questions about our report the Management team will be pleased to hear from you at:

gf@carglass.de

AT CARGLASS® WE INTEND TO CONTINUE MAKING A DIFFERENCE THROUGH OUR EFFORTS – FOR CUSTOMERS AND EMPLOYEES, BUSINESS PARTNERS, THE ENVIRONMENT AND SOCIETY.

THIS IS HOW WE SEE OURSELVES, AND THIS IS WHY WE HAVE EMBRACED THE CARGLASS® SPIRIT EVER SINCE OUR COMPANY WAS FOUNDED – ANYTHING LESS WILL NOT DO.

THIS IS WHY WE ARE TAKING A CONSISTENT APPROACH TO ACHIEVING GREATER SUSTAINABILITY AND ARE CONSTANTLY SETTING OURSELVES NEW, EVER MORE AMBITITIOUS GOALS.

WE WILL CONTINUE MAKING THE DIFFERENCE TODAY AND IN THE FUTURE.

KPI ANNEX

SUSTAINABLE CORPORATE GOVERNANCE

	FY 2017		
ETHICS TRAINING			
Number of employees trained*			
Ethics e-learning course	65		
Ethics basic training	235		

* Employees who joined the company primarily in the reporting year, or in previous years.

CUSTOMER SERVICE AND SUPPLY CHAIN

	FY 2017	FY 2016	
SUPPLIERS			
Total	7,618	7,401	
Key suppliers*	71	73	

* Key suppliers are those that meet specific requirements such as revenue, quality and price levels.

PEOPLE

Note: employee KPIs do not include any information on casual workers or those on minijob contracts. These are reported separately.

	FY 2017	FY 2016	FY 2015
WORKFORCE STRUCTURE			
Employees (full-time equivalent, excl. vocational trainees)	1,888	1,821	1,780
Employees (headcount)	1,962	1,896	1,857
Full-time and part-time employees			
Total	1,962	1,896	1,857
of whom full time	1,709	1,643	1,607
of whom part time	253	253	250
Employees on temporary and permanent contracts			
Permanent contracts	1,907	1,869	1,830
Temporary contracts	55	27	27
Temporary workers	20	19	23
Casual workers/those on minijob contracts			
Employees (full-time equivalent)	39.2	38.8	36.7
Employees (headcount)	140	145	150
Employees by gender			
Women	355	339	350
Men	1,607	1,557	1,507

	FY 2017	FY 2016	FY 2015
Employees by age group			
< 30 years old	197	197	210
30-50 years old	1,416	1,379	1,368
> 50 years old	349	320	279
Employees by nationality			
German	1,790	1,741	1,715
Non-German	172	155	142
Number of nationalities			
Total	30	31	28
LENGTH OF SERVICE/EMPLOYEE TURNOVER			
Average length of service (in years)			
Total	9.58	9.48	9.15
New employee hires leaving Carglass® within 12 months			
Total	47	30	18
Number of employees leaving Carglass® (employee turnover, number)			
Total	169	142	213
Employees leaving Carglass® (employee turnover rate, in %)			
Total	7.3%	5.9%	8.0%
New employee hires by age group and gender			
Total	157	132	77
of whom women	12	9	16
of whom men	145	123	61
of whom < 30 years old	59	52	31
of whom 30-50 years old	90	75	41
of whom > 50 years old	8	5	5
Rate of new employee hires by age group and gender (in %)			
Total	8.0%	7.0%	4.1%
of whom women	7.6%	6.8%	20.8%
of whom men	92.4%	93.2%	79.2%
of whom < 30 years old	37.6%	39.4%	40.3%
of whom 30-50 years old	57.3%	56.8%	53.2%
of whom > 50 years old	5.1%	3.8%	6.5%

	FY 2017	FY 2016	FY 2015
DIVERSITY			
Employment rate of severely disabled people (in %)	4.8%	4.3%	3.9%
Diversity in the management team (in %)			
Percentage of women	20%	20%	0%
Percentage of non-German executives	40%	40%	20%
Diversity in management positions (in %)			
Percentage of women	15.5%	13.2%	15.0%
Percentage of non-German executives	0.4%	0.4%	0.3%
PARENTAL LEAVE			
Employees entitled to parental leave (number)			
Total	1,962	1,896	1,857
of whom women	355	339	350
of whom men	1,607	1,557	1,507
Employees taking parental leave			
Total	72	58	69
of whom women	31	17	33
of whom men	41	41	36
Employees returning to Carglass® after parental leave			
Total	72	55	65
of whom women	31	14	29
of whom men	41	41	36
Employees returning to Carglass® after parental leave and still employed at Carglass® twelve months after their return to work			
Total	70	52	52
of whom women	31	13	20
of whom men	39	39	32
Return to work rate (in %)			
Total	100%	95%	94%
of whom women	100%	82%	88%
of whom men	100%	100%	100%
Return to work and retention rate of employees taking parental leave (in %)			
Total	97%*	88%	75%
of whom women	100%	76%	61%
of whom men	95%	95%	89%

* Those who returned in 2017 and were still employed as at 28.02.2018.

	FY 2017	FY 2016	FY 2015
TRAINING AND DEVELOPMENT			
Training and education (number)			
Students at cooperative universities	1	0	0
Vocational trainees	0	2	2
Carglass® in-house service fitter training*	120	66	37
* Number of employees who received technical training (in addition to/following basic training).			
Hours of training			
Total	28,474	18,990	21,654
of which for middle and senior management	2,267	852	1,976
of which for all other employees	26,207	18,138	19,678
Number of training programmes			
	4,860	2,050	1,736
Hours of training per employee			
	4	8	12
Number of employees receiving regular performance and career development reviews (in %)*			
Total	34%*	31%*	23%**
of whom middle and senior management***	100%	100%	100%

* Employee Performance Reviews were mandatory for all employees except for fitters, who can participate in them on a voluntary basis.

** Employee Performance Reviews were mandatory for all employees except for fitters and Customer Contact Centre employees.

*** Middle management includes team leaders and regional managers; upper management includes division heads. Employee Performance Reviews are mandatory for managers owing to variable remuneration components.

OCCUPATIONAL SAFETY

Total workforce* represented on formal joint management – worker health and safety committees (in %)

Total	100%	100%	
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ENVIRONMENT

	FY 2017	FY 2016	FY 2015
VEHICLES BY EMISSIONS STANDARD (NUMBER)			
Euro 6	489	256	87
Euro 5	370	572	683
Euro 4	0	26	41
Euro 3	1	35	64
Euro 2	2	3	3
Euro 1	0	0	0
Other	14*	1*	2**

* Electric ** Scooter

GRI CONTENT INDEX

GRI Standard and indicators		Reference (page) and/or comment
GENERAL DISCLOSURES		
GRI 102	Organizational profile	
102-1	Name of the organization	9
102-2	Activities, brands, products, and services	9
102-3	Location of headquarters	9
102-4	Location of operations	9
102-5	Ownership and legal form	9
102-6	Markets served	9
102-7	Scale of the organization	9
102-8	Information on employees and other workers	32 et seq.
102-9	Supply chain	26 et seq.
102-10	Significant changes to the organization and its supply chain	9, 32
102-11	Precautionary Principle or approach	17 et seq.
102-12	External initiatives	Carglass® is a member of the corporate initiative Diversity. The Belron Group is a signatory to the UN Global Compact.
102-13	Membership of associations	Carglass® is not a member of any industry associations.
	Strategy	
102-14	Statement from senior decision-maker	7
	Ethics and integrity	
102-16	Values, principles, standards, and norms of behavior	12, 17 et seq.
	Governance	
102-18	Governance structure	https://www.carglass.de/unternehmen/geschaeftsleitung
	Stakeholder engagement	
102-40	List of stakeholder groups	16
102-41	Collective bargaining agreements	Carglass® has not concluded any collective bargaining agreements.
102-42	Identifying and selecting stakeholders	16
102-43	Approach to stakeholder engagement	16
102-44	Key topics and concerns raised	16
	Reporting practice	
102-45	Entities included in the consolidated financial statements	There are no further consolidated companies within Carglass GmbH.
102-46	Defining report content and topic boundaries	13, 63
102-47	List of material topics	69 et seq.
102-48	Restatements of information	This is the first Sustainability Report of Carglass GmbH.
102-49	Changes in reporting	This is the first Sustainability Report of Carglass GmbH.
102-50	Reporting period	63
102-51	Date of most recent report	This is the first Sustainability Report of Carglass GmbH.
102-52	Reporting cycle	63
102-53	Contact point for questions regarding the report	63
102-54	Claims of reporting in accordance with the GRI Standards	63
102-55	GRI content index	68 et seq.
102-56	External assurance	63

GRI Standard and indicators		Reference (page) and/or comment
MATERIAL TOPICS		
GRI 201	Economic Performance	
GRI 201-1	Direct economic value generated and distributed	The current corporate and financial disclosures of Belron® are published in the D'leteren Annual Report. http://www.dieteren.com/en/newsroom/annual-report/2017
GRI 205	Anti-corruption	
205/103	Management approach	17 et seq.
205-2	Communication and training about anti-corruption policies and procedures	17 et seq., 64
205-3	Confirmed incidents of corruption and actions taken	19
GRI 206	Anti-competitive Behavior	
206/103	Management approach	17 et seq.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	19
GRI 301	Materials	
301/103	Management approach	44 et seq.
301-1	Materials used by weight or volume	46 et seq.
GRI 302	Energy	
302/103	Management approach	44 et seq.
302-4	Reduction of energy consumption	50 et seq.
GRI 305	Emissions	
305/103	Management approach	44 et seq.
305-1	Direct (Scope 1) GHG emissions	49, 51
305-2	Energy indirect (Scope 2) GHG emissions	49
305-3	Other indirect (Scope 3) GHG emissions	51
GRI 306	Effluents and Waste	
306/103	Management approach	47 et seq.
306-1	Water discharge by quality and destination	47
306-2	Waste by type and disposal method	Carglass® produces only small amounts of hazardous waste. Only very small packages of chemicals are used, the contents of which are designed specifically for their intended application, resulting in almost no residual waste.
306-3	Significant spills	In financial year 2017 Carglass® is pleased to report that it was not notified of any significant incidents.
GRI 307	Environmental Compliance	
307/103	Management approach	44 et seq.
307-1	Non-compliance with environmental laws and regulations	We are pleased to announce that during the reporting period Carglass® was not notified of any complaints about negative environmental impacts, nor of any violations of environmental laws or regulations.
GRI 308	Supplier Environmental Assessment	
308/103	Management approach	26 et seq.
308-2	Negative environmental impacts in the supply chain and actions taken	26 et seq.

GRI Standard and indicators		Reference (page) and/or comment
GRI 401	Employment	
401/103	Management approach	32 et seq.
401-1	New employee hires and employee turnover	65
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	34
401-3	Parental leave	66
GRI 403	Occupational Health and Safety	
403/103	Management approach	39
403-1	Workers representation in formal joint management – worker health and safety committees	67
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	40
GRI 404	Training and Education	
404/103	Management approach	37 et seq.
404-1	Average hours of training per year per employee	38
404-2	Programs for upgrading employee skills and transition assistance programs	37 et seq.
404-3	Percentage of employees receiving regular performance and career development reviews	67
GRI 405	Diversity and Equal Opportunity	
405/103	Management approach	35 et seq.
405-1	Diversity of governance bodies and employees	66
GRI 406	Non-discrimination	
406/103	Management approach	35 et seq.
406-1	Incidents of discrimination and corrective actions taken	19
GRI 407	Freedom of Association and Collective Bargaining	
407/103	Management approach	17 et seq., 26 et seq.
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Carglass® classifies this risk as extremely low at its own locations. For the management approach to the supply chain, see p. 26 et seq.
GRI 408	Child Labor	
408/103	Management approach	17 et seq., 26 et seq.
408-1	Operations and suppliers at significant risk for incidents of child labor	Carglass® classifies this risk as extremely low at its own locations. For the management approach to the supply chain, see p. 26 et seq.
GRI 409	Forced or Compulsory Labor	
409/103	Management approach	17 et seq., 26 et seq.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Carglass® classifies this risk as extremely low at its own locations. For the management approach to the supply chain, see p. 26 et seq.
GRI 414	Supplier Social Assessment	
414/103	Management approach	26 et seq.
414-2	Negative social impacts in the supply chain and actions taken	26 et seq.

GRI Standard and indicators		Reference (page) and/or comment
GRI 415	Public Policy	
415/103	Management approach	56
415-1	Political contributions	56
GRI 416	Customer Health and Safety	
416/103	Management approach	24 et seq.
416-1	Assessment of the health and safety impacts of product and service categories	The safety and potential health impacts of every new product are reviewed by Carglass® and/or Belron®. See P. 24 et seq.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	24
GRI 417	Marketing and Labeling	
417/103	Management approach	22 et seq.
417-2	Incidents of non-compliance concerning product and service information and labeling	24
417-3	Incidents of non-compliance concerning marketing communications	24
GRI 418	Customer Privacy	
418/103	Management approach	17 et seq.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	18 et seq.
GRI 419	Socio-Economic Compliance	
419/103	Management approach	17 et seq.
419-1	Non-compliance with laws and regulations in the social and economic area	17 et seq.
	Material topic: Customer Satisfaction	
	To Carglass® customer satisfaction is a material topic that is, however, not covered by the GRI Standards. In accordance with Global Reporting Initiative recommendations the topic is nevertheless addressed in this report in line with GRI Guidelines.	
	Management approach	22 et seq.
	Performance indicator Customer Satisfaction	22 et seq.

The GRI Standards (2016) form the basis of reporting in each case for GRI 101, GRI 102 and all material topics.

Publisher/Copyright:
Carglass GmbH
Godorfer Hauptstraße 175
50997 Cologne
Germany

Editorial and design:
Schlange & Co. GmbH
Steinhöft 11
20459 Hamburg
Germany

Published on 27 June 2018

