

REAL CARE TINO TIAKI

BELRON NZ
RESPONSIBLE BUSINESS REPORT
2021



ABOUT THIS REPORT

This is the second Responsible Business Report for Belron NZ Ltd (Belron NZ) operating under the Smith&Smith®, Laser®, and Exceed brands. This report covers data for the 2021 financial year up to 31 December 2021 (FY21), unless otherwise specified.

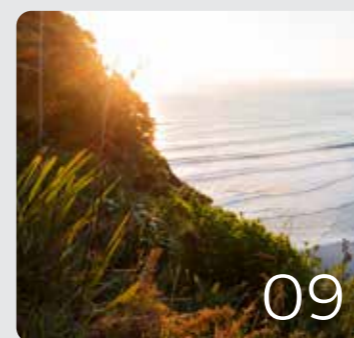
This report sets out our achievements and future focus for environmental, social, and ethical issues which Belron NZ can impact the most. Assurance has not been obtained for this report, however Belron NZ's greenhouse gas inventory for FY21 has been subject to limited assurance by Oxygen Consulting in accordance with ISO 14064:2018 (Part 3).

Data included in the D'leteren (parent company of Belron®) Integrated Annual Report 2021 has been subject to limited assurance from an independent third party, other data and statements have been internally verified. For the full D'leteren Integrated Annual Report, please visit: www.dieterengroup.com/annual-reports. Financial statements are publicly available in the Belron NZ Limited Annual report for the year ending December 2021.

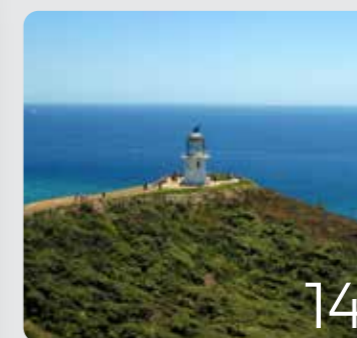
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INTRODUCTION

Kia ora koutou

I am immensely proud of the progress our team has made in the last twelve months and to see how far we have come since publishing our first Belron NZ Responsible Business Report in 2020. “Tino Tiaki” ties into our purpose (tā mātou kaupapa) which is to make a difference with real care to Kiwis and New Zealand. Our responsible business approach is a key pillar of delivering on our purpose and it is wonderful to see the mahi and real care (tino tiaki) that the team has continued to put into making a difference to our people, society and New Zealand.

**Tā mātou kaupapa –
Our Purpose – is to make a
difference with real care to
Kiwis and New Zealand.**

Our people have long understood the impact we have on the environment and society, and our sustainability journey was originally led and championed by our people, with support from their leaders. As a result of their efforts, and continued management support, we continue to lead the vehicle glass industry around recycling of windscreens, and have put in place a robust strategy to continue to reduce our impact on the environment, and improve societal outcomes through our giving back programmes. The strategy is based on scientific targets which we will achieve through real change to our practices, thereby creating sustainable changes to our business and better outcomes for New Zealand.

And we have made real progress since we started this journey, and since our 2020 report. We have set our baseline year for measurement as 2019, because we didn’t want our progress to be muddled by the impacts of COVID-19.

From a sustainability perspective, COVID-19 continued to restrict a lot of our normal travel in 2021, which had a flow on effect to lower emissions. The challenge we see going forward is how do we take the learnings of more remote working and less travel into our new future, whilst still maintaining the strong and inclusive culture that comes from the mahi done together. And how do we support our people, customers, partners and New Zealand through the long recovery that is ahead of us due to impacts of COVID-19. Since 2020, we have achieved some great results, including the transition of the first two vehicles in our fleet to electric vehicles and we achieved an overall recycling rate of 83% in 2021.

Because it’s not just about the environment it is all about people. It is about who we are (ko wai tātou) and understanding that having a diverse and inclusive team creates radical thinking, innovation and a dynamism that creates a better and more future-proofed business. We are pleased to have achieved an 85% engagement score for diversity, equity and inclusion measures in 2021, which is seven points above the New Zealand norm.

In 2021 our total recordable injury frequency rate (TRIFR) reduced 40% which is a testament to our ongoing focus to make sure our people go home safe each day.

We have set aspirational targets for 2030, and we know that to be successful in this journey it needs to be people-led. Going forward we want more people in our business who are passionate about leaving New Zealand a better place than we found it. It will require us to continue to re-think all facets of our business, from who we have on our team, to who we partner with, and how we manage our business. But our purpose is clear – we want to make a difference with real care, and this passion will fuel us on our journey to a better, more sustainable business that helps create a better New Zealand.

We look forward to continue working with our partners, people and you on this journey.

Michelle van Gaalen
Managing Director



BUSINESS SNAPSHOT

Belron® is a world leader in vehicle glass repair and replacement services. Home to approximately 27,000 team members, Belron® operates in 40 countries. In New Zealand, up to 31 December 2021, our trading entities were Smith&Smith®, Laser Plumbing & Electrical and Exceed.



Smith&Smith® has been in business in New Zealand since 1875, starting in Dunedin as a supplier of painting, signwriting and decorating services. Today we are proud to be New Zealand's leading vehicle glass repair and replacement company.

Providing exceptional customer service is a top priority for our over 60 corporate branches,



In 1983, Peter Bassett and David Clemmett, two entrepreneurial electricians, set up their own electrical contracting company, Laser Electrical Ltd. The business grew rapidly with a strong focus placed on outstanding customer service and implementing strong business systems. In 2003, Laser® became a full-membership business and in 2004 expanded its operations into Australia. Two years later, Laser Plumbing was launched.

In 2018, Belron®, through Belron NZ Ltd, acquired the New Zealand Laser® franchise business. As of 2021, Laser® has over 100 franchisee members and over 1,000 franchisee team members across New Zealand. The services our Laser® franchisee members offer include a range of residential, commercial, and industrial plumbing and electrical services.

Laser Group Services Ltd provides a national service to clients with plumbing and electrical



Authorised Dealers, and mobile services nationwide. In 2021, Smith&Smith® served more than 100,000 motorists. Customers can take their vehicle to a corporate branch or Authorised Dealer most convenient for them, or use our mobile service for a windscreen repair, replacement, side or rear window replacement.



work completed by Laser® franchisee members. Laser Group Services is wholly owned by Belron NZ Ltd.

In August 2021, we welcomed Exceed to the Belron NZ family. Exceed is a nationwide franchise business, specialising in window and door repairs and insect screen installation. Exceed was started in 1990 in Wellington, and by August 2021 had grown to 27 franchise territories across New Zealand.

Belron NZ has been built on a strong history of family values making Exceed a great fit alongside our Smith&Smith® and Laser® brands. Not only a successful business, Exceed's values and passion for their team members, franchise owners, and customers align with those of Belron NZ. Data and commentary for Exceed has been included in this report from 1 August 2021, unless otherwise stated.

OUR CULTURE STORY

Our culture story is our expression of who we are and how we work, our aspirations as a business and as people. There are three key elements in our Culture Model::

- + Our Purpose / Tā Mātou Kaupapa
- + How we work as a team / Me pēhea tātou te mahi tahī
- + Who we are / Kō wai tātou



OUR PURPOSE TĀ MĀTOU KAUPAPA

How we operate and why we do what we do. We make a difference with real care for our customers, our people and teams, our society and our business.

HOW WE WORK AS A TEAM, ME PĒHEA TĀTOU TE MAHI TAHI

How we want to work together, based on trust, built on debate and differing thoughts, principle and values-based decisions made and supported, and successes shared and celebrated.



WHO WE ARE KŌ WAI TĀTOU

We will have a workplace culture where people feel they belong, can be themselves and bring their whole selves to work (refer Diversity, Equity & Inclusion page 27).

He aha te mea nui o te ao?
What is the most important thing in the world?
He tangata, he tangata, he tangata.
It is the people, it is the people, it is the people.



THE GLOBAL CONTEXT

The Belron® Group is a signatory of the United Nations Global Compact and we have aligned our Responsible Business Programme with the ten principles of the Compact.

To measure progress for our Responsible Business commitments we undertake external assessments through EcoVadis. We are proud to have been awarded the EcoVadis Gold Rating for our sustainability performance for the third bi-annual assessment in a row,

putting us among the top 5% of global companies assessed by EcoVadis. EcoVadis assesses more than 90,000 companies in over 160 countries (refer Advocacy page 20).

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards 2016. The GRI Index on page 39, describes the Standards that have been used.



2021 HIGHLIGHTS



Planet

Emissions

SBT

Science Based Target set for emission reduction

↓ 36%

Scope 1 & 2 emissions, compared to 2019 baseline

Electric Vehicle Charging Points

180+

Installed for customers in 2021

Waste

83%

Diverted from landfill

Spills

0

Reportable spills



People

No. of accidents

↓ 7%

Compared to 2020

TRIFR*

↓ 40%

Compared to 2020

Engagement score

81%

Response rate 88%

Diversity, Equity & Inclusions Score

85

7 points above NZ norm

Lifeline Aotearoa

> 13,500

raised in 2021

Spirit of Belron® Challenge

3,711km

Ttravelled** by Belron NZ for Afrika Tikkun

> \$40k

raised by Belron NZ for Afrika Tikkun



Partnerships

Cyber security

199

Team members trained

Ethical concerns

0

Ethical concerns raised



Certifications & Memberships

Certifications



Gold rating 2021 67/100



Toitū enviromark® Diamond

Memberships

UN Global Compact

Belron® global commitment

*Total recordable injury frequency rate (TRIFR)

**participants swam, walked, ran, wheeled and biked

THE ISSUES THAT MATTER

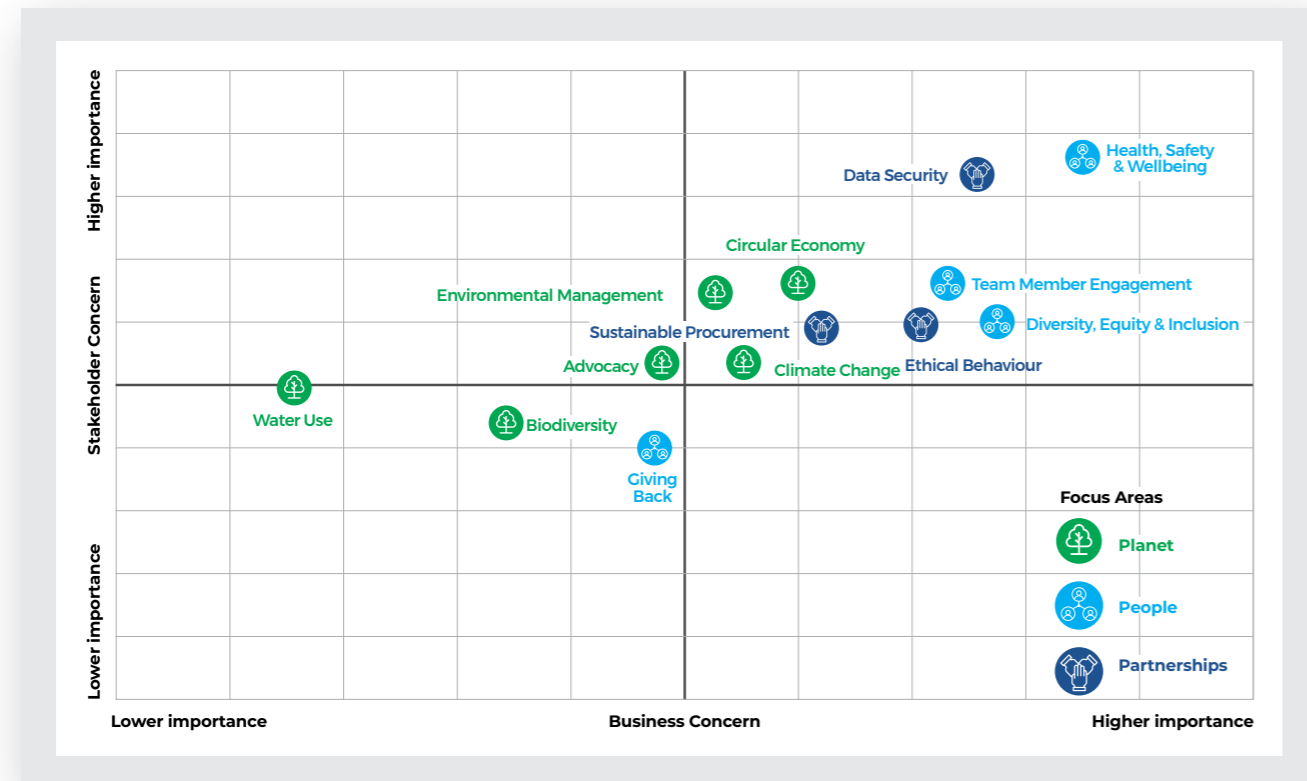
When developing our Responsible Business Programme, we undertook a materiality assessment to determine what social, environmental, and ethical issues are important for Smith&Smith® and Laser® to focus on.

This involved studying current megatrends around the world, industry best practice, and existing internal business commitments in Belron® internationally, such as our commitment to the UN Global Compact, as well as our performance in New Zealand, as benchmarked by EcoVadis.

Based on these, we engaged our internal and external stakeholders to determine what issues matter most, and what we should predominantly focus on.

This year, rather than repeating the assessment with Smith&Smith® and Laser® stakeholders, we engaged our new internal and external stakeholders at Exceed, and combined these results with the previous Smith&Smith® and Laser® results.

The priorities of our Responsible Business Programme are the issues that were ranked most important by our team members and our external stakeholders and are represented in the top right quadrant of the matrix below. With the inclusion of Exceed stakeholders, there was no material change in the issues considered most important for Belron NZ to focus on.



RESPONSIBLE BUSINESS PROGRAMME



Climate change
Circular economy
Environmental Management
Advocacy



Health, safety & wellbeing
Team member engagement
Diversity, equity & inclusion
Giving back



Sustainable procurement
Data security
Ethical behaviour

Each material issue has been categorised into one of the three focus areas of our Responsible Business Programme.

The programme and this report, include the operations that we have direct control over in New Zealand, including our Smith&Smith® support office, distribution centres and branches, as well as Laser® support office and Exceed support office and warehouse (from 1 August 2021).

As a responsible business, we also aim to influence operations out of our direct control, such as our supply chain, customers, Laser® members, Exceed franchisee owners, and Smith&Smith® Authorised Dealers.



THE SUSTAINABLE DEVELOPMENT GOALS

The 17 global goals set by the United Nations in 2015, called the Sustainable Development Goals (SDGs), define global sustainable development priorities for the planet. We have identified the four goals to

which we can contribute to the most. The SDGs have challenged us to stretch our commitments further and we have aligned our Responsible Business Programme with the relevant SDGs for each focus area.



COVID-19 PANDEMIC RESPONSE

In 2021, all Belron NZ brands were impacted by COVID-19 lockdowns and restrictions, particularly when the country went into alert level 3 and 4 lockdowns in August. As with restrictions imposed in 2020, Smith&Smith®, Laser® and Exceed were able to provide urgent services to essential workers and emergency services to maintain safety standards.

To support our teams, we continued to provide our employee assistance programme (EAP), COVID leave, maintained incomes, wellbeing and resilience support, and we continued with remote working (refer Team Member Engagement, page 24).

Throughout 2021, we continued to adapt to the ongoing challenges brought about by the pandemic, updating, developing, and modifying our preparedness and response plans as needed to ensure we could meet or exceed changing safety and government requirements.

We take this opportunity to thank all our team members for their part in contributing to our success navigating the pandemic - you have made a difference with real care for our customers, each other, our communities, and our shareholders.

Our team faced the ongoing impact of strict safety guidelines, as well as additional restrictions to their personal lives to allow for the continued operation of our operations under the traffic light system implemented by the government in late 2021.

As the pandemic continues, during 2022 we will continue to adapt and offer more financial, health, and wellbeing support to our team.



PLANET



PLANET

How we treat our environment is a reflection of our ethics and we take our responsibility for the environment seriously. We are committed to minimising our environmental impact throughout our operations and beyond, and we

will respond to our environmental challenges by growing our business in a manner that is responsible and environmentally sustainable wherever possible.

CLIMATE CHANGE

Aim to achieve a carbon neutral target that is grounded in science by actively working to reduce our emissions.

In 2021, we demonstrated our commitment to climate change response by setting an emission reduction target that aligns with the Science Based Target Initiative methodology, and supports the ambition to limit global temperature rise to 1.5°C above pre-industrial levels (refer Third Party Verification Statement, page 42).

Belron NZ commits to reduce Scope 1 & 2 greenhouse gas emissions 46.2% by 2030, compared to a 2019 baseline

76% of our direct (Scope 1 & 2) greenhouse gas (GHG) emissions came from our vehicle fleet in 2021, and our direct GHG emission reduction was 36% compared to a 2019 baseline. The COVID-19 pandemic continued to impact our emissions profile in 2021, resulting in reduced emissions from the operation of our vehicle fleet, however a fleet rationalisation project in late 2020 to early 2021, also reduced our fleet from 82 vehicles to 70. This contributed to a 26% reduction in Scope 1 & 2 GHG emission intensity (CO₂e/Job Nos), compared to a 2019 baseline.



CASE STUDY - DRIVING INTO THE FUTURE

In late 2021, we focused on achieving our emissions reduction target by introducing two electric vehicles as part of our passenger fleet. Today, our Smith&Smith® Area Managers in Auckland and Christchurch are trialling two Kia Niro fully electric vehicles.

Our research indicated that the majority of electric vehicle charging happens at home, so we are trialling home chargers installed by Laser® at our team members' homes. The chargers track how much electricity has been used to charge the vehicles so our team can easily claim

back expenses.

In the first full month of operating the electric vehicles in December 2021, we estimate we saved 719 kgs of carbon (CO₂e) from being emitted to the environment, and we are looking forward to seeing the ongoing positive impact from our electric vehicles in 2022.

Going forward we plan to introduce more low emission vehicles into our fleet, and we are looking at ways to reduce emissions from our distribution and mobile service vehicles.

"I love my EV - this is such a nice drive and very pleased to contribute to reducing Belron's environmental impact."

*Thomas Lannoye
Area Manager, Smith&Smith® Auckland*



Our total GHG emissions in 2021 were 48% lower than 2019, and overall intensity decreased 36% (CO₂e/Job Nos). Aside from the savings in direct GHG emissions, we saw additional savings in indirect (Scope 3) GHG emissions through a significant reduction in travel throughout 2021 because of restrictions imposed due to the COVID-19 pandemic.

As travel restrictions are expected to ease throughout 2022, we will look at ways that we can maintain lower emissions despite the expected increase in travel.

2021 Scope 1 & 2 GHG emissions

↓36%

compared to 2019 baseline

2021 total GHG emissions

630

tCO₂e
(1,211 in 2019¹)

¹2019 total GHG emissions have been restated as additional information on the final disposal location of waste to landfill has been obtained (refer KPI Table, page 38).

As the impacts of COVID-19 start to ease, and our business activities return to more normal levels, we expect to see a short-term increase in our direct and indirect emissions. Due to our work to reduce emissions over the last couple of years we do not anticipate a return to pre-COVID levels. In 2022, we will develop an emission reduction roadmap to determine the actions required to achieve our 2030 target, taking into account the expected emissions increase, and we will continue to focus on reducing our emissions via our vehicle fleet.

In 2022, we will also put focus on our indirect emission reporting by reviewing our current Scope 3 boundaries and aligning our reporting with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. By increasing the scope of our indirect

emission reporting, we hope to identify additional areas where we can influence our value chain and overall emission reduction.

Indirect greenhouse gas emissions in our value chain are a key focus of our climate change goals, as well as those we influence directly. We are focused on being part of the solution, and we are proud that Laser® is working to improve New Zealand's electric vehicle charging infrastructure by facilitating the installation of electric vehicle charging stations for our customers. In 2021, Laser® installed more than 180 electric vehicle charging points nationwide across our commercial and residential customers.

Electric Vehicle Charging Points

180+

Installed for customers in 2021

Throughout 2022, we will continue to focus on influencing our indirect (Scope 3) emissions and supporting our customers to reduce their climate change impact.





TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

- SDG Target:** Integrate climate change measures into national policies, strategies and planning
- Belron NZ Goal:** Aim to achieve a carbon neutral target that is grounded in science by actively working to reduce our emissions.

CLIMATE CHANGE

Ensure our business future by assessing and mitigating our climate change risks.

As well as looking at how our activities impact the climate, we are also looking at how climate change impacts us. In 2022, we aim to undertake a risk assessment to understand how our business might need to adapt to climate change impacts in the future.



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

- SDG Target:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- Belron NZ Goal:** Ensure our business future by assessing and mitigating our climate change risks.

CIRCULAR ECONOMY

Contribute to New Zealand's circular economy by striving for responsible resource use, waste minimisation, reuse, and recycling.

Waste and recycling are a big focus for us at Belron NZ, whether that's recycling of cardboard, paper, plastics or mixed recyclables from all our locations or our biggest waste, glass from our vehicle glass replacement services.

We're constantly on the lookout for how we can waste less and recycle more. In 2021, 83% of our total waste was diverted from landfill – that is over 1,000 tonnes – and our total waste produced, decreased 22% compared to a 2019 baseline.



At Smith&Smith® we repair chipped windscreens where possible rather than replacing them, saving over 35,000 windscreens from disposal each year, and in partnership with 5R Solutions, we have developed a nationwide windscreen glass recycling programme.

In 2021, approximately 83% of windscreen glass waste was recycled into bottles, glass wool insulation, pool filters and was even used in sandblasting. In late 2021, we expanded our windscreen recycling programme to include our network of Authorised Dealers, and in 2022 we look forward to continuing

the rollout of our recycling programme and seeing the impact of Authorised Dealer recycling on our overall diversion of waste from landfill.

Going forward, we continue our focus of influencing those in our value chain to waste less and recycle more, and we will look at more ways that we can prevent waste from our activities occurring in the first place. We commit to working with our supply chain to strive for responsible resource use in the products we source (refer Sustainable Procurement, page 33).



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

- SDG Target:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- Belron NZ Goal:** Contribute to New Zealand's circular economy by striving for responsible resource use, waste minimisation, reuse and recycling.

ENVIRONMENTAL MANAGEMENT

Commit to reducing pollution as a result of our activities by mitigating and managing risk.

At Belron NZ we care about the impact our business has on the environment and we recognise our responsibility to reduce it. In 2021, Belron NZ was not issued any environmental legal non-compliance notices or fines by a regulatory body and there were no environmental incidents reportable to regulators.

In 2021, our environmental management system was Toitū enviromark® Diamond certified (ISO 14001 equivalent). Our environmental management system helps us to identify, monitor and manage our activities that have an impact on the environment, through a culture of continual improvement.



In 2021, we focused on integrating our environmental management system with our existing health and safety systems and processes, and we continued our review of substances we hold and use at our sites, to ensure that we not only meet applicable hazardous substance legislation but exceed these requirements.

In 2022, we will recertify our environmental management system to Toitū enviromark® Diamond and include Exceed in the scope of our certification. In conjunction with our health and safety system (refer Health, Safety and Wellbeing page 22), we're also aiming to automate our reporting and monitoring tools.

2021 environmental compliance



ADVOCACY

Partner with other responsible business leaders to help increase our positive environmental impact.



It is important to us that we partner with other responsible business leaders, which is why we have committed to joining the Climate Leaders' Coalition in 2022. We also aim to inspire other businesses in our value chain and beyond to advance their responsible business journeys. We will do this by verifying our progress through recognised standards, including continuing to improve our EcoVadis score in 2022 (refer The Global Context page 8).

EcoVadis is a world leading environmental, social, and ethical business performance rating scorecard, assessing businesses on 21 recognised sustainability criteria. Organisations are given a score between 0-100 that reflects the quality of their company's sustainability management system. To achieve a Gold rating, companies must achieve an overall score between 66 and 72, and a Platinum rating is an overall score between 73 and 100. In 2021, Belron NZ's EcoVadis rating was Gold (67/100).

2021 EcoVadis rating



We acknowledge our responsibility to influence our value chain to be responsible businesses, whether that be our Laser® members, Exceed franchise owners, Smith&Smith® Authorised Dealers or our supply chain. We commit to engaging anyone we work with in our Responsible Business Programme



PEOPLE



Everyone at Smith&Smith®, Laser® and Exceed is expected to behave in a way that ensures we create healthy and safe working environments for our team members, customers, and suppliers. We are also committed to a working environment in which everyone is treated with respect, by encouraging diversity, equity and inclusion in our workplace, providing fair working conditions and developing a highly engaged workforce.

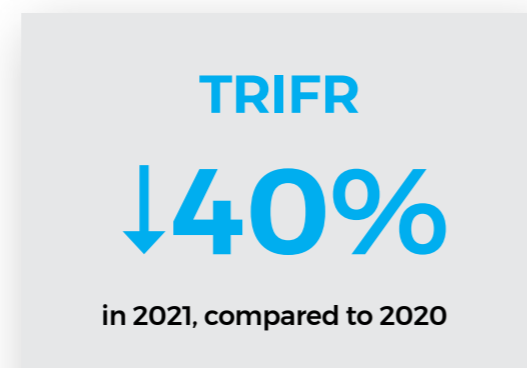
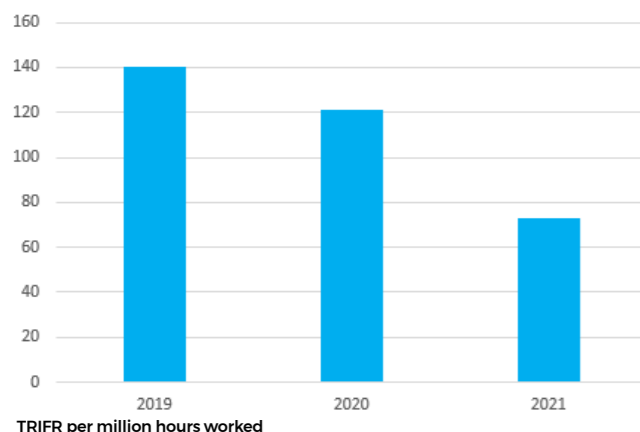
HEALTH, SAFETY & WELLBEING

Promote and grow a health, safety, and wellbeing culture across our business by doing all we can to ensure our people and customers go home safe each day.

Health, safety, and wellbeing remain the most important issues that we should focus on (refer The Issues That Matter, page 10). Through our health and safety management system, we provide our team members with the training and skills to feel confident in their roles, including stringent safety procedures for our technicians so that they can deliver to the highest technical standards. We aim to minimise the hazards inherent in our working environment and deal with issues that pose a threat to health, safety, and wellbeing.

In our role as a corporate citizen, giving back is an important part of our way of working where we aim to play a strong role in our communities we operate in and be here for good. We are determined to play a full role in our local, national, and global communities and we encourage our people to do the same.

In 2021, we continued to adapt our health and safety system response to changing COVID-19 pandemic requirements (refer COVID-19 Pandemic, page 13). We also reduced the number of accidents in our workplaces by 7% and our total recordable injury frequency rate (TRIFR) reduced to 72.7 per million hours worked. The downward trend in the severity of incidents is encouraging and highlights the success of our ongoing efforts to promote and grow the health, safety and wellbeing culture across our business. For example we have seen an increase in reporting of near misses in 2021 and we will continue this focus in 2022.



In 2021, we continued to proactively identify safety issues through our monthly workplace inspections, and we analysed trends in our accident types and frequency to better understand and better manage safety concerns. This analysis showed that most of our accidents occur on Tuesdays and Wednesdays, so we've been looking into how jobs are spread out over the week and other factors that may contribute to incidents on those days, like mental and physical fatigue.

In May 2021, we undertook our first Health, Safety, and Wellbeing Check-in. The purpose of the survey was to understand how we are progressing to our health, safety, and wellbeing goals. The survey showed that our team members feel we have the opportunity to focus more on safety training and resources,

and reporting incidents and near misses even if they are minor. We have used this feedback to develop our health, safety, and wellbeing focus areas for 2022. Our next survey will take place in mid-2022, to check-in with our team members and see how we're progressing.

In 2022, our focus is on automating the inspection, hazard, near miss, and incident reporting process across our business, to allow our team members to easily and proactively report issues as they arise. We will also be aligning our approach to reporting health, safety and wellbeing metrics with Belron® globally and continuing the rollout of the Puataunofu programme through our operations.

CASE STUDY – PUATAUNOFO PROGRAMME

In 2021, we started rolling out the Puataunofu "Come Home Safely" education programme in conjunction with WorkSafe. The programme delivers tailored workshops addressing the key needs and issues workers face, and aims to engage participants with information, advice, and tools to keep safe in the workplace. The focus is very much on going home safe every day and aligns with our purpose, "We make a difference with real care". After the first session at our Auckland distribution centre, the feedback was positive. Our team reported the biggest learnings were the reminder of how important we are to our whanau, friends and workplace, and understanding the actions we can take as a team to go home safely every day.

We look forward to rolling out Puataunofu training to the wider business in 2022.

"It was a great session and awareness of how important health and safety is, not just at work but in general. The team definitely have benefited from this session, and it has created more awareness."

Abdul Dean
Auckland Distribution Team Leader



The wellbeing of our team is just as important to us as keeping them physically safe. In 2021 we relaunched our wellbeing programme with updated policies, processes and incentives. Our new My Wellbeing framework provides initiatives that improve and support personal wellbeing through four focus areas – My Health, My Self, My Finance and My Family & Community.

Our My Wellbeing framework is supported by our Culture Model (refer Our Culture Story, page 7), and aims to make a positive difference to our team members, so they can

bring their whole self to work. By supporting our teams personally and professionally, we can enable them to grow, develop, and thrive. My Wellbeing includes existing benefits such as the employee assistance programme (EAP), career development, Wellbeing Fund, and paid volunteer leave; and the framework continues to evolve as we incorporate additional initiatives, such as birthday leave and financial literacy initiatives.



TEAM MEMBER ENGAGEMENT

Create fair and meaningful careers by building a culture of proactive engagement and high performance.

We know our team are a key part of our success and are at the heart of everything we do. We are committed to providing our team members with opportunities to grow and we strive to have an open and honest working culture. In October 2021, we conducted our annual global Our Belron® listening survey, which measures employee experience, engagement, and values. Everyone who works for us can take part in the survey, and we undertake regular pulse surveys to check how we're doing and what progress we're making.

Belron NZ achieved an 81% engagement score in 2021, with a response rate of 88% across the New Zealand business units – a 14% improvement in response rate compared to 2020. Overall, we continue to focus on what we do well, while also working on the areas of opportunity where we can do even better. The next annual survey takes place in October 2022.



2021 engagement score

81%

response rate

88%

Our culture of continuous recognition at Belron NZ, means we appreciate and acknowledge achievement, effort, success, and service. We have many ways for our team members to recognise and reward each other; Praise, a feature on our company intranet that anyone can use to shine a light on someone else; and Ka Pai cards, that enable anybody from any location to recognise the contribution or success of an individual or team.

Reach is our values-based awards programme developed specifically to recognise and reward individual team members who strive to go above and beyond, and have demonstrated two or more of our values of Driven, Caring, Collaborative, and Genuine.

Any team member can nominate another, and our executive team select the successful recipients. Recipients are rewarded with a wellbeing paid day off or a one-off wellbeing activity payment. In 2021, we issued 73 Reach awards to team members across the business.

Driven | Caring | Collaborative | Genuine

Our Belron NZ Annual Awards have been running since 2009 and aim to recognise individuals and teams who have made an outstanding contribution to our business over the year. Anyone can nominate any other team member in one of eight categories. In 2021, due to restrictions imposed by the COVID-19 pandemic we held our awards evening virtually. We had 89 nominations from 31 individuals across the business.



In 2022, we will launch our new Reward Gateway – B4Me. The platform will enhance our current reward and recognition programme, providing our people leaders with more freedom to recognise their teams and an online platform where Reach rewards can be used. B4Me will also house our benefits package and provide a wellbeing centre to support our My Wellbeing framework (refer page 24).

In addition to our New Zealand based recognition programmes, Belron® Exceptional People Awards (BEPA) is Belron®'s global recognition scheme, that recognises truly remarkable people around the world who consistently make an enormous difference to our customers and each other. We are proud

that two of our team members received BEPAs in 2021, an outstanding achievement across the 22 countries included in Belron®'s global business.

Alongside our reward and recognition programme, we offer a range of benefits to permanent employees. In 2021, we relaunched our benefits package to create a value added and meaningful wellness programme for our people. The programme aligns and consolidates current programmes and initiatives under one wellbeing umbrella (refer Health, Safety & Wellbeing, page 22).

BELRON® EXCEPTIONAL PEOPLE AWARDS



Warwick Emerson

Making a difference through transforming relationships with Key Accounts. Warwick exemplifies the Spirit of Belron in every interaction he has with our people, our customers and his community.

Wiremu Te Awe Awe

After nearly 23 years of consistent, outstanding performance and service, Wiremu continues striving to be the best he can be. His genuine nature and passion for customers is universally recognised.



In 2021, our team members completed an average of 2.2 online training hours per full-time equivalent (FTE) on our online learning platform, Litmos. Our online modules complement our face-to-face technical and safety assessments, leadership, induction and technical training programmes, such as our Belron® Way of Conversations programme for people leaders. In 2021, we also joined the Growth Faculty, where 57 of our people leaders and other leaders can sign up to virtual presentations and interactive masterclasses from a range of change-making leaders and bestselling authors.

In 2021, we aligned our core remuneration principles with the living wage. A living wage is the hourly wage a worker needs to pay for the necessities of life and participate as an active citizen in the community. The living wage is a recommended rate calculated independently each year by the New Zealand Family Centre Social Policy Unit, and at Belron NZ we see providing our team members with a minimum of the living wage as an important step in the reduction of poverty in Aotearoa.

risks such as retention issues. To date, Workday has provided better connection globally with Belron® Group, improving overall systems and processes. The transition will continue in 2022, providing a fully integrated people management system to enable development and career planning, talent management, and the transfer of our learning management system to Workday Learning.

Throughout 2021, we began the transition to our new global human resources information system (HRIS), Workday. The new system provides connectivity across the areas of payroll, people management systems, talent, learning, career, and development planning. The system's benefits also include better visibility and reporting, as well as insights into

2021 Online Course Completions

2.2

average hours per FTE



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

SDG Target:

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

Belron NZ Goal:

Create fair and meaningful careers by building a culture of proactive engagement and high performance.

DIVERSITY, EQUITY & INCLUSION

Diversity, Equity and Inclusion is a core enabler for our exceptional people experience, where our people thrive, are safe to speak up and contribute their ideas.

At Belron NZ, we aim to encourage diversity of thinking, innovation, and continuous improvement. Our diversity, equity, and inclusion (DEI) model, is one of the foundations of our Culture Model (refer Our Culture Story, page 7). It is who we are, ko wai tātou, and supports our workplace culture so that we can be a strong, inclusive organisation where team members feel safe to be themselves and thrive at work.

In 2020, Our Belron® annual listening survey included one question on diversity and the results indicated that this was an area of opportunity for us. So, in 2021 we enhanced the survey to include additional questions on DEI. We scored 85 overall for the DEI questions, which is encouraging, and understanding what our team members think and feel about DEI in Belron NZ has helped us shape our areas of focus going forward.



Diversity, Equity & Inclusion Score

85

7 points above New Zealand norm

In conjunction with the survey, we joined Diversity Works New Zealand and undertook their stocktake to understand what we are already doing to create an inclusive workplace culture, and the options available to do more.

As a result, our DEI strategy was created with initiatives over 2021 to 2024 identified. We also formed a DEI Advisory Group with 14 members across a cross-section of the business. So far, the group has sourced stories of individual team members to enhance connection and created a Belron NZ events celebration calendar. Five members of the DEI Advisory Group attended a Diversity Works cultural intelligence workshop to help build an open mind to how we impact others consciously and unconsciously.

In 2021, 40% of our Executive Team were women (refer Governance, page 37) and overall, 39% of our workforce were women - a 5% increase on 2020.

In 2022, we will focus on unconscious bias by implementing Lean In Circles, a space where women at Belron NZ can come together in small groups across roles and levels to get peer-to-peer mentorship, connect with each other, recognise and combat gender bias, and build leadership skills. We will also implement new recruitment training for people leaders, with a link to unconscious bias.



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

SDG Target: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Belron NZ Goal: Diversity, Equity and Inclusion is a core enabler for our exceptional people experience, where our people thrive, are safe to speak up and contribute their ideas.

GIVING BACK

Play a strong role in our communities by Giving Back to the communities in which we operate.

We deeply believe that we have a responsibility to give back to our communities as we strive to make a difference with real care, both locally and overseas. We call our approach to community investment Giving Back. It is based on a commitment to connect our business and our people to our communities in ways that make a meaningful impact.

Our established Giving Back Committee of dedicated volunteers aims to provide support and opportunities for our team to engage in activities to support chosen charities, provide opportunities for personal growth experiences, celebrate diversity of our team and our business, and increase awareness and support our Responsible Business Programme.

In 2021, we established our national partnership with Lifeline Aotearoa across Smith&Smith®, Laser® and Exceed. Lifeline has been helping Kiwis in crisis for over 50 years and receives over 10,000 calls per month from people who are struggling with a wide range of issues.

In 2021, we donated \$10,000 to Lifeline, fundraised through organised activities like bake off competitions, soup lunches, and a Matariki BBQ. Our team members also individually raised \$3,744 for Lifeline through the push up challenge in July. So far, our support has funded 532 calls for help to Lifeline.

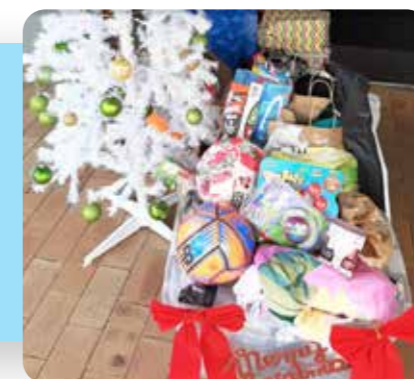


Lifeline Aotearoa
>\$13,500 raised in 2021 | **532** calls for help funded in 2021

Throughout the year our team support a number of other charities and events such as the Salvation Army, Totara Hospice and Gumboot Friday, the team at Exceed have also set up the standalone charity, The Heart Box.



'Gumbook Dance' for Gumboot Friday



Salvation Army Giving Tree



Spirit of Belron® Challenge Exceed Team

Case Study – The Heart Box NZ

Approximately 2,000 New Zealanders will suffer a cardiac arrest outside of hospital every year. Using an Automated External Defibrillator (AED) can increase someone’s survival chances by up to 44%. In 2019, the Exceed team came up with the concept of equipping their fleet of vehicles with AED units. The concept was presented at the Exceed conference that year, received 100% support from franchise owners, and was set up as a standalone charity – The Heart Box NZ.



The Heart Box has two main goals: to increase the number of AED units available 24/7 in public areas; and equip all Exceed franchise owner vehicles with AEDs including training on their use. Each franchise owner also has the option to sign up to the GoodSAM app, making them a possible first responder to an incident locally.

The Exceed team worked with the Tauranga City Council and Mauao Trust to get two units installed on Mauao (Mount Maunganui) in August 2020. One is placed on the base of the track and one near the summit. Over this time the AED on the summit has been accessed several times. Each time it is brought down the maunga by a first responder and one of the Exceed team maintains the unit, replaces the pads and walks the AED back up to the summit. One of the Exceed team also checks each unit every couple of months to make sure everything is working properly.

In the future, Exceed hopes that the Heart Box charity can assist in increasing the number of AEDs in public spaces across New Zealand.



Exceed Franchise Owner, Tom Rogers (Franklin) with AED On Board

“Being part of this charity and seeing more of these lifesaving devices made available to the public 24 hours day/7 days a week is rewarding. They are the type of thing that you ‘hope’ never gets used, but knowing if one is, the chance of the patient surviving is greatly increased.”

Melissa Wilson
Exceed Systems Administrator/
The Heart Box NZ Trustee

Internationally, we support Afrika Tikkun through our Belron® Group global giving back initiative. Afrika Tikkun is a non-profit organisation dedicated to the eradication of poverty in South Africa. Since 2016, we have participated in the Spirit of Belron® Challenge, a five-day event, connecting people from all over the world in support of Afrika Tikkun.



In 2021, in New Zealand we had 181 participants who swam, walked, ran, wheeled, and biked 3,711 kilometres for Afrika Tikkun, and we raised over NZ\$40,000 – double the amount we raised in 2020. In celebration of the 20th year of the Spirit of Belron® Challenge, the Belron® Group raised in total €2.3m. In 2022, we continue our support of Afrika Tikkun and the Spirit of Belron® Challenge.

2020 Spirit of Belron® Challenge

3,711km **> \$40k**

Travelled by Belron® NZ for Afrika Tikkun Raised by Belron® NZ for Afrika Tikkun

OUR GIVING BACK INITIATIVES 2021



Support Office & Auckland Distribution Centre clean-up



Lifeline Matariki BBQ



Lifeline Soup Day fundraiser



Lifeline 'Bake Off



S'mores kits for Lifeline & Tōtara Hospice



Lifeline Push Up challenge



PARTNERSHIPS

The relationship we have with our business partners is key to our success and is supported by our ethical principles. We require and expect our partnerships to operate in an environment free from corruption or anti-competitive behaviour, and have robust data security processes to ensure we protect our, and our customers data from potential breaches through external connections to our systems.

We also aim to source products and services from a supply chain that focuses on ensuring environmental impacts such as pollution, waste and greenhouse gas emissions are minimised, and that human rights are met, including that our business partners comply with child and forced labour laws.

SUSTAINABLE PROCUREMENT

Minimise the social and environmental impact of our supply chain by procuring quality products from responsible sources

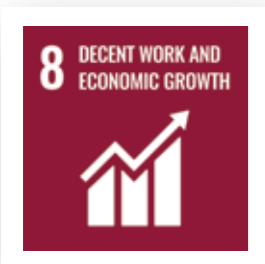
Our suppliers agree to our Business Partners' Code of Conduct which sets out the minimum standards of behaviour that we expect our business partners to meet in the areas of labour and human rights, health and safety, environment, business integrity, privacy, and supplier diversity.

Compliance with the minimum requirements outlined in each area is increasingly part of new supplier agreements for conducting business with Belron NZ.

We respect and support responsible labour practices as set out in the UN Universal Declaration of Human Rights and the UN Global Compact, and we expect our business partners to comply with all laws and respect and support the protection of human rights of workers, as well as individuals and communities affected by their activities.



In 2021, we began developing our sustainable procurement framework objectives which will be built on in 2022 and 2023. We also started including responsible business key performance indicators in new high risk social and/or environmental supplier contracts.



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT, AND DECENT WORK FOR ALL

SDG Target: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.



REDUCE INEQUALITY WITHIN, AND AMONG, COUNTRIES

SDG Target: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

SDG Target: By 2030, achieve the sustainable management and efficient use of natural resources.



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

SDG Target: Integrate climate change measures into national policies, strategies and planning.

Belron NZ Goal: Minimise the social and environmental impact of our supply chain by procuring high quality products from responsible sources.

DATA SECURITY

Build trust with our customers, franchise members and authorised dealers by ensuring all data is kept secure

We take responsibility for ensuring that we keep confidential all customer information that we hold, including information obtained by our business partners and provided to us.

Our Privacy Policy outlines how we deal with personal information and everyone at Belron NZ must understand and comply with all relevant polices, guidelines, and rules governing data protection and privacy.

Our information security governance structure includes formal governance group meetings, a Data Breach Policy (which deals with mandatory data breach reporting obligations), Data Breach Response Plan, risk register and security incident log. We also have a nominated Privacy Officer, and our website includes information on how to contact them. Our internal Information Security Governance Group meets quarterly to review and mitigate data security risks.



In 2021, we continued to update our cyber security through the implementation of new initiatives, such as multi-factor authentication, to provide additional security with the increase of remote working. We also introduced new cyber security training modules for all our team members through KnowBe4. Alongside cyber security awareness training completed by all new team members during their onboarding training, in December 2021, 199 of our team completed the first module of Security Awareness Fundamentals training. We will roll out another three modules using the KnowBe4 system in 2022 to further improve cyber security awareness in our business.

We continue to meet the Belron® Group's industry best practice data security requirements and are continuing the transition to an upgraded global information and security control framework, including policies and standards for a range of security areas from passwords to cryptography to data management.

Cyber security

199

team members trained

ETHICAL BEHAVIOUR

Insist on ethical behaviour in relation to our business practices for the long-term benefit of our stakeholders

Our Guiding Principles – integrity, respect, trust – are fundamental to who we are and how we operate, they describe the way we do things at Belron NZ and ensure we continue to operate in an ethical and consistent manner.

That’s why we have developed Our Good Practice Guide, so that we are clear about the behaviours we expect of everyone at Belron NZ and to provide support to anyone who is faced with a situation that may affect their time at work.

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

The guide sets out how we work together, how we work with others and how we manage the business, and we have ethical principles in place to ensure that offences such as bribery and corruption are not tolerated within our business. We believe that no one should obtain or retain business through coercion, and we do not condone under any circumstances the offering or receiving of bribes or any other form of improper payment.

Free and fair competition is essential to our success as it provides the level playing field on which we operate. As such, we operate in a competitive manner, respecting and

complying with all competition laws in everything we do.

Compliance with Our Good Practice Guide is not optional, and all our team members must be familiar with and act in accordance with its guidance at all times. Our team, regardless of their role, are encouraged to speak up and disclose ethical concerns via appropriate internal channels or the Speak Up line. The Speak Up line is managed independently by Navex Global who understand Our Way of Working and are trained to deal with calls.

Independent and Confidential

Speak Up

line to raise ethical concerns

0

ethical concerns raised 2021

GOVERNANCE

This section provides an overview of Belron NZ Ltd’s corporate governance framework, including committees of the highest governing body of Belron®. Belron NZ Ltd, operating under the Smith&Smith®, Laser® and Exceed brands up to 31st December 2021 is part of the Belron® group.

In New Zealand, Belron NZ Ltd’s executive team supports the Belron® global executive team based in the United Kingdom. Belron® is committed to maintaining the highest

standards of governance and is supported by the Board Audit Committee. Belron® is working to formalise other sub-committees responsible for decision-making on economic, environmental and social topics. This includes maintaining high standards of business integrity and ethics in all our activities.



Belron® is committed to understanding, managing and mitigating the risks facing our business. To support this, our Audit Committee implements a Risk Management Framework covering each Business Unit and Group function. Risk information is documented in risk registers, which are maintained in accordance with internal controls and processes. Throughout 2022, we will continue to expand our Risk Management Framework to formally include our environmental, social and governance (ESG) risk profile. The Framework aligns with our values, in doing the right thing for our people, customers and society, enabling us to meet our stakeholder needs.

The Belron NZ Executive Team have been chosen for their leadership skills, professional backgrounds, experience and expertise. As of 31st December 2021, the Belron NZ Ltd Executive Team consisted of:



Michelle van Gaalen
Managing Director



Martin Fairweather
Strategy and Finance Director



Peter-John (PJ) Burrowes
Operations and Supply Chain Director



Jan Jones
People and Leadership Director



Matt Still,
Trade Services Director

KEY PERFORMANCE INDICATOR TABLE

GRI Ref	KPI Metric	Units	2021	2020	2019
 Planet					
305-1	Direct (Scope 1) GHG emissions	tCO ₂ e	294	357	516
305-1	Energy indirect (Scope 2) GHG emissions	tCO ₂ e	90	76	87
305-1	Other indirect (Scope 3) GHG emissions ^[1]	tCO ₂ e	246	321	608
305-1	GHG emissions intensity - job numbers ^[1]	tCO ₂ e/Job Nos	0.004	0.004	0.006
305-1	GHS emissions intensity - revenue ^[1]	tCO ₂ e/NZ\$m	7.73	10.41	14.92
305-1	Total waste generated	tonnes	1,393	1,490	1,779
305-1	Waste diverted from disposal	tonnes	1,154	1,218	1,507
305-1	Non-compliance with environmental laws & regulations	no.	0	0	0
N/A	Number of notifiable spills ^[2]	no.	0	0	0
 People					
403-9	Number of accidents	no.	39	42	55
403-9	Total recordable injury frequency rate (TRIFR) ^[3]	no.	72.7	121.4	140.3
102-7	Total number of employees ^[4]	no.	297	292	297
401-1	Employee turnover ^[4]	no.	86	87	104
405-1	Percentage of women in Executive Team	%	40	40	40
405-1	Percentage of women employees overall	%	39	34	38
 Partnerships					
205-3	Ethical concerns raised	no.	0	0	0

^[1] Scope 3 emissions and GHG emission intensity 2019 & 2020 have been restated as additional information on the final disposal location of waste to landfills with or without landfill gas recovery has been obtained.

^[2] Notifiable spills are discharges into the environment that, if uncontained, are notifiable to a regulatory authority. Includes any discharge of a hazardous substance, regardless of the amount, that leaves the boundary of site.

^[3] TRIFR relates to all accidents resulting in lost time per 1,000,000 hours worked. Includes full-time employees, temporary staff and contractors.^[4]

^[4] Full-time equivalent employees (FTEs), figures restated due to change in calculation methodology

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Disclosures	Description	Section description & Page No.
GRI 102: General Disclosures 2016		
102-1	Name of organisation	Belron NZ Limited
102-2	Overview of business	Business Snapshot, page 6
102-3	Location of headquarters	Milton Park, Stroude Road, Egham TW20 9EL, UK
102-4	Location of operations	Business Snapshot, page 6
102-5	Ownership & legal form	About This Report, page 2
102-6	Markets & customers	Business Snapshot, page 6
102-7	Scale of organisation	Business Snapshot, page 6 KPI Table, page 38
102-8	Employees	KPI Table, page 38
102-10	Significant change to organisation	Introduction, page 4
102-11	Risk management	Governance, page 37
102-12	External initiatives	Highlights, page 9
102-14	Managing Director statement	Introduction, page 4
102-16	Values, principles & norms of behaviour	Our Culture Story, page 7 Ethical Behaviour, page 36
102-17	Ethical concerns	Ethical Behaviour, page 36
102-18	Governance	Governance, page 37
102-42	Identifying & selecting stakeholders	The Issues That Matter, page 10
102-45	Financial statements	About This Report, page 2
102-46	Report boundary & content	About This Report, page 2 Business Snapshot, page 6 The Issues that Matter, page 10
102-47	List of material topics	The Issues that Matter, page 10
102-48	Restatements of information	Climate Change, page 15 KPI Table, page 38
102-49	Changes in reporting	Business Snapshot, page 6
102-50	Reporting period	About This Report, page 2

Disclosures	Description	Section description & page no.
102-51	Date of most recent report	2020
102-52	Reporting cycle	Annual
102-53	Contact point	Contact: peopleandleadership@smithandsmith.co.nz for queries or to provide feedback
102-54	GRI compliance	This report has been prepared with reference to the GRI Standards listed in this GRI Content Index
102-55	GRI content index	Heading in this index
102-56	External assurance	About This Report, page 2 Third Party Assurance, page 42

Disclosures	Description	Section description & page no.
GRI 103: Management Approach 2016		
103-1	Approach	Planet, page 14 People, page 21 Partnerships, page 32 Governance, page 37
GRI 305: Emissions 2016		
305-1	Direct (Scope) GHG emissions	Climate Change, page 15 KPI Table, page 38
305-2	Energy Indirect (Scope 2) GHG emissions	Climate Change, page 15 KPI Table, page 38
305-3	Other Indirect (Scope 3) GHG emissions	Climate Change, page 15 KPI Table, page 38
305-4	GHG emissions intensity	Climate Change, page 15 KPI Table, page 38
305-5	Reduction of GHG emissions	Climate Change, page 15

Disclosures	Description	Section description & page no.
GRI 306: Waste 2016		
306-1	Waste generation & significant waste-related impacts	Circular Economy, page 18 KPI Table, page 38
306-2	Management of significant waste-related impacts	Circular Economy, page 18
306-4	Waste diverted from disposal	Circular Economy, page 18 KPI Table, page 38
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws & regulations	Environmental Management, page 19 KPI Table, page 38
GRI 403: Occupational Health and Safety 2018		
403-1	Health & safety management system	Health, Safety & Wellbeing, page 22
403-5	Health & safety training	Health, Safety & Wellbeing, page 22
403-6	Health promotion programmes	Health, Safety & Wellbeing, page 24 Team Member Engagement, page 25
403-7	Prevention/mitigation of negative impacts	Health, Safety & Wellbeing, page 22
403-9	Work-related injuries	Health, Safety & Wellbeing, page 22 KPI Table, page 38
GRI 401: Employment 2016		
401-1	Employee turnover	KPI Table, page 38
401-2	Benefits	Team Member Engagement, page 25
401-3	Parental leave	Health, Safety & Wellbeing, page 24
GRI 404: Training and Education 2016		
404-1	Employee skill & transition assistance	Team Member Engagement, page 26
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies & employees	Diversity, Equity & Inclusion, page 27
GRI 205: Anti-corruption 2016		
205-2	Communication about anti-corruption policies & procedures	Ethical Behaviour, page 36
205-3	Corruption incidents	Ethical Behaviour, page 36

ASSURANCE STATEMENT



Independent Limited Assurance Statement to the Management and Directors of Belron NZ Limited

Our conclusion

Oxygen Consulting NZ Limited ('Oxygen Consulting', 'we') was engaged by Belron NZ Limited ("Belron NZ", "Responsible party") to undertake limited assurance as defined by ISO14064-3:2019, over Belron NZ's total greenhouse gas ("GHG") emissions statement ("GHG Statement") (including scope 1, scope 2 and scope 3 emissions) for the year ended 31 December 2021.

Based on our limited assurance procedures and the evidence we have obtained, nothing has come to our attention that may lead us to believe that Belron NZ's GHG Statement for the financial year ending 31st December 2021, totalling 629.95 tCO₂e, and its 2030 emissions target of a 46.2% reduction on base year 2019, are not prepared or presented, in all material aspects, in accordance with the criteria defined below.

What our assurance covered

We reviewed Belron NZ's GHG measurement for the year ending 31 December 2021, totalling 629.95 tCO₂e, to determine if it meets the requirements of ISO14064-1:2018 to a limited level of assurance. That standard required that we planned and performed the engagement to obtain limited assurance with respect to the GHG statement in that it:

- Is without material misstatement between what is claimed and what occurred;
- Conforms to the requirements and principles of the ISO14064-1:2018 standard;
- Is accurate, complete, consistent, relevant and transparent;
- Has supported data, controls and calculations to ensure accuracy.

Belron NZ also engaged Oxygen Consulting to validate that its 2030 emissions target, of a 46.2% reduction on base year 2019, has been calculated in accordance with the Science Based Target initiative (SBTi) methodology version 1.2.

Criteria applied by Belron NZ

The criteria for our assurance engagement included:

- ISO14064-1:2018 *Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*
- ISO14064-3:2019 *Greenhouse gases — Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.*
- Science Based Target Initiative (SBTi) version 1.2 methodology.

Key responsibilities

Oxygen Consulting's responsibility and independence

Our responsibility was to express a verification opinion on the Scope 1, Scope 2 and Scope 3 GHG emissions reported in the GHG Statement, and on the underlying systems and processes used to collect, analyse and review the information, in accordance with ISO14064-1:2018. It was also our responsibility to validate Belron NZ's 2030 GHG emissions target, in accordance with the Science Based Target initiative (SBTi v1.2) methodology.

We ensure an ethical approach to our insurance engagements by maintaining independence, integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

Belron NZ's responsibility

Belron NZ was responsible for maintaining its GHG information system and Scope 1, Scope 2 and Scope 3 GHG emissions reported. Belron NZ's Management was responsible for the development and maintenance of records and reporting procedure in accordance with that system, including the calculations and determination of GHG emissions information and fair presentation of the resulting GHG Statement in accordance with the Criteria.

Our approach to conducting the engagement

We conducted this review in accordance ISO14064-3:2019 *Greenhouse gases — Part 3: Specification with guidance for the verification and validation of greenhouse gas statements* and the terms of reference for this engagement as agreed with Belron NZ on 28 March 2022.

Summary of assurance procedures performed

Our engagement consisted of making enquiries and applying analytical, appropriate testing, and other evidence gathering procedures. Our review was carried out in accordance with the criteria stated in ISO 14064-1:2018 and the SBTi target setting methodology (version 1.2). Our procedures included:

- Conducting interviews with personnel to understand the business and reporting process;
- Checking organisational and operational boundaries to test completeness of greenhouse gas emissions sources;
- Checking that the flow of information from source data through to calculation spreadsheets is accurate and any calculations are appropriate;
- Identifying and testing assumptions supporting the calculations;
- Tests of calculation, aggregation and controls;
- Comparing year on year activity-based greenhouse gas data where possible;
- Checking that emissions factors and methodologies have been correctly applied as per the criteria;
- Checking that the target setting methodologies have been correctly applied as per the SBTi criteria;
- Reviewing the appropriateness of the presentation of disclosures.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Achieved level of Assurance

Limited

Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

Our report is only issued to the Management and Directors of Belron NZ in accordance with the terms and conditions of our engagement. We do not assume any liability to third parties other than Belron NZ.

Oxygen Consulting NZ Limited



Sarah Holden

Director, Oxygen Consulting NZ Limited

27th May 2022



Laser

