

CORPORATE SOCIAL RESPONSIBILITY REPORT EXECUTIVE SUMMARY

2015

Applus⁺



Applus+ CSR POLICY

Applus+ has formalised its commitment to sustainability through a global CSR policy, which has been defined and approved by the Board of Directors and rolled out across all Applus+ divisions and geographical regions. This policy has been crafted in accordance with our principles of integrity, impartiality, independence and responsibility, and serves as a basis for our global CSR strategy. The Applus+ CSR policy establishes five strategic pillars:



INVESTMENT IN HUMAN CAPITAL

Our people are our greatest asset, and we are firmly committed to investing in their considerable expertise so as to maintain our competitive edge. Safety, continuous training and professional development are core principles for our business. Applus+ fosters adequate working conditions through the implementation of effective health & safety programmes and the right to affiliation; Applus+ will promote all necessary means in order to exercise it; delivering continuous training to improve existing skills and acquire those new capabilities required; and developing a fair, competitive working environment to offer our people a sound professional career within the Group. We strongly encourage internal promotion as a means of motivating our employees.



CORPORATE GOVERNANCE AND BUSINESS ETHICS

Responsible governance is essential for us. We have therefore implemented a clear set of regulations and a corporate-governance model to ensure a long-term vision of good governance based on the principles of compliance, independence and transparency. Our Code of Ethics has been embedded across all our divisions to ensure the observance of ethical business behaviour by all our employees and partners.



FOCUS ON INNOVATION

Innovation is present throughout our entire value chain and is integrated into each of our processes and activities across all our business units. Innovation opens up and drives our business, contributing to the Group's growth and ongoing development.



CLEAR MARKET FOCUS

We have a clear, client-oriented business strategy based on understanding and foreseeing our clients' needs as well as on continuously developing our services portfolio to make us the best-value proposition in the market, and the service partner of reference. In addition, we work to create and improve open communication channels so that we can respond quickly and effectively to our stakeholders' requirements and expectations.



COMMITMENT TO THE ENVIRONMENT

We work actively to prevent and limit any potential climate or other environmental impact of our operations and those of our suppliers and contractors through the creation and implementation of adequate policies and management systems.

PROMOTE CORPORATE GOVERNANCE AND BUSINESS ETHICS

At Applus+, any business worthy of the name must be linked to the pillars of integrity, ethics and responsibility. The Group is therefore governed by a set of regulations ensuring compliance with our core values, principles and ethical standards, which go much further than protecting the image and reputation of our brand or avoiding legal problems.

The Applus+ corporate governance model draws on best practice and, under the leadership of the Board, we will be striving for continuous improvement. As an example, our first Annual General Meeting of Shareholders led us to increase efforts in enhancing dialogue with key shareholders on corporate-governance matters. During 2015, one of our Board members stepped down and a new independent director was appointed, increasing the proportion of independent directors in line with best practices.

The Board of Directors' approval of the Group's CSR policy and creation of the CSR Committee was a major milestone in terms

of corporate governance in 2015. This policy serves as a cornerstone of our global CSR strategy, while the CSR Committee is responsible for ensuring the adoption and effective implementation and monitoring of CSR practices across the organisation. This committee has taken on all tasks related to the awareness of and compliance with the Group's Code of Ethics (which were previously undertaken by the Groups Ethics Committee, or GEC). In addition, our global Anti-corruption Policy and Procedures provide additional safeguard.

Our commitment to business ethics is also transferred to our value chain – in particular

to our suppliers – through the promotion of local procurement and certain other CSR criteria.

Furthermore, as a listed company, we have focussed our corporate resources on complying with specific regulations and standards, transparency expectations and internal controls in both financial and corporate governance reporting as well as risk-management and monitoring practices.

Several measures have been implemented or improved to ensure internal compliance. These include updating the Group's risk map, bringing in external consultants to support on foreseeable risks and the



measures to mitigate them, defining a risk map specifically focussed on mitigating criminal corruption and bribery risks, developing a Compliance Management System (CMS), and adopting best practice in corporate governance, with particular reference to the Good Governance Code of Listed Companies.

In 2015, we created the new role of Chief Compliance Officer (CCO), charged with ensuring that all our staff observe and comply with our Code of Ethics and Anti-corruption Policy, along with other internal policies and procedures. This role is supported by regional compliance managers.

We have also established an internal whistleblowing channel allowing a member of staff or any other third party to report any incident that may constitute a breach of our Code of Ethics. Details of this Group channel (unique for the Group) can be found on the Applus+ corporate intranet and the public website. The CCO holds responsibility for investigating and following up – in strict confidentiality – all the communications received via the whistleblowing channel.

During 2015 there were 44 reported cases of non-compliance that required investigation. All claims were reported to the CSR Committee.

We pursue and assure operational independence in all our services through the observance of international standards, such as ISO 17020 and ISO 17065, as well as internal procedures, such as training our technical staff in the importance of independence and impartiality, clearly defining remuneration policies and setting criteria for allocation and boundaries of responsibility to ensure the elimination of potential incompatibilities.

REDUCING RISKS FOR ASSETS AND PEOPLE

As a company in the TIC sector, many of our projects help our clients to reduce the environmental impact of their work on the communities in which they operate, as well as to increase the occupational safety of their staff and people in general.

Some of our projects are specifically linked to environmental services such as pollution reduction or environmental monitoring (we have, for example, collaborated with a waste-management company and the Dutch Government to recycle 1,400 km of undersea telecommunications cabling and 125 repeaters). Our environmental contribution also includes the development of innovative techniques to improve our clients' service performance and avoid abnormal function in their operations, as well as providing services to sustainable-energy-generation plants and mobility solutions (we are collaborating in the world's largest solar-plant project, located in Morocco, as well as developing several projects related to

electric vehicles and alternative fuel technologies).

TESTING, INSPECTION AND CERTIFICATION SERVICES ARE ALSO CLOSELY LINKED TO SAFETY,

in particular to reducing potential health and safety risks affecting our own staff, our clients' employees or society in general. Our on-site testing services help our clients to increase safety conditions at work while our statutory vehicle-inspection services contribute positively to ensuring safety for both drivers and pedestrians. Some of our services also contribute to improved safety more generally in urban environments.

As a global Group with touch points in many locations and industries, it is our desire to act in a responsible manner towards the environment, local communities and our employees. Applus+ sets out its environmental commitment in a specific HSQE policy, which has been defined at the highest level and rolled out across the divisions through management systems that meet the international ISO 14001 standard.

Within our operations, we are constantly striving for improved sustainability, adopting measures to prevent or reduce any undesirable environmental effects resulting from our activities. Our offices are obliged to observe a series of general rules related to waste reduction using the 3R approach (Reduce,

Reuse and Recycle) and to the optimisation of resources and energy consumption.

Moreover, we have launched a global project to gather a series of environmental key performance indicators (KPIs) which will aid us in setting targets for the Group. Throughout 2015, we have worked to collect data from all our divisions on energy consumption and business-travel-related GHG emissions (with a reporting rate of 86.1% across the whole company).

Over the past year, we have also undertaken a series of projects to reduce our environmental footprint, with a particular focus on the areas of energy efficiency, sustainable mobility and waste reduction.



SKILLED, MOTIVATED AND SAFE PEOPLE

Our business growth, global expansion and recognition as one of the key global TIC players is all thanks to our highly skilled, motivated and committed staff who help us every day to build our reputation as a service partner of excellence.

We have more than 18,700 people operating in more than 350 locations across 70 countries. As a Group, we grow by recruiting the professionals we need wherever we need them, reinforcing our presence in our strategic markets through acquisitions to strengthen our human capital.

We recruit and retain talent by providing a positive working environment and a fair reward system that provides opportunities for professional development. We strongly encourage internal promotion to fill internal vacancies and we firmly believe that this leads to enhanced staff performance and motivation.

“ We have first class staff training programmes. ”

Our cutting-edge expertise and know-how give us a competitive advantage against our peers and we promote these through specialist training, certification and accreditation courses delivered by third parties. We provided our staff approximately 360,000 hours of training in 2015 (an average of 19 training hours per employee) on a wide range of topics related to managerial or technical skills, language learning, or health and safety, quality and environmental issues.

In some areas, staff expertise is tracked through ‘knowledge maps’ that evaluate specific knowledge areas and help us to build knowledge levels across our services, create efficient training plans for our staff and certify our expertise in those areas.

Employees by organisation level and gender

LEVEL	% MALE	% FEMALE	% TOTAL
Senior management	86%	14%	1%
Middle management	82%	18%	2%
Supervisors	82%	18%	8%
Operational employees & others	81%	19%	89%
Total	81%	19%	100%

Health and safety is not only essential for our staff but also a core principle of our business. We are committed to ensuring our employees' health and safety both in their main place of work and in our clients' facilities. We achieve this aim using management systems that meet the international OSHAS 18001 standard and an HSQE Policy that is in force across all the Group's divisions.

The health and safety of our people is the joint responsibility of line managers and the individuals themselves. All incidents must be recorded and reported to the designated Health and Safety Representative for the division and region in question who, in turn, reports to the Applus+ Group. This enables us to take targeted action to reduce health and safety risks to our employees, clients and others.

Health & Safety Indicators

INDICATOR	VALUE
Number of occupational fatalities	0
Lost-time injuries rate ⁽¹⁾	0.73
Recordable cases rate ⁽²⁾	1.05

(1) Rate refers to the number of lost-time injuries occurring per 200,000 hours worked. Lost time injury is an accident which results in the employee being unable to work on any day after the day of occurrence of the occupational injury

(2) Rate refers to the number of recordable cases occurring per 200,000 hours worked. Recordable Cases: Number of lost time injury, restricted duty, medical treatment incidents per 200,000 hours worked



We organise an annual, global 'Safety day' event across all our divisions to increase staff awareness and knowledge of health and safety issues. Under the slogan 'Keeping us safe', the event held in 2015 served to involve all Applus+ staff in a variety of lectures, debates, workshops and games aimed at educating them on the importance of safety in their day-to-day activities.

In 2015, we also developed the Applus+ 'Golden Safety Rules', a set of guidelines designed to mitigate or eliminate the risks associated with the eleven activities that have historically given rise to the highest number of incidents or more serious injuries.

QUALITY OF SERVICES AND PRODUCTS

One of our primary aims is to offer our clients the highest quality of service while complying with all relevant regulations and standards. This commitment is built upon our extensive knowledge and expertise as well as on an in-depth understanding of our clients' current and future needs and the ability to provide a quick and effective response to their concerns and requirements.

ACCREDITATION AND CERTIFICATION PLAY A KEY ROLE IN OUR ACTIVITIES.

They prove our expertise and reinforce our clients' trust in us as their service partner. Applus+ was awarded with new client approvals, accreditations and certifications from both clients and regulators in 2015, while upholding all relevant accreditations acquired previously.

Applus+ Laboratories obtained Visa, MasterCard and American Express recognition to evaluate cloud-based payment solutions using Host-Card Emulation technology. Our Velosi-Norcontrol division has been approved as a 'Guided Waves Testing' partner by some of the

main oil and gas companies (including Repsol and BP) and the IDIADA division has been awarded the Euro NCAP accreditation to test automotive safety.

This year, Applus+ Velosi-Norcontrol was named one of the five safest companies in Chile, our RTD division in the UK received the RosPA³ award for 19 years of excellence in health and safety issues and our Laboratories division was delighted to receive a Silver Boeing Performance Excellence Award for 2015 in recognition of superior performance to Boeing. This comes only three years after the decision was taken to target the US aerospace market.

In addition, we are an active member of associations and organisations both at a local and international level with a view to promoting and sharing best practice and technical knowledge on a range of topics including service quality and health and safety.

“ At Applus+, we understand the importance of communicating with our stakeholders and we aim to be an open and accesible company for all interested parties. ”

Our active engagement with our customers is ensured through the use of both conventional communications channels (social networks, customer-satisfaction questionnaires, regular meetings and frequent email and telephone communication) and 'non-conventional' channels (such as open houses, 'lunch & learn' lessons, roadshows, conferences and technical forums).

We strive to give our shareholders every possible opportunity to understand our business and, to this end, we have a dedicated Investor Relations function that manages our communication with stakeholders.

In addition to this, 19 equity analysts from Spain, the UK, France and Portugal actively follow the company and write research.

³ Royal Society for Prevention of Accidents

FOCUS ON INNOVATION

Applus+ services would not be what they are without innovation. Innovation is a key element which is present throughout our entire value chain and is integrated into each of our processes and activities, opening up and driving our business and contributing to growth and ongoing development within Applus+.

IN 2015, Applus+ UNDERTOOK 133 R&D PROJECTS (55 PROJECTS AT Applus+ IDIADA, 21 AT Applus+ RTD, 20 AT Applus+ LABORATORIES, 18 AT Applus+ VELOSI - NORCONTROL AND 10 AT Applus+ AUTOMOTIVE) PLUS NINE ADDITIONAL IT PROJECTS DEVELOPED AT CORPORATE LEVEL.

Some of the main innovation projects undertaken focussed on the automotive, aerospace and oil & gas sectors. Projects for the automotive sector included the development of radiofrequency testing methods to evaluate the forthcoming European automatic vehicle emergency-call system; the development of the "T-Premium Card" to enable people to pay for vehicle inspections

electronically; and research into cooperative-mobility technologies to monitor autonomous vehicles with a view to improving the fuel efficiency and safety of goods' transportation. In the aerospace sector, we have developed and patented a new forming process (Applus+ Glideforming) to improve the production of carbon-fibre aerospace parts. For the oil and gas industry, we are working on the development of thermofusion welding in polyethylene pipelines as well as on the design of intelligent technologies to improve pipeline-testing procedures through the use of ultrasonic testing devices.

Our internal innovation projects involved 434 Applus+ staff and around 266,880 hours of work in 2015 (with a further 23,562 subcontracted hours worked on projects carried out in collaboration with external bodies).

Applus+ collaborates actively with external organisations such as technological centres, universities, research institutes and innovative companies to explore new technological solutions for our clients and expand our knowledge base for our operations. In 2015, Applus+ entered into agreements with 97 entities.

One of our goals in terms of innovation is to be at the cutting-edge of technology; a benchmark in our field. To this end, and as a direct result of our innovation process, over the course of 2015, Applus+ took part in 78 events worldwide and contributed to the publication of 53 technical papers and the running of 38 training sessions. The Group's efforts in 2015 demonstrate our strong investment in innovation and our firm belief that it is a strategic asset and foundation for future growth, thereby supporting our global expansion and leadership goals.





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