

CORPORATE SOCIAL RESPONSIBILITY REPORT

2015

Appplus⁺





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COMPANY DESCRIPTION



BRIEF INTRODUCTION TO Applus+

Applus+ is one of the major global testing, inspection and certification (TIC) players, a company recognised as a benchmark for quality and integrity. We have established a strong brand and reputation based on our commitment to innovation and cutting-edge services, as well as our highly motivated and skilled workforce.

We are a global company that employs 18,700 professionals operating over 350 locations in 70 countries and we enjoy a leading position in our target markets and geographical areas. We help our clients to manage their risks, enhance the quality and safety of their products, assets, operations and people, comply with applicable standards and regulations, and optimise their performance. In this context, our activities are focused on the following areas:

- Non-destructive testing and inspection services.
- Vendor inspection, third-party inspection, certification, testing and recruitment services for the oil and gas industry.

- Industrial and environmental inspection and technical-assistance services for all types of industries.
- Testing, product development, quality control and certification.
- Statutory vehicle-inspection services and emissions testing.
- Design, engineering, testing and homologation services for the automotive industry.

Our clients belong to a wide range of key sectors including Oil and Gas, Power, Utilities, Aerospace, Infrastructure, Telecoms, IT, Industry and Automotive.

As a Group, we believe in Corporate Social Responsibility

(CSR) delivered in a context of sustainability playing a key role, both in terms of our services portfolio and our internal management practices. Our operations impact positively on the environment and the local communities in which we operate, helping our clients 'to do things right', safeguarding their assets, operations and staff and ensuring their efficient performance.

We are committed to operating responsibly and sustainably, both in how we manage our operations and how we contribute to the wider communities and the world around us. We have a duty to our stakeholders to offer consolidated and responsible business practices.

Applus+ IN KEY FIGURES - 2015



Revenue
€1.7 billion



Adjusted¹
Operating Profit
of €162.2 million



>18,700
employees

¹ Adjusted operating profit is stated before amortisation of acquisition intangibles, IPO-related costs and restructuring costs.



>360,000
training hours



133
R&D projects



266,880
hours working in R&D



434
employees working in R&D

The background image shows a massive, cylindrical metal structure being lowered into the ocean by a crane. The structure is surrounded by orange safety lines and has several circular markings near its base. Two workers in orange safety gear and yellow helmets are rappelling down the side of the structure. The water is dark blue and choppy. In the top right corner, there is a large, stylized white arrow pointing diagonally.

Applus+: OUR MAIN ACHIEVEMENTS IN 2015

MAIN ACHIEVEMENTS IN CSR

We formalised our commitment to sustainability through a global CSR policy which has been approved at Board level.

In addition, the Corporate Social Responsibility Committee was appointed to ensure effective integration of CSR issues across all operations, divisions and regions.

The new role of Chief Compliance Officer (CCO) was created to ensure observance of policies and internal procedures by Applus+ staff.

Promotion of whistleblowing channel resulted in 44 cases requiring investigation.

We celebrated our annual Safety Day, a global event involving all our divisions and regions, under the slogan 'Keeping us safe'.

We showed our continued commitment to innovation through 133 R&D projects, involving 434 Applus+ staff and 266,880 working hours.

We are currently working to collect KPIs so that we can monitor our environmental performance at corporate and division level.

LETTER FROM THE CHAIRMAN AND THE CEO

We are pleased to present our first Corporate Social Responsibility Report, which provides a comprehensive account of the work undertaken by the Applus+ Group in 2015 to integrate sustainability into its services, operations and daily agenda. It will also serve to show the Group's economic, social and environmental performance throughout the year and its main achievements in terms of CSR.



Christopher Cole
Chairman of the Board of Directors



Fernando Basabe
Chief Executive Officer (CEO)

HOW WE UNDERSTAND CSR

At Applus+, we understand CSR as a cross-sectorial way of doing business based on five key pillars: human capital, corporate governance and business ethics, innovation, market focus and the environment.

As a group, we aim to grow our business by becoming a leading authority in our core activities, drawing on our talent for innovation and highly skilled workforce in our drive to be market leaders and expand our activities globally. We intend to achieve this growth in a sustainable manner. This means ensuring economic performance

and business resilience at the same time as environmental protection, social development and business ethics.

As a global organisation offering a wide range of services across a variety of sectors and geographical regions – and with many of our activities linked to the areas of risk management, health and safety, and the environment – it is our duty to act responsibly towards our employees, suppliers and clients, as well as to take care of the environment and the local communities in which we operate.

“ We are on a journey to integrate sustainability as part of our business development.

Given that our key role is to help our clients to manage their risks and enhance the quality and safety of their products, assets, operations and staff, it is crucial for us to identify clear ways in which our business can contribute positively towards the protection of both the environment and the people in it. Through this process, we aim to add short-, medium- and long-term value for both the Applus+ Group and its stakeholders.



REVIEW OF THE GROUP'S MAIN ACHIEVEMENTS

We are proud to say that one of our main achievements in 2015 was to kick-start the process of making CSR a core part of our business agenda. This process started with the approval of a global CSR Policy for the Group by the Board of Directors. This policy aims to integrate CSR into our day-to-day operations and to ensure the efficient management, monitoring and communication of our commitments and achievements in the different areas that fall under the umbrella of Corporate Social Responsibility.

WE HAVE MADE A FIRM COMMITMENT TO 'DELIVERING RESPONSIBLE AND SUSTAINABLE BUSINESS, BOTH IN HOW WE MANAGE OUR OPERATIONS AND HOW WE CONTRIBUTE TO THE WIDER COMMUNITY AND THE WORLD AROUND US.'

To support the integration of this policy, the Board has appointed a new CSR Committee which is in charge of establishing CSR goals and

targets and leading the required initiatives to fulfil them. We welcome the creation of this committee and are confident that it will add long-term value both for Applus+ and its stakeholders.

We have decided to root our CSR strategy in the principles of integrity, impartiality, independence and responsibility which have always been core components of our internal policies and procedures.

A new role of Chief Compliance Officer (CCO) has been created with the remit of ensuring that all Applus+ staff observe and comply with internal policies and procedures, with a particular focus on our Code of Ethics.

Health and Safety is an integral part of our business and of critical importance for our employees and the services we provide. The Applus+ Group organises an annual 'Safety day' event to address health and safety issues in the day-to-day activities of our employees and customers in all divisions across the world. Under the banner of 'Keeping us safe', the 'Applus+ Golden Safety Rules' were presented in 2015 as a raft of measures to mitigate and

eliminate common risks that may arise from our activities.

“ Our commitment to innovation remains one of the key drivers of our business.

Across the Group, R&D activities are integrated throughout our entire value chain, contributing to company growth, helping us to enter new markets and strengthening our presence in leading markets. In 2015, Applus+ undertook 133 R&D projects involving 434 Applus+ professionals and around 266,880 hours of work. In addition to our internal R&D activities, we have entered into agreements with around 100 different external bodies including technological centres, universities, research centres and innovation companies to explore new technological solutions and keep our place at the cutting-edge of technology.

OPPORTUNITIES FOR Applus+ IN CSR

We see Corporate Social Responsibility not only as a core element of our daily business agenda but as a source of opportunities for the future. Businesses in general are increasingly under pressure to prove good governance and business practices, as well as a commitment that goes above

and beyond that required for regulatory and legal compliance.

We operate in the areas related to risk management, health and safety and environmental protection, which are intrinsically linked to sustainability. In order to be competitive and to differentiate

ourselves from our peers, we have to be able to adapt to new demands from either the markets in which we operate, our own staff or society in general.

We have a culture of improvement through listening and learning. CSR is no different and we are on a journey to better understand what we can do, intending to make progress year on year in this respect. This is our first CSR report where we will outline our sustainability performance over the course of the year. Our goal is to keep making the most of opportunities to sustain our growth while adding long-term value for our investors, employees, clients, partners and society at large. We intend for you to see this progress in future reports and in other ways.

We hope you find this report interesting and informative and we would be pleased to receive any feedback you might like to offer.



Christopher Cole
Chairman of the Board of Directors

Fernando Basabe
Chief Executive Officer (CEO)



Applus+ VISION FOR CSR

Applus+



OUR VISION

Our CSR vision is to act in a responsible manner and to support the effective integration of sustainable business practices across all of our operations, as well as those of our value chain. We intend to do this by putting in place initiatives and working practices that ensure adequate working conditions for our employees, ethical business practices, a commitment to independence and transparency and the delivery of sustainable services, while at the same time ensuring that those services result in sustainable outcomes for our customers. This integration of sustainability in our business practices will respond to the concerns and expectations that arise from our relationships and open dialogue with our stakeholders.

OUR CSR POLICY

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



INVESTMENT IN HUMAN CAPITAL

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. In addition Applus+ has a global health, safety, quality and environmental (HSQE) policy which applies to all our divisions.

We offer a fair and competitive working environment providing professional-development opportunities to our employees and helping us attract and retain highly talented professionals. This is achieved through a concerted effort to offer staff training and capacity-building programmes, in addition to internal promotion processes and sound professional career paths within the Group.

All aspects of diversity are also encouraged across Applus+ teams, avoiding assumptions based on any kind of discrimination or stereotyping through its global non-discrimination policy.



PROMOTION OF CORPORATE GOVERNANCE AND BUSINESS ETHICS IN ALL Applus+ OPERATIONS

Responsible governance at Applus+ is built through a clear set of regulations and a corporate-governance model that ensures compliance, independence and transparency will still play a key role in the organisation in the long term. 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. We expect the Board to continue to develop and change, and with that incorporate further diversity.

Our Code of Ethics is embedded across all our divisions to ensure ethical business behaviour is observed by all our employees. It has also been shared with our suppliers and partners to promote observance of professional and honest business practices.

Applus+ has a set of internal risk-management policies and controls. These are controlled and monitored by the Audit Committee.



FOCUS ON INNOVATION AS KEY DRIVER OF OUR BUSINESS GROWTH

Innovation is present throughout the entire value chain at Applus+ and is integrated into each of our processes and activities. Applus+ promotes cross and open innovation across all its business units with a view to embedding sustainability into everything we do internally, as well as what our clients do. This is supported through giving specific parts of the organisation an innovation remit, in addition to running specific innovation programmes at division level.



CLEAR MARKET FOCUS

The Applus+ business strategy is based on understanding what our clients require, foreseeing their needs and working to fulfil their expectations through high service standards and high-quality procedures across all our divisions. Our Investor Relations Strategy ensures our compliance with legal and market communication practices as well as that the global investor community is able to make informed investment decisions, in line with their expectations.



COMMITMENT TO THE ENVIRONMENT

Although Applus+ activities are generally low risk, we are working actively to limit and, where possible, prevent potential climate and environmental impact by way of policies and management systems based on internationally acknowledged standards and environmental legislation, with a particular focus on waste reduction and optimisation of the use of energy and resources.



CSR MANAGEMENT AND COORDINATION

Good CSR management requires effective and efficient governance across all our divisions and geographical regions, and real integration of CSR issues in our business operations and daily agenda.

Applus+ has placed its global CSR management strategy with an internal committee at Board level. This committee is in charge of approving the Group's position and goals and monitoring programmes and actions designed to fulfil these goals. These programmes (their effectiveness and efficiency) are thereafter monitored and evaluated by the Internal Audit team.

The creation of this Corporate Social Responsibility Committee is one of our key achievements for 2015. The committee's main function is to promote the Group's CSR strategy, ensuring the adoption and effective implementation of good CSR practices, good governance, ethical business practice and transparency, taking into account the expectations of our various stakeholders as far as value creation is concerned. It also promotes the CSR Policy and assesses, reviews and

monitors its development and implementation. Finally, it coordinates the processes for reporting non-financial information, as well as compiling this Annual Corporate Social Responsibility Report, in accordance with applicable regulations and international reference standards.

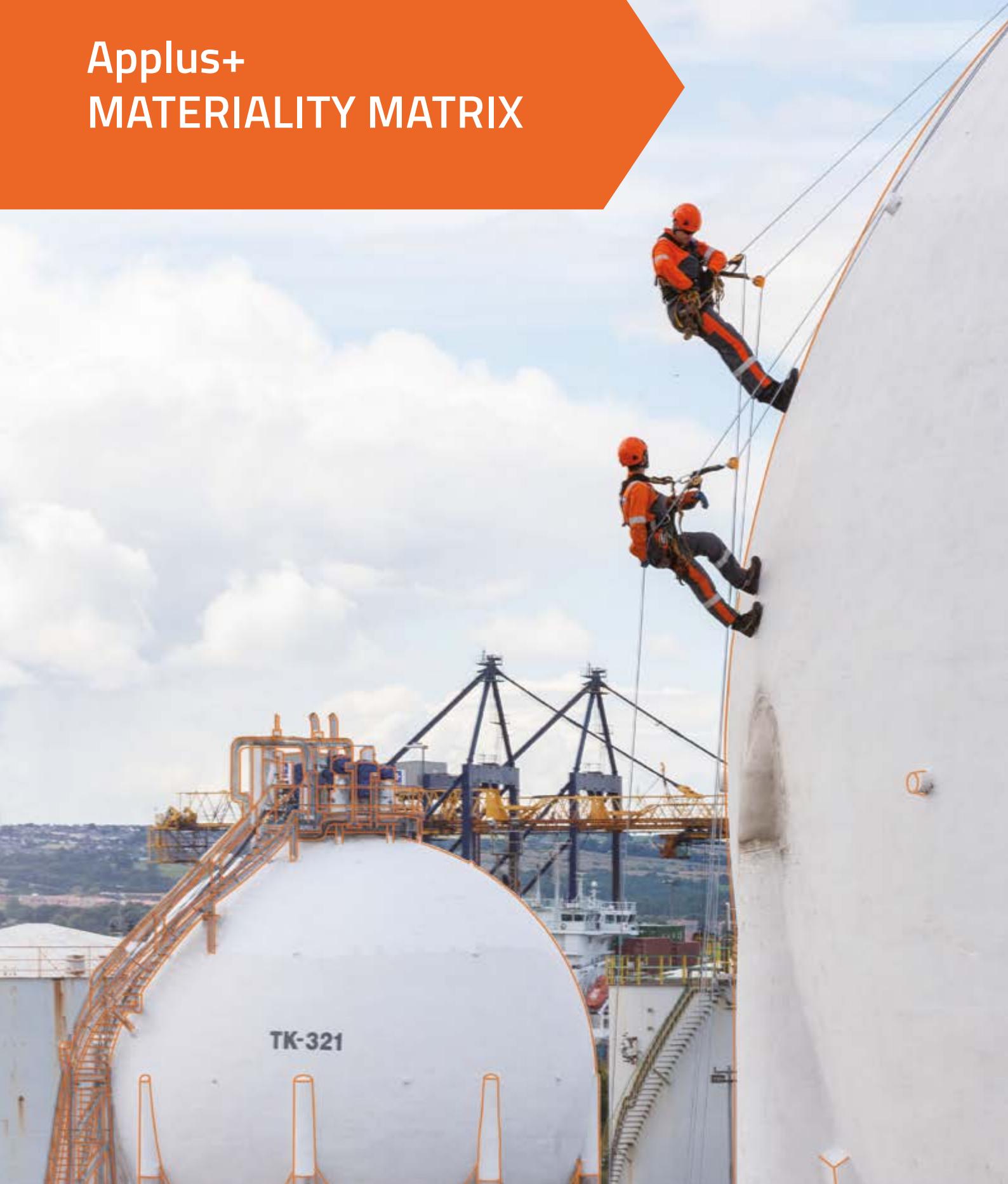
The CSR Committee is chaired by the Chairman of the Board and has a majority of independent Directors. The Executive Director is also a member to facilitate the implementation of the CSR Policy within the Group.

Applus+ regularly reviews its global strategy and policies, supporting all teams and divisions to improve their CSR performance, bearing in mind the local marketplaces and cultures in which they are operating.

“ Applus+ is committed to monitoring, evaluating and sharing its CSR-related progress and to ensuring continuous improvement through the use of control tools and auditing procedures.

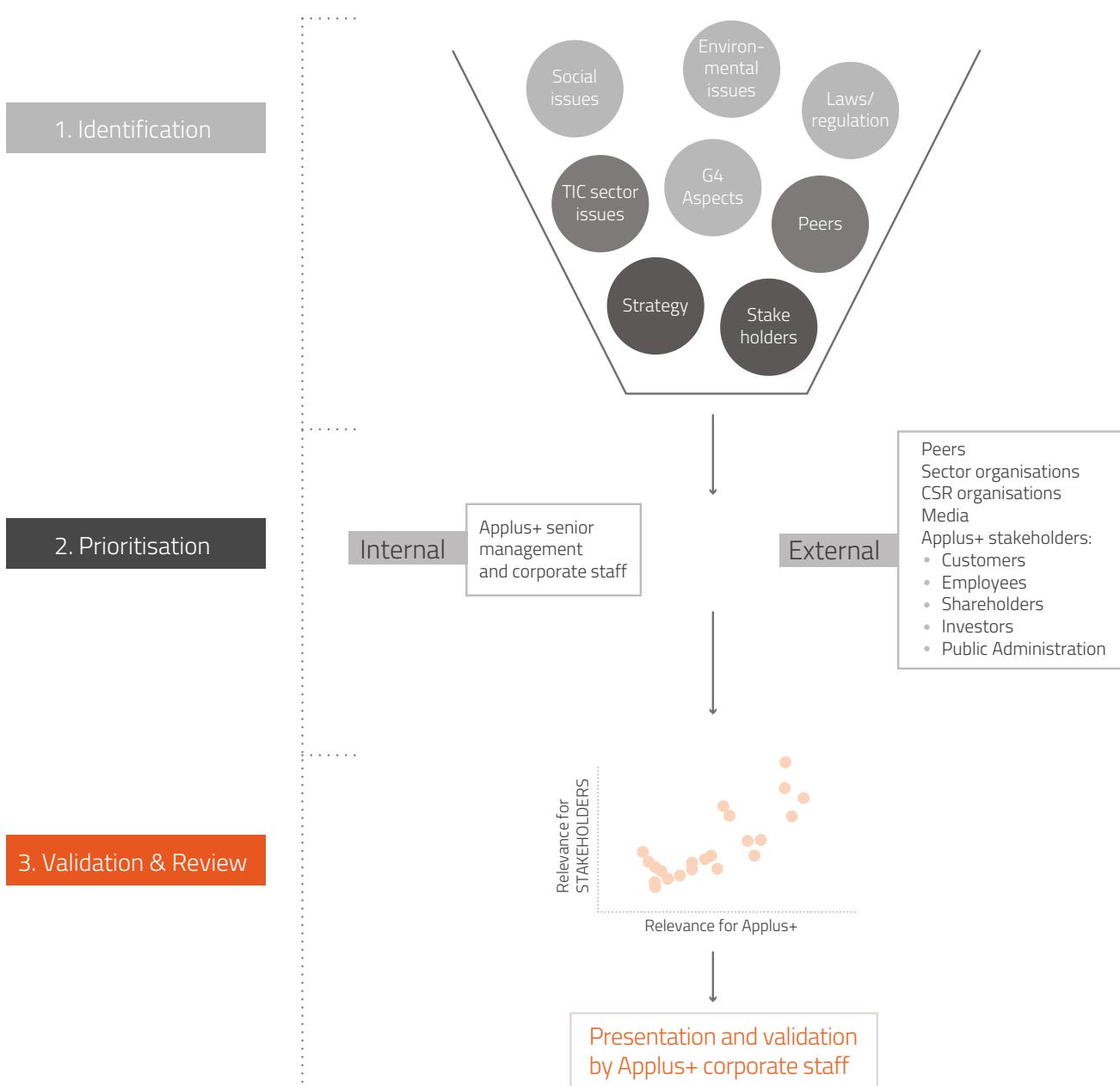


Applus+ MATERIALITY MATRIX



Corporate Social Responsibility comprises a variety of issues and concerns related to the workforce, the market, the environment, society and corporate governance. Applus+ puts special emphasis on a series of aspects that have been identified as 'material' for both Applus+ and its stakeholders.

Identification of these 'material' aspects has been performed in accordance with the methodological recommendations outlined in the G4 version of GRI's Reporting Guidelines, using the following approach.



Applus+ performed an initial selection of CSR topics based on a review of the general context of sustainability, with a specific focus on general and sector issues, as well as issues relevant to the Group, its value chain and its stakeholders. This first stage resulted in a 'long list' of aspects considered relevant for Applus+ in terms of CSR.

These initial findings provided the basis of a prioritisation exercise with a view to selecting those aspects to be considered in the CSR report. This prioritisation exercise involved a two-step approach to take into account the relevance given by the company (internal relevance) and that given by external stakeholders (external relevance).

The analysis of 'external relevance' involved taking into account CSR-related information provided by international organisations, sector institutions, peers, Applus+ stakeholders and the media, in all the regions in which Applus+ operates, and ranking this information in terms of the importance given to different aspects of sustainability.

The 'internal relevance' analysis evaluated the relevance of CSR issues identified during the first stage of this process, taking into account the Group's business strategy and management approach. This involved a series of interviews of Applus+ corporate and executive staff.



Based on this combined analysis, material aspects were identified, scored and ranked based on the relevance they received from Applus+ and its stakeholders, then placed in a matrix that compared the results for both groups. This matrix was divided up according to the relative relevance given by each of the groups for each of the aspects ranked.

In addition to the material aspects, two additional aspects were included in this report as they were considered opportunities for Applus+ in the coming years: environment and innovation.

The final selection of material aspects was presented to the Applus+ corporate and senior management team as well as to the CSR Committee for final review and approval.

**THIS CSR REPORT
AIMS TO INFORM
READERS ABOUT HOW
Applus+ INTEGRATES
AND MANAGES THESE
MATERIAL ASPECTS,
AS WELL AS ITS
PERFORMANCE IN
EACH OF THESE AREAS
THROUGHOUT 2015.**



OUR RESPONSIBILITY



BUSINESS RESILIENCE

As a TIC global player, we provide technically sophisticated, regulatory-driven and mission-critical services and solutions for the energy, industrial, infrastructure and automotive sectors.

Our growth strategy involves embedding these services deeper in the Group's respective industries by becoming a leading authority in our core activities. We intend to achieve this through:

- ▶ **Continuous innovation** so as to be a technological frontrunner. We are working to develop the most advanced technological solutions and to integrate them both in our clients' operations and in our own services portfolio, making us the technical partner of reference.

The development of new services and products is also actively promoted through collaboration with clients and external entities. We subsequently deliver value-added services by drawing on our expertise to develop state-of-the art technologies. We also partner with our clients to develop new products and to promote long-term relationships by constantly striving to improve our operational excellence, as well as our reputation, quality and integrity.

-
- ▶ **Pushing for the market lead** by focusing our activities on high-growth end markets with superior organic-growth potential. We aim to be consistently ranked in a leading position within each of our operating areas.
-

- ▶ **Expansion of our skill set and knowledge to other geographical areas** through greenfield investments and delivery of consistently excellent services in new regions, following our clients as they expand into different locations and ensuring our competitive edge against global and local peers.
-

- ▶ **Supporting our growth** by continually striving to make selective, value-added acquisitions with a view to accelerating our growth, enhancing our existing portfolio of services and acquire new capabilities, technical expertise and client reach, accessing new regions and markets and broadening our customer base in key areas.



“ We reported an all-time-high revenue, profit and cash flow in 2015.

The majority of the Group performed well but the oil and gas-exposed parts faced increasingly difficult market conditions resulting in a decline in organic revenue of low single digits. Positive growth from acquisitions and favourable foreign-exchange resulted in total revenue increasing by over 5% on the previous year to €1.7 billion.

A margin of 9.5% (-30bps) demonstrated the resilience of the business and our ability to adjust the cost base to respond to the reduced and increasingly competitive business environment.

The Group has expanded its activities globally with the acquisition of an aerospace testing business in North America; a non-destructive testing business, Caparo Testing Technologies, specialised in the UK aerospace industry; and SKC Engineering, a Canadian company focused on inspection and non-destructive testing services in several sectors including power and civil infrastructure. The Group has also disposed of two of its non-core businesses: Applus+ RTD in France and Applus+ RTD in Denmark.

Moreover, with the objective of maximising our growth opportunities, generating revenue synergies, effectively managing our cost base and maintaining our leading position in our markets.

WE HAVE UNDERTAKEN A MAJOR STRATEGIC STRUCTURAL REORGANISATION. THE PROCESS STARTED LAST YEAR WITH THE INTEGRATION OF Applus+ VELOSI AND Applus+ NORCONTROL INTO ONE DIVISION.

On 1st January 2016 we began the process to integrate these with Applus+ RTD to form the new Applus+ Energy & Industry division.

Henceforth, the Group will operate through four global business divisions: Applus+ Energy & Industry, Applus+ Automotive, Applus+ IDIADA and Applus+ Laboratories.

The integration of these businesses, which have common end markets, customers and geographical interests as well as complementary service portfolios, will help us benefit from existing synergies and create new opportunities through aligned marketing and branding, business lines and key-account management resulting in streamlining, immediate cost savings and increased long-term business efficiency.

In the longer term, we expect the structural drivers supporting testing, inspection and certification in all our industry lines to overcome the cyclical pressures periodically felt by some businesses and to position ourselves so as to benefit from the resulting growth in revenue, profit and cash flow, which will ultimately deliver value to shareholders.

HUMAN CAPITAL: SKILLED, MOTIVATED AND SAFE PEOPLE

Our business growth, global expansion and recognition as one of the global TIC players is based on our highly skilled, motivated and committed workforce who help us every day to consolidate our reputation among our client base as a service partner of excellence.

“ Applus+ personnel are a key factor in our current success and will play a critical role in the success of our future operations.

We have more than 18,700 people working for us across the world in many disciplines, including highly skilled engineers and technicians. A global TIC operator, Applus+ is made up of high-level professionals from a wide range of cultures.

As a Group, we focus on organic growth, by incorporating those professionals who are necessary in every business and country, as well as by reinforcing our presence in strategic markets with high growth potential through acquisitions that strengthen our human capital's capabilities. We recruit and keep talent providing a fair and competitive environment to enable professional development opportunities and training for all our staff.

We are proud to say that Applus+ fosters internal promotion to support our recruitment processes and help internal vacancies to be covered, as well as fair reward systems which are in line with the practices of comparable companies.

Employees by region

REGION	EMPLOYEES*	%
Asia Pacific	1,970	10.5%
Latin America	3,080	16.5%
Middle East & Africa	1,800	9.6%
Rest of Europe	3,630	19.4%
Spain	5,700	30.5%
USA & Canada	2,520	13.5%

Employees by division

DIVISION	EMPLOYEES
RTD	3,900
Norcontrol & Velosi	8,720
Laboratories	700
Automotive	3,400
IDIADA	1,980
Total	18,700

*Velosi-associated companies are not included
(1,424 employees including Oman, Brunei and Malaysia)

Employees by organisation level and gender

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

TRAINING

We invest in our employees, helping them to hone their skills and increase their expertise so as to be able to provide our clients with the most suitable and advanced solutions and to contribute to the Group's business strategy.

Our cutting-edge expertise and know-how give us a competitive advantage over our peers. We offer our staff in-house training and capacity-building tools to improve and build on their current capabilities (and acquire new ones) – both at a technical and a managerial level – in addition to certification and accreditation courses delivered by third parties.

In 2015, we organised approximately 360,000 hours of training (with an average investment of 19 training hours per employee). Such programmes ranged from training in technical skills to issues related to health, safety, quality and environment or language learning.



Training programmes

AREA	%
Technical skills	46%
HSQE	33%
Language	10%
Other	11%

In some areas, our staff's professional expertise is tracked through "knowledge maps" evaluating particular areas of knowledge (e.g. basic and general knowledge or knowledge of specific technical areas). These maps help us to identify training and recruitment needs and to create efficient training plans to ensure the acquisition of the required capabilities by our staff by means of attendance to training courses and seminars or contracting new additional expertise. They also serve as a "commercial tool" to demonstrate our expertise in specific areas to potential clients.

We should give special mention to the following training activities and programmes:

- The 'Applus+ Knowledge and Learning Program' from Applus+ IDIADA. This has been designed to build the division's awareness of both general topics related to the automotive industry and activities undertaken by other Applus+ divisions. This programme helps Applus+ IDIADA to identify potential synergies and opportunities for cross-collaboration across our divisions.
- The Applus+ RTD Training and Examination Centre. Based in the Netherlands, this centre was created to keep our staff's certification and knowledge up to date. The centre was accredited by Hobéon SKO in 2015 as a training and examination centre, in accordance with the international standard for personnel certification

ISO/IEC 17024, and it serves to train and qualify more than 400 professionals working with either radioactive sources or materials in which radioactivity is released. This is the only training centre accredited by the Dutch Government to deliver training in radiation safety and qualify professionals with official certification. Its facilities are equipped with the latest technologies. Most of the centre's trainers are employed directly by Applus+ RTD, although external specialists from universities also collaborate.

- The Applus+ Quality and Sustainability System Course, run by Applus+ Norcontrol-VELOSI in Spain. This course relates to our Quality and Sustainability System and covers the requirements for technical competency, the ISO 9001, ISO 14001 EMAS (EU Eco-Management and Audit Scheme) and OHSAS 18001 standards, health and safety regulations and certain key information about the company.
- The Applus+ Automotive Ireland EAP (Employee Assistance Programme), which supports employees at difficult times in their working life, providing confidential counselling and support be this work-related or personal. Employees are able to access help relating to work-life balance, daily health and wellbeing and a whole host of other kinds of support.
- Applus+ Laboratories in Spain rolled out a Leadership Coaching programme aimed at middle managers to improve their sense of responsibility and commitment through managing their perceptions and emotions. This programme combined a firm basis in coaching techniques with ongoing experience-based supervision. The employees who took part learned how personal transformation occurs by experiencing it first-hand.

HEALTH AND SAFETY

Employee health and safety is one of the core principles of our business. We are committed to ensuring the safety of our employees both in their primary place of work and in our clients' facilities. We have implemented health and safety management systems in accordance with the international OSHAS 18001 standard and have approved a HSQE policy that is deployed across all Group divisions and in every country in which we operate. This policy defines the need to prioritise a preventive approach to ensuring our employees' health and safety over a corrective approach.

Health & Safety Indicators

INDICATOR	VALUE
Number of occupational fatalities	0
Lost-time injuries rate ²	0.73
Recordable cases rate ³	1.05

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.

On an annual basis, we organise our global 'Safety day' event in all our divisions and regions to increase staff awareness and knowledge of health and safety issues and to help us define our safety programme commitment. Under the banner

of 'Keeping us safe', the 2015 event involved all Applus+ staff in a variety of lectures, debates, workshops and games aiming at informing them of the importance of safety in their day-to-day activities. All countries followed the same programme with a view to learning collectively how to prevent risks in the workplace, increasing safety awareness and sharing experiences, knowledge and good practice in the area of prevention.

In 2015 we developed the Applus+ 'Golden Safety Rules'. These are a set of guidelines designed to mitigate or eliminate those risks associated with the eleven activities that have historically given rise to a higher number of incidents or more serious injuries. The Golden Safety Rules have been publicised throughout the Group and all Applus+ staff have been encouraged to integrate them in their daily activities.

THE Applus+ GOLDEN SAFETY RULES ARE A VITAL COMPONENT OF OUR DRIVE TO DETECT RISKS AND PREVENT INCIDENTS, AND, BY ADHERING TO THEM, WE ARE TAKING A BIG STEP TOWARDS OUR OBJECTIVE OF ZERO INJURIES.

² 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.

³ 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.



PROMOTE CORPORATE GOVERNANCE AND BUSINESS ETHICS

Corporate Governance

Applus+ is working to achieve best practice in corporate governance with a particular focus on those practices contained in Spain's Good Governance Code of Listed Companies. We will continue to promote transparency by publishing information on the website as well as by making available any reports that may be of interest to stakeholders. Some of those recommended practices have already been implemented, such as recommendation 54 of the Code, which led to the creation

of the CSR Committee and the approval of the CSR Policy by the Applus+ Board of Directors back in December 2015.

We have also taken specific initiatives to enhance dialogue with key stakeholders on corporate-governance matters and long term aspects and we are committed to further developing these fruitful lines of communication in the future.

As a listed company, we have to comply with specific regulations and standards, including those

related to transparency and internal controls in financial and corporate-governance reporting, in addition to risk-management and monitoring practices. The Group has updated its risk map to help foresee potential risks that may arise from strategic, governance or regulatory compliance. Several measures have been implemented to mitigate those risks and minimise their potential negative impacts.



Business Ethics

At the heart of all our corporate values is our Code of Ethics (CoE), which outlines our values and the most relevant policies to help foster ethical behaviour in all our operations and by all our staff. The main values covered by the Code are:

- *Respecting dignity in the workplace.*
- *Preventing health and safety risks and respecting employees' rights.*
- *Data protection of personal information.*
- *Environmental protection and sustainability.*
- *Ensuring fair market competition and fairness towards consumers.*
- *Preventing corruption.*
- *Ensuring the veracity and security of reported information, as well as the confidentiality of information from third parties.*

- *Ensuring integrity in our services, efficiently managing possible conflicts of interest.*
- *Fair and responsible use of Applus+ resources.*
- *Acting with respect in all situations.*

Prior to the end of 2015, when the new CSR Committee was appointed, the Group Ethics Committee and, from January 2015, the Chief Compliance Officer (CCO) were responsible for all tasks related to awareness of and compliance with the Code of Ethics, as well as to enhancing and approving internal policies for the effective implementation of our corporate values. They were also charged with receiving and responding to all questions and queries related to the Code and investigating and following up any breach thereof.

All GEC responsibilities have now been transferred to the CCO and the newly formed CSR Committee in addition to all of the Group's new CSR duties.

In 2015, Applus+ created the new role of Chief Compliance Officer (CCO) whose remit includes ensuring that all Applus+ directors, managers and employees from across the Group comply with internal policies and procedures including the company's Code of Ethics and anti-corruption policies and procedures.

“ We have established an internal whistleblowing channel allowing a member of staff or any other third party to report any incident that may constitute a breach to 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
NONCOMPLIANCE
THAT REQUIRED
INVESTIGATION.
ALL CLAIMS WERE
REPORTED TO THE CSR
COMMITTEE.**

Our global anti-corruption policy and procedures provide an additional cornerstone of good governance. They provide a framework to help avoid prohibited and restricted conduct such as bribery and improper or illegal payments, gifts or contributions, in addition to any attempts to gain favourable treatment from public officials, customers, directors, employees or any other individuals. The policy also defines the communication channels open to personnel and the consequences of its violation, detailing specific procedures and standard anti-corruption contract clauses.

As an international organisation with operations across the world, good compliance practice within Applus+ relies on the role of the country manager who acts as representative of the CCO, supporting her in the fulfilment of her tasks at regional and local level.

Applus+ is assisted by external consultants on foreseeable risks and the measures that can be put in place to prevent or mitigate them before they arise. Moreover, the Group is drawing up a risk map focussed specifically on mitigating criminal, corruption and bribery risks and also a Compliance Management System (CMS) to manage such areas. This is expected to be further developed throughout 2016.

It is our intention that the Applus+ commitment to business ethics is shared with our value chain, in particular our suppliers. We try to promote the use of local products, services and staff, with the aim of developing the local economies in which we operate. We also require the observance and fulfilment of certain CSR criteria by potential partners in order for them to be certified as Applus+ suppliers. These criteria include the existence of suppliers' own CSR programmes, compliance with fair salary and employment practices, the promotion of energy efficiency and the avoidance of child labour.

One of the key values in our Code of Ethics is independence. Our company is firmly committed to rigour, impartiality, confidentiality and veracity,





which are demanded of all staff and promoted by management in all areas of the organisation, as well as being projected towards our clients, suppliers and society in general.

“ We pursue, support and guarantee operational independence in all our services.

Our services observe the independence requirements provided by international standards such as the ISO 17020 for inspection services, the ISO 17021 for certification of management services or the ISO 17065 for product certification.

In addition to the above-mentioned standards, we have put in place a set of additional measures to ensure independence when delivering our services. These include training our technical staff in the need to retain independence and impartiality; as per ISO/IEC 17020, ensuring that remuneration is unrelated to the number of surveys, tests or works performed by staff; and setting clear responsibilities and limits to minimise conflicts of interest.

FOCUS ON INNOVATION

Applus+ services would not be what they are without innovation. Our vision in this fundamental area is not only to be an ordinary TIC service supplier but to become a strategic partner to our clients and a technological benchmark, adding value to our services and operations through cutting-edge knowledge and technical expertise.

Innovation is a key element of our entire value chain. Our aim is to manage innovation systematically, integrating it into each of our processes and activities, using it to open up our business and drive it forward, and thereby contributing to ongoing Applus+ growth and development.

In 2015, Applus+ undertook 133 R&D projects (55 projects at Applus+ IDIADA, 21 at Applus+ RTD, 20 at Applus+ Laboratories, 18 at Applus+ Norcontrol-Velosi and 10 at Applus+ Automotive) plus nine additional IT projects developed at corporate level.

These projects involved 434 Applus+ staff, around 266,880 hours of work and a further 23,500 subcontracted hours on other projects carried out in collaboration with external entities.

The Applus+ commitment to innovation is promoted across all Group divisions and has led to the development of new products and services in a variety of sectors. One such example is our **ROLLFLEXFORM** project, aimed at supplying the aerospace industry with a new automated forming process for carbon fiber reinforcements. The project was carried out in collaboration with

EURECAT, partially funded by ACCIÓ (regional development agency), and with the support of manufacturers. Within this project, Applus+ developed its proprietary Glideforming technology that provides a flexible, low-investment, high-productivity method of forming extremely complex stringers. The **Mobile HCE project** intends to develop attack techniques for different types of vulnerabilities for Android-based apps. This project has made Applus+ a state-of-the art player in mobile-app-protection methods (white box cryptography or obfuscation) and helped us to develop a new security-evaluation service for the main payment schemes.

Other innovative solutions have focused on the oil and gas sectors. The **High Temperature Hydrogen Attack (HTHA)** project, undertaken in collaboration with ITMA Materials Technology, is a pioneering initiative in Spain. It focuses on developing advanced NDT techniques to detect cracking produced by hydrogen attacks on materials subjected to high temperatures.

The **Polyethylene Welding Inspection (PWI)** project focuses on the development of processes to inspect thermofusion welds in polyethylene pipelines using the TOFD (Time Of Flight



Diffraction) technique. This technique enables the non-destructive testing of polyethylene weld for gas conduction at medium and low pressure with no need to interrupt production. This project has paved the way for a new non-destructive testing (NDT) business line for the gas-pipeline sector.

The **DTI TREKSCAN** project involves the development of ultra-high-resolution ultrasonic in-line inspection technology capable of inspecting difficult pipe sections or those previously deemed "unpiggable". This new service provides our clients with a better understanding of their asset integrity and fitness for service and helps reduce their operational, safety and environmental risks. The software developed in parallel with this technology allows our staff to perform quick statistical analyses and to provide immediate feedback to our clients.

Applus+ has made particular efforts to develop innovative solutions for the automotive sector, particularly in the areas of safety and security and sustainable mobility. Some examples of

these solutions include the European **Proactive Safety for Pedestrians and Cyclists (PROSPECT)** project to improve the efficiency of active security systems for Vulnerable Users (VRUs) by extending their performance in different scenarios and improving their general yield (early detection of VRUs, proactive situation analysis and development of new intervention strategies for collision prevention). This project is performed by a consortium of 16 partners and led by Applus+.

The **T-Premium Card** project has developed a system to allow vehicles to pay for vehicle inspections and other services provided by garages or inspection centres. The card is linked both to a web portal in which the centre can gather data from clients and to a website where clients can view past inspections and recharge their card to pay for future services. The division expects that this new offering will help our clients to increase customer loyalty.

In terms of sustainable mobility, special mention should go to our **Heavy Duty Gas Engines Integrated into vehicles (HD-GAS)** project. This is a European project intended to develop, optimise and test advanced two-fuelled and natural-gas-powered engines. It is a collaborative effort involving a consortium of 19 partners from 9 different European countries under the umbrella of the Horizon 2020 Programme. The **Cooperative Dynamic Formation of Platoons for Safe and Energy Optimized Goods Transportation (COMPANION)** project aims to develop cooperative-mobility technologies to oversee autonomous vehicles in order to improve the fuel efficiency and security of goods transportation, therefore leading to increased acceptance by users and coordinated regulation. This is a 3-year European project that is to be undertaken by a consortium of up to 7 complementary partners from 4 European countries (Sweden, Germany, Spain and the Netherlands).

Applus+ collaborates actively with external entities⁴ such as technological centres, universities, research institutes and other innovative companies to explore new technological

solutions for our clients and build up our knowledge base. In 2015, Applus+ entered into agreements with 97⁵ external bodies (either with a view to forming consortia for collaborative projects or for the purposes of technological transfer).

One of our key goals in terms of innovation is to remain at the cutting-edge of technology, being a global reference in our fields. Throughout 2015, Applus+ has taken part in 78 events worldwide and contributed to 53 technical papers and 38 training sessions as an outcome of our innovation process.

As far as intellectual property is concerned, Applus+ holds 57 patents in 27 different families as well as several applications, either published or in the pipeline.

THE WIDE-RANGING WORK UNDERTAKEN BY THE Applus+ GROUP IN 2015 DEMONSTRATES OUR STRONG COMMITMENT TO INNOVATION AND OUR FIRM BELIEF THAT IT IS BOTH A STRATEGIC ASSET AND A CORNERSTONE OF OUR FUTURE GROWTH.

⁴ EURECAT (CETEMMSA Technological Centre), TU Delft and Imperial College London, TNO - Netherlands Organisation for Applied Research of Microsoft.

⁵ 57 by Applus+ RTD, 23 by Applus+ IDIADA, 12 by Applus+ Laboratories and 5 by Applus+ Norcontrol-Velosi.



MARKET FOCUS: QUALITY OF SERVICES AND PRODUCTS

One of our main objectives is to offer the highest quality in all the services we deliver while at the same time complying with all regulations and standards across our operations.

Our commitment to quality is well founded on the extensive knowledge and expertise we have at our disposal across our divisions and services, as well as on a deep understanding of our clients' needs, and the capacity to respond quickly and effectively to these.

ACCREDITATION AND CERTIFICATION PLAY A KEY ROLE IN OUR ACTIVITIES.

They formally prove our expertise and reinforce our clients' trust in us as a service partner. Applus+ has been awarded new accreditations and certifications in 2015 by both clients and regulators while also retaining all relevant accreditations acquired to date.

As one such example, in 2015 our IT Security laboratories in Barcelona and Shanghai received the following

recognition: the Visa Ready Program, MasterCard Cloud-Based Payments and the AMEX Enabled Program for Host Card Emulation (HCE) products. Applus+ was the first organization in Asia to be accredited for the Visa Ready Program and one of the first in the world to be recognized to evaluate the security of mobile payment solutions based on HCE technology.

We have also been ENAC⁶- accredited in Spain to run tests to identify semi-volatile compounds in continental waters as a result of our participation in the DAMA project. This project focused on determining priority substances and low-concentration pollutants considered under environmental-regulation requirements to fulfill environmental quality standards (NCA⁷) from specific water policies.

Our Applus+ Norcontrol-Velosi division has been accredited as a "Guided Waves Testing" provider by some of the main companies in the oil and gas sector, including Repsol and BP. In addition, the division's facilities in Qatar achieved full membership of the internationally recognised



⁶ Spanish Accreditation Body

⁷ Normas de Calidad Ambiental (Environmental Quality Standards)

IRATA (Industrial Rope Access Trade Association). This consolidates the company's rope-access capabilities in the Middle East and is added to the full IRATA membership that Applus+ already enjoys in the UK, Australia, Brazil, Singapore and South Korea. IRATA membership assures safe and responsible working practices up to an internationally recognised standard.

We have reinforced our non-destructive testing (NDT) business in the aerospace industry and hold relevant accreditations - including NADCAP, CAA EASA 145 and AS 9100 in Europe and North America - for this sector at global level.

Other Applus+ certifications relate to the automotive sector. These include the recertification of our Smog DADdy technology⁸ for 2015 by the California Bureau of Automotive Repair, Applus+ IDIADA Spain's certificate of compliance with ISO/IEC 17025 from Kraftfahrt-Bundesamt, the Euro NCAP accreditation, and other significant accreditations for automotive testing such as for testing for air pollution linked to vehicle fuel consumption and engine power.

Excellence in our services is also acknowledged by our clients and partners who have likewise rewarded us with several recognitions and awards.

The Chilean Safety Association (ACHS) has recognised our Applus+ Norcontrol division as one of the five safest companies in the country thanks to Applus+ Norcontrol's internal safety-management plan which was developed to market standards.

The European Commission (EMAS⁹) has awarded the division's Spanish facilities with its bronze award for 5 years of

continuous EMAS registration for outstanding commitment to performance, credibility and transparency in environmental management. In addition, the UK Royal Society for Prevention of Accidents (RoSPA) has awarded Applus+ RTD division with the RoSPA Award in recognition of 19 years of excellence in fostering positive health and safety conditions for our workers, reflected by an accident rate that is below the industry average.

Applus+ Laboratories division received a silver Boeing Performance Excellence Award for 2015 in recognition of superior performance. This comes only three years after the decision was taken to target the US aerospace market.

“ We encourage participation in local and national associations and organisations in those countries in which we operate



in order to promote and share best practice, technical knowledge and issues related to service quality or health and safety within our operations. Some of the Group's divisions are members of global benchmark organisations in the area of sustainability; for example, the UN Global Compact Initiative.

⁸ Next generation on-board diagnosis device developed for performing emissions inspections on vehicles

⁹ Eco-Management and Audit Scheme

WE UNDERSTAND THE IMPORTANCE OF COMMUNICATION WITH OUR STAKEHOLDERS

and aim to be an open and accessible company to all interested parties. This not only reflects our attempts to comply with legal requirements, but more importantly our desire to meet our stakeholders' needs.

Engagement with our customers is ensured through the use of conventional communications channels (social networks, customer-satisfaction surveys, regular meetings and frequent email or telephone contact) and 'non-conventional' channels such as open houses, lunch-&-learn sessions, roadshows,

conferences and technical forums.

It is also crucial for us to maximise our shareholders' opportunities to understand our business. To this end, we have a dedicated Investor Relations function that manages our communication with stakeholders. The main source of information is the Investor Relations section of the Applus+ website where all important financial and investor-related news can be found. We attempt to reach the maximum relevant investor base by regularly attending investor conferences and roadshows both in Spain and overseas and having one-to-one meetings with investors and potential investors. In addition, 19 equity analysts

from Spain, the UK, France and Portugal actively follow the company and compile research including financial projection estimates, analysis of risks and opportunities and investor recommendations.

Communication is both ways. We strive to listen to and take account of shareholders' comments and concerns. After investor meetings, our advisors gather feedback which is reviewed by senior management. Finally, all members of the Board of Directors attend the Annual General Meeting of Shareholders, which takes place in our home city of Barcelona and offers the opportunity of access and a voice to all shareholders who wish to attend or send proxies.



ENVIRONMENT: REDUCING RISKS FOR ASSETS AND PEOPLE

Helping to reduce risks...

“ We run a wide range of projects to reduce the potential for environmental impact on the communities in which our clients operate and to increase the occupational health and safety conditions of their staff and others.

Some of the areas in which we undertake such risk-management activities include regulatory vehicle inspection, non-destructive testing (NDT) for the oil and gas sector, environmental-quality testing and the development of sustainable mobility technologies and solutions.

Our testing and inspection services can help our clients to reduce the potential for negative effects arising from their operations. Some of our projects are specifically linked to environmental services such as **pollution reduction**. In collaboration with a waste-management company and

the support of the Dutch Government, we assisted Subsea Environmental Services to recycle 1,400 km of undersea telecommunications cabling and 125 repeaters, recovering reusable products such as steel (600 kg), copper (20 kg) and usable electronic waste (30 kg) in addition to the removal of radioactive waste (38 kg) from the seabed.

Another such example is that of **environmental monitoring**. Applus+ is responsible for the air-quality surveillance network at Sogama thermoelectric plant in Spain, receiving and archiving all atmospheric-emissions data in order to disclose real-time data to the public.

Our contribution to the environment also includes the development of innovative techniques to improve our clients' service performance and avoid malfunctions in operations such as water-rehabilitation pipelines. The trenchless pipeline rehabilitation procedures developed by Applus+ give pipelines an extended lifespan through the use of remote-operated equipment that allows

rehabilitation without the need for excavation, generating significant cost and time savings in urban areas with heavy and congested traffic.

Sustainable energy generation is also part of our business remit. Applus+ teams operate wind farms and inspect wind towers, and in the world's largest solar plant located in Ouarzazate (Morocco). In addition, our Applus+ IDIADA division is involved in several projects related to the development of sustainable mobility solutions in areas such as electric mobility, LNG and hybrid-fuelled vehicles.

Testing, inspection and certification services are also closely linked to safety, in particular to reducing potential health and safety risks affecting our staff, our clients' employees or society in general. Several of our services carry the word "safety" in their DNA, our on-site testing services helping our clients to increase safety conditions in the workplace and our statutory vehicle-inspection services making a positive contribution to ensuring driver and pedestrian safety.

We have also participated in projects geared towards increasing people's safety in urban environments. Our Applus+ IDIADA division has been involved in the development of a mono-camera device to detect risky situations involving pedestrians and cyclists and automatically activate the vehicle's emergency brake and also in a project to define best practice when it comes to designing a vehicle's front parts to increase pedestrian safety in case of collision.

WE HAVE ALSO MADE A POSITIVE CONTRIBUTION IN TERMS OF CIVIL PROTECTION.

Our Applus+ RTD division has collaborated with the Dortmund Fire Department in the ANCHORS project to remotely detect security incidents in a quick and efficient manner through a combination of unmanned air and land systems, and to provide a better flow of information via the creation of communication networks between the teams, helping them to improve their crisis-management skills and the safety of the emergency personnel.

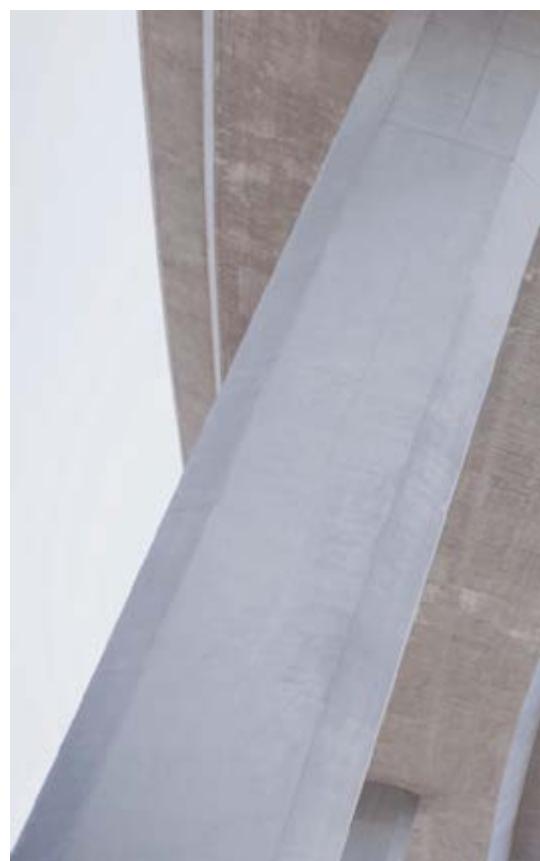
In addition to our regular services, we also welcome initiatives aiming at helping those suffering from disease.



Projects undertaken by the Group in 2015 include actions to **support cancer patients**, such as the 200 km 'Ride to conquer cancer' event that was supported by Applus+ in Australia; or our participation for the second year running in the BPM Multiple Sclerosis (MS) bike ride – organised by the National MS Society in the USA, which collects funds for multiple sclerosis treatment and research – in which the Applus+ Velosi Cycling Team raised more than 20,000 USD for the National MS Society; or our participation in 'The world's biggest coffee morning', a fundraising event run by UK cancer charity the Macmillan Organisation. Applus+ in Chile held the 'Junta tus tapitas' event to encourage the recycling of

plastic caps and at the same time collect funds to help provide cancer treatment for children with limited resources.

Other Applus+ initiatives included the support of minority-ethnic groups such as our collaboration with the Panamanian Ministry of Education to support in the inspection of newly constructed or refurbished **education centres in indigenous communities**, which contributed to wider access to education and improved educational quality in these areas.



We have also provided support in **natural disaster zones**.

Applus+ donated food to all volunteers involved in the search for survivors in the El Chambray II landslide in Guatemala and donated bottled water and personal-hygiene items to the people affected by the Coquimbo earthquake in Chile.

In Spain, Applus+ has been collaborating for some years with not-for-profits such as Agrumeneco, which organises collections of toys and clothes for families in need;

Renacer, which promotes the development of children and teenagers at risk of social exclusion; and Cocina Económica/Cáritas, with whom we developed specific collection campaigns. Applus+ also collaborated with AEPMI (for patients with Mitocondrial Pathologies) and collected bottle caps for Asociación Arela, glasses for Club de Leones and clothes for Ins3rtega.

Eradicating child labour is a global priority and we feel very proud to have been able to support this objective

in Panama. We have been qualified by CONEP (Panama Business Association) to carry out audits under a new private certification scheme focussed on 'Preventing and eradicating child labour and the worst working practices'. The project is managed by CONEP and is supported by the ILO and UNICEF, among other international bodies.



... managing our environmental impacts

As a service provider, Applus+ has a low environmental impact. The impact that we do relates mainly to electricity consumption and business travel.

However, Applus+ has laid down its environmental commitment in a specific HSQE policy defined at the highest level and deployed across its divisions through management systems that meet the international standard ISO 14001.

Within our operations

WE STRIVE TO PROMOTE EVER-INCREASING SUSTAINABILITY, ADOPTING THE NECESSARY MEASURES TO REDUCE THE ENVIRONMENTAL IMPACTS RESULTING FROM OUR ACTIVITIES.

All of our offices are obliged to observe a series of general rules relating to the minimisation of

waste (using the 3R approach: Reduce, Reuse and Recycle) and 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 allow us to set targets for the Group. Throughout 2015, we have worked to collect data from all our divisions on energy consumption and business travel-related greenhouse gas (GHG) emissions (with an overall company reporting rate of 86.1%).

Environmental indicators 2015

ENERGY		GHG EMISSIONS	
Total energy consumption (GJ)	1,146,452	Scope 1 emissions (tCO ₂)	61,910
Energy ratio (GJ/k€)	0.77	Scope 2 emissions ¹⁰ (tCO ₂)	14,864

¹⁰ Emissions calculated based on the GHG emissions factors provided by the International Energy Agency.

We have undertaken a variety of projects over the course of the year aimed at reducing our environmental impact, with a focus on the areas of energy consumption, GHG emissions and waste:

Promotion of sustainable mobility solutions among our staff: we are working in a pilot project to replace part of our fossil-fuel vehicle fleet with electric vehicles while implementing a series of good fleet-management practices to reduce fuel consumption and GHG emissions¹¹.

Development of energy-efficiency projects: Applus+ RTD North America installed a new and more efficient lighting system in its Buffalo facilities (NY, USA), which resulted in an estimated energy saving of 35 kW over a ten-year period.

Waste minimisation: Applus+ Norcontrol Spain implemented the 'Optimising office waste' project, helping to reduce the waste generated by its facilities by some 37% (from 296kg/week to 185kg/week).

¹¹ These efforts resulted in an effective reduction of our GHG emissions from business travel compared to the previous year (our total GHG emissions from business travel reduced from 4,984.26 tCO₂ in 2014 to 4,898.07 tCO₂ in 2015 and our GHG emission rates from road transport reduced from 153 gCO₂/km to 139 gCO₂/km). Data supplied by Lease Plan International and relating to Australia, Germany, Spain, Finland, France, Ireland, Italy, Mexico, Netherlands and UK, corresponding to a fleet of 1,753 vehicles.



ANNEXES



ANNEX I - ABOUT THIS REPORT

The 2015 Applus+ CSR Report provides a first review of Applus+'s understanding of and approach to CSR, and shows how our business is intimately linked to sustainability. It highlights the Group's efforts throughout the year to effectively integrate CSR into its daily agenda. During this period, we have focussed primarily on developing a robust materiality analysis and matrix to support us in our drive towards sustainability.

The creation of this report follows the recommendations provided in the most recent, G4, version of the Global Reporting Initiative (GRI) Reporting Guidelines and is in accordance with its 'core option'. The use of this standard ensures that the information contained in this document is reliable, complete and balanced, providing a clear overview on our company's CSR priorities and the work that has been undertaken to achieve these.

PRINCIPLES UNDERLYING THIS REPORT

Principle of stakeholder inclusiveness – the organisation should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.

We have adopted a double approach to ensuring that our stakeholders' expectations are at the heart of this report. At an internal level, a cross-section of Applus+ corporate and executive staff were interviewed to collect information on how CSR is currently being integrated in our operations and to evaluate where Applus+ should be focussing its future efforts.

Information was gathered from our external stakeholders using the different tools and mechanisms described in the chapter entitled 'Quality of services and products' and has been used to identify and select the material issues to be considered under the umbrella of this report.

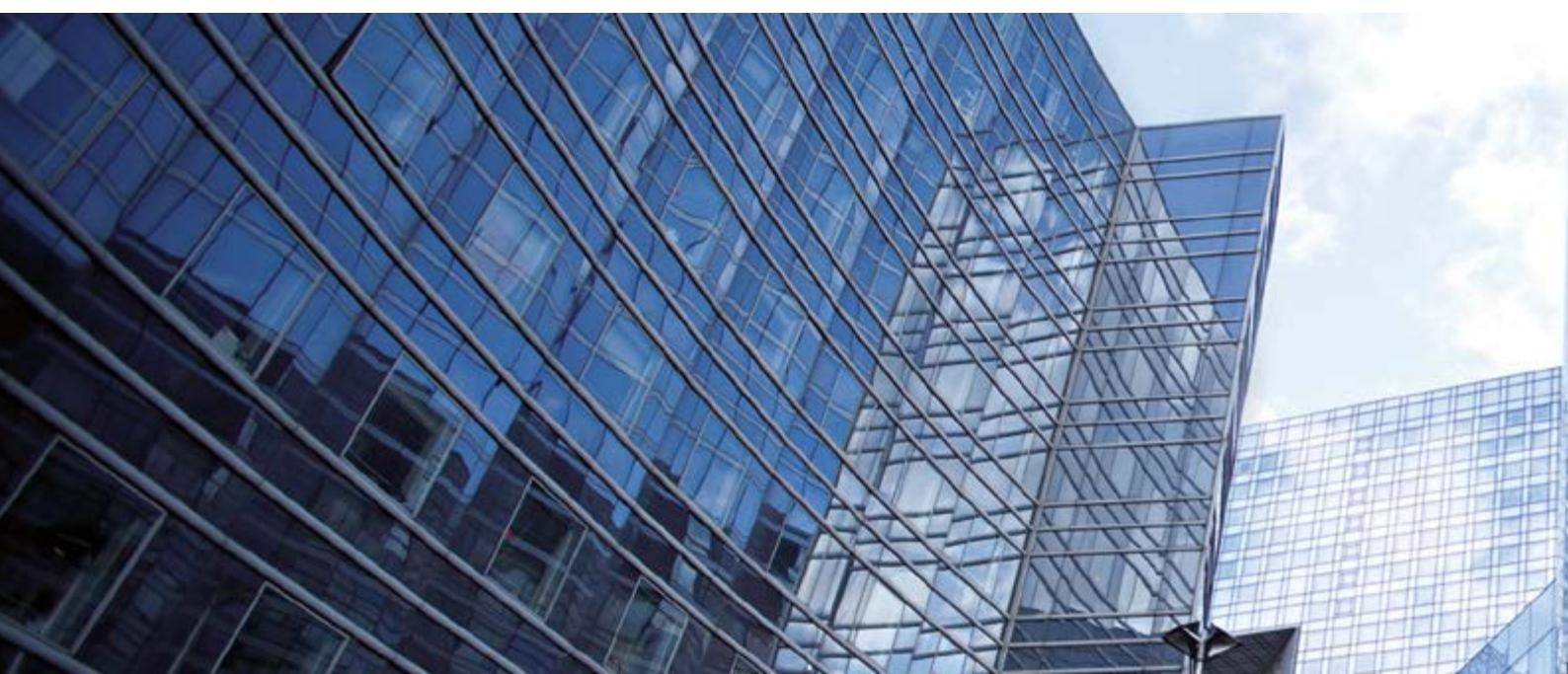
In addition, the 'Materiality matrix' chapter describes in greater detail the methods used to assess Applus+ stakeholder concerns as part of this report.

Principle of the sustainability context – the report should present the organisation's performance in the wider context of sustainability.

As a CSR Report, this document is geared towards providing specific information on how sustainability is understood, integrated and implemented across the whole of the organisation. It therefore provides a comprehensive picture of our performance in the area of sustainability in the business contexts and regions where we operate.

Principle of materiality – the report should reflect the organisation's significant economic, environmental and social impacts or that information that substantively influences the assessments and decisions of stakeholders.

In accordance with the recommendations of the Global Reporting Initiative (GRI) G4 Reporting Guidelines, Applus+ has conducted a materiality analysis to identify, select and prioritise those material aspects related to labour, market, environmental, social and corporate-governance



issues that have a significant impact on Applus+ activities and are considered as relevant by the organisation itself, as well as by its stakeholders.

As a result of this process, Applus+ considers that the information provided in this report is material to the Group and its stakeholders. The 'Materiality matrix' section describes the methodological approach followed in this prioritisation process.

Principle of completeness – the report should include coverage of all material aspects and their boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organisation's performance in the reporting period.

This document comprises all material aspects identified through the company's materiality analysis (which took into account relevance to Applus+ internally and relevance to our stakeholders). The report covers issues related to Applus+'s business resilience and economic performance, corporate governance and ethics,

human resources, protection of the environment and the social impact of Applus+ activities for the whole of 2015.

The CSR report has been drawn up in line with the GRI G4 Reporting Guidelines principles on report quality to ensure that the information it contains is clear, accurate, balanced and reliable, and has been provided in time for stakeholders to make informed decisions.

Report profile and scope of the information reported

The information and all performance indicators included in this report refer to the operations and activities conducted by all Applus+ divisions in all the regions where we operate.

All the information provided in this report reflects Group operations and activities performed during the course of 2015 (from 1st January to 31st December). The CSR report will henceforth be published on an annual basis.



ANNEX II - GRI TABLE

SPECIFIC STANDARD DISCLOSURE		
STRATEGY AND ANALYSIS		
GRI CODE	PAGE	GRI INDICADOR
G4-1	Letter from the Chairman and the CEO	Statement from the most senior decision-maker of the organisation
ORGANISATIONAL PROFILE		
GRI CODE	PAGE	GRI INDICADOR
G4-3	Brief introduction to Applus+	Name of the organisation
G4-4	Brief introduction to Applus+	Primary brands, products, and services
G4-5	Campus UAB – Ronda de la Font del Carme, s/n 08193, Bellaterra, Barcelona (Spain)	Location of the organisation's headquarters
G4-6	Reference to Annual Report	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report
G4-7	Applus+ Services S.A.	Nature of ownership and legal form of the organisation
G4-8	Reference to Annual Report	Markets served by the organisation (including geographic breakdown, sectors served, and types of customers and beneficiaries)
G4-9	Reference to Financial Statements	Scale of the organisation (number of employees, number of operations, net sales, capitalisation broken down in terms of debt and equity and quantity of products or services provided)

ORGANISATIONAL PROFILE

GRI CODE	PAGE	GRI INDICADOR
G4-10	Skilled, motivated & safe people	Number of employees by employment contract and gender; number of permanent employees by employment type and gender; workforce by employees and supervised workers and by gender; workforce by region and gender
G4-11	39% in 17 countries	Percentage of total employees covered by collective bargaining agreements
G4-12	Reference to Annual Report	Organisation's supply chain
G4-13	Reference to Annual Report	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including: changes in the location of, or changes in, operations, including facility openings, closings, and expansions; changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations); changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination
G4-14	Promote Corporate Governance and Business Ethics	Report whether and how the precautionary approach or principle is addressed by the organisation
G4-15	Quality of services	List of the externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses
G4-16	Innovation & collaboration	List of the memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation participates somehow

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

GRI CODE	PAGE	GRI INDICADOR
G4-17	Reference to the Annual Report	List of all entities included in the organisation's consolidated financial statements or equivalent documents
G4-18	Applus+ materiality matrix	Explain the process for defining the report content and the Aspect Boundaries
G4-19	Applus+ materiality matrix	List of all the material Aspects identified in the process for defining report content
G4-20	Applus+ materiality matrix	Report the Aspect Boundary within the organisation for each material Aspect
G4-21	Applus+ materiality matrix	Report the Aspect Boundary within the organisation for each material Aspect
G4-22	This is the 1st annual CSR report	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements
G4-23	This is the 1st annual CSR report	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries

STAKEHOLDER ENGAGEMENT

GRI CODE	PAGE	GRI INDICADOR
G4-24	Applus+ materiality matrix	List of stakeholder groups engaged by the organisation
G4-25	Applus+ materiality matrix	Report the basis for identification and selection of stakeholders with whom to engage
G4-26	Quality of services and products About This Report	Organisation's approach to stakeholder engagement; e.g. frequency of engagement by type and by stakeholder group
G4-27	Quality of services and products	Key topics and concerns raised through stakeholder engagement, and description of how the organisation has responded to those key topics and concerns

REPORT PROFILE

GRI CODE	PAGE	GRI INDICADOR
G4-28	About this report	Reporting period (such as fiscal or calendar year)
G4-29	This is the 1st annual CSR report	Date of most recent previous report (if any)
G4-30	About this report	Reporting cycle (such as annual, biennial, etc.)
G4-31	investors@applus.com	Provide the contact point for questions regarding the report or its contents
G4-32	About this report	Report the 'in accordance' option the organisation has chosen, the GRI Content Index for the chosen option, the reference to the External Assurance Report (if any)
G4-33	This is the 1st annual CSR report and has not been submitted to external assurance	Organisation's policy and current practice with regard to seeking external assurance for the report

GOVERNANCE

GRI CODE	PAGE	GRI INDICADOR
G4-34	Reference to corporate governance report	Governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts

ETHICS AND INTEGRITY

GRI CODE	PAGE	GRI INDICADOR
G4-56	Promote Corporate Governance and Business Ethics	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics

SPECIFIC STANDARD DISCLOSURE		
ECONOMIC CATEGORY		
ECONOMIC PERFORMANCE		
GRI CODE	PAGE	GRI INDICADOR
G4-EC1	Reference to Annual Report	Direct economic value generated and distributed
SOCIAL CATEGORY		
SUB CATEGORY LABOR PRACTICES AND DECENT WORK		
OCCUPATIONAL HEALTH AND SAFETY		
GRI CODE	PAGE	GRI INDICADOR
G4-LA6	Skilled, motivated & safe people	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender
SUB CATEGORY PRODUCT RESPONSIBILITY		
COMPLIANCE		
GRI CODE	PAGE	GRI INDICADOR
G4-PR9	0	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services
ENVIRONMENTAL CATEGORY		
ENERGY		
GRI CODE	PAGE	GRI INDICADOR
G4-EN3	Reducing risks for assets and people	Energy consumption within the organisation
G4-EN5	Reducing risks for assets and people	Energy intensity
EMISSIONS		
GRI CODE	PAGE	GRI INDICADOR
G4-EN15	Reducing risks for assets and people	Direct greenhouse gas (GHG) emissions (Scope 1)
G4-EN16	Reducing risks for assets and people	Energy indirect greenhouse gas (GHG) emissions (Scope 2)



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