

## Modern Slavery Statement 2023

(Applus Pty Ltd)



## About this Statement

This Modern Slavery Statement is in accordance with the Commonwealth *Modern Slavery Act 2018*. It describes how Applus Pty Ltd has assessed, taken action and monitored actions taken to address any modern slavery risks in our operations and supply chains for the calendar year 2023.

This Modern Slavery Statement has been approved by the Board of Applus+ in Australia on the 30<sup>th</sup> June 2023.



**Executive Vice President**  
Adam Alessandrino (Director)



**Regional Financial Controller**  
Michele Armstrong (Company Secretary)

## Introduction

Applus+ is a worldwide leader in the testing, inspection and certification sector. We are a trusted partner, enhancing the quality and safety of our clients' assets and infrastructure while safeguarding their operations and improving their environmental performance.

We have an innovative approach, technical capabilities and a highly-skilled and motivated employee group.

We place a strong emphasis on technological development, digitisation and innovation as well as having the latest knowledge of regulatory requirements.

We are aware of our responsibilities in countries where we operate. We share this responsibility with all our employees through annual training courses and communicate our principles to our supply chain.



500+ Employees in Australia



Suppliers align with our Code of Ethics

## Our Structure, Operations and Supply Chains

Our structure consists of one legal entity Applus Pty Ltd, with a head office based in Perth and multiple offices around Australia.

In our offices we have personnel performing functions such as finance, commercial, health & safety, operational support and technical services.

We also have number of people routinely based at client facilities providing our technical services.

Technical services include:-

- Inspection
- Non-destructive testing
- Engineering and consulting
- Supervision
- Quality Assurance and Quality Control
- Vendor Surveillance

End markets we operate in across the Australian business includes:



Power



Renewables



Infrastructure and building



Oil and gas



Mining



Maritime



Telecommunications



Government and Public organisations

Our main suppliers related to:-



Domestic travel / freight



Fleet vehicles



Specialised equipment



Training providers



Personnel protective equipment

## Risks of Modern Slavery Practices in Operations and Supply Chains

Our operations consist of finance, commercial, health & safety, operational management and highly skilled technical personnel with use of advanced inspection technologies specific for our business needs.

To identify areas of Modern Slavery risk Applus+ considered the following four key areas for exposure:-



**Vulnerable People** – migrant, seasonal, low skills workers, roles with potentially excessive work hours







**Outsourcing** – Labour hire, third party contracting



**High Risk Geographies** – Conflict, corruption, failure to protect human rights



**High Risk Categories** – Seasonal goods, high use consumer goods

Product / Service / Spend	Example	Primary Country of Spend	Source Country	Modern Slavery Risks
 Employees	Permanent & contractor employees	Australia	Primarily Australia, but some worldwide engagements	Potential risk related to outsourcing with personnel in worldwide locations where an Applus+ entity does not exist.
 Personal Protective Equipment	Uniforms, safety gloves, safety glasses, safety footwear	Australia	Australia and Asia	Potential risk related to High-Risk Categories & Vulnerable People where PPE country of manufacture is overseas.
 Inspection Consumables	Non-destructive testing consumables	Australia	Australia and Asia	Potential risk related to High-Risk Categories & Vulnerable People where consumables manufactured is overseas.
 Freight & Shipping	Road and sea freight	Australia	Australia	Potential risk related to Vulnerable People working excessive hours

## Actions Taken to Assess and Control Risks



### **POLICY & GOVERNANCE**

Our Human Protection policy prohibits all forms of modern slavery.



### **CODE OF ETHICS**

As part of our commitment to the *Ten Principles of the United Nations Global Compact*, Applus+ supports and respects the protection of internationally proclaimed human rights and helps to prevent and stop possible abuses of these rights.



### **TRAINING AND UNDERSTANDING**

Mandatory Code of Ethics induction training for all employees and assessment of understanding, which incorporates Modern Slavery.



### **PROCUREMENT**

Before suppliers can work with Applus+ they undergo an objective evaluation process that includes compliance with international standards for human rights, labour, environment, business ethics and anti-corruption.



### **COMPLIANCE**

Applus+ is committed to meeting legislative and code of ethics compliant requirements. In the event of any concerns a *whistle blowing channel* is available to report any such issues.



### **ASSESSMENT & AUDITING**

Applus+ is committed to assessing & auditing our modern slavery supply risks.

## Assessment of the Effectiveness of Actions Taken

Applus+ in Australia and our corporate head office support and monitor the effectiveness of our actions taken to control Modern Slavery risks.

The steps that have been taken are as follows:

1

### **STAYING UP TO DATE**

Review of our policies and code of ethics training to ensure it remains up to date. Our code of ethics training is updated yearly and is a mandatory requirement for all personnel across the Applus business, highlighting our commitment to Human Rights, Rejection of Child Labour and Modern Slavery.

2

### **CODE OF ETHICS - PERFORMANCE MONITORING**

The business continually monitors the completion status of Code of Ethics training, with the target of 100% compliance. During 2023, 99% of personnel were trained in Australia, an improvement from the previous year.

3

### **DIGITAL STRATEGY & PROCESS CONTROL**

Applus systems include hold points for suppliers to confirm their alignment to Applus policies including anti-discrimination, anti-corruption, code of ethics and cannot proceed to setup unless these items have been read and acknowledged.

4

### **WHISTLE BLOWING CHANNEL**

The *whistle blowing channel* is monitored by corporate who will investigate any issues reported, which includes a procedure which was last updated during 2022. Zero issues of Modern Slavery have been reported in Applus Australia during 2023.

5

### **SUPPLIER ASSESSMENT & AUDITING**

A list of our top five suppliers are identified for a further detailed modern slavery assessment. A 100% assessment target is required for 2024.

### Consultation with any Entities Applus Pty Ltd Owns or Controls

Applus Pty Ltd in Australia does not own or control any other legal entities. As a result, there are no Modern Slavery risks from any other legal entities.

### Other Relevant Information

Applus+ in Australia forms part of the wider Applus+ group of companies which is headquartered in Spain (Madrid).

The company headquarters has a strong focus on ESG performance which includes the effective management of Modern Slavery risks.

Applus+ has been implementing sustainable policies for many years which come directly from the management team and Board of Directors associated with the head office legal entity in Spain.

External acknowledgements received through ESG rating agencies **MSCI ESG Ratings** (AA), **Gaia** (70/100), **CDP** (A) being included in **FTSE4GoodIBEX**, **S&P Global** (54/100) top 19%, as well as a "low risk" rating in a new acknowledgement by **Sustainalytics**.



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External acknowledgements received through ESG improved in 2023 and are as follows:



### NEW INCREASE IN OUR ESG RATINGS

This year, we have maintained our ESG ratings and rankings recognitions improving the scoring from previous year in most of them and we have added new ones.

- IBEX Gender Equality
- FTSE4Good Ibex Index
- IBEX ESG
- Sustainalytics
- MSCI ESG Ratings
- CDP
- Gaia Rating
- S&P Global CSA
- SE Mid Spanish Index (Standard Ethics)



EE+ very strong  
Highest rating SER in  
the index in Spain



70/100 Above  
average



MSCI  
ESG RATINGS  
AA



A List (Leadership)



13.3 low risk



54/100 Top 19%



FTSE4Good

Applus<sup>+</sup>

*Together*  
beyond  
standards