

Modern Slavery Statement 2022

(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 2022.

This Modern Slavery Statement has been approved by the Board of Applus+ in Australia on the 30th June 2022.



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.



600+ 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 are:



Power



Renewables



Infrastructure and building



Other industries



Oil and gas



Mining



Aerospace



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 world wide 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 based in Spain 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 policy and code of ethics training to ensure it remains up to date. The Human Protection policy was revised in 2021 and Code of Ethics reissued in 2023 maintaining a commitment to Human Right, Rejection of Child Labour and Modern Slavery.

2

CODE OF ETHICS - PERFORMANCE MONITORING

Applus+ monitor the completion status of Code of Ethics training. Australia's target is 100% of people to be trained in 2022, actual performance was 83%.

3

DIGITAL STRATEGY & PROCESS CONTROL

Applus+ systems cannot proceed to setup suppliers unless they have completed the online forms which include confirmation Applus+ Code of Ethics or equivalent is in place which prohibits all forms of Modern Slavery.

4

WHISTLE BLOWING CHANNEL

The *whistle blowing channel* is monitored by corporate (Spain) who will investigate any issues reported. Zero issues of Modern Slavery have been reported in Applus+ in Australia in 2022.

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 2023.

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 is 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** (B) being included in **FTSE4GoodIBEX**, **S&P Global** (54/100) top 19%, as well as a "low risk" rating in a new acknowledgement by **Sustainalytics**.



Applus⁺

Together
beyond
standards