The highest standards of professional integrity

Opus has joined the world-leading anti-bribery and corruption organization TRACE International to customize a training course for Opus employees. Every employee who has contact with government, business partners, or individual motorists will undergo mandatory anti-bribery, anti-corruption training during 2019.

While inspectors, managers and business development employees received anti-corruption training before, this strengthens our capabilities to ensure we have the highest possible standards. We have also developed a range of digital tools and proprietary software to monitor and prevent fraud in our programs.

Zero tolerance worldwide

'Opus has always had zero tolerance for fraud and corruption', says Opus Chief Technology Officer Tom Fournier, who championed implementation of these programs. 'As we are a growing company with more and more employees and business partners all over the world, we have decided that we must be proactive to maintain our high ethical standards.'

Opus has also contracted TRACE to provide a vetting service for new business partners. 'As we enter new markets in the developing world, we want to be certain that the companies we collaborate with have as high ethical standards as we do,' says CEO Lothar Geilen.

Innovations in the United States

At its technology center in Tucson, Arizona, Opus has developed anti-fraud technologies for use in inspection stations. In Rhode Island, for example, the company's patent-pending E-verify software alerts station managers to potential discrepancies when the vehicle is plugged into either a different vehicle or an OBD simulator – a device used to mimic the vehicle's on-board diagnostic system to cheat the test. Opus also uses biometric technologies to authenticate inspectors and positively link them to individual vehicle results.

In New York state, which is a decentralized program with 50,000 inspectors performing 12 million annual inspections in 10,000 independent inspection stations, Opus and the Department of Motor Vehicles (DMV) have jointly developed an innovative trigger system. It highlights anomalies or "trigger hits" to both the DMV and Opus during the inspection, enabling oversight of inspectors and real time detection of improper processes. This increased scrutiny has had a significant impact on attempted fraud, reducing the number of trigger hits to one tenth of the hits before the system was introduced in April 2018.

Cashless in Argentina

With the removal of cash from inspection stations in Buenos Aires, Argentina, Opus has been able to remove a corruption risk.

But that is not all we are doing says Opus Argentina Administration and Finance Director Martín Serrano: 'As a company operating contracts on behalf of the public sector, we have multiple measures in place to reduce the risk of corruption. Our teams will join the TRACE training this year and we will soon be externally auditing everything we do.'

Technologies in Asia

Opus has developed and implemented a raft of innovative anti-fraud measures in the Punjab province of Pakistan using the very latest technologies available.

Vehicles which pass Opus safety and emission tests carry an RFID sticker. The RFID tag includes a serial number linking the vehicle to the electronic test record. Not only is the RFID sticker used as proof of a vehicle's compliance, it also means the vehicle can be recognized and tracked by Opus and Pakistani traffic police via Opus-provided RFID readers.

The inspection process in Pakistan is nearly fully automated, which minimizes the subjective human element. Opus also runs electronic reports for audit purposes on many metrics, including average test time and number of aborted tests. As in the United States, unusual results such as abnormal test times or offline inspection trigger alerts.

The company's position on fraud and corruption is one of the reasons why Opus maintains the trust of its customers, shareholders and other stakeholders. As Opus CTO Tom Fournier says, 'Wherever Opus is in the world, you can rely on us having the highest standards of professional integrity and using the best technology tools and employee training to ensure those standards are met.'

Automatic vehicle verification can be built into Opus inspection monitoring equipment.

Sustainability report

The world is facing significant challenges. Climate change, population growth and demands for a decent standard of living are driving people to move to cities. The increase in car ownership in the developing world means air pollution and the numbers of road traffic accidents are continuing to rise.

As a global vehicle inspection and intelligent vehicle support company, we recognize the contribution we can make with our vehicle inspection activities to managing these challenges. The UN has defined 17 sustainable development goals for member countries to achieve in collaboration by 2030. We have chosen to focus on the following goals as this is where we believe Opus can have the greatest impact as a company:

#8	**Decent work and economic growth**
#11	**Sustainable cities and communities**
#13	**Climate action**
#16	**Peace justice and strong institutions**

In dialogue with external and internal stakeholders, our Board of Directors and Group Management Team have further identified six strategic priorities for sustainability. They are based on our assessment of our most important sustainability issues and on where Opus, our products and services can create most value and have the greatest impact from a sustainability perspective.

- Combating climate change
- Operating in low- and middle-income countries
- Financial stability as a company
- Anti-fraud
- Equal opportunity
- Human rights

Our sustainability reporting encompasses the same entities as the rest of our annual report. A more in-depth description of our business model and strategy can be found on pages 8-9.

Sustainability management

In 2017, we defined a set of groupwide sustainability goals for Opus, having previously measured our performance within our individual companies. These goals are on pages 24-25 and 2018 is the first year we are publicly reporting on them.

Opus business culture promotes long-term thinking, integrity and sustainability (among other principles) and we recruit employees based on their fit with our culture. A number of corporate policies help us manage sustainability in various areas of the company. These include: Ethical guidelines; Anti-corruption policy; Code of Conduct; Environmental and Quality policy and Work environment policy. As we are responsible for the behavior of our business partners when they are delivering on our behalf, we have introduced an Anti-corruption policy and a Code of Conduct for business partners. Our policies are available upon request. The manager of each business segment at Opus is responsible for ensuring that the policies are followed, with the Board of Directors ultimately responsible.

Every year, we conduct a comprehensive risk assessment for the company and define our most significant risks. Bribery and corruption have been identified as our principal sustainability risks. Consequently, we devote considerable resources to training our employees and suppliers, and to developing processes and technology to fight corruption. Starting 2018, we initiated a mandatory annual anti-corruption training program for staff; we are also requesting our key business partners to sign our Anti-corruption policy and Code of conduct. Further information on how we manage our risks can be found on pages 38-41.

Sustainability performance

In general, Opus' performance against our sustainability goals for 2018 was line with our expectations – including for renewable energy, human rights, anti-corruption and employee numbers in low- and middle-income countries. In a male-dominated industry, we had a slight decrease in the proportion of women employees overall. However, we had a pleasing increase of 2% in the proportion of women in management and professional positions, demonstrating our commitment to equal opportunity when promoting and recruiting talent at a senior level.

This year, we have sharpened our focus on vehicle safety in one of our Economic goals, we have adjusted another of our Economic goals in line with our strategy and we have also had to adjust slightly the wording of our goal relating to emission tests in low- and middle-income countries since acquisitions in Latin America meant we achieved in one year what we expected to achieve over a period of three years. Also, we had more accidents requiring time off work in the United States than our goal. We have implemented measures to improve our performance in this area.

OPUS GROUP'S STAKEHOLDERS

Opus Group sustainability goals and performance, 2018

ECONOMIC

GOAL
To reach annual revenue growth of 5-10%*, an EBITA margin of 15%, with net debt/ EBITDA that does not exceed 3.0.

RATIONALE
As a financially stable company, we support UN global goal #16.6 (Effective institutions) by enabling governments worldwide to establish and operate effective transport authorities and vehicle testing programs over the long term. We also support UN global goal #8.3 (Decent work for all) by providing secure employment so people can support their families on decent incomes.

GOVERNANCE + MEASURES
We gather information monthly and we report on our progress towards these targets every quarter.
*We expect to achieve 5-10% annual growth through organic and acquisitive growth based on a 3-year CAGR.

PERFORMANCE
See financial reports on pages 46-50.

GOAL
The proportion of revenue coming from safety-based vehicle inspection should increase by 15% per year.

RATIONALE
We support UN global goal #8.1 (Growth in developing world) and UN global goal #11.2 (Road safety) by focusing our efforts on where we can make the most difference – countries where the vehicle fleet is older and less safe (which are often low- and middle-income countries).

GOVERNANCE + MEASURES
We are committed to our strategy and have made significant investments in new safety inspection programs, including dividing our Vehicle Inspection business into three geographical segments to enable appropriate focus. We monitor our performance closely and publish our results every quarter.

PERFORMANCE
See financial reports on pages 46-50.

HUMAN RIGHTS

GOAL
To ensure 100% of employees continue to follow our Ethical guidelines and Code of conduct policies.

RATIONALE
We work towards UN global goal #8 (Decent working conditions, specifically #8.7, and #8.8) by ensuring our employees operate in an ethical way.

GOVERNANCE + MEASURES
For many years, it has been mandatory for our employees to review our Ethical guidelines and Code of conduct when they join the company to ensure understanding. The company has a Whistleblowing hotline where employees can report their concerns.

PER-FORMANCE

GOAL
To show zero tolerance for any kind of discrimination.

RATIONALE
We support UN global goal #8.3 (Protecting labor rights) by ensuring zero discrimination against our employees, whether on the basis of gender, sexual orientation, nationality, race, color, ethnicity, religion, age, pregnancy or membership of a trade union.

GOVERNANCE + MEASURES
We measure the number of discrimination cases reported per year, investigate all reports, keep a record of the findings and take appropriate action. The company has a Whistleblowing hotline where employees can report their concerns. In 2018, all reports of discrimination were investigated thoroughly as per our Ethical guidelines and Disciplinary policy and resolved.

PER-FORMANCE

ENVIRONMENT

GOAL
To increase the number of vehicle emissions tests we carry out in low- and middle-income countries by an average of 25% each year until 2021, from a baseline of 400,000 in 2017.

RATIONALE
We contribute towards UN global goal #13 (Climate action) by helping governments to integrate climate change measures, inspecting vehicle emissions, and failing the most polluting cars.

GOVERNANCE + MEASURES
We measure the number of tests we carry out through our equipment and through our management information systems. Because of acquisitions in line with our strategy, the number of tests we carried out in these countries more than doubled to 940,000 in 2018. But we do not expect an equivalent in-crease for 2019 and 2020.

PER-FORMANCE

GOAL
To grow the proportion of renewable energy in markets where it is available and economically sustainable.

RATIONALE
We contribute towards UN global goal #13 (Climate action) by seeking to reduce our environmental impact and using 100% renewable energy where it is available and economically sustainable. We recognize that by requesting renewable energy, we can drive external demand in the energy markets.

GOVERNANCE + MEASURES
We monitor our energy consumption, investigate alternatives when energy contracts are up for renewal and put pressure on suppliers to provide us with clean energy. In 2018, Sweden used 97% renewable electricity while in Chile the number was 17%. In all other countries the data was either unavailable, or renewable energy sources were unavailable.

PER-FORMANCE

ANTI-CORRUPTION & FRAUD

GOAL

To ensure vehicle inspection performed under Opus management is free from fraud.

RATIONALE

We contribute to UN goal #16.5 (Anti-bribery and corruption) as we have zero tolerance for corruption within the company and beyond and we actively use tools, technology and methods to prevent and detect fraud. We also work closely with governments and tailor our anti-fraud offering to their requirements and market needs.

GOVERNANCE + MEASURES

Anti-corruption and fraud are covered in our policies, including our Anti-corruption policies. We have tools, technology and methods to prevent and detect fraud, and we are continuously evolving them. We have trained relevant staff, such as vehicle inspectors, in anti-corruption and we started implementing a formal, annual program with mandatory participation during 2018. The company has a Whistleblowing hotline where employees can report their concerns. In 2018, any suspected cases of fraud or corruption were actioned as per our policies. Following the 2018 launch of our Anti-corruption policy and Code of conduct for business partners to further deliver on our responsibilities, 100% of relevant business partners received them for review.

PER-FORMANCE

SOCIAL

GOAL

To increase our employee numbers in low- and middle-income countries by 2021, from a baseline of 192 employees in 2017.

RATIONALE

We drive long-term employment and enable sustainable wealth creation in low and middle-income countries contributing to UN Global goal #8 Decent work and economic growth (specifically 8.5) by employing and training local workers where we set up vehicle inspection programs.

GOVERNANCE + MEASURES

We employ and train local workers where we can, and we gather data about employee numbers as part of our HR program. In 2018, we increased our total employee numbers in low- and middle-income countries to 539.

PER-FORMANCE

GOAL

To reduce the percentage of employees experiencing workplace accidents that require time away from work from a baseline of 0.65% in 2017.

RATIONALE

We contribute to UN global goal #8.8 (Safe and secure work environment) by ensuring our employees are not at risk from harm when they come to work.

GOVERNANCE + MEASURES

Health and safety are covered in our Work environment policy. We provide the resources, information, training and management attention to achieve our objectives and targets. If we miss the goal, we revisit our training and procedures to ensure the foundations are in place. We had proportionally more incidents requiring time off work in 2018 (1.02%), particularly in the US. To minimize the risk of repeating the incidents that occurred during 2018, we immediately re-evaluated procedures, circulated appropriate information and implemented corrective actions.

GOAL

To offer equal opportunity to men and women, with the long-term aim of reaching a healthy gender balance in the Group. The 2017 baseline was 22% women versus 78% men in managerial and professional roles; and 27% women versus 73% men in total.

RATIONALE

In a male-dominated industry, we support UN global goal #5 (Gender equality, specifically 5.5, 5A and 5C) by working to increase the number of women in total and achieve a healthy gender balance in leadership positions. We further ensure nobody is disadvantaged because of their gender and that we benefit from a broad range of experience. We also recognize that by employing women in low- and middle-income countries, we can make a significant difference to society.

GOVERNANCE + MEASURES

Gender equality is covered in our ethical guidelines. We ask our external recruiters to include a dynamic gender balance in the selection pool at managerial and professional roles. In 2018, our employee numbers were:

- 43% (3) women and 57% (4) men on the Board of Directors
- 25% (2) women and 75% (6) men on the Group Management Team
- 24% women and 76% men in managerial and professional positions
- 21% women and 79% men in total (all employees)

In 2018, in total, we had an increase of the proportion of women in managerial positions, but a decrease in the overall proportion of women (all employees). We had a lower proportion of senior women to men in Pakistan than 2017 but this was balanced by an increase in the proportion of senior women in Latin America and the United States. We continue to actively look for female candidates at all levels – although the talent pool is more heavily skewed towards males.

PER-FORMANCE

PER-FORMANCE