

Sustainability Report

Helping to meet global challenges

Climate change, population growth and demands for a decent standard of living are driving people to move to cities, which in turn leads to more traffic and emissions. The increase in car ownership in the developing world means air pollution and road accidents are continuing to rise.

OPUS FOCUS GOALS

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 (SDG) 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 6-7.

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 16-17 and 2019 is the third year we are publicly reporting on our groupwide goals.

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 take responsibility for engaging with good, sustainable 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 principal sustainability risks. Consequently, we devote considerable resources to training our employees and suppliers, and to developing processes and technology to fight the potential for corruption. Starting 2018, we initiated a mandatory annual anti-bribery, 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 30-33.

Sustainability performance

In general, Opus' performance against our sustainability goals for 2019 was in line with our expectations – including for renewable energy, emission testing, human rights, anti-corruption and employee numbers in low- and middle-income countries.

This year, we have clarified the language in our gender balance measure so that we now use 'leadership' rather than 'managerial and professional'. We have also sharpened our focus on female leadership. We recognise that we recruited fewer female leaders proportionally than female employees overall in 2019, and that in a male-dominated industry we must take action at a leadership level to secure a healthy gender balance throughout the whole company in the long term. Additionally, we have adjusted our measure for workplace accidents allowing us to benchmark against our industry peers.

OPUS GROUP'S STAKEHOLDERS



Opus Group sustainability goals and performance, 2019



ECONOMIC

GOAL

In 2019, to reach annual revenue growth of 5-10%*, an EBITA margin of 15%, with net debt/ EBITDA not exceeding 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.

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.



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 Whistle-blowing hotline where employees can report their concerns.

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 2019, all reports of discrimination were investigated thoroughly as per our Ethical Guidelines and Disciplinary Policy and resolved.



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 2018 acquisitions in line with our strategy, the number of tests we carried out in these countries increased to 1,097,300 (940,000 in 2018) – which is a compound annual increase of 65% from 2017 to 2019. But we do not expect an equivalent increase in 2020.

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 2019, Sweden used 97% (97% in 2018) renewable electricity while in Chile the number was 17% (17% in 2018). In all other countries the data was either unavailable, or renewable energy sources were unavailable.



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 Policy for Employees and our Anti-Corruption Policy for Business Partners. We have tools, technology and methods to prevent and detect fraud, and we are continuously evolving them. We train relevant staff in anti-corruption as part of our onboarding programs and we also have a formal annual anti-corruption and fraud program, which saw 99% participation in 2019. The company has a Whistleblowing hotline where employees can report their concerns. In 2019, any suspected cases of fraud or corruption were actioned as per our policies. All relevant business partners receive our Anti-Corruption Policy and Code of Conduct for Business Partners for review.



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 employees where we set up vehicle inspection programs.

GOVERNANCE + MEASURES

We employ and train local employees where we can, and we gather data about employee numbers as part of our HR program. In 2019, we increased our total employee numbers in low- and middle-income countries to 631, from 539 in 2018.

GOAL

To reduce the percentage of employees experiencing workplace accidents that require time away from work from a baseline of 7.6 accidents requiring time away from work per million working hours.

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.

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 leadership 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. We also seek to achieve a healthy gender balance in leadership roles. 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 for all our recruitment. In 2019, our employee numbers were:

- 43% (3) women and 57% (4) men on the Board of Directors in 2019 – unchanged from 2018
- 10% (1) woman and 90% (9) men on the Group Management Team – 25% (2) women and 75% men (6) in 2018
- 23% women and 77% men in leadership positions - 24% women and 76% men in 2018
- 21% women and 79% men in total (all employees) – unchanged from 2018

In 2019, 29% of all employees recruited were women – which is positive in a male-dominated industry. A concern however is that the number of female leaders we recruited was 16%, which does not reflect the current leadership gender balance or proportion of women recruited overall.