

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:



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.

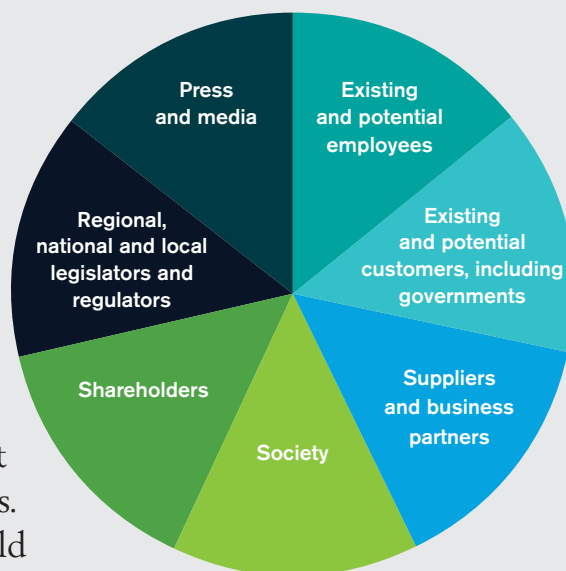
- Combating climate change
- Operating in low- and middle-income countries
- Financial stability as a company
- Anti-fraud
- Equal opportunity
- Human rights

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

Until now, we have not publicly reported on our corporate sustainability goals, although we have measured them within our individual companies. As of 2018, we will be reporting on our goals (as set out opposite and on page 24) group-wide after in-depth consultation with stakeholders – with 2017 as our baseline year for several of our 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



**OPUS GROUP'S
STAKEHOLDERS**

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 will also have a mandatory annual anti-corruption training program for staff; we will be 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.

Opus Group sustainability goals, 2017

ECONOMIC

GOAL	RATIONALE	GOVERNANCE AND MEASURES
To achieve revenues of USD 400 million and grow EBITDA to USD 100 million (i.e. EBITDA margin of 25%) by 2021.	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.	We gather information monthly and we report on our progress towards these targets every quarter. Our financial reports for 2017 are on pages 46–50.
To increase the proportion of revenue coming from low- and middle-income countries to reach 20% of total revenue by 2021.	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 that do not yet have a vehicle inspection program or where the program could be more efficient. By growing in these countries, our impact will be more significant.	We are committed to our strategy and have made significant investments in low- and middle-income countries, 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.

ENVIRONMENT

GOAL	RATIONALE	GOVERNANCE AND MEASURES
To increase the number of vehicle emissions tests we carry out in low- and middle-income countries by 25% each year until 2021, from a baseline of 400,000 in 2017.	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.	We measure the number of tests we carry out through our equipment and through our management information systems. In 2017, we carried out 400,000 emission tests in Latin America and Asia.
To grow the proportion of renewable energy in markets where it is available and economically sustainable.	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.	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 2017, 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.

HUMAN RIGHTS

GOAL	RATIONALE	GOVERNANCE AND MEASURES
To ensure 100% of employees continue to follow our Ethical guidelines and Code of conduct policies.	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.	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. In our core markets, we have a Whistleblowing hotline where employees can report their concerns, and we are rolling it out across all our sites during 2018.
To show zero tolerance for any kind of discrimination.	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.	We measure the number of discrimination cases reported per year, investigate all reports, keep a record of the findings and take appropriate action. In our core markets, we have a Whistleblowing hotline where employees can report their concerns, and we are rolling it out across all our sites during 2018. In 2017, all reports of discrimination were investigated thoroughly as per our Ethical guidelines and Disciplinary policy and resolved.

ANTI-CORRUPTION & FRAUD

GOAL	RATIONALE	GOVERNANCE AND MEASURES
To ensure vehicle inspection performed under Opus management is free from fraud.	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.	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 from 2018, we will have a formal, annual program with mandatory participation. In our core markets, we have a Whistleblowing hotline where employees can report their concerns, and we are rolling it out across all our sites. In 2017, any suspected cases of fraud or corruption were actioned as per our policies. In 2018, we launched an Anti-corruption policy and Code of conduct for business partners to further deliver on our responsibilities. We will start measuring their compliance from 2018.

SOCIAL

GOAL	RATIONALE	GOVERNANCE AND MEASURES
To increase our employee numbers in low- and middle-income countries by 2021, from a baseline of 192 employees in 2017.	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.	We employ and train local workers where we can, and we gather data about employee numbers as part of our HR program.
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.	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.	<p>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 2017, our employee numbers were:</p> <ul style="list-style-type: none"> • 50% (3) women and 50% (3) men on the Board of Directors • 25% (2) women and 75% (6) men on the Group Management Team • 22% women and 78% men in managerial and professional positions • 27% women and 73% men in total (all employees) <p>From 2018, we will be ensuring we actively look for female candidates at all levels – although the talent pool is more heavily skewed towards males.</p>
To reduce the percentage of employees experiencing work place accidents that require time away from work from a baseline of 0.65% in 2017.	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.	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 will revisit our training and procedures to ensure the foundations are in place. To minimize the risk of repeating the 13 incidents that occurred during 2017, we immediately re-evaluated procedures and circulated appropriate information.



Carbon offset projects

Our Swedish Vehicle Inspection company, Opus Bilprovning, has been carbon neutral for two years. The company has adopted a pioneering approach, not just by offsetting its own carbon emissions, but also by enabling motorists to compensate for theirs.

VALIDATING OUR CARBON OFFSET PROJECTS

- Only Swedish company fully compliant with PAS 2060 Specification for the demonstration of Carbon Neutrality
- All projects reviewed by Plan Vivo Foundation before being approved, ArBolivia also approved by independent standards body GoldStandard
- All projects are regularly checked by third parties; in addition there is continuous monitoring by the local environmental organizations that run the projects
- Opus staff visited all projects in May 2017



In 2014, Opus Bilprovning set itself an ambitious challenge: to be completely carbon neutral by 2016.

The team started by investigating emissions from vehicle inspection stations. They had already identified that each inspector opened the door of the station at least 40 times a day, releasing heat outside. Emissions tests and road safety tests also gave off CO₂ – and the company used a lot of consumables, like toner cartridges and other stationery.

Reducing CO₂ emissions

‘There were several quick-wins for us to reduce our CO₂ emissions,’ says Thomas Nilsson, Quality and Environmental Manager at Opus Bilprovning. ‘We reworked our procedures and operations to be more efficient, overhauled our heating, lighting and ventilation systems and switched to greener energy tariffs.’ But it soon became clear that the company could not do much to minimize its most significant source of emissions: motorists’ journeys to and from the station. ‘In 2014, our baseline year,’ says Thomas, ‘we emitted 15,233 tonnes of CO₂ – of which more than half was accounted for by customers’ journeys. Through changes

in our operations, we cut our total emissions to 9,184 tonnes in 2015. But we couldn’t do anything about motorists’ journeys to and from the station, so we decided to offset them through climate compensation.’

Carbon offsetting

Opus Bilprovning chose Plan Vivo to ensure the quality of our selected climate compensation projects. Plan Vivo has developed a regulatory framework that is followed during the development, implementation and monitoring of the projects. In addition to making sure the projects have a positive impact on the climate, Plan Vivo also sets requirements for projects to contribute to biodiversity and improved living standards in the local area. Plan Vivo issues official certificates, or “carbon credits”, once it has approved each project’s annual report. The annual report includes third-party verification that the projects are fully managed according to plan and regulations. To further guarantee the projects, we also visit them ourselves.

ArBolivia supports small farmers in the Amazon with plants, advice and financing to use their land in climate-friendly ways for the long term. The project not only slows deforestation, it also promotes biodiversity of the rainforest.

Nakau is a program in the South Pacific that engages local people in the long-term conservation and protection of rain forests, providing them with economic alternatives to harvesting and selling

timber. In total, an area of 58,920 km² of forest has been protected in areas of high biodiversity and of cultural historical significance.

Good business sense

The company’s climate compensation projects were so successful, it decided to offer motorists the opportunity to compensate for the driving they do in addition to travelling to the inspection station. ‘Most vehicle owners know that driving is bad for the environment, but few people are aware of exactly how much carbon dioxide they release over the course of one year,’ says Thomas. ‘We offer motorists a unique service – information about their annual carbon emissions, and a quality-assured and easy way to offset it through contributing to our projects. Even though we don’t charge motorists a fee for administering the service, it makes good business sense for us too. It shows Swedish motorists how seriously we take our environmental responsibilities.’

Opus looks for opportunities to reduce its environmental impact, wherever it operates. While in Sweden green energy and carbon offsetting come naturally, in other countries, the infrastructure, culture and legislation are not well-set up to support environmental projects.

‘Our goal is to be able to hand over to the next generation with the confidence that Opus hasn’t caused any negative impact on the climate’ says Per Rosén, President, Vehicle Inspection Europe.