ENVIRONMENTAL BEST PRACTICES GUIDELINES

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1 INTRODUCTION

Due to economy growth and the highly industrialized society, the environmental preservation is nowadays one of humanity's biggest challenges.

In Sustainable Development's epicentre is the right environmental balance, fundamental for the socioeconomic development, food production and availability of healthful ecosystems.

Applus+ is aligned with the 2023 Agenda for Sustainable Development from United Nations and the Sustainable Development Goals on the purpose of driving countries and their societies to undertake a way that improves everyone's life, contributing to generating a positive impact.

SUSTAINABLE PERFORMANCE

We are involved in the preservation of our environment and firmly committed to the actions to mitigate climate change.

We apply policies and procedures to manage our operations based on the prevention of potential environmental impacts.

We define comprehensive controls to ensure compliance with the environmental laws that apply to us in all the countries where we operate.

We develop innovative services that help reduce the potential environmental impacts of our customers around the world.

With this guideline we want to go beyond legal requirements and seek awareness, collaboration, and compromise from all the Applus+ professionals to leave a better planet for future generations. Through the implementation of the Environmental Best Practices contained in this guideline we will reduce the impact of Applus+ activities in the environment being additionally a simple tool contributing to its protection and preservation.

In addition, the reduction of possible impacts could be even higher if these Environmental Best Practices got implemented, if possible and for those common items, outside the work sphere.

The scope of this Environmental Best Practices Guidelines includes all Applus+ professionals (internal and external) and **Applus+ Facilities (offices, stations, laboratories...) as physical location.**

When Applus+ professionals (internal and external) provide services at client's facilities, they will observe their established standards in terms of Environmental Best Practices.

Otherwise, (when the client does not have Environmental Best Practices established or they do not fully contemplate them) and after an agreement with the client, this document's applicable Environmental Best Practices will be established.

Applus+ transfers this responsible compromise to all our supply chain, both the suppliers and contractors, to those who we require to assume our Environmental Best Practices, as the own goods

and services acquisition process, contributing to anticipate and minimising its impact on the environment.

As a result of the above, the following guidelines are established for the different daily operations. However, these are not unique, so in case you have contributions for continuous improvement we would appreciate your collaboration by communicating them to the HSQE Department through the following email address: HSQE.environment@applus.com

2 Action vectors

2.1 Energy and emissions

The energy consumption derived from our operations is due to the consumption of electricity and fuels such as petrol, diesel or natural gas.

Our carbon footprint is the result of GHG emissions, due to the Group's energy consumption, both if it is directly consumed by Applus+ or by our suppliers. The largest source of energy consumption in the Group is the fuel consumption.

In the matter of electricity, although it is clean to use, its production and distribution can have negative consequences for the environment (greenhouse effect, acid rain, water pollution, fertile soil destruction). Therefore, its consumption must be responsible.

In Applus+ we have designed an action plan that includes, among others, the creation and deployment of new polices, energy efficiency plans applied to facilities/offices with higher consumptions, the increase of green power consumption in our facilities and the progressive renewal of our vehicle fleet for more sustainable technologies.

2.1.1 Travel

Many of our activities require on-site actions, therefore, travelling to our own or client's facilities is needed. Most of these travels are with combustion vehicles whether they are done with our internal fleet or external vehicles (taxi, planes…), that is why in Applus+ business travel is one of our main sources of emissions into the atmosphere.

At this point our efforts will be focused on the **prioritization of low environmental impact transports**, **efficient driving**, and **vehicle maintenance**.

2.1.1.1   Prioritization of low environmental impact transports

1. Use of non-fossil fuel transports rather than the ones that use them.
2. Collective transport rather than individual one.

Transport modes from highest to lowest priority	Propulsion modes from highest to lowest priority (from lowest to highest polluting)
1. Non-motorized transportation on foot or by bicycle. 2. Collective public transport. 3. Shared private vehicle transportation. 4. Non-shared private vehicle transportation.	1. Electric vehicle. (EV) 2. Plug in hybrid electric vehicle. (PHEV) 3. Hybrid electric vehicle. (HEV) 4. Liquified gas powered vehicle. (GLP, GNL, GNC) 5. Gasoline powered vehicle. 6. Diesel powered vehicle

2.1.1.2   Efficient driving

We need to follow good practices in the use of vehicles, both private and fleet vehicles:

- Plan routes to avoid traffic jams and optimize travel distance and time.
- Drive safely, using the appropriate gear, adjusting speed to road conditions and anticipating speed changes. High speeds and/or abrupt changes in speed (sudden braking or acceleration) increase fuel consumption.
- Use the "Start&Stop" system and in its absence stop the engine if you are going to stop for a prolonged period of time.
- Park the vehicle in a shaded area to avoid the accumulation of temperature inside.
- Do not use the air conditioning if it is not necessary; if necessary, adjust the temperature to save energy.
- Do not drive with the windows down if it is not essential. Ventilate the vehicle before driving.

2.1.1.3 Vehicle maintenance

The maintenance of vehicles, both private and fleet ones, directly affects atmospheric emissions. Good maintenance, following the manufacturer's instructions, helps to emit lower amounts of harmful substances to health into the environment.

- Check the vehicle condition before use.
- Check the tire pressure and confirm that is the one established by the vehicle manufacturer.
- Perform the maintenance established by the vehicle manufacturer, using the recommended lubricants and coolants.
- Remove elements that reduce the aerodynamics of the vehicle (roof rack, bicycle rack…).

The different business units will follow up on the vehicle inspections to plan its periodic revisions.

2.1.2 Climate control

Limiting office's thermostats temperature is an exercise of social and environmental responsibility. The temperature of our buildings and offices must be adjusted following energy saving criteria.

The guidelines to follow are:

- Use of double or triple glazed doors and windows and close them whenever possible to avoid hot or cold air leakage (as the case may be).
- Keep ventilation outlets and radiators clear.
- Adjust the heating or air conditioning settings to the needs of the office, using thermostat controllers.
- Rent/purchase facilities considering their energy efficiency, for example, by looking at their energy certification, if possible.

2.1.3 Lighting and devices

2.1.3.1 Lighting

Although the electricity consumed by the light systems is not the source of the highest consumptions of the group, it is important and should not be forgotten. We can reduce its energy consumption by following the guidelines below:

- Benefit from natural lighting, whenever possible.
- Turn on only the lighting in work areas and control that its lighting is appropriate to the needs.

- Switch off lights in areas that are not being used or are no longer in use (e.g. warehouses, meeting rooms or offices, bathrooms).
- Install motion sensor lighting in those spaces that allow it due to their use (e.g. corridors and bathrooms).
- Avoid placing boxes or other elements that can create shaded zones in working areas.

The office managers will be responsible for the maintenance of the lighting system, the installation of energy-saving lamps and the periodic cleaning of the lamps in order to benefit from all the lighting emitted.

2.1.3.2   Devices

A large part of the energy consumed in our facilities comes from the use of computing and electronic equipment. To contribute to sustainability, it is necessary to:

- Turn off computing equipment at the end of the day or whenever you think you are not going to use it for a long time. Suspend the computer if you are going to take a short break (e.g. coffee break). Remember that "standby mode" still consumes energy.
- Activate the "energy saving mode" function of those electrical and electronic equipment that have it available (computers, printers, photocopiers...).
- Prioritize purchasing efficient devices.
- Adjust screen brightness of computers, tablets, and phones to avoid wasting energy.
- If possible, go up and down using stairs, avoiding the use of elevators.
- Avoid duplication of data both on computers and in the cloud. Backup copies will not be considered duplicates of information.
- Pay attention to electricity consumption and, in case of an unforeseen, increase investigate its origin.

2.2 Water

Water is vital for the human beings' survival, and also for the planet's biodiversity. Thus, its use must be appropriate and in line with the water cycle. Its consumption can have the following impacts:

- Energy: Running water consumption requires both pre-treatment (drinking water treatment) and post-treatment (purification) processes, which can require high levels of energy.
- Water stress: Irresponsible water use can cause deterioration of water resources (aquifers and rivers) with irreversible effects and it can also affect biodiversity.
- Contamination of aquifers and rivers: Leaks, spills and discharge of hazardous substances into sewers can lead to contamination of aquifers and rivers with irreversible effects and it can also affect biodiversity.

The main guidelines for responsible and efficient use of this resource are:

- Reduce the amount of water consumed in each action: open the tap at half pressure, use aerators, close the tap when it's not being used, install push buttons or taps with movement sensors, use half flushes in toilets…
- Notify the office manager of any faults detected in the water system.
- Prevent water leaks: closing the stopcock in intermittent work areas or during long periods of absence.

- Use water-saving cleaning systems (automatic closing nozzles, pressure washers...) and clean tools and surfaces immediately after use to avoid ingrained dirt.
- Use biodegradable materials and substances.
- Do not flush hazardous substances down toilets, drains or sewers.
- Have good control over the storage and management of hazardous substances (more information in the **Waste** section).
- Pay attention to water consumption and in the event of an unanticipated increase investigate its origin.

2.3 Waste

Applus+ offers a broad portfolio of solutions for a wide variety of needs, generating different types of waste. In line with our motto, *Together beyond standards*, we want to go beyond our legal obligations and carry out an integrated management of our waste that allows us to move towards a circular economy model based on the 7Rs. All of them are measures we can take as citizens to protect the environment and participate in the circular economy.

In order to minimize a potential negative environmental impact arising from the generation of waste as a result of the activities carried out by Applus+, the following actions will be taken:

- **Compliance with applicable waste management laws** in every country where Applus+ operates.
- **Enforce the 7Rs Code of Conduct** (see section **The 7Rs in our activity**)
- **Application of the hierarchy for managing and treating waste:** both in our facilities and in the projects in which we participate, we must always prioritize being preventive rather than reactive, that is to say, we must prioritize preventing the generation of waste rather than managing it. However, in those cases where an unwanted product must be generated, we will prioritize giving it a second life, i.e. reusing it and, if this is not possible, recycling it. Lastly, if neither reuse nor recycling is possible, we will prioritize energy recovery over landfill.

2.3.1 The 7Rs in our activity

1. **R**edesign. Eco-design: Products and services must be designed in such a way that the application of the 7Rs is foreseen, being expressed in the commercial proposals as an added value framed in our commitment to sustainability.
It is necessary to identify the possible environmental aspects of the service and establish guidelines to minimize its impact on the environment, complying with current environmental legislation, reducing costs and introducing innovative elements that differentiate it from the competition.
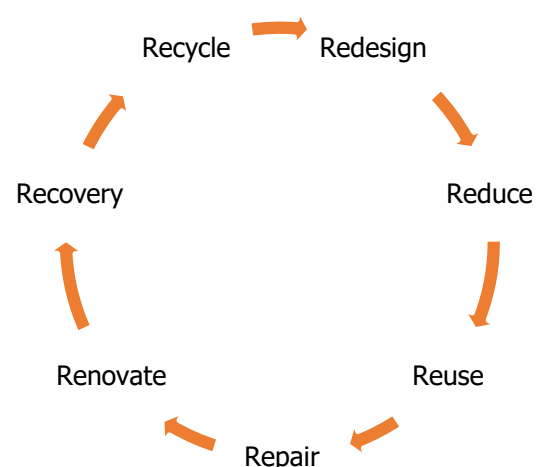
2. **Reduce**: Establish a pattern of responsible consumption of raw materials and energy, in order to minimize waste and impact.

3. **Reuse**: Follow the good practices already in place for the reuse of paper and cardboard boxes, which can be extended to other items that are thrown away on a daily basis by giving them a complementary or alternative use.

4. **Repair**: Prioritize the repair of objects and machinery that break down, extending their functional life. Although buying a new one may be cheaper, it is necessary to weigh up the environmental and economic cost of managing the waste of the damaged object or machinery.

5. **Renovate**: This means that a disused object is restored to its functional use, rather than purchasing a new one.

6. **Recovery**: To make it easier for waste operators and managers to recover materials that can be used to reintroduce them back into the production process. To this end, it is essential to segregate waste at source according to material (metals, cement, wood…).

7. **Recycle**: Use waste to obtain raw materials that can be used in production processes. Through the waste management carried out in our offices we can classify our waste and contribute to its recycling.

In any case, the following practices should be adopted:

- Properly segregate the waste by depositing in appropriate containers as required.
- Follow the established instructions for hazardous wastes, by presenting them separately or in special containers.
- Dispose of waste in an appropriate manner to avoid leaks or spills and using buckets that in the event of accidental leaks or spills can collect the product and treat it appropriately. Store waste for a limited period of time and keep it protected from inclement weather. Store the waste for a limited period of time and protected against inclement weather.

2.4 Other aspects

2.4.1 Use of paper and cardboard

Paper and cardboard account for the largest proportion of waste generated in our offices. To reduce their consumption, we will use a "zero paper" approach.

"ZERO PAPER"

In order to reduce paper consumption, all Applus+ professionals will, as far as possible, act in accordance with the "no paper" criterion, based on the following guidelines:

- Use the electronic documents' reviewing tools (PDF comments, edit/comment control in Microsoft Word…) to avoid printing drafts and other working papers.
- Prioritize sending commercial and project documentation in electronic format, if the established contracts allow it. It is necessary to promote the delivery of documentation in electronic format among the clients, already indicated in the business proposals.

- Use the digital tools that Applus+ makes available for document filing, electronic signature, information capture in the field...
- Before printing, review the documents in electronic format and prepare a PDF to check that the final result is as desired. This avoids unnecessary printing.
- Check the printer settings before printing (e.g. print single or double sided, black and white or colour, in what size).
- When using paper (printing or other uses), prioritize the use of recycled and chlorine-free paper. Care should be taken to ensure that the paper used in offices complies with these characteristics.
- Layout documents avoiding colour masses that waste ink or/and unnecessary blank pages and spaces; without reducing the quality and presentation of reports. Document templates (reports, presentations, offers, etc.) should be in line with sustainability standards.
- Place a tray in the department for paper that can be reused - considering the nature of the information contained - for handwritten notes and avoid using new notebooks for this purpose.
- If possible, establish a space in the workplace for the storage of cardboard, boxes and other reusable paper or cardboard packaging. Avoid disposing of cardboard boxes that come with goods without using them a second time.
- Place used paper in the recycling bins and other blue containers. Never combine cardboard and paper with other trash.

DIGITAL VS. PAPER

The commitment to digital management and the "zero paper" management approach brings benefits such as:

- Time saving: A digital document may be stored and found more quickly than a printed one.
- Accessibility: Electronic documents are available to all members of the organization, promoting knowledge sharing and teamwork.
- Access control: Electronic document formats make controlling access to documents easier.
- Remote working: Electronic document management prevents unneeded trips to offices for the printing of reports, offers, and other documents.
- Traceability: We can track accesses and modifications to electronic documents.
- Saving space: The management of documents in electronic formats implies a saving of space for document archives and permits the sharing or alternative use of employment opportunities.

2.4.2 Consumables

Correctly managing purchased goods by using systems for order and cleanliness (such as the 5S: sort>set in order>shine>standardize>sustain), correctly managing stocks (such as the FIFO system, which states that the first item purchased is the first item used), and properly managing shipments will enable us to manage them more sustainably and use them responsibly.

Purchased consumables (such as reagents, toners, technical gases, lubricants, etc.) must be prevented from:

- Expire, lose their operational capacity, and become waste.

- Cause leaks and/or spills that can damage the environment.
- Being used improperly, resulting in an incorrect process.

2.4.3 Noise pollution

Noise pollution is the presence of noise or vibrations in the environment that change the typical environmental conditions in a particular location, potentially causing inconvenience, risk, or harm to nearby residents and the surrounding ecosystem, among other things.

There are many forms of noise pollution such as the use of vehicles, machinery and electrical or electronic devices among many others.

In order to prevent noise pollution, we must do the following:

- Proper maintenance of vehicles and machinery.
- Check and repair the equipment that generates a high level of noise.
- Plan loud and disruptive work in inhabited areas to minimize the impact on people.
- Acoustically isolate those areas that, due to their location and type of activity, are likely to produce noise levels that will disturb the surrounding biodiversity.

If you have any questions, please address them to the Area Manager or via email through the HSQE channel: HSQE.environment@applus.com