

The logo for SGS, consisting of the letters 'SGS' in a bold, white, sans-serif font. A thin orange horizontal line is positioned below the letters, and a thin orange vertical line is positioned to the right of the letters, forming a partial frame around the text.

**SGS**

Enabling a better,  
safer and more  
interconnected  
world

SGS 2021 Corporate Sustainability Report



Welcome to our 2021 Corporate Sustainability Report. In conjunction with our Integrated Annual Report, it provides an evidenced update on our sustainability activities and performance over the 2021 calendar year.

Reflecting our new Group-wide strategy, the Sustainability Ambitions 2030 (SA30), the report is structured around our three strategic pillars: better governance, better society and better planet.

#### Better, safer and more interconnected

In every industry and location our global teams of experts provide specialized solutions to enable a better, safer and more interconnected world. We're here to make business faster, simpler and more efficient.



#### Better means

We enable a better world by helping businesses everywhere to work efficiently, to deliver with quality, and to trade with integrity and trust.



#### Safer means

We enable a safer world by ensuring that your car is safe to drive, that the environment you work in is secure and clean, and that the food you eat is safe.



#### More interconnected means

We enable a more interconnected world by helping new technology to reach consumers quickly and affordably, by ensuring the security of IT systems and data, and by using AI and the Internet of Things to help develop smart cities.

#### Integrated reporting suite

This report is part of an integrated reporting suite, aligned with our commitment to fair, transparent and balanced communications.

🔗 Read our online Integrated Annual Report

⊕ See our Reporting Standards Index, including Global Reporting Initiative (GRI) and Sustainability Accounting Boards Standards (SASB)

🔗 Read more in our TCFD Report (available 1 March 2022)

⊕ Read more about this report, including data and assurance

## In this report



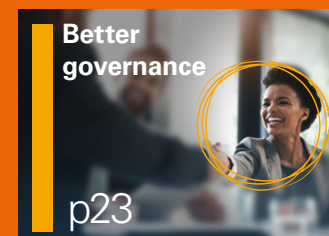
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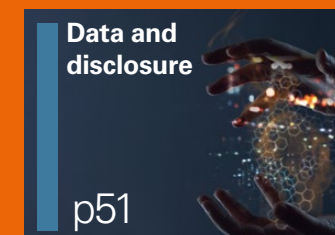
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# Our approach

“Sustainability is embedded in our culture and the way we do business. We empower our employees to act and think sustainably, extend our principles across our supply chain and support our customers on their sustainability journey.”

**Frankie Ng**  
Chief Executive Officer

# About us



At SGS, we are led by our purpose to bring value to society, by enabling a better, safer and more interconnected world. As one of our six Business Principles, Sustainability guides our culture and the way we do business – from how we source responsibly to sustainability solutions for our customers.

With more than 96 000 employees in 125 countries, and spanning virtually all sectors of the economy, we use our scale and expertise to enable a more responsible, balanced and sustainable future. In doing so, we uphold our commitment to applying and sharing best-in-class practices – within our business, our sector and across the value chain.



- 🔗 Find out more about us
- 🔗 Find out more about our sustainability solutions
- 🔗 For the complete list of all SGS affiliates, please see pages 175 to 177 of our 2021 Integrated Annual Report
- 🔗 For an overview of the six 'capitals' driving our business model, please see pages 18 to 19 of our 2021 Integrated Annual Report

## In conversation with our sustainability leaders

With 2021 a milestone year for strategic sustainability progress at SGS, we spoke to our SVP of Corporate Communications, Sustainability and Investor Relations, Toby Reeks, and members of our corporate sustainability team represented by Javier López, Beatriz Cebrián, María Monasor and Víctor Parrilla, about what made it stand out.



**Toby Reeks**  
SVP of Corporate Communications, Sustainability and Investor Relations

### Q. What makes your new sustainability ambitions different from those of 2020?

**Javier:** Our Sustainability Ambitions 2030 (SA30) are an important evolution. The 2030 goals are sufficiently ambitious to tackle some of the most pressing issues of our time, setting interim 2023 targets and more stringent key performance indicators (KPIs). Our three new pillars align with stakeholders' Environment, Sustainability & Governance (ESG) expectations; alongside our new Sustainability Solutions Framework (see page 16), we can now demonstrate with certainty that we are taking the right actions – and that we are doing so across the entire value chain. Together, these steps ultimately support our purpose of enabling a better, safer and more interconnected world.

**Toby:** The team has done a great job in delivering SA30, which ensures that we continue to lead our industry and beyond. Driven by our culture of sustainability, our colleagues are making a positive difference across multiple ESG risks and opportunities. We have a responsibility to our investors, employees, customers, suppliers and all our stakeholders that we are not just talking about sustainability but we're actually doing it. Recent events have renewed the efforts to anticipate risks and ensure the continuity of our operations, whatever happens. Our recent strategic evolution is encouraging further enthusiasm for internal sustainability and it is also fostering services innovation to support our customers.

To ensure accountability our sustainability metrics are woven into all our systems, processes and structures including our capital allocation decisions, and the remuneration of our leadership.

### Q. How have you engaged people across the business in SA30?

**Toby:** The internal campaign around our SA30 has been impressive, and we are grateful to our sustainability ambassadors who have reached the smallest back offices in some of our most remote locations, either virtually or face-to-face. Our leadership is now more engaged than ever and this momentum will enable us to build on our sustainability culture. The work that SGS has done in the past with safety provides a strong example of what we can achieve.

**Beatriz:** We've deployed a comprehensive regional roadshow program and evolved the organisation of the team to maintain and improve the buy-in from so many diverse regions. This involved workshops covering the key points of SA30, and how they can be translated to local contexts and cultures. And engaging and supporting with behavioural campaigns such as Rules from Löss, where we have been clear on the non-negotiable initiatives and KPIs that need to be robustly measured, reported and addressed in order to meet our 2023 targets and longer-term goals.

### Q. What does the launch of Sustainability Solutions mean for SGS?

**Toby:** Our Sustainability Solutions Framework demonstrates how our services contribute to the Sustainable Development Goals (SDGs). It effectively links our internal and external sustainability giving greater consistency to our Group strategy and encourages the entrepreneurial spirit across our global network that we're so well known for. ESG Assurance Solutions was the first new portfolio of services launched under this framework by our Knowledge division, helping our customers improve business practice and meet their stakeholder demands.

**Maria:** In the last year, we have elevated the importance of the value to society we deliver through our sustainability solutions with a more structured framework, establishing common KPIs such as carbon emissions or water pollution avoided, and even lives saved as a result of SGS solutions. The solutions covered by this framework are now all screened for added value against those KPIs. This work continues to provide more detailed economic information to further engage customers and to report our impact to stakeholders.

### Q. So, what's next?

**Toby:** When we ask investors what they think is the biggest opportunity in the next five years, the answer is almost always sustainability solutions. We will continue to innovate both our internal and external sustainability to prepare for what we believe is both a significant opportunity and responsibility. Fundamental to developing industry sustainability thought leadership is for all our colleagues to continue to take pride in what we have already achieved and to increasingly 'think sustainably' when making all decisions. Our 2023 and SA30 targets will be an outcome of this collective effort. To support this, we continue to align our sustainability responsibility to our capital allocation decisions. In 2021, this included a revolving credit facility and our management long term incentivization plan being linked to three key KPIs: (1) CO<sub>2</sub> emissions, (2) women in leadership positions, and (3) our Lost Time Incident Rate.

**Victor:** KPIs are important measures, but this is fundamentally about being a better, more responsible company and taking meaningful steps forward to achieve this. The outcome will be to attract and retain better people, deliver better services to our customers and, in turn, assuring a thriving future for SGS.

# 2021 strategic highlights



The last year has been a milestone in terms of integrating financial and non-financial business strategy. Solid performance across our targets paves the way for delivery against SA30.

## Better governance

Read more p23



**88%** customer satisfaction score

**NEW** Sustainable procurement strategy launched

**NEW** sustainable IT action plan to drive SA30 innovation

**€1bn** sustainability-linked revolving credit facility<sup>2</sup>

## Better society

Read more p33



**29%** women in leadership positions


**14%** decrease in Lost Time Incident Rate (LTIR) since 2018

**CHF 1.45 MIO** total community investment

**ESG KPIs** embedded into the Long-Term Incentive plan<sup>1</sup>

## Better planet

Read more p45



**Carbon neutral since 2014**

**39%** decrease in CO<sub>2</sub> emissions since 2014

**Committed to Net Zero**

**6.7%** low-emission company vehicles

**97%** renewable energy sourced

### Rankings and ratings



A-, climate management and disclosure, CDP



Low Risk Sustainalytics



AAA, MSCI ESG rating



PRIME rated, ISS ESG Corporate Rating



Platinum, Ecovadis Sustainability Rating



Constituent, FTSE4Good Index 4 consecutive years



Powered by the S&P Global CSA

of Dow Jones Sustainability Indices (World and Europe)

➕ See our reporting data annex for all data

1. KPIs include women in leadership, CO<sub>2</sub> emissions and safety LTIR.  
 2. Under the facility, SGS is committed to meeting ambitious targets for the following three sustainability-linked KPIs, which are an integral part of our SA30:  
 (1) CO<sub>2</sub> emissions, (2) women in leadership positions, and (3) Lost Time Incident Rate.

# Sustainability governance



Our Board of Directors, via the Governance and Sustainability Committee, has ultimate accountability for SA30. Sustainability KPIs are now included in the long-term incentive scheme of all executive members and local management teams across the organization.

The Governance and Sustainability Committee defines Group policies and strategies related to sustainability, including reputation and non-financial risks. These are then overseen and implemented by the Operations Council, which comprises our Executive Vice Presidents, Chief Operating Officers and functional Senior Vice Presidents, as well as our Chief Executive Officer, Chief Financial Officer and General Counsel.

In 2021, we further reinforced our sustainability governance by appointing sustainability ambassadors in all regions and in many affiliates to cascade and embed our strategic priorities at a local level.

### Principles and policies

Sustainability is one of our six business principles – the overarching beliefs and behaviors that guide all our decisions. Each business principle is underpinned by a policy statement that defines our commitments. Then, more detailed operational policies describe the rules that must be observed by our employees and subcontractors.

- 🔗 For further information on our corporate governance, please see pages 74 to 87 of our 2021 Integrated Annual Report
- 🔗 Read our code of integrity
- 🔗 See our principles and policies

### Our business principles

#### Integrity

Making sure we build trust

#### Health, Safety & Environment

Making sure we establish safe and healthy workplaces and protect the environment

#### Quality & Professionalism

Making sure we act and communicate responsibly

#### Respect

Making sure we treat all people fairly

#### Sustainability

Making sure we add long-term value to society

#### Leadership

Making sure we work together and think ahead



## Stakeholder engagement

102-21  
102-40  
102-42  
102-43  
102-44

Maintaining continuous dialog with our stakeholders is critical to our long-term success. These valuable insights enable us to align our sustainability initiatives to stakeholder requirements and ensure we deliver value to society.

In the last 12 months, we stepped up engagements around SA30 and our Sustainability Solutions Framework, with a focus on customers, employees and investors. These included regional workshops, sustainability ambassador engagement at a local level and LinkedIn live events for broad audiences. Alongside the mechanisms described below, our stakeholders have played a fundamental role in informing our new sustainability strategy and broader value to society.

### Customers



#### Why we engage

Our customers are at the heart of everything we do. It is important for us to understand whether we achieve our goals to make their businesses more efficient, profitable and sustainable.

#### How we engage

- One-to-one meetings
- SGS hosted conferences, seminars and webinars
- Customer surveys, e.g., Voice of the Customer
- White papers
- Customer portal

#### Key topics discussed

- Customer relationship management and SGS Online Store
- Sustainability solutions, ambitions and targets
- Respecting human rights and ethical labor practices
- Data privacy and protection
- Cybersecurity
- Ethical behavior

### Consumers



#### Why we engage

Our services ensure that consumers trust the products they buy. Understanding our end-consumers tells us if our services support SGS' reputation for delivering confidence and assurance.

#### How we engage

- Certification and product labeling
- Direct marketing and communication with certain B2C products

#### Key topics discussed

- Ethical behavior
- Adaptation and mitigation of climate change
- Respecting human rights and ethical labor practices

### Employees



#### Why we engage

Our people are essential to our business. Discussing performance and providing training and opportunities helps to keep our people motivated and engaged.

#### How we engage

- Our global employee engagement program, Catalyst
- SGS intranet portal and internal social network
- SGS Inside newsletter
- Rules from Less sustainability engagement campaign. In 2021, we launched an internal initiative hosted by Less the bear, our sustainability mascot, to empower all our colleagues around the network to actively contribute to the achievement of our corporate sustainability goals, as set out in our SA30
- Training programs, videos and eLearning modules
- SHINE onboarding
- Employee representation councils (e.g. European Works Council–Euro Forum)

#### Key topics discussed

- Sustainability awareness, good practices in labs and offices
- Ethical behavior
- Respecting human rights and ethical labor practices
- Health and safety of employees and contractors
- Talent attraction and retention



## Stakeholder engagement continued



### Suppliers



#### Why we engage

Our suppliers support us in the smooth delivery of our services. In turn, we need to understand how we are adding value to their businesses.

#### How we engage

- Supplier self-assessment
- Supplier code of conduct
- Supplier audits

#### Key topics discussed

- Ethical behavior
- Data privacy and protection
- Respecting human rights and ethical labor practices
- Cybersecurity

### Communities and the planet



#### Why we engage

Our communities and the planet both affect our business and could be affected by our operations. We evaluate whether our sustainability endeavors are recognized as being among the very best – both regionally and in the TIC industry.

#### How we engage

- Multiple projects across the network – the impact of which we measure through our annual community survey
- White papers
- One-to-one meetings with NGOs and responses to questionnaires

#### Key topics discussed

- Respecting human rights and ethical labor practices
- Adaptation and mitigation of climate change
- Local community investment support
- Ethical behavior

### Governments and industries



#### Why we engage

Governments and industries are often moving in the same direction that we are. We need a clear picture of how we contribute to driving innovation, promoting sustainable development and shaping markets.

#### How we engage

- SGS hosted conferences, seminars and webinars
- Membership meetings and events
- White papers

#### Key topics discussed

- Ethical behavior
- Risk management and business continuity
- Cybersecurity
- Data privacy and protection

### Investors



#### Why we engage

Our investors are vital to our ongoing success and growth. We constantly review market analysis, and aim to be assessed as both a sound investment and a sustainable business.

#### How we engage

- Annual General Meeting
- SGS Investor Days
- Meetings with investors and analysts
- Responses to analyst questionnaires

#### Key topics discussed

- Sustainability solutions, impact valuation of our activities
- Ethical behavior
- Risk management and business continuity
- Good practices in corporate governance
- Cybersecurity
- ESG performance and reporting
- Services that support our customers' sustainability ambitions

# Material issues



The SGS business materiality matrix captures the issues deemed by our stakeholders to be materially important to our organization. It is the outcome of a rigorous process, including stakeholder consultation, megatrend and risk analysis, and benchmarking against international principles, including the UN SDGs.

Our most recent (2020) formal materiality assessment involved over 4 000 stakeholders in 112 countries, including customers, employees, suppliers, investors, non-governmental organizations and sustainability professionals. Individuals were asked to evaluate the importance of each topic from a long list established following a benchmarking exercise of megatrends and sector specific sustainability issues and trends. In parallel, the Operations Council evaluated topics from a risk perspective.

These inputs, combined with the key risks identified by the Enterprise Risk Management Framework, determine the overall potential impact of each of these topics, as shown in the matrix opposite. The seven topics in the top right quadrant reflect those deemed of the greatest risk or opportunity to SGS.

These topics form the basis of our SA30 (see the following page). We systematically re-evaluate them to determine whether they have become more material to the organization.

In 2021 we have updated the impact and importance of material topics to better align them with the results of our 2021 risk assessment.

- 🔗 For a summary of megatrends impacting our business, please see pages 16 to 17 of our 2021 Integrated Annual Report
- 🔗 For more information on risk, please see pages 32 to 39 of our 2021 Integrated Annual Report

## The seven topics that are most important to the organization

- 1 Cybersecurity
- 2 Data privacy and protection
- 3 Ethical behavior
- 4 Health and safety
- 5 Risk management
- 6 Talent attraction and retention
- 7 Customer relationship management

These are key topics which have helped to shape our Group strategy. Although relatively less material for SGS, all other topics remain an essential part of our sustainability management systems. We systematically re-evaluate them to determine whether they have become more material to the organization.

## Other material topics

- 8 Adaption and mitigation of climate change
- 9 Biodiversity
- 10 Corporate governance
- 11 Diversity in the executive team
- 12 Diversity and inclusion
- 13 Employee engagement and consultation
- 14 Executive compensation linked to sustainability
- 15 Freedom of association
- 16 Innovation in services and operations
- 17 Local community
- 18 Preventing air pollution
- 19 Reducing and managing waste
- 20 Responsible use of materials
- 21 Sustainable procurement
- 22 Tax strategy
- 23 Training and development
- 24 Water footprint
- 25 Well-being and work-life balance



# Sustainability Ambitions 2030

## Driving a better, safer, more interconnected world



Building on the success of our Ambitions 2020, we have set the bar even higher, with Sustainability Ambitions 2030 (SA30) bringing together ESG risks and opportunities and spanning our value chain and group strategy. The new corporate sustainability strategy sets ambitions to 2030 across better governance, better society and better planet, with interim 2023 targets.

Our updated strategy is a further milestone in our journey towards fully integrating financial and non-financial aspects to ensure long-term value creation for all our stakeholders.

🔗 For further information on risk management, governance and Business Strategy, please see pages 24-25, 32-39 and 74-87 of our 2021 Integrated Annual Report

⊕ See more about SA30

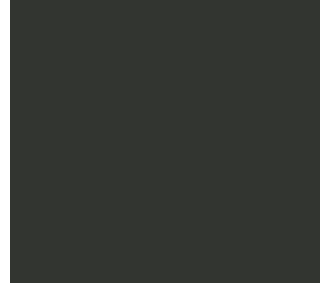
⊕ Jump to value to society



Better governance



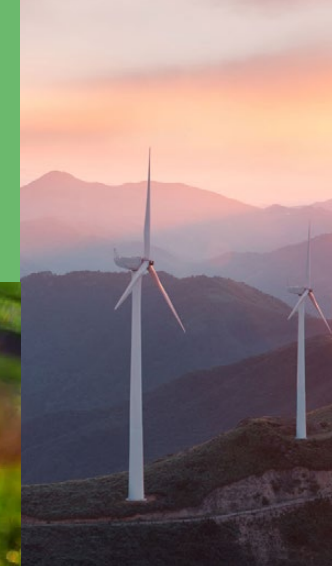
“Our Sustainability Ambitions 2030, which will be delivered by our colleagues, address the major concerns and expectations from our stakeholders and society over the responsibilities that SGS has and we will continue to evolve the strategy to address any emerging trends.”  
**Toby Reeks,**  
SVP, Corporate Communications,  
Sustainability & Investor Relations



Better society



Better planet



# Sustainability Ambitions 2030

How we developed our strategy



SA30 is the outcome of a rigorous and collaborative process to engage all functions, divisions and regions of SGS. It reflects analysis of megatrends, material topics, internal and external risks, and internationally recognized steps required to meet the UN SDGs.



# Sustainability Ambitions 2030

## Strategy framework



### Our ambitions

### Direct operations and supply chain

### Services

### SDG focus 2030

### Value to society

## Better governance

Enabling long-term value through secure, fair, transparent and responsible business practices



p23

Embed integrity, efficiency and customer focus to provide best-in-class services

Collaborate with our suppliers to promote sustainability

**Knowledge**  
Enable sustainable economic growth through enhanced knowledge, skills and technologies

**Digital & Innovation**  
Enable safe and fair access to, and security of, the digital environment



## Value to society created and enabled

## Better society

Empowering equality, well-being and prosperity



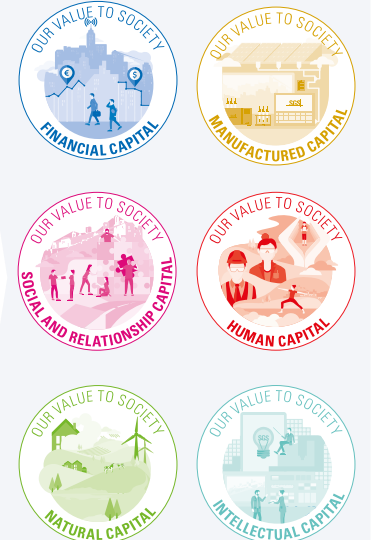
p33

Promote a safe, fair and inclusive working environment with highly engaged and empowered teams

Make a positive and long-lasting impact on local communities

**Connectivity & Products**  
Enable universal connectivity and affordable, safe and sustainable products and services

**Health & Nutrition**  
Enable improved nutrition, health and wellness for everyone



## Better planet

Supporting the transition to a low-carbon and climate resilient world through responsible resource use and effective waste management



p45

Continue driving GHG emissions reduction and support sustainable infrastructures and mobility

Promote a culture of efficiency in the use of natural resources

**Industries & Environment**  
Enable better, safer and low-carbon infrastructures, transportation and industries

**Natural Resources**  
Enable the sustainable management and efficient use of natural resources



Targets 2023-2030

## Sustainability Ambitions 2030

### Progress in 2021

🟡 Focus for improvement   🟡🟡 In progress   🟡🟡🟡 On track



# Better governance

Category	2023 targets	2021 performance	2021 progress
<b>Excellence</b>	Promote a culture of efficiency and excellence through our WCS program, with 20% of WCS labs reaching WCM Bronze	22 sites have adopted the WCS methodology None have achieved WCM Bronze	🟡🟡🟡
	Expand the program to at least 10 new sites <sup>4</sup>	3 further sites will start to adopt it by end 2022	🟡🟡🟡
<b>Brand</b>	Achieve a customer satisfaction score of 85%	88% customer satisfaction rate	🟡🟡🟡
<b>Integrity</b>	Ensure 100% of employees are trained on our Integrity Principles on an annual basis	99% of employees received training	🟡🟡🟡
<b>Digitalization, information protection and privacy</b>	Enhance the SGS Information Governance Framework, data privacy framework and standardized information security management systems	Appointment of a Chief Information Security Officer and a new framework of security policies and procedures established	🟡🟡🟡
	Harmonize processes for third-party vendors/processors for risk evaluation purposes	A company-wide information classification system was piloted. Applying to all forms of information, classification can be modified throughout the information life cycle and includes access and use by approved third parties	🟡🟡🟡
<b>Sustainable procurement and supply chain</b>	Actively promote SGS sustainability principles and values in our supply chain:	Code of Conduct continued to be deployed through our online sourcing platform, purchase orders and supplier registration system. Started segmentation of suppliers to deploy new Self-Assessment Questionnaire	🟡🟡🟡
	<ul style="list-style-type: none"> <li>At least 50% of our goods and services spend will be supplied by suppliers who have signed our Code of Conduct or commit to comparable standards to SGSs' within their own policy</li> <li>100% of the selected SGS strategic suppliers will have completed our sustainability self-assessment questionnaire</li> </ul> 75% of requests for proposals to be online and include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers Actively contribute to the reduction of our SGS CO <sub>2</sub> footprint by sourcing energy efficient solutions from our suppliers Leverage SGS buying power to request strategic suppliers to report their own CO <sub>2</sub> footprint and subsequently target carbon reduction in their own operations	Continued to deploy our Code of Conduct through our online sourcing, purchase orders and supplier registration. Started supplier segmentation to deploy new sustainability self-assessment questionnaire  Percentage of requests for proposals conducted online increased and all included sustainability criteria  Continued to source energy efficiency technology to feed our Energy Efficiency in Buildings programme, as well as renewables certificates  Started supplier segmentation, which will serve as a basis for collecting supplier CO <sub>2</sub> footprint and target reductions	🟡🟡🟡

4. Considering 2020 perimeter.

## Sustainability Ambitions 2030

### Progress in 2021

● Focus for improvement ●● In progress ●●● On track



# Better society

Category	2023 targets	2021 performance	2021 progress
<b>Diversity and equal opportunity</b>	Achieve 30% women in senior leadership positions (3 levels below CEO)	29% women at CEO-3 level, representing a 4% increase compared to 2020	●●●
<b>Health and safety</b>	Reduce our Total Recordable Incident Rate (TRIR) by 20% and Lost Time Incident Rate (LTIR) by 10% <sup>5</sup> HSE certify the main operational sites (integrated ISO 45001 and ISO 14001 certification)	LTIR of 0.22 and TRIR of 0.37, a -14% and -9% variation respectively compared to 2018 More than 224 sites, covering more than 21 500 employees, have now achieved certification in ISO 45001 (OSHAS 18001) and/or ISO 14001	●●●
<b>Knowledge and engagement</b>	Increase by 10% the completion rate of job-related training <sup>6</sup> Improve year on year our employee engagement and manager effectiveness scores <sup>7</sup>	3.6 Mio hours of training and 39 hours of training per FTE, representing a -2% and -7% variation compared to 2020 75/100 employee engagement score and 78/100 manager effectiveness score, representing a 7% and 8% variation compared to 2020	●○○ ●●●
<b>Human rights</b>	Continue performing annual risk assessments on human right across the Group, keep developing our human rights due diligence program to avoid violations across our operations and train 100% of our employees on our human rights principles annually	Annual risk assessment on human rights performed across the Group. Human rights eLearning updated and launched. New human rights taskforce created to further develop our human rights due diligence program Annual risk assessment of human rights performed across the Group	●●○○
<b>Community investment</b>	Increase by 10% our positive impact on our communities through employee volunteering, with special focus on vulnerable groups affected by pandemics <sup>8</sup>	CHF 1.45 Mio of community investment and 9 284 hours of volunteering, representing a 8% and -46% variation compared to 2019	●○○○

5. Against a 2018 baseline.

6. Except compliance-related training.

7. Against a 2020 baseline.

8. Against a 2019 baseline.

## Sustainability Ambitions 2030

Progress in 2021

🟢 Focus for improvement   🟡 In progress   🟢 On track



# Better planet

Category	2023 targets	2021 performance	2021 progress
<b>Climate change mitigation</b>	Meet our Science-based Target of reducing our CO <sub>2</sub> emissions per revenue by 35% <sup>9</sup> by: <ul style="list-style-type: none"> <li>– Increasing annually the number of energy efficiency measures in our 100 most energy intensive owned buildings</li> <li>– Reducing total car fleet CO<sub>2</sub> average emissions by 10%</li> <li>– Ensuring 10% of our cars have low-carbon technologies</li> </ul> All residual CO <sub>2</sub> emissions will be compensated to maintain our Carbon Neutral Status	51% reduction in CO <sub>2</sub> emissions per revenue since 2014 708 energy conservation measures identified across 694 buildings 4% reduction in car fleet CO <sub>2</sub> emissions since 2019 6.7% of cars have low-carbon technologies Development of a new SGS Vehicle Emissions Policy Launch of internal fund to finance energy efficiency measures in buildings across the network	🟢 🟢 🟡
	Further adopt Task Force on Climate-related Financial Disclosures (TCFD) recommendations	In 2021, we became official supporters of the TCFD and our first TCFD Report will be available here on 1 March 2022	🟢 🟢 🟡

9. Against a 2014 baseline.



# Sustainability solutions

At SGS, we seek to use our global reach and expertise to support our customers on their sustainability journeys, whatever their level of maturity in this process. The launch of our Sustainability Solutions Framework in 2021 brought our services together under a single, holistic framework.

Our sustainability solutions have been designed to address some of the world's most pressing societal and environmental challenges. They support our customers to respond and adapt to these megatrends, and to implement sustainable, safer and efficient processes across their value chains. In 2021, we added more sustainability solutions to our portfolio, which now spans Resources, Energy, Production, Infrastructures, Living, Business Practices, ESG Assurance, Energy Transition, and Responsible Supply Chain and Traceability. To the right are just six examples of solutions that add value to society and support our strategic sustainability ambitions.

As well as enhancing service visibility to customers, the new framework also enables us to quantify and track revenue from sustainable activities and helps in our process of measuring the value to society that these services provide.

- For our analysis of key megatrends impacting society and the planet, please see pages 16 and 17 of our 2021 Integrated Annual Report
- See all of our sustainability solutions

We commit to supporting our customers on their journey to sustainability by increasing the proportion of revenue generated by our sustainability solutions and measuring the positive impact through our impact valuation methodology.

## Better governance

### SGS focus area:

Knowledge and Digital & Innovation



#### Knowledge in action:

Corporations are under increased pressure to engage in more sustainable business practice. Our portfolio of Environmental, Social and Governance (ESG) Assurance Solutions help our clients improve business practices and meet customer, investor and stakeholder demands.



#### Digital & Innovation in action:

SGS AirSense leverages Internet of Things (IoT) technology through our indoor air quality assessments and solutions. These help our customers to achieve good environmental management of their workplace, from building design to safe and environmentally friendly site demolition.

- Read more about ESG Assurance Solutions
- Read more about SGS AirSense Solutions

## Better society

### SGS focus area:

Connectivity & Products and Health & Nutrition



#### Connectivity & Products in action:

There is a global trend towards restricting the production, sale and use of non-degradable plastic products, in favor of plastics that can be decomposed. Our biodegradability testing services help our clients to determine the compliance of biodegradable plastics in their markets.



#### Health & Nutrition in action:

With supply chains in the food industry becoming more complex, companies' supply chain resilience is more important than ever before, as they need effective ways to evaluate and manage supplier risk. The SGS Transparency-One solution can help to evaluate and mitigate such supply chain risks.

- Read more about Transparency-One

## Better planet

### SGS focus area:

Industries & Environment and Natural Resources



#### Industries & Environment in action:

Operating more than 95 analytical laboratories worldwide, SGS testing services works across industrial sectors to provide regulatory expertise and analytical testing and monitoring to ensure our clients' workplaces are safe and their local ecosystems are protected.



#### Natural Resources in action:

The drive to cut greenhouse gas emissions has paved the way for an expansion in renewables and alternative fuels. We offer testing services to all aspects of the biofuel supply chain. This includes testing of raw biomass products, process optimization, and emissions trading certification.

- Read more about renewables and alternative fuels

# Our value to society



We are one of the few companies robustly and transparently measuring total value creation for society in economic terms. In the last year, we continued to develop our impact valuation framework, adapting to new regulations and standards.

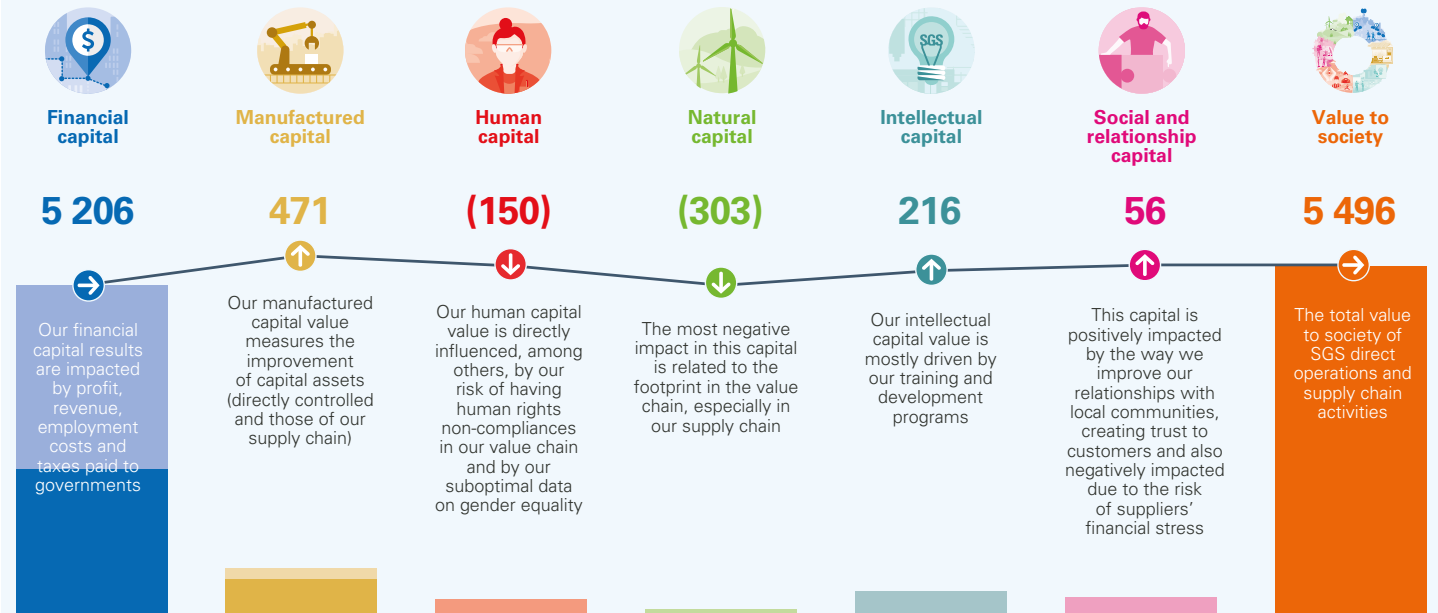
The Framework helps us to make better decisions, including non-financial considerations. It is based on six forms of capital, recognized by the International Integrated Reporting Council. Progress is measured through 32 indicators that support how we track our measurable positive impact.

Applying our impact valuation framework methodology, in 2021 we calculated that our total value to society in 2020 was +CHF 5 496 million. The value of our positive benefit to society was +CHF 6 255 million. This was primarily created through profit generation, the paying of taxes and wages, investment in training programs and information security. We also generated CHF 759 million of negative societal impacts, primarily driven by the environmental footprint of our supply chain.

🔗 For further information on our business model, please see pages 18 to 19 of our 2021 Integrated Annual Report

⊕ Find out more about our value for society methodology

## SGS value to society (million CHF)<sup>1</sup>



### Positive impacts

Supply chain 1 667	Supply chain 401	Supply chain 0	Supply chain 0	Supply chain 0	Supply chain 0	Value to society
Direct operations 3 539	Direct operations 124	Direct operations 66	Direct operations 7	Direct operations 265	Direct operations 187	Total

### Negative impacts

Supply chain 0	Supply chain 0	Supply chain (94)	Supply chain (297)	Supply chain 0	Supply chain 0
Direct operations 0	Direct operations (54)	Direct operations (122)	Direct operations (13)	Direct operations (48)	Direct operations (131)

1. Value to society is calculated using 2020 figures. Within each capital we have identified positive and negative impacts. The values presented in each capital are the result of adding the positive impacts and subtracting the negative impacts.

**Our value to society**  
continued



We apply our scale and expertise to enable a more sustainable future through our actions as a company, through our supply chain, and by offering solutions that help our customers achieve their own sustainability objectives.

Case study

**Main impact indicators<sup>10</sup>:**

<b>Avoided energy consumption</b> (billion KWh)	<b>Avoided CO<sub>2</sub> emissions</b> (million tonnes)
<b>+25</b>	<b>+10</b>
<b>Avoided injuries</b> (thousand)	<b>Avoided DALYs lost</b> (thousand) <sup>11</sup>
<b>+856</b>	<b>+37</b>
<b>Avoided water consumption</b> (billion liters)	
<b>64</b>	

10. Impact indicators resulting from applying the SGS Impact Valuation Framework and covering 30% of Group revenue in 2020.

11. Disability-adjusted life years. One DALY represents the loss of the equivalent of one year of full health.

**Value in action**  
**SGS Impact Valuation Framework**

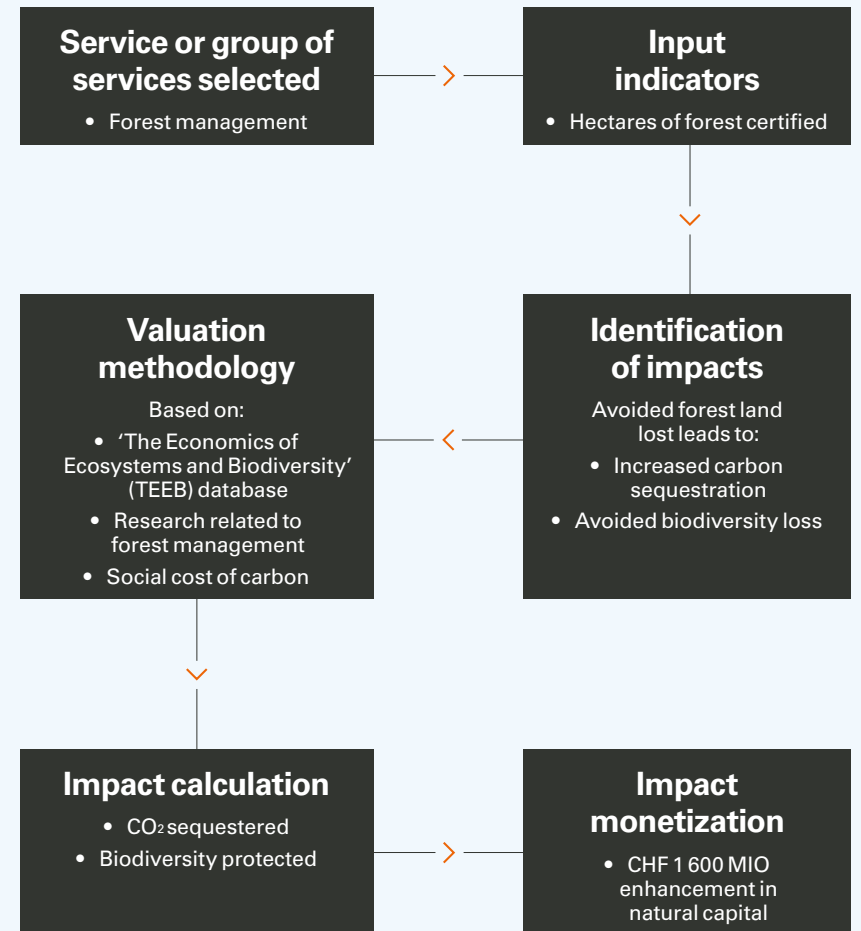
Through our SGS Impact Valuation Framework we can measure the impact of what happens in our operations and across our supply chain. As part of the launch of our Sustainability Solutions Framework and our Sustainability Ambitions 2030, we committed to an additional goal – to measure the impact of the sustainability solutions we offer.

To create a valuation methodology based on verifiable data and research we worked across all five of our divisions. In each case, we start by identifying a service or group of services we provide, for example forest management. We then look at our 'Input indicators', which in this example would be hectares of forest certified. We identify the impacts – by avoiding forest land being lost, we can increase carbon sequestration and avoid biodiversity loss. We based our valuation methodology on 'The Economics of Ecosystems and Biodiversity' (TEEB) database, research related to forest management, and the social cost of carbon.

This leads to an impact calculation, which in the case of forest management includes both CO<sub>2</sub> sequestered and biodiversity protected. As a result of this we were able to monetize our impact in this area to the value of CHF 1 600 MIO enhancement in natural capital.

Our aim is to cover 100% of Group revenue. We have reached 30% so far, and our initial impact calculation shows a significant positive impact in many different areas. Among the main impact indicators we have looked at so far are consumption of energy and CO<sub>2</sub> emissions avoided; water consumption avoided; injuries avoided; and lost disability-adjusted life years avoided.

**Example of how our valuation methodology was applied to forest services**



# Contributing to the SDGs

 102-11  
102-12  
102-13  
103-1-3  
203-2

Through our client services and our own operations, we make a measurable contribution to the SDGs. We are committed to increasing this contribution year on year. To help track and report our wider contribution to society and the planet, SA30 is mapped to 11 out of 17 SDGs that are most relevant to our business activities.

The following pages provide an insight into how we contribute to the SDGs in our direct operations and supply chain, as well as our client services.



**Zero hunger**

**Contribution through business activity**

We offer a range of sustainability solutions that support food production systems around the world.

[Read more online](#)

**Examples of our contribution**

**Agriculture and food services**

Our comprehensive range of food safety, quality and sustainability solutions help businesses grow sustainably, mitigate risk, and improve efficiency at every stage of the value chain.

[Read more online](#)

**Grain and Feed Trade Association (Gafta) sustainability pledge**

As a part of the Gafta committee, we are working to co-create a new platform which encourages the agricultural commodities sector to drive towards a sustainable future in a collaborative, community-minded mission.

[Read more online](#)

## Our contribution to the SDGs In our direct operations and supply chain

Areas of priority focus



## In our services

Areas of priority focus



**Good health and well-being**

**Contribution through business activity**

We offer sustainability solutions that help our customers achieve positive health and well-being outcomes for their organization and for wider society.

[Read more online](#)

**Examples of our contribution**

**Air quality monitoring**

In 2021, we began a three-year contract to provide air monitoring services to the Boston School District, the oldest public-school system in the U.S. Air quality is key to ensuring an optimal learning experience for the 54 000 students in 125 schools.

[Read more on pages 4-5 of our 2021 Integrated Annual Report](#)



# Contributing to the SDGs continued

 102-11  
102-12,  
102-13,  
103-1-3  
203-2



## Quality education

### Contribution through business activity

We enable access to education and training through our employee, community and supplier programs, alongside a range of sustainability solutions.

## Community skills

SGS Academy for the community provides high quality technical training to people earning less than the average living wage in the communities where we operate. The aim of this pro bono initiative is to support local economic development by enhancing access to and quality of employment.

## Community investment

We invest in education-related projects through charitable contributions, long-term investments, philanthropic sponsorships and employee volunteering. Our focus is on expanding access to schooling, training and skills development.

[+](#) Read more in our community investment section

## Examples of our contribution

### Training services

Our training programs cover a wide range of topics related to areas such as quality, performance, health and safety and accredited training for auditors. The training is industry-specific and conducted by specialists in the relevant sector.

[🔗](#) Read more online

## Gender equality

### Contribution through business activity

Our commitment to inclusion and diversity includes working towards gender equality throughout our business.

## Examples of our contribution

### Empowering women into leadership

We are progressing against our 2023 goal of 30% women in senior leadership positions by taking proactive steps, from recruitment (our recruitment academy helps avoid conscious or unconscious biases), to policies (for example on antidiscrimination and dignity at work) and reward (taking action on our gender pay gap).

[+](#) Read more in our diversity and equal opportunity section



## Clean water and sanitation

### Contribution through business activity

We ensure that our own operations – and the services we offer customers – support responsible water stewardship.

## Examples of our contribution

### Water services

On-site sampling and analysis services for water quality assurance help ensure that waste water discharge is not contributing to environmental contamination. We are also a signatory to the WASH Pledge on safe water, sanitation and hygiene within our own business.

[🔗](#) Read more online

### World Class Service (WCS) laboratories

Each year, more of our laboratories adopt WCS methodology to build a culture of operational excellence and resource efficiency – optimizing use of raw materials such as water.

[+](#) Read more in our upholding standards of excellence section

## Contributing to the SDGs continued



**7 AFFORDABLE AND CLEAN ENERGY**

**Affordable and clean energy**

**Contribution through business activity**

We help customers save energy and reduce carbon through our sustainability solutions – and we do the same across our own sites.

**Examples of our contribution**

**Energy efficiency services**  
We help customers audit their sites against national and international schemes for calculating, monitoring and mitigating the impacts of energy use. We also advise on how to make everyday business more sustainable.

[Read more online](#)

**Energy Efficiency in Buildings Program**  
With energy use in our offices and laboratories worldwide accounting for 68% of our global energy consumption, EEB is a key driver towards meeting our 2023 and 2030 climate targets. In 2021, we enhanced the program with a digital system to model energy (and wider environmental) performance.

[Read more in our energy efficiency section](#)



**8 DECENT WORK AND ECONOMIC GROWTH**

**Examples of our contribution**

**Occupational health and safety services**  
We offer audits against a wide range of schemes recognized globally. We guide our clients towards ISO certification, enhancing peace of mind and managing risks and to keep operations safe.

[Read more online](#)

**Celebrating colleagues**  
We recognize and reward our people in different ways. For example, in North America our employee recognition platform KUDOS, means managers and peers can share praise about colleagues and link it to rewards.

[Read more on pages 60-61 of our 2021 Integrated Annual Report](#)

**Decent work and economic growth**

**Contribution through business activity**

Through our sustainability solutions, and our own workplaces, we foster technological innovation and sustainable economic growth.

**Human rights training**  
In 2021, we updated our compulsory human rights training, with greater emphasis on raising awareness among employees about their rights, responsibilities and reporting mechanisms. We also established a Human Rights Taskforce to embed our human rights strategy at operational level.

[Read more in our human rights section](#)

**Sustainable business services**  
We offer a range of services to help businesses identify areas of opportunity related to inclusive finance, risk management, ethical practices, efficiency and productivity.

[Read more online](#)



**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**

**Industry, innovation and infrastructure**

**Contribution through business activity**

Our sustainability solutions contribute to future-ready infrastructure, sustainable industrialization and a more inclusive, interconnected world.

**Examples of our contribution**

**80 years of sustainability solutions in mining**  
For 80 years, our Lakefield laboratory in Ontario, Canada, has been providing the global mining industry with sustainable technical solutions to processing challenges.

[Read more on pages 68-69 of our 2021 Integrated Annual Report](#)

**Cybersecurity innovation**  
In 2021, we acquired Brightsight, the leading cybersecurity evaluation laboratory network for chip-based secure payment systems, secure identity solutions and IoT platforms. This acquisition accelerates our global strategy to become the global TIC leader in cybersecurity.

[Read more on pages 6-7 of our 2021 Integrated Annual Report](#)

**E-mobility services**  
As a leading player in third-party testing services for the electric vehicle sector since 2011, our investment in an e-mobility laboratory in Gelting, Germany, enables us to provide one of the most advanced e-mobility test centers in Europe.

[Read more online](#)

**Sustainable buildings services**  
We help businesses achieve environmentally responsible goals through building energy and resource efficiency strategies that protect the environment, while ensuring a safe working environment for employees and customers as well.

[Read more online](#)

## Contributing to the SDGs continued



### Responsible consumption and production

#### Contribution through business activity

Our sustainability solutions, and our own supply chains, promote production and consumption systems that conserve resources for the future.

### Examples of our contribution

#### Sustainable procurement

Our Global Procurement and Supply Chain Management Strategy places a heavy emphasis on sustainable procurement, helping us drive responsible production practices among more than 60 000 suppliers.

➕ Read more in our sustainable procurement and supply chain section

#### Transparency-One services

We offer supply chain mapping for textiles, apparel and cosmetics industries, helping companies achieve end-to-end supply chain transparency and remain ahead of product safety and security regulations.

🔗 Read more in our Transparency-One Services section

#### bluesign® certification

Our environment, health and production safety approval system helps the textile industry optimize processes to reduce raw material inputs and costs, while enhancing future competitiveness.

🔗 Read more online

### Climate action

#### Contribution through business activity

Our carbon neutral Strategy sets a clear path to reduce our climate impact. We are also helping our customers embrace the net-zero economy.

### Examples of our contribution

#### Towards carbon neutrality

Our strategy is to reduce energy consumption at source, use renewable energy whenever possible, and offset residual emissions. We are delivering our strategy through verified science-based targets.

➕ Read more in our accelerating climate action section

#### Driving down our carbon miles

Our new Vehicle Emissions Policy requires that all SGS affiliates reduce the average emissions of their vehicle fleet and to adopt low-carbon technologies, including hybrid, plug-in hybrid, pure electric and natural gas propulsion systems.

➕ Read more in our transport emissions section

#### Carbon services

We offer a range of assessments to help customers develop a plan for reducing their emissions, while SGS laboratories provide round-the-clock certification and verification of customer off-setting targets.



### Life on land

#### Contribution through business activity

We offer a range of sustainability solutions that support responsible stewardship of nature and ecosystems.

### Examples of our contribution

#### Forestry services

We enable organizations to demonstrate that their timber procurement is verified sustainable and traceable, including FSC™, PEFC™, CFCC and EU timber regulation solutions for both forest management and chain of custody.

🔗 Read more online

#### Environmental-DNA solutions (E-DNA)

From our Global Biosciences Center, we are trialing E-DNA Solutions for biodiversity assessments in the mining, construction and waste sectors. Solutions using E-DNA will support rapid and remote biodiversity surveying for clients.

🔗 Read more online



# Better governance

“At the core of everything we do, and the way that we do it, lies our commitment to the highest standards of professional excellence. It is not enough for us to deliver world class services; we must do so while upholding standards of integrity, data privacy and innovation. This applies across our entire value chain, from supplier due diligence, to fair customer practices.”

**Dominik de Daniel**  
Chief Financial Officer



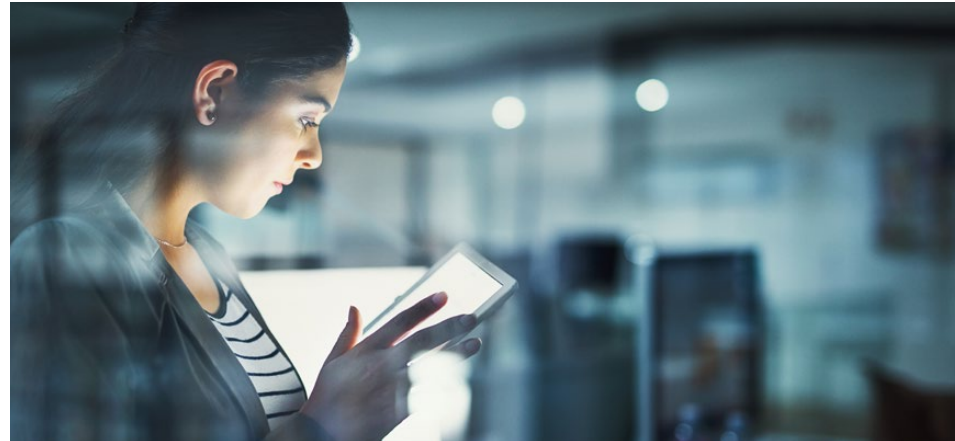


## Our approach

The way we do business and, in turn, our reputation, is rooted in high standards of excellence and integrity. We work hard to build a culture that protects human rights, safety and privacy principles. This is reinforced by our Board level Corporate Governance & Sustainability Committee and our code of integrity, alongside many other mechanisms that support better governance.

Better governance is extended into our supply chains through responsible procurement practices, including due diligence and monitoring of suppliers against our supplier code of conduct.

[For further information on our corporate governance, please see pages 74 to 87 of our 2021 Integrated Annual Report](#)



**Innovation Board and localized 'innovation squads' established in 2021 to foster ideas sharing between SGS teams.**

### Our vision to become a digital leader in our industry

**Our vision is to become the digital leader in the TIC industry.**

**This means:**

- Being data-driven and enhancing performance by connecting data, people and processes
- Smart simplicity: augmenting physical operations with artificial intelligence and machine learning
- Customer first: the right service, for the right person, at the right time

In 2021, we launched our IoT Tech Central. It exemplifies all three pillars of our digital leader strategy, enabling customers from all over the world to see and analyze how their assets are performing remotely in real time. With integrated intelligent sensors and cutting-edge analytics, it operates to the highest standard of quality and security, deploying cloud systems that reduce risk and minimize down-time. Now, instead of inspectors having to travel thousands of miles to take manual data collections, information is instantly delivered 24/7 to the inspector's computer, tablet or cell phone – saving time, costs and carbon. Collecting large quantities of data in this way unlocks an array of new services and business models, including preventive maintenance, subscription-based monitoring, 24/7 asset control, predictive analytics (complementing workers and improving management).

The IoT Tech Central joins a growing portfolio of IoT services at SGS. From AirSense technologies that incorporate remote sensors to ensure healthy air quality; to our SocialSense Covid-19 social distancing and contact tracing system – the possibilities for that can be achieved when deploying the IoT to monitor and manage objects in the physical world is potentially limitless.

[For further information on our digital strategy, please see pages 24 to 25 of our 2021 Integrated Annual Report](#)

## Upholding standards of excellence

In our industry, it is imperative that our facilities meet the highest standards of excellence. It is why we have developed our own World Class Services (WCS) methodology to build a culture of excellence, combined with efficiency, across our sites and starting with our laboratories.

Targeting zero accidents, zero waste, zero defects and zero breakdowns, the WCS methodology includes 10 technical and 10 managerial pillars, with operative teams deployed to specific tasks, assessment teams sharing best practices. For example, to target zero accidents, on-site operators are assigned to closely monitor practices and identify unsafe practices or working conditions. Any near misses are rigorously analyzed to identify root causes, apply corrective actions in line with our Operational Integrity (OI) procedures (see page 35), and share lessons learned to help build a culture of safety across the organization.

Having acquired 37 more laboratories through various acquisitions, including establishing SGS Analytics in 2021, WCS has never been more important. Of 22 SGS laboratories within the scope of the WCS methodology, at the end of 2021, 95% were formally implementing it and 12 had been audited. We have identified a further five laboratories from diverse global regions to bring within the WCS program. While it is currently only applied in our laboratories, the methodology is designed to flex to different working environments, and we are looking to expand it to more sites.

[⊕ Find out more about our WCS approach and impact](#)

### 2021 performance

22

sites have adopted the WCS methodology

3

further sites will start to adopt it by end 2022

### 2023 targets

20%

of WCS labs reaching WCM Bronze

10

new sites<sup>9</sup>

### Our 2030 ambition

90%

of current WCS perimeter to achieve World Class Manufacturing (WCM) awarded levels and reach at least first WCM Gold awarded site<sup>9</sup>



9. Considering 2020 perimeter.

## Maintaining customer satisfaction

Our aim is to anticipate and respond to customer needs as they arise, while also ensuring that all our employees have the skills and knowledge required to deliver our services to the highest standards.

We manage our customer relationships through a key account management structure and dedicated sales teams. Each business line has its own customer care department, which acts as a direct point of contact to connect customers with the right departments efficiently. We are always looking for ways to further improve the customer experience of our brand, which is why we monitor and periodically review customer contact as part of our management review processes. We also survey customers annually through our Voice of the Customer survey, which received more than 12 000 responses in 2021. We have maintained high satisfaction rates over the years and we look to continually increase them to 2023 and beyond.

- ⊕ For information on fair customer practices and transparent pricing, please see our GRI content index
- 🔗 For further information on how we served our customers in 2021, please see pages 62 to 63 of our 2021 Integrated Annual Report

### 2021 performance

# 88%

customer satisfaction score

### 2023 targets

# 85%

customer satisfaction score

### Our 2030 ambition

# 95%

customer satisfaction score

### Case study



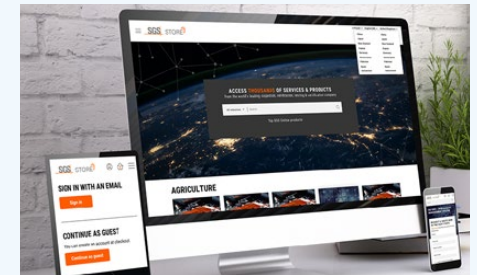
# 16

countries around the world have access to SGS Online

### Better governance in action

## SGS Online is making us more responsive to customer needs

Now available in 16 countries around the world, SGS Online makes it easy and fast for customers to get in touch. Also acting as a customer relationship management system, it automatically alerts the team of customer requests or issues. In 2021, two 'bestselling' stores were our New Zealand wool lab-testing services and our engine condition monitoring store in the USA – both examples of how complex TIC services that make the world better, safer and more interconnected can be accessed from anywhere in the world.



## Operating with integrity

Integrity is one of our six business principles. Our code of integrity acts as a blueprint for our employees, affiliated companies, contractors, subcontractors, joint venture partners and agents. Covering topics from conflicts of interest and political donations, to bribery and corruption, and fair competition, it is now available in 39 languages.

The expectations set out in the code include: not engaging in any form of bribery or corruption; treating everyone with fairness, dignity and respect; adhering strictly to the legal requirements of every country in which we operate; and not seeking any business advantage that would compromise our integrity or threaten our assets, brand, people or intellectual property.

All new SGS recruits must complete integrity training within three months of joining the Company, covering integrity expectations and standards, and the disciplinary action, termination and/or criminal prosecution that will follow any violation. We update our training every year, incorporating case studies and lessons learned from real cases from our business.

[Read our code of integrity](#)

[Jump to our databank for issues by type and consequences](#)

### 2021 performance

99%

of employees received training on our integrity principles

### 2023 targets and 2030 ambition

100%

of employees are trained on our integrity principles

## Reporting and investigating non-compliances

We reinforce the code of integrity through training and communication, contractual obligations, reporting and monitoring, risk assessments, and due diligence.

Reporting and monitoring include whistle-blowing procedures and a confidential helpline for anyone to raise concerns. Trained investigators across the company look into all concerns and act robustly on any suspected violation. The most serious violations are referred to legal and compliance experts, together with corporate security. Their findings may result in disciplinary action, including employment termination and, in extreme cases, criminal prosecution.

In addition to the hotline, employees can contact local or corporate-level compliance teams, without fear of retribution.

Managing Directors must report all local integrity breaches into the OI Crystal reporting tool. All grievance mechanisms and whistle-blowing procedures are clearly set out in both our code of integrity and supplier code of conduct.



102-16	307-1
102-17	416-1
102-34	417-2-3
103-1-3	419-1
205-2	
205-3	

### Integrity performance 2021

262

integrity issues reported through corporate integrity helplines<sup>10, 11</sup>

35

breaches of the code of integrity identified through corporate integrity helplines

0

significant fines or penalties for non-compliance with regulations concerning:

- environment
- service information
- protection of privacy and personal data; or
- marketing communications

0

contributions or donations of either political or lobbying nature<sup>12</sup>

10. An integrity issue is a breach of one or more of the 15 SGS code of integrity rules. A breach of the code of integrity is a violation of the code of integrity.

11. At the time of reporting, 110 pending cases were still open and under review.

12. We do not provide any financial or in-kind support, given directly or indirectly, to political parties, their elected representatives or persons seeking political office. We support some industry associations, but the sum is not material, representing less than 0.01% of our revenue.

## Data privacy and information governance



The ongoing growth of the information society places new and evolving demands on organizations. The digitization of information, data privacy and protection, cybersecurity and information governance all require ongoing vigilance.

These risk areas are deemed by our stakeholders to be our most material sustainability challenges, and we work systematically to raise awareness, prevent and detect threats and manage risks. In doing so, we comply with all laws, honor our contractual and moral commitments to customers, and protect our own intellectual property and information assets.

Alongside our code of integrity, the SGS Data Privacy Policy and program governs how we collect, use and manage the personal data of customers, employees and third parties. Supporting our data privacy protocols is an intellectual property framework and dedicated team looking after business services, personal information and customer data. We not only comply with relevant data privacy regulations, but we also apply policies worldwide that match these regulations, even in jurisdictions that may not have such strict standards. We are investing in IT security and data privacy due diligence that align with these standards. In addition, the information governance framework embodies a risk-based classification system that empowers and allocates responsibility to information creators and users throughout the information life cycle, while cybersecurity specialists strive to protect networks, systems, infrastructure and devices.

To maintain our standards of excellence, we provide ongoing training, and we investigate and action any potential instances of non-compliance, with leadership from our Chief Compliance Officer. For less critical infrastructure, audit information highlights suspected fraudulent activity and we monitor response times to potential incidents according to specific timeframe requirements, depending on the severity and criticality of the threat.

With regard to cybersecurity, in 2021, we took three key steps under our cybersecurity strategy. Firstly, we appointed a dedicated Chief Information Security Officer to oversee cybersecurity governance globally; secondly, we launched a new framework of cybersecurity policies, procedures and behavioral guidelines (with all existing documents reviewed and updated in line with international principles of ISO27001: Information Security); and finally, we moved our Security Operation Center to be managed by a third-party expert partner, giving us the ability to focus further on monitoring, intelligence and security solutions.

### 2021 performance

- Appointment of a Chief Information Security Officer and a new framework of security policies and procedures established
- A company-wide information governance Framework was introduced, incorporating an information classification system which was piloted with a variety of business units. Applicable to all forms of information life cycle and includes access and use by approved third parties. The system was developed by SGS Corporate Security in consultation with businesses, functions and affiliates
- Our three-year Cybersecurity Plan is currently underway to enhance how we defend against threats through IT Security and Anomaly Detection Systems

### 2023 targets

- Enhance the SGS information governance framework, data privacy framework and standardized information security management systems
- Harmonize processes for third-party vendors/processors for risk evaluation purposes

### Our 2030 ambition

- Be an outstanding company in information governance and data privacy by ensuring the robustness of our systems, infrastructure and organizational culture

### Case study

#### Better governance in action

## Our new action plan for sustainable IT

In 2021, we launched an activation plan to ensure our global IT infrastructure and services are aligned with our Sustainability Ambitions 2030. The Plan includes specific actions required to achieve the 2023 sustainability targets, alongside a communication strategy to engage employees and business partners in proposed changes and targets.

For instance, digital systems can enhance better governance by harmonizing processes for third-party vendors to manage and report risks, including those relating to data privacy and information security. For a better society, IT plays a role in helping us monitor and manage progress against targets, from diversity metrics to OI learning systems, the Catalyst employee survey and volunteering opportunities in the community will also benefit from digitalized systems such as webcasts and data processing.

Green IT also holds significant potential in helping us meet our better planet pillar ambitions across our operations and supply chain. These include establishing a device life cycle strategy for the responsible consumption and reuse/recycling of hardware, printing optimization and energy-saving solutions involving cloud, user awareness, technological innovation and data analytics.

## Data privacy and information governance

continued



### Monitoring and training

Ongoing, SGS data privacy officers assess potential risks, while determining whether individual data owners and local authorities should be notified of incidents. Where such external authorities are engaged or if incidents are found to be the result of a policy violation, our data breach management procedure is applied, which may result in disciplinary action.

Information incident reporting processes are detailed in our IT Security Policy, reinforced in our Mobile Device Security Policy. Employees can report any suspect email directly to local SGS security operations centers. In 2021, around 29 000 tickets were created reporting phishing emails. Any major cybersecurity issues reported are investigated by the IT security department. Once we have identified the root cause, we evaluate and communicate the impact of any proposed mitigation. Other information security violations such as document tampering, intellectual property theft and misuse of SGS information assets are brought to the attention of corporate security via direct reports or the anonymous whistle-blowing system.

Training for both data privacy and information security is ongoing, updated annually and tailored to the specific needs of participants throughout our business. In 2021, 99% of employees completed security awareness eLearning and 99% completed data privacy eLearning.

**99%**  
of employees completed data privacy eLearning

**1**  
substantiated complaints concerning breaches of customer data policy

**423**  
requests to exercise data rights made to SGS

Case study



### Better governance in action

## Eyes on cybersecurity

As our number one most material sustainability issue, we take cybersecurity extremely seriously. Cybersecurity threats continued to evolve during 2021 as many continued to work remotely through the ongoing Covid-19 pandemic. Our cybersecurity department worked harder than ever to anticipate, avert and mitigate threats, protecting SGS assets and data from diverse home locations, while maintaining continuity of incident investigation processes where any arose.

Going forward, we're working hard to create a culture of cybersecurity, with a Cybersecurity Plan laying out how we will adopt the tightest security controls, based on international standards and best practices, including IT Security and Anomaly Detection Systems. Staying ahead of cybersecurity threats requires close collaboration between IT management and business continuity teams, with crisis management planning an ongoing priority. Moving to the cloud is helping us scale security measures. For example, in 2021 we extended our web security cloud proxy software to all remote workstations.

**SGS** | brightsight

In 2021, we acquired Brightsight, the leading cybersecurity evaluation laboratory network for chip-based secure payment systems, secure identity solutions and IoT platforms. This acquisition accelerates our global strategy to become the global TIC leader in cybersecurity.

For more information about our Cybersecurity Strategy, please see pages 6 to 7 of our 2021 Integrated Annual Report

## Sustainable procurement and supply chain



With a CHF 2 billion annual supply chain spend, we have a significant opportunity to extend our sustainability principles to many more businesses and employees beyond our own. By scaling our impact, sustainable procurement helps us to deliver on our Sustainability Ambitions 2030.

We have made it our mission to pursue procurement that delivers the best deals, while connecting with our suppliers to meet our stakeholder needs for sustainable profitable growth. Sustainable procurement and supply chain is one of four pillars in our Global Procurement and supply chain management strategy. Alongside our Supplier Code of Conduct, our work to assess, manage and engage on our supply chain businesses for sustainability performance is an ongoing priority. Since last year we also invested in securing the uninterrupted supply of direct materials, as well as protective equipment such as masks and gloves.

# 6 511

suppliers assessed for sustainability risks since 2017

### 2021 performance

We have developed our new 2023 procurement strategy which lays the foundations for meeting our targets

### 2023 targets

# 50%

of our goods and services spend will be supplied by suppliers who have signed our code of conduct or commit to comparable standards to SGS' within their own policy

# 100%

of the selected SGS strategic suppliers will have completed our sustainability self-assessment questionnaire

# 75%

of our RFP (requests for proposal) will be online and will include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers

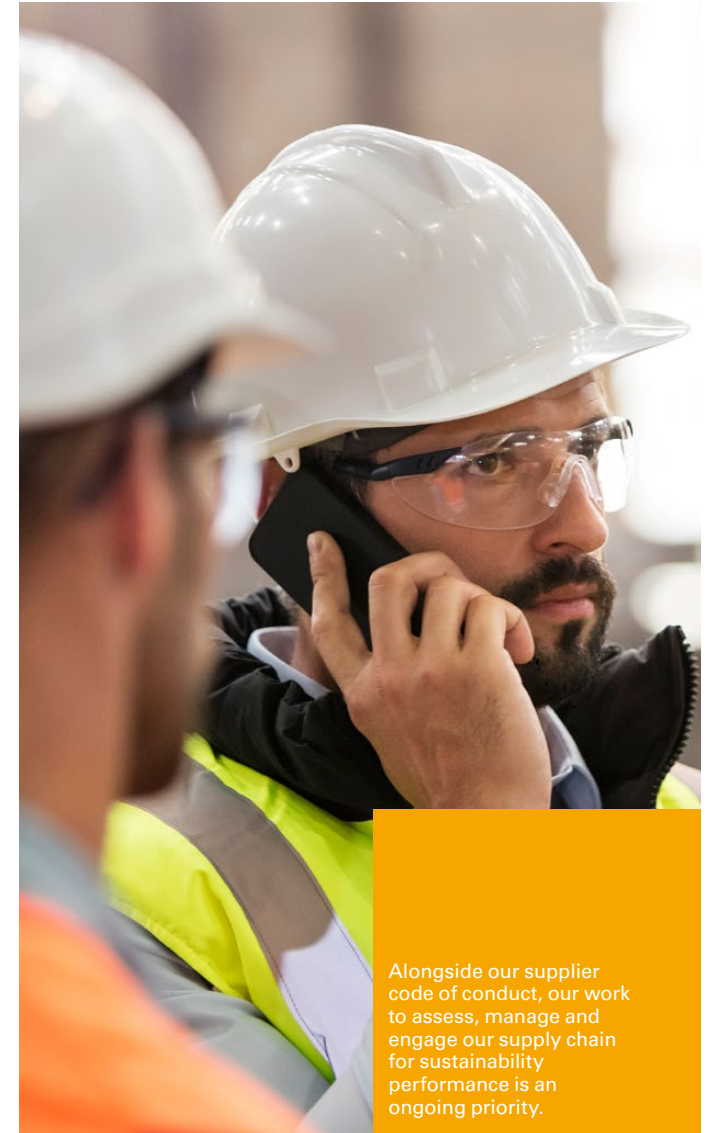
- Actively contribute to the reduction of our SGS CO<sub>2</sub> footprint by sourcing energy efficient solutions from our suppliers
- Leverage SGS buying power to request strategic suppliers to report their own CO<sub>2</sub> footprint and subsequently target carbon reduction in their own operations

### Our 2030 ambition

# 100%

of our RFP (requests for proposal) will be online and will include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers

- Partner with relevant suppliers to transform the products and services we purchase into more sustainable ones, while elevating the sustainability agenda of our strategic suppliers' operations striving towards their carbon neutrality in 2030
- Cover at least 90% of our expenditure with suppliers that have agreed with our Code of Conduct Principles and continue developing our human rights due diligence program to avoid violations across our supply chain



Alongside our supplier code of conduct, our work to assess, manage and engage our supply chain for sustainability performance is an ongoing priority.

## Sustainable procurement and supply chain continued

### Local and diverse procurement progress

We seek to maximize our local investment and purchase up to 82% of our goods and services from regional or local suppliers that meet our business and sustainability requirements.

We also strive to ensure our supply chain is diverse.

⊕ See our case study on page 32 on supplier diversity in North America

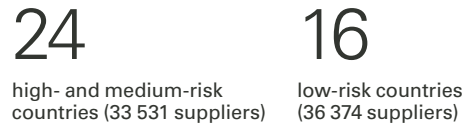
### Supplier engagement and risk management

We ask all suppliers to meet the principles included in our supplier code of conduct, which is aligned to the International Bill of Human Rights and the International Labour Organization (ILO) declaration on fundamental principles and rights at work. Our supplier contract templates reinforce our expectations for suppliers to comply with our supplier code of conduct and act in accordance with environmental, health, safety and employment policies, comply with relevant standards and legislation and continuously improve processes. We ask suppliers to encourage their own contractors and subcontractors to follow the same practices. We encourage all suppliers to report concerns with regard to compliance with the supplier code of conduct via our confidential integrity helpline.

We foster strategic supplier engagement through our supplier relationship management program, which enables long-term partnerships based on collaboration, transparency and a win-win approach for both parties with regard to efficiency, innovation and sustainability. Collaboration may involve working together to reduce carbon, while adding innovation value to the supplier business.

### Existing suppliers' assessment process

#### 1 Segmentation of countries by level of risk



#### 2 Elimination of less critical suppliers

Based on spending thresholds and product groups, defined for each country risk level

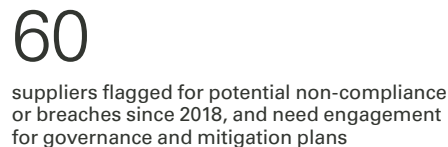
#### 3 Evaluation at country level



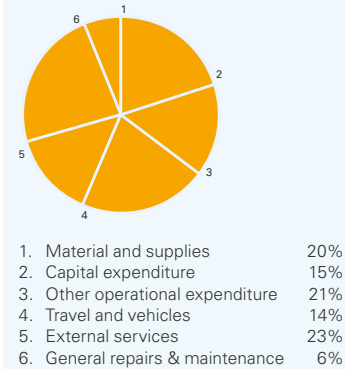
#### 4 SAQ deployment and results analysis



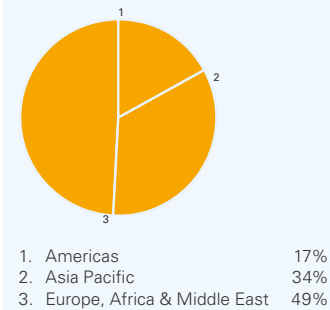
#### 5 Governance and mitigation plans



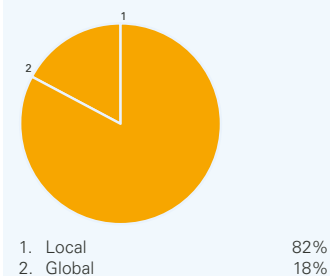
### 2021 spend by category



### 2021 spend by region



### 2021 local versus global supplier spend



### Online sourcing



Our online sourcing system continues to expand to cover more of our tendered spend. The system provides full traceability and documentation, for example prompting suppliers to define fit for purpose specifications and to follow equal and fair processes. Our ambition is for at least three quarters of tenders to be managed online by 2023, with sustainability being part of the selection criteria.



## Sustainable procurement and supply chain

continued

102-9  
102-10  
103-1-3  
204-1

Case study

### Better governance in action

## A step up for diverse suppliers in North America

At SGS, we know that diverse supplier networks bring uniquely rich insights and experiences that are vital to our innovative edge. Providing fair opportunities for small firms also creates a positive socioeconomic impact on society as a whole. Our supplier diversity program in North America is designed to provide opportunities for minority, woman-owned, and disadvantaged businesses to compete in procurement tenders.

- To find out more, please visit our campaign page or check out our podcast discussing, 'Why is supplier diversity more important now than ever before?' We are planning to replicate aspects of the supplier diversity program in more geographic regions where appropriate

**"The supplier diversity program in North America is one of the many ways in which SGS will demonstrate how it contributes to creating a better, safer and more interconnected world. My goal is for the program to become an integral part of the overall corporate strategy, contributing to the local economy."**

**Mahmood Shah**  
Vice President, Procurement  
SGS North America



### What's next?

#### Upholding standards of excellence

- Continue to improve responsible resource management and waste management in our labs through implementing the Environment Pillar of our World Class Services methodology, and continue to foster the 'zero concept' of zero accidents, zero waste, zero defects and zero breakdowns
- Continue to make our services clear, visible and transparent to our customers and facilitate online purchasing of services

#### Maintaining customer satisfaction

- Deploy the new Voice of the Customer strategy framework to become a more customer-centric company
- Create a consistent program globally to measure and improve customer satisfaction
- Increase the sample size to gather statistically relevant results by affiliate and by division

#### Operating with integrity

- Set up a network of compliance and integrity experts across our business, and develop targeted integrity trainings in addition to the annual integrity training which all employees complete

#### Data privacy and information governance

- Continue to update our data privacy policies and processes as new requirements and legislations emerge and as the data privacy landscape continues to evolve
- Focus on further training for our employees on data privacy and security and assessing privacy risks, as well as on data transfer

#### Sustainable procurement and supply chain

- Based on our supplier segmentation, further extend our sustainability principles to our supply chain by improving our Self-Assessment Questionnaire process and increasing the accuracy of the Scope 3 emissions associated to our supply chain
- Fully deploy our 2023 Global Procurement Strategy

# Better society

“While building a better society through our Sustainability Solutions (see page 16), we are also empowering equality, well-being and prosperity through our operations and supply chains. This begins with attracting and developing diverse talent, and prioritizing the safety, knowledge and engagement of our teams. It extends into our communities where we aim to make a positive and long-lasting impact.”

**Olivier Merkt**

SVP, Chief Compliance & Legal Officer



## Diversity and equal opportunity



Our workforce is characterized by diversity in nationality, culture, religion, age, sexual orientation and gender. As set out in the SGS business principles, code of integrity and policies on anti-discrimination and dignity at work, and human rights, we are an equal opportunities employer.

We do not tolerate any form of discrimination. In 2021, we took further proactive steps to foster a culture of inclusion and equal opportunity. For example, we used gender neutral language in job descriptions, tracked the gender of all applicants, and automated aspects of the recruitment process. Automation and AI help to avoid any conscious or unconscious bias, while recognizing local conditions, regulations and ethnic makeup. Through this approach and targeted talent attraction strategies, we have welcomed 29 486 new starters in 2021. Unless local laws specifically require us to, we avoid positive discrimination, opting instead to remove bias through a tracked, data driven approach.

For further information on diversity and employee compensation in 2021, please see pages 56-59 of our 2021 Integrated Annual Report

### Our new Employer Value Proposition – Be the change. Be SGS

'Be the change. Be SGS' is SGS's new Employer Value Proposition (EVP). It has been carefully designed to help us attract, engage and retain the best people by clearly communicating who we are, what we offer employees, and the skills and qualities we're looking for. While it is a dedicated employer brand, it will align closely with the broader SGS brand narrative and brand guidelines.

We have developed four EVP Pillars that are globally defined SGS themes – 'Be Proud', 'Be Collaborative', 'Be the Expert' and 'Be the Difference'. These are attributes to build our employer brand strategy on, positioning ourselves and differentiating us from our competitors. We are embedding these themes into all our communications, across the many touchpoints we have that define both the candidate and employee experience at SGS.

For further information on our Employer Value Proposition, please see page 58 of our 2021 Integrated Annual Report

### 2021 performance

# 29%

women at CEO-3 level representing a 4% increase on 2020

### 2023 targets

# 30%

women in senior leadership roles (CEO-3)

### Our 2030 ambition

Strive towards an equitable representation of genders at CEO-3

Case study



### Better business in action

## Partnering with Equal-Salary to close the gender pay gap

Equal remuneration and opportunities apply to all our employees. This is why we continuously focus on increasing transparency across the Group. We are currently working to understand potential compensation disparities between certain populations. In 2021, we worked with Equal-Salary, a non-profit organization in Switzerland, and PwC to analyze and work towards closing potential gender pay gaps, in line with leading practices in the Swiss Confederation, Swiss Federal Court and the European Commission. We are working on extending this analysis to the whole SGS population in 2022.

# Health and safety

At SGS, we take a robust and comprehensive approach to health and safety, which we call OI.

Our goals are threefold: prevent occupational injuries, illness and disease through hazard identification, risk assessment and control strategies; support employee health and well-being through workplace initiatives and culture; and operate in a manner that does not negatively impact the health of our environment and communities.

Rigorous OI practices are the basis of a 'no-harm' culture that we work hard to reinforce each day across our global operations. Our eight-pillar approach is designed to support our mission of zero accidents and zero harm.

### Training and awareness

Pillar five of our OI strategy, training and awareness, is an important aspect of how we build and maintain a no-harm culture. In 2021, 100% employees, including all business and site managers, received formal OI training. We further expanded our training offer, introducing Rules for Life as an engaging way to reinforce non-negotiables around safe practices in the workplaces. We also enhanced OI eLearning for managers to include 11 additional modules.

A significant milestone in how we track OI impact was the addition of perception surveys in 2021. Issued to all employees and receiving 34 000 responses, the surveys were designed to capture personal perceptions of safety, for instance whether employees feel empowered to stop the job if they have concerns and if they feel supported to work safely. We are now analyzing and sharing the survey findings between regions. In doing so, we seek to continually improve our safety systems and wider organizational processes, such as talent onboarding (since we know that inadequate onboarding increases the likelihood of accidents by up to 40%).

Alongside our safety processes, frameworks and systems, we provide well-being initiatives that are globally consistent, but tailored to local contexts. We monitor the health status of our workforce through the conduct of pre-employment and subsequent periodic health surveillance, to ensure early detection of potential ill health, and assist in the management and recovery from illness resulting from these exposures through appropriate case management.

### 2021 performance

LTIR of	TRIR of
<b>0.22</b>	<b>0.37</b>
and a -14% and -9% variation respectively compared with 2018	

<b>224</b>	<b>21 500</b>
sites	employees

covered with certification in ISO 45001 (OSHAS 18001) and/or ISO 14001

### 2023 targets

<b>-20%</b> <sup>14</sup>	<b>-10%</b> <sup>14</sup>
of reduction in our Total Recordable Incident Rate	of reduction in Lost Time Incident Rate

HSE certify the main operational sites (integrated ISO 45001 and ISO 14001 certification)

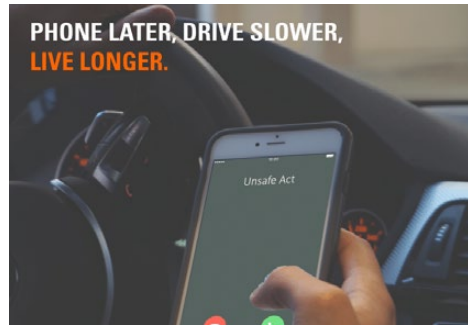
### Our 2030 ambition

<b>-30%</b> <sup>14</sup>	<b>-20%</b> <sup>14</sup>
of reduction in our Total Recordable Incident Rate	of reduction of our Lost Time Incident Rate

HSE certify the main operational sites (integrated ISO45001 and ISO 14001 certification)

14. Against a 2018 baseline.

Case study



### Better society in action Safety Month 2021 – driving safe

Whether they are based at home, in an office, a laboratory or work with our clients in the field, almost all of our employees drive or are a passenger at some point during a typical day. For many, driving has become second nature, but potential distractions are more prevalent today due to the constant presence of cell phones, and regular temptations to adjust the car's sat nav, radio or climate controls. Driving while doing any other activity can compromise the safety of the driver, their passengers, pedestrians, and people in other vehicles.

That's why, in September 2021 – our dedicated safety month – we launched a communications campaign that included posters, videos, organized events, and specialized training. We also set a one-month free trial for an in-vehicle monitoring system, and we were pleased to see that more than 71% of our employees got involved and participated in our driving safe campaign.

## Health and safety

continued



Our eight OI pillars for a no-harm culture:

1

### Communication

Initiatives include the 15 life-saving principles of our Rules for Life, and our annual safety month campaign, which in September 2021 focused on transportation safety, notably avoiding visual, manual and cognitive distractions when driving, either for work or at home.

2

### Resources and skills

Incident investigation compliance scores help countries to identify where OI resources need to be improved. We also provide all OI employees with online tools to help them stay up-to-date with our Group OI requirements.

3

### Audits and compliance

Our OI management system defines the criteria to be met to comply with our own requirements and with the local laws and regulations. To ensure compliance, we audit regions and countries centrally, while local OI managers audit our laboratories, offices and facilities. The audit results go into our performance reports, along with incidents and hazards information captured in Crystal.

4

### Leadership

Guided by our OI lead adviser app, SGS leaders conduct frequent site visits, engaging in safety-related conversations with staff and assessing local OI conditions firsthand. Their performance, based on 14 indicators, contributes to the OI Cultural Index.

5

### Training and awareness

Each role at SGS requires specific OI knowledge to support the safety and well-being of our employees. All employees are given training on-site standard operating procedures, along with regular training sessions on Group OI management systems and Rules for Life. We also operate a behavior-based safety peer-to-peer observation program.

6

### Key performance indicators

All OI employees around the world are expected to provide monthly local incident and risk indicator data, which is captured in our OI Crystal system. This data is assimilated into regulatory and customer-mandated reports, quarterly key performance indicator analyses and trends identification.

7

### Health, safety and environmental (HSE) risk assessments

All site managers are expected to perform risk assessments and to develop associated action plans. Employees have the right to stop work at any time, without reprisal, if they consider there to be a health, safety or environmental risk. Any such instances are reported through our Crystal OI system.

8

### Digitalization

We continue to enhance our digital reporting system, Crystal, and in 2021 added Digitalization. We have also built a dedicated mobile app for job inspectors and lab technicians to use when carrying out a 'last minute risk assessment'. For chemical safety, the Chemwatch tool is available in 57 languages. We have also added more tools for hygiene and chemical management, as well as new apps and platforms for data inspection to Crystal.

## Engagement and well-being



403-3-9

In line with our culture of care, we promote initiatives to enhance the physical and mental well-being of our employees so as to ensure their fitness for work.

This includes the provision of preventative health measures, such as vaccinations, mental and physical health programs focused on awareness, support and resilience. For all employees, flexible and remote working above the required legal minimums in many countries has supported the work-life balance of our teams, and our own business continuity through the ongoing Coronavirus pandemic.

As an important indicator of engagement and well-being, our engagement index increased by 7% compared with 2020. Retaining our talent requires us to provide well-being initiatives that are globally consistent, but tailored to the needs and resources of local affiliates. These range from health and safety training programs to flexible working hours and semi-retirement plans. We promote healthy, safe and ergonomic workplaces, and we monitor lighting intensity, noise levels, indoor air quality, humidity and temperature levels in our buildings. We provide training, workshops and occupational healthcare assessments to guide our employees on maintaining a healthy and safe work environment.

### 2021 performance

**75/100**  
employee engagement

**78/100**  
manager effectiveness score

### 2023 targets

Improve year-on-year our Employee Engagement and Manager Effectiveness scores<sup>15</sup>

### Our 2030 ambition

Strive to be the employer with the highest level of employee engagement in the industry

15. Against a 2020 baseline.

### Case study



### Better society in action

## Bringing employees together on a journey around the world

Virgin Pulse GO is an initiative that promotes health and well-being among employees by taking teams of up to seven on a virtual journey around the world. They can explore the Taj Mahal, marvel at the Northern Lights and snorkel at the Great Barrier Reef. The list goes on, as participants unlock and learn about these exotic destinations, and many more. They move forward in the virtual journey depending on the number of steps that each team member takes in real life. These are counted through any wearable device, and users can even add in other activities, like time spent swimming, and the platform will convert these into steps on the journey.

In 2021, a total of 1 023 colleagues from 16 countries, took part in the journey. They also received useful tips and information via the platform on subjects like eating healthy, reducing stress, and being tobacco free. Packed with other social features and mini challenges, Virgin Pulse GO has brought SGS employees together, wherever they are.

### Case study



### Better society in action

## SGS People – 15 Day Challenge

At SGS, we prioritize the engagement and well-being of employees, which is all the more important during challenging times. In 2021, the now annual SGS 15 Day Challenge saw more than 50 countries participating in activities to reinforce our sense of community during the ongoing Covid-19 pandemic. More than 1 700 participants in the challenge learnt more about sustainability at SGS through our 'Leaders in sustainability' quiz. We also organized other activities for colleagues' families, including a drawing contest for children that attracted almost 2 000 entries. The challenge also included activities to promote recognition. 20 affiliates organised activities to choose their best employees and/or best teams, and more than 1 000 kudos were posted in SGS's all-employee Yammer group to acknowledge the efforts made this year. The challenge also included the organisation of fundraising and volunteering activities in +30 affiliates to support local communities.

**+CHF 100 000**

for charities around the world, especially food banks

## Engagement and well-being continued

Case study

### Better society in action

## 2021 employee engagement survey

We value feedback and encourage employees to voice their opinions via our voluntary annual employee engagement survey, Catalyst. Our managers then use this input to launch improvement actions with their teams.

As a minimum, each SGS affiliate is required to put in place one action plan for implementation within six months after the survey has taken place and to ensure they understand the impact of the actions they have taken. We require affiliates to communicate best practices globally so that learnings can be shared.

The 2021 Catalyst survey sought the views of 35 000 employees around the world, with an 86%-plus response rate. We heard that people generally felt safe at work and that they felt our corporate integrity was higher than ever.

Employee engagement and manager effectiveness scores also significantly improved compared to previous years and now surpasses external benchmarks. This is testament to the positive impact of a number of steps taken in the last three years.

Despite Covid-19 and the continued remote working environment for many, 76% of employees feel well connected to their co-workers and welcomed the efforts made by their managers to support them during these unprecedented times.

We have trained our appointed Catalyst regional and country champions and our human resources to act as facilitators, providing support through the overall survey process and action planning phase, and following up on progress. We also improved our manager effectiveness index and other areas of improvement based on previous employee feedback.

🔗 For further information on knowledge, engagement and talent in 2021, please see our 2021 Integrated Annual Report

# Be part of it



## CATALYST



### Survey Launch



### Results

The results will be shared by managers with their team(s) once the survey closes



### Action Plans

Together with their team(s), managers will put in place action plans for the next 6 to 12 months



### Pulse Surveys

To measure the effectiveness of the actions implemented

### Engagement index

75/100

2021

70/100

2020

71/100

2019

FOR MORE INFORMATION, VISIT THE CATALYST PAGE: [HTTPS://BIT.LY/3GN8C13](https://bit.ly/3GN8C13) AND/OR CONTACT YOUR LOCAL HR TEAM.

# Knowledge and development



Each year we invest in the training, performance management and leadership development of our people, in line with our business priorities and growth strategy.

Our performance management policy outlines the expectations of our managers and their teams about setting their own performance goals, evaluating their achievements and identifying learning opportunities to enable personal growth.

Training and development have not been hampered by Covid-19 and continue to follow the 70:20:10 model – 70% learning in the flow of work, 20% social learning and 10% formal education. SGS Campus was the most popular section of our intranet in 2021, with employees accessing 3 000 courses in 20 languages – from any device or location. Our partnership with IMD Business School in Lausanne, Switzerland, continued uninterrupted, with an eight-week virtual leadership development program for 16 SGS leaders. A new partnership with INSEAD business school has allowed us to scale up executive education to an additional 45 senior leaders in areas such as digital innovation, business strategy, communication and change management.

### 2021 performance

**3.6 MIO** hours of job related training  
**39** hours of job related training per FTE

### 2023 targets

**+10%**<sup>16</sup>  
 increase job related training

### Our 2030 ambition

We commit to continuously improve the capabilities and know-how of our employees

As part of our employee capability strategy, in 2021 we launched Skills for Success, a program that gives all SGS employees access to a collection of more than 50 online courses in multiple languages.

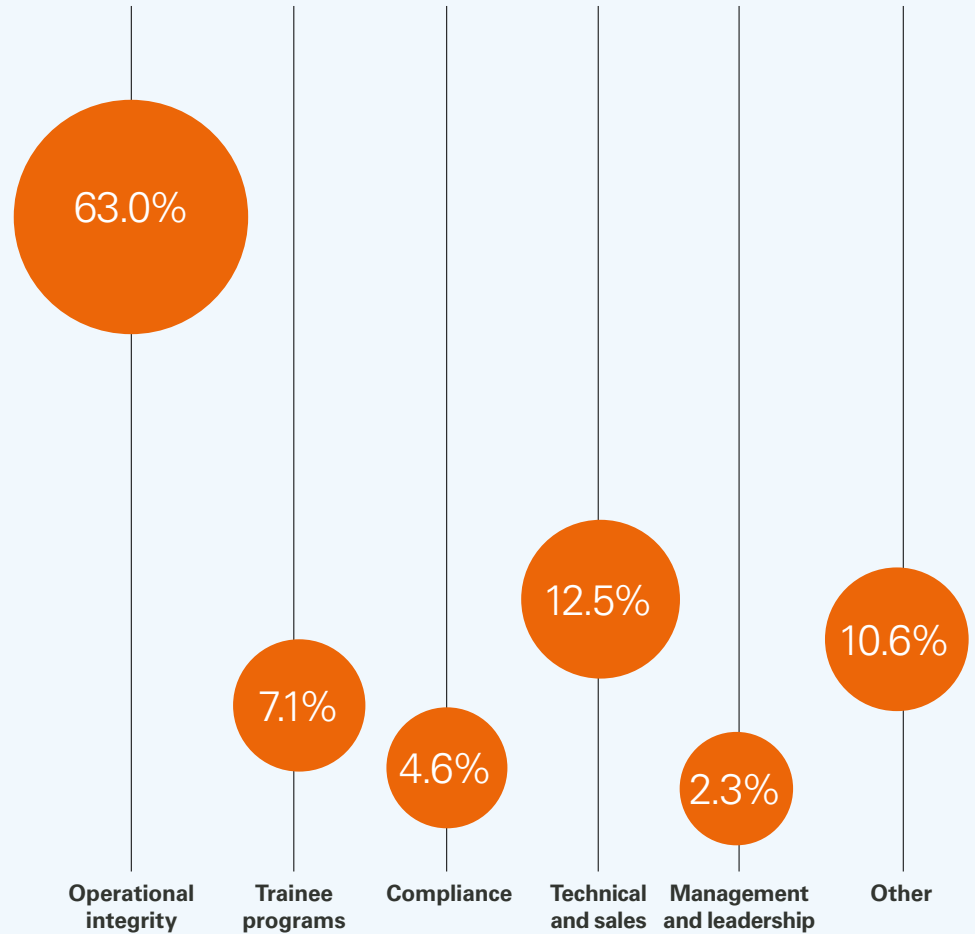
We have partnered with Coursera, a leading online learning provider, to offer courses in a wide range of skills and expertise. There are currently more than 2 500 employees enrolled on courses with an estimated 4 600 learning hours to be completed in the year ahead.

🔗 For further information on knowledge and talent in 2021, please see pages 56-59 of our 2021 Integrated Annual Report

16. Except compliance-related training.

### Percentage training hours by topic

**72 000**  
 colleagues accessed SGS Campus training each month





# Protecting human rights

 102-41  
103-1-3  
412-2  
408-1  
411-1

Our group human rights policy clearly sets out our commitment to treat everyone with whom we come into contact with fairness, dignity and respect. It is in line with leading international human rights legislation and principles, and it applies to all those working for SGS or in our supply chains.

### 2021 performance

New human rights eLearning launched. Human rights taskforce created to continue to develop our due diligence program

Annual risk assessment on human rights performed across the group

### 2023 targets and 2030 ambition

Continue performing annual risk assessments on human right across the Group, keep developing our human rights due diligence program to avoid violations across our operations and train 100% of our employees on our human rights principles annually

0 cases of child labor, forced or compulsory labor, or violation of the right to exercise freedom of association

0 reported violations of the rights of indigenous people

44%<sup>17</sup> of SGS employees are covered by collective bargaining agreements

Each year, the policy is reviewed and benchmarked against global principles and laws, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Children’s Rights and Business Principles, the UN Women’s Empowerment Principles and the UN Global Compact. Our Board-level Human Rights Executive Committee includes our CEO, Chief Compliance Officer and SVP of Human Resources, SVP of Corporate Sustainability and COO Africa and Western Europe.

When making an acquisition, our due diligence process requires us to investigate human rights management processes, while also requiring the prospective business to comply with our Code of Integrity. We are continually evaluating our processes, partnering with relevant authorities to identify, mitigate and remedy risk. Our Supplier Code of Conduct (see page 30) also reinforces human rights criteria.

In 2021, we formed a dedicated Human Rights Taskforce, reporting to the Human Rights Executive Committee, and with representation from Corporate Sustainability, Human Resources, Legal, Procurement, Corporate Security, Operational Integrity and Compliance and Integrity. The mandate of the taskforce is to further define and embed our human rights strategy at operational level, and in its first year it convened three times to define a 2022 action plan against commitments set in our human rights policy. A further milestone in 2021 was updating our compulsory human rights training. Now available in 19 languages, employee rights, responsibilities and reporting channels for concerns are now clearer than ever.

We respect our employees’ right to have collective representation and to enter into collective bargaining agreements where this is accepted by local law.

17. The scope is limited to those affiliates with collective bargaining coverage exists according to the International Labour Organization database for coverage rate.



# Community investment



We are committed to investing in the communities where we operate, and we do so across three pillars: empowerment, education and environmental sustainability. In doing so, we are helping to tackle global challenges such as poverty, equal opportunities, health, education, climate change and environmental degradation.

We invest financially through charitable contributions, long-term investments or philanthropic sponsorships. Our employees also volunteer their time and skills to good causes. Worldwide, every employee has a day's paid volunteering leave allowance.

### Community investment governance

Responsibility for implementing our community policy ultimately rests with our Chief Executive Officer. Managing Directors are responsible for implementing the community policy on the ground in their communities, ensuring that appropriate resources are allocated to manage community investment by all SGS affiliates, which collaborate with local organizations and lead most of the initiatives. Our next biannual community survey, aligned with the London Benchmarking Group criteria, will be in 2022.

🔗 For further information on community investment in 2021, please see pages 62-63 of our 2021 Integrated Annual Report

### 2021 performance

**CHF 1.45 MIO**  
of community investment

**9 284**  
hours of volunteering, representing a 8% and -46% variation compared to 2019

### 2023 targets

**+10%**  
increase in our positive impact on our communities<sup>16</sup> through employee volunteering, with special focus on vulnerable groups affected by pandemics

### Our 2030 ambition

Double our positive impact on our local communities through employee volunteering.<sup>16</sup>

16. Against a 2019 baseline.



# Community investment continued

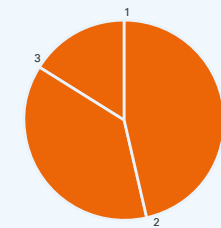


### Community hours

# 9 284



### Type of investment



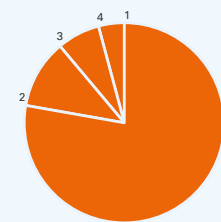
- 1. Charitable gifts 46%
- 2. Community projects 38%
- 3. Philanthropic sponsorship 16%

### Community investment (MIO CHF)

# 1.45



### Type of investment



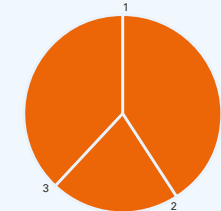
- 1. Cash contribution 78%
- 2. Time contribution 11%
- 3. In-kind contribution 7%
- 4. Management contribution 4%

### Community projects

# 382



### Projects by focus



- 1. Empowerment 41%
- 2. Environmental sustainability 21%
- 3. Education 38%

## Community investment

continued



### Case study

#### Better society in action

### Investing in cybersecurity research in cooperation with Graz University of Technology (TU Graz)

Cybersecurity is one of the biggest challenges for our information society and there is an urgent need to fundamentally rethink the way systems are built, composed and analyzed. In order to enable trust and to create a world where data security and privacy are ensured, it is necessary to perform open research on novel technologies.

Non-profit Lamarr Security Research is the centerpiece of the international Cybersecurity Campus Graz, opened by SGS and TU Graz.

The results of the research developed here will become available for all, creating a high value to society.

Formally founded at the end of 2020, Lamarr Security Research started working on the first key research area “Trustworthy Embedded Technologies” throughout 2021.

This area is highly relevant for card- and mobile payment solutions as well as for identity cards (e.g. electronic passports) where a few industry players with high security domain expertise dominate and where TU Graz and SGS Brightsight are considered as pioneers around research and testing.

With the rise of the Internet of Things, however, the amount and diversity of devices has grown exponentially to cover almost every industry, including consumer goods, automotive, industrial and telecommunications. Lamarr has a particular focus on this area where technologies are lacking appropriate mature security foundations and evaluation methods.

In addition to further growing this first research area, Lamarr Security Research also recently started to focus on “Trustworthy Artificial Intelligence”, following a key trend that has been put in the spotlight by the EU Artificial Intelligence Act proposed by the European Commission. As artificial intelligence is used everywhere nowadays, and will be even more in the future (e.g. autonomous driving), the challenge is how far the data which is used, the algorithms and the models can be trusted. Lamarr’s primary research focus is on formal methods to test, to verify and to perform runtime enforcement/verification of AI-based systems. This research environment is open for partner sponsors to work together, and to make the world a safer place.



© Lunghammer – TU Graz

### Case study

#### Better society in action

### Thailand CSR day – supporting communities during Covid-19

An important part of our CSR activities in Thailand has been to support and empower the local communities where we operate that have been adversely affected by this year’s flooding and the ongoing impacts of Covid-19. Our priority has been on pinpointing community needs and providing support effectively and efficiently, while forging strong bonds with these communities.

This support was focused on our CSR Day 2021, when colleagues put together survival bags for families affected by Covid-19 in Wat Klong Phum and other areas. We also involved colleagues in the decision-making process for selecting a range of CSR activities to support communities, while making strenuous efforts to ensure their safe execution in the face of the pandemic. Employees engaged in these activities were fully vaccinated and a risk assessment carried-out, with all Covid-19 protection measures and protocols strictly adhered to.

We will continue to explore further CSR initiatives that are closely aligned with urgent community needs, shaped by the pandemic and current events, while also working to refine existing initiatives that support education and community sustainable development.

## Community investment

continued



Case study

“Our community program is essential to raise awareness, create a culture of sustainability and engage our colleagues and their families in activities that have a positive impact on our local community and the planet. Their enthusiasm and positive feedback show us that our team is highly engaged and committed.”

**Jihane Boumehti**

Marketing & Special Projects Manager  
SGS Morocco



**Better society in action**

### Cleaning up in Casablanca

SGS Morocco mobilized its employees along with their families for its first clean-up day in Casablanca, with more than 120 people taking part in a thorough clean-up covering 3 km of beach and the beautiful promenade of Ain Diab. Beyond the immediate beneficial effect on the local environment, the objective of the day was to raise environmental awareness, and the importance of effective waste disposal and cleanliness, especially during the ongoing Covid-19 pandemic.

We approached the litter picking operation responsibly, ensuring that everyone was able to wash their hands regularly, kept their distance throughout, and worked in sub-groups of no more than 10 people. On the equipment side, participants had to bring their own gloves and bags, and of course the wearing of face masks was compulsory. SGS Morocco treated the whole operation as an excellent educational opportunity, and a user-friendly way to highlight the global waste problem, and the fact that every year, millions of tons of poorly managed rubbish end up abandoned in nature, polluting ecosystems and affecting wildlife.

### What's next?

**Diversity and equal opportunity**

- Automate as much as possible in recruitment with the objective of removing bias

**Health and safety**

- Create a stronger focus on a health and safety environment within our operations, including through training
- Continue to share findings on creating a safety culture from our perception surveys and progress with digitalizing our health and safety processes

**Engagement and well-being**

- Change the way we approach employee engagement, performance management and recognition so that they are linked and based on regular discussion with managers

**Knowledge and development**

- Demonstrate to potential employees the opportunities for growth, mobility and learning within SGS to aid with employee attraction
- Develop our succession planning further, building on our strong pipeline of future leaders within the business

**Protecting human rights**

- Implement our 2022 action plan against commitments set out in our human rights policy

**Community investment**

- Enhance our global framework for community activities

# Better planet

“The world is facing a climate emergency, and natural resources are being used up faster than they can be replenished. We have committed to reducing greenhouse gas (GHG) emissions in line with science-based targets. In addition to taking action on climate change, we are monitoring and minimizing our water and waste impact.”

**María Monasor**  
Data and Impact Valuation Manager



# Accelerating climate action

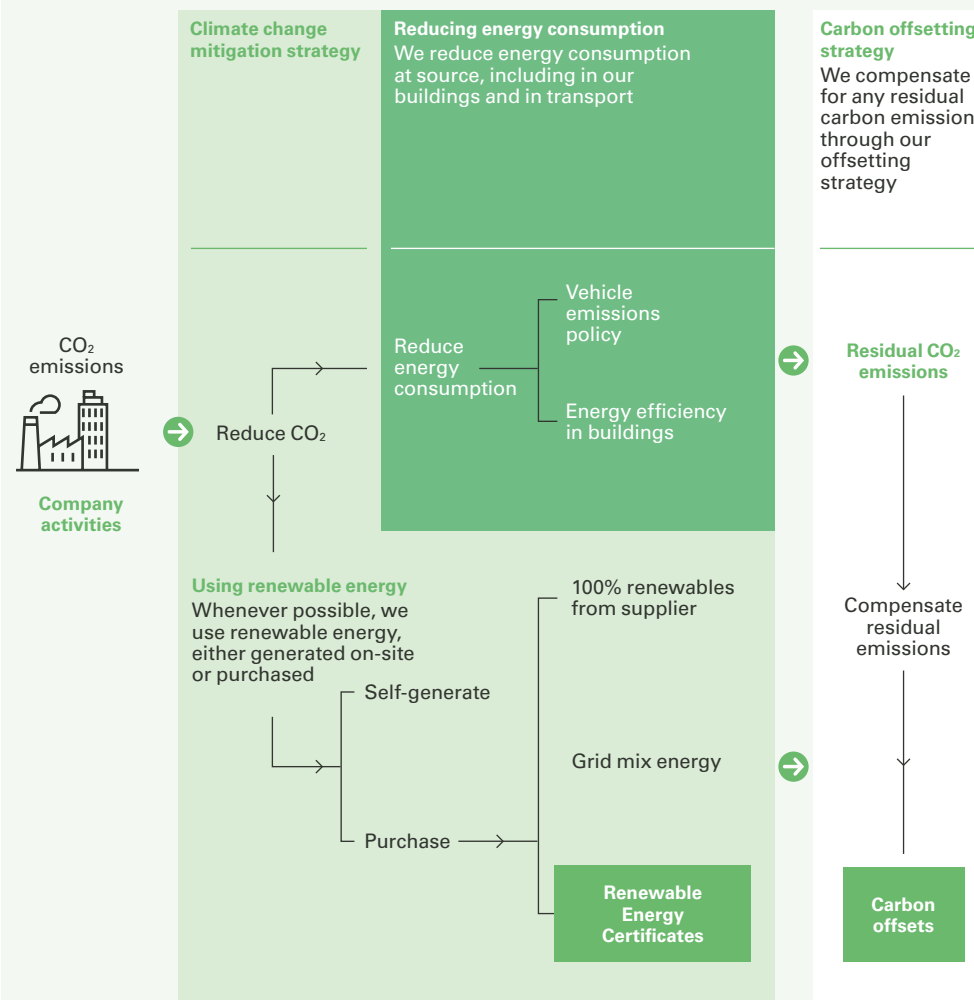


Our carbon neutral strategy sets a clear path to reduce energy consumption at source, use renewable energy whenever possible, and offset residual emissions. We are delivering our strategy through verified science-based targets.<sup>17</sup>

We have been carbon neutral since 2014 and we were one of the first companies to set science-based targets for 2025 and 2030. Following our climate strategy, we are now committed to Business Ambition for 1.5C and to Net-Zero.

- ➕ Read more:
  - Climate change mitigation on page 47
  - Renewable energy on page 48
  - Carbon offsetting on page 49

**Our strategy, based on these three pillars, is set considering the Science Based Targets initiative (SBTi) criteria**



## 2021 performance

<p><b>51%</b> reduction in CO<sub>2</sub> emissions per revenue since 2014</p> <p><b>4%</b> reduction in car fleet CO<sub>2</sub> emissions since 2019</p>	<p><b>708</b> energy conservation measures identified across 694 buildings</p> <p><b>6.7%</b> of cars have low carbon technologies</p>
--	--

In 2021, we became official supporters of the TCFD and our first TCFD Report will be available here on 1 March 2022

## 2023 targets

**35%**  
reduce our CO<sub>2</sub> emissions per revenue<sup>18</sup>

- Increasing annually the number of energy efficiency measures in our 100 most energy intensive owned buildings
- Reducing total car fleet CO<sub>2</sub> emissions by 10%
- Ensuring 10% of our cars have low-carbon technologies

All residual CO<sub>2</sub> emissions will be compensated to maintain our carbon neutral status

- Further adopt TCFD recommendations by 2023

## Our 2030 ambitions

Meet our science-based target of reducing our CO<sub>2</sub> emissions per revenue by 55%.<sup>18</sup> Fully adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

18. Against a 2014 baseline.

17. A science-based target is one that contributes to the limiting of global warming to well below 2°C above pre-industrial levels. The Science Based Targets initiative (SBTi) provides companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions. We are currently further refining our targets to align to even more ambitious 1.5°C trajectories and we await verification from SBTi.

## Accelerating climate action continued

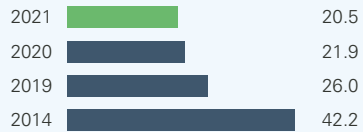


### GHG emissions performance

We measure and report direct and indirect GHG emissions across our value chain. Our 2021 data indicates that we are well on track to meet 2023 targets, and to support our SA30 strategy.

### Emissions intensity since 2014<sup>19</sup>

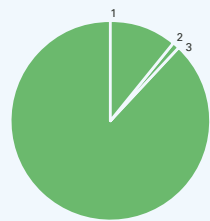
(CO<sub>2</sub> per revenue)



<sup>19</sup> Includes scopes 1 and 2 and business travel. Emissions from refrigerant gases and district heating are not included.

### 2021 carbon footprint by GHG Scope

Emissions from refrigerant gases and district heating are not included



1. Scope 1	11%
2. Scope 2	1%
3. Scope 3	88%

A-

CDP rating for disclosure, awareness and management of climate risks and best practices



### Energy efficiency

With energy use in our offices and laboratories worldwide accounting for 68% of our global energy consumption, our Energy Efficiency in Buildings (EEB) program remains a key driver towards meeting our 2023 and 2030 climate targets. In 2021, we enhanced the program with a digital system to model energy (and wider environmental) performance. This modelling has enabled teams to identify focus areas and possible improvements. EEB applies to both new and existing buildings:

For existing buildings: 694 SGS buildings were in the program at the end of 2021 (representing 83% of our total electricity consumption and non-transport fuels consumption). EEB enables us to identify and implement energy conservation opportunities, with a dedicated global fund now available to enable affiliates to apply the recommendations. To date, 708 energy conservation measures have been identified in our existing buildings.

For new buildings: the SGS green building guidelines are applied, enabling us to rate facilities based on KPIs spanning energy, water and pollution; to transport, building materials and employee well-being. The guidelines define minimum requirements, setting a precedent for future developments.

### Case study



“Significant annual savings have been made across multiple sites with thanks to the EEB program. This initiative shows that protecting the planet and reducing costs are completely feasible and reinforce each other.”

**Javier López**  
Global Sustainability Manager

### Better planet in action

## Small changes make big savings: EEB in action around the world

At our diverse global sites, we are identifying energy efficiency gaps and addressing them as part of our Group-wide EEB program. From large-scale renewable energy installations, to simply switching light bulbs, the program is delivering cost and carbon savings. For example, our Wingfield site in South Australia is saving approximately CHF 60 000 each year, thanks to the simple addition of smart LED lighting. Wingfield is also our first large site in Australia to gain permission for a 293 solar panel array, capable of providing 114 kilowatts of electricity a year. Looking to the year ahead, Wingfield teams will now be turning their attention to optimizing heating, ventilation and air conditioning systems.

Our Denver, USA, laboratory has also switched to LEDs, saving 100 Kilowatt hours each year, with a two-year return on investment. In Accra, Ghana, our 13 800 square meter laboratory has installed solar photovoltaic panels, delivering 22% in cost savings, with a nine-month return on investment.

+694

SGS buildings in the EEB program



## Accelerating climate action continued



After buildings, energy use across IT infrastructure and data centers are important priorities. Our green IT policy and new sustainable IT activation plan promotes optimization in cloud migration, hardware and e-waste management, and we now manage more than 80% of our workloads via the cloud. We downsized the datacenter at our Swiss headquarters, while migrating our enterprise resource planning platform to a cloud datacenter in Europe.

### Transport emissions

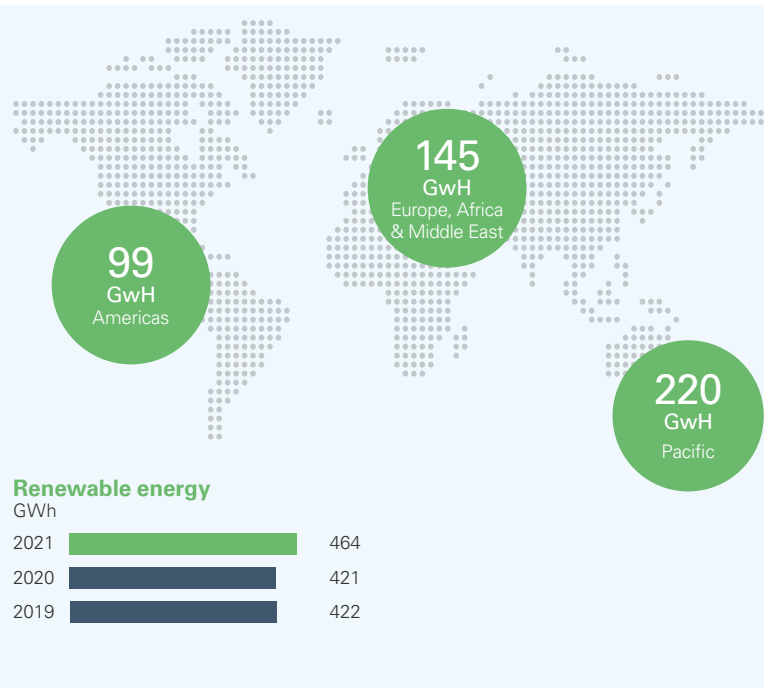
The cars we incorporated into our fleet in 2021 emit 20% less GHG emissions than those we incorporated in 2016. Our goal now is to continue innovating our 10 000 car fleet, so that by 2025 it emits 40% less carbon and that by 2023 10% of cars (and 50% by 2030) have low-carbon technologies. These include, for example, full electric, plug-in hybrid, hybrid and natural gas propulsion systems. This will be achieved through our new vehicle emissions policy, which requires all SGS Affiliates to gradually incorporate less polluting cars so that average fleet emissions for each vehicle group remain within the limits outlined in the Policy.

### Renewable energy

Alongside our energy efficiency actions, we continue to work towards our target to source 100% renewable energy by 2025. At the end of 2021, we had achieved 97% across our business. Alongside exploring on-site renewable technologies, during the year, we invested in a further 464 gigawatt hours of renewable energy.

**97%**  
renewable energy  
achieved in 2021

**464**  
gigawatt hours invested



Case study

## JOIN THE FIGHT AGAINST CLIMATE CHANGE



[Learn more](#)



### Better planet in action

## COP26 and employee climate action

In the last quarter of 2021, in the run-up to the COP26 global climate leaders conference on climate change, we delivered a comprehensive employee campaign on climate action.

This included interactive graphics to inspire simple steps people can take in the home, office and when shopping or travelling.

We showed the actions SGS is taking for a low-carbon economy. We also organised a contest among all employees where they sent us their good practices and the actions they are taking to combat climate change.

## Accelerating climate action continued

### Offsetting residual emissions

While we continue to reduce our climate impact through energy efficiency and renewable energy, we offset residual emissions<sup>20</sup>. As well as enabling us to bridge the gap between our current emission levels and our climate ambitions, offsetting enables us to internalize the costs of carbon, through our internal carbon price scheme which are borne at a local level. We invest incredible and verified carbon offsetting projects that directly benefit communities where we have an impact.

### Responsible resources management

Working towards our climate ambitions requires us to address inefficiencies, not only in energy, but also in how we use resources such as water and materials such as paper. Furthermore, responsible resource consumption is an imperative in terms of wider environmental challenges such as nature loss.

While our water consumption and waste impact is relatively small compared to other industries, we monitor our impact and reduce our resources' footprint.<sup>21</sup>

### Creating a culture of sustainability and empowering employees to take action

As an organization of 96 000 employees, the actions of everyone at SGS are essential to promote sustainability across our organization and beyond. In 2021, after the launch of the Sustainability Ambitions 2030, we developed the 'Rules from Löss', hosted by our sustainability ambassador Löss the bear. The 'Rules from Löss' include actions that every employee can take to actively contribute to the achievement of the Ambitions 2030, no matter their location or position. This initiative includes actions related to environmental protection and efficient use of natural resources. The messages are related to water, waste prevention, food waste, recycling or single-use plastics.

### Managing climate risk

Climate change presents us with opportunities to innovate services for our customers. It may also present various types and degrees of local, regulatory, physical and socioeconomic risks. Mitigating and managing such risks, as well as identifying potential business opportunities, is fundamental to SGS to enable us to maximize our value to society.

Find out more about how we manage climate risk here

20. Market-based emissions. Excludes district heating and refrigerant gases emissions due to unavailability of data. Scope 3 emissions only include Category 3: business travel.

21. Our laboratories are the main users of water, while our mineral and construction businesses are our main waste producers. We ensure all hazardous waste is handled responsibly, without risk to people or the environment. Other waste includes laboratory chemicals and test samples, paper, plastic and organic waste from our offices.

### Case study

#### Better planet in action

## Saving water at Perth Airport

SGS Australia's Perth Airport laboratory site is one of the largest users of water in the region, using more than 40 000 KL per annum. Another huge cost to the business is the treatment of trade wastewater, which passes through our onsite water treatment plant to ensure its pH is at an acceptable level prior to release to the sewer. Prior to the implementation of water saving controls, this daily trade wastewater ranged between 105 to 115 Kiloliters (KL) per day, 7 days per week.

The objective of our water saving program this year was to reduce the site's water consumption to 20 000 KL per annum (or 54 KL per day) or less, and to reduce our trade wastewater to 7 500 KL per annum (20 KL per day).

Once identified, we worked with our contractors to find the most effective way to curb the usage without compromising the safe functionality of the scrubber units. We ultimately decided to use solenoid controls on the water feed to the scrubber units and make use of the existing water management system controller in each unit to set a timed release of water to flush the tanks.

The initial results were impressive, with a reduction of daily water use to 80 KL, and the team have now brought this usage down to between 45 KL and 48 KL per day.

At the same time, trade wastewater volume has reduced to just 24 KL per day, a significant improvement, and the total saving to the business is around \$185 000 AUD per year in water usage and waste treatment.

**"When I started looking into the consumption causes it really didn't take too long to figure out that the scrubber units were the root cause of the consumption issues. The scrubber units are vital, as they are used in the Fume Cupboards that capture and remove air-borne hazardous substances generated in the laboratory."**

**Clint Palfrey**  
Operations Supervisor, Perth Airport



## Accelerating climate action continued

Case study

### Better planet in action

## Our Callao Lab in Peru achieves an environmental first for SGS

A key contributor to our environmental stewardship and sustainability ambitions is the adoption of the World Class Services (WCS) that are specifically targeted at reducing our environmental impacts and consumption of natural resource in our operations. The Environmental Pillar of WCS helps us reduce our emissions, water consumption and waste generation, enabling us to conserve energy and raw materials, and the tools it comes with help us to identify opportunities for improvement.

In April 2021, our Callao Lab in Peru was assessed in their first WCS external audit, and achieved the first point in our Environmental pillar. This achievement was not only a first for Latin America, it was the first WCS Environmental pillar score across the SGS Group. This was a strong endorsement of our Sustainability Ambition 2030 to enable and sustain an environmentally friendly lab, where all colleagues take responsibility for reducing our overall environmental impact.

Using the WCS tools at Callao we worked with our waste management contractor to generate biogas from some of our non-dangerous waste, recycle 93% of our waste (paper, plastic, cardboard, oil, fish flour, glasses, etc.), and we introduced good practices in the laboratories that enabled us to extend the useful life of materials, such as melting pots and glass packages. Our next step will be to perform the environmental cost deployment and identify improvement opportunities that will result in further cost savings in relation to the key environmental aspects such as waste, water and indirect chemicals.

# 3.4X

increase in value recovered from  
non-hazardous waste 2019-21



### What's next?

#### Accelerating climate action

- Full implementation of our new vehicle emissions policy
- Continue deploying our energy efficiency in buildings program
- Reinforce our it activation plan
- Increase our environmental awareness initiatives
- Develop a policy to include circular economy principles into our waste and water management

# Data and disclosure

“We have now been publishing a sustainability report for 12 years. This 2021 disclosure has been compiled to give our stakeholders a fair, transparent and balanced picture of our progress and challenges during the last calendar year. It complements our Integrated Annual Report.”

**Beatriz Cebrián Lopez**  
Global Sustainability Manager



## About this report

The sustainability report covers all SGS Group regions and business lines for the period 1 January to 31 December 2021. A full list of our affiliates can be found on pages 175-177 of our 2021 Integrated Annual Report.

Having identified and prioritized our most significant impacts – both to our business and to stakeholders across our value chain – in this Sustainability Report we include performance data for our direct operations, along with information on how we are managing issues considered to be the most material (see page 9). To show trends over time, we also disclose our performance over the past two years. There are cases where, due to enhanced data collection and availability of information, we have been able to improve our historical data. Where such a data variation is less than 5%, we generally consider it to be immaterial; where a change is deemed significant, this is noted the first time the data appears in this report. Taking a precautionary approach to sustainability, we seek to prevent even those environmental threats that are not yet scientifically certain to occur.

### External standards

We have published a sustainability report annually for the past 12 years. Since 2015, we have incorporated sustainability content into our Integrated Annual Report, in line with the Integrated Reporting Framework. This report has been prepared in accordance with the comprehensive option of the GRI Standards, the Sustainability Accounting Standard (Standard) for the Professional and Commercial Services Industry (SASB) and follows the guidelines for the AA1000 AccountAbility Principles Standard.

### Sustainability performance indicators

In order to ensure transparent reporting, we report on our sustainability performance indicators in a consistent and accurate way. In preparing the majority of our sustainability performance indicators, we follow the GRI Standards. See GRI content index (page 67). Where we use any bespoke indicator that has not been prepared in accordance with the GRI Standards, we describe the relevant methodology in our Basis of Reporting document. For indicators related to carbon emissions, we follow the Greenhouse Gas Protocol (GHG Protocol) Corporate Accounting and Reporting Standard (taking a financial control approach), and we account for all Kyoto gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>).



102-11  
102-46  
102-48  
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102-54  
102-49  
102-50  
102-51

## Glossary of material topics



102-44

The SGS Business Materiality Matrix shows the topics that are most material to the SGS Group (see page 9). Opposite is a description of each topic.

### Adaption and mitigation to climate change

Taking into account how climate change impacts our operations (reducing the use of fossil fuels and increasing energy efficiency) and in the design of our business strategy (adapting our business to the physical and transitional impacts of climate change, and the associated disruption to socioeconomic systems).

### Customer relationship management

Implementing effective processes for interacting with customers, including channels of communication, upholding quality of service and responding to customer needs and complaints.

### Cybersecurity

Having systems in place to defend computers, servers, mobile devices, electronic systems, networks and data from malicious attacks.

### Data privacy and protection

Managing data from our employees, customers and other individuals, according to the relevant regulations in force.

### Diverse and inclusive workforce

Valuing diversity in the workforce and supporting equal opportunities, including tackling discrimination and unconscious bias.

### Diversity in the executive team

Taking steps to integrate all kinds of diversity, and having specific targets linked to diversity in leadership positions.

### Employee engagement and consultation

Including the workforce in key decisions, and giving them sufficient notice of changes affecting them.

### Ethical behavior

Abiding by the rules of fair competition, where all companies operate on a level playing field, and not tolerating any form of bribery or corruption in business dealings.

### Executive compensation linked to sustainability goals

Having specific sustainability targets (such as CO<sub>2</sub> emissions reductions, gender gap, etc.). Linked to the compensation of the Board of Directors.

### Freedom of association and collective bargaining

Respecting employees' freedoms to associate and to bargain collectively regarding workplace conditions.

### Good practice in corporate governance

Applying market best practices, such as Board accountability, independence and skills of the members of the Board, to the corporate governance rules of our organization.

### Health and safety

Preventing harm and promoting physical health for employees and contractors.

### Innovation

Continuously innovating to increase efficiency, adaptability and service value.

### Local community investment support

Actively contributing to local development through local sourcing or hiring, philanthropic investment, and volunteering activities.

### Preventing air pollution

Managing emissions of ozone-depleting substances and other air pollutants that can impact human health and the environment.

### Protecting biodiversity

Protecting vulnerable species and the variety of life in natural ecosystems, including maintaining the key ecosystem services (such as clean air) that this biodiversity supports.

### Respecting human rights and ethical labor practices

Taking steps to understand where human rights issues may arise in the Company or its supply chain, and ensuring no use of child labor or forced labor, or other human rights violation.

### Responsible materials use

Reducing the direct and embodied impacts of materials usage, including reducing the amount of materials we use and making use of recycled or secondary reused materials.

### Risk management and business continuity

Identifying and managing risks that could impact on the Company, as well as ensuring the resilience of the Company and its business models to economic, environmental, social, political and other disruptions. The management of crisis, such as the Covid-19 pandemic, is included here.

### Sustainable procurement and supply chain

Sourcing products and services responsibly, and promoting environmental and social standards in the supply chain.

### Talent attraction and retention

Ensuring the company is a desirable place to work, and keeping employee turnover within acceptable levels. This also includes having systems in place to guarantee fair compensation.

### Tax and payment to governments

Creating wealth for society by paying taxes in a timely manner, and avoiding tax avoidance schemes.

### Training and development

Providing opportunities for employees to upgrade their skills, and conducting regular performance development reviews. This includes transition assistance programs to enhance employability, and the management of career endings due to retirement or termination.

### Waste reduction and management

Following the reduce-reuse-recycle waste management hierarchy and moving towards a circular economy.

### Water and effluent management

Managing water as a shared resource, including minimizing pollution and reducing the withdrawal of freshwater by increasing water efficiency.

### Well-being and work-life balance

Promoting the health and well-being of our employees, through initiatives including employee benefits, work-life balance, flexible work schemes and other fringe benefits, beyond legal requirements.

# Databank



Finance	2019	2020	2021	2023 target	2030 target
Number of FTEs (# people)	92 661	91 698	96 216		
Number of offices and laboratories (# of buildings)	+2 600	+2 600	+2 600		
Estimated positive value to society <sup>1</sup> (CHF million)	6 538	6 579	5 496		
Revenue (CHF million)	6 600	5 604	6 405		
Financial income (CHF million)	286	76	16		
Salaries and wages (CHF million)	3 357	2 797	3 180		
Subcontractors' expenses (CHF million)	386	352	385		
Depreciation, amortization and impairment (CHF million)	548	517	499		
Other operating expenses (CHF million)	1 460	1 173	1 328		
Financial expenses (CHF million)	79	66	69		
Dividends paid (CHF million)	646	623	641		
Income taxes (CHF million)	315	237	269		
Other taxes (CHF million)	34	33	35		
Total economic value generated (CHF million)	6 886	5 680	6 421		
Total economic value distributed (CHF million)	6 826	5 798	6 407		
Economic value retained (CHF million)	60	(118)	14		

1. The positive value to society is estimated for the previous fiscal year.

Compliance and integrity	2019	2020	2021	2023 target	2030 target
<b>Code of Integrity reports to helplines:</b> Total number of integrity issues reported through integrity helplines <sup>1</sup>	211	208	262		
<b>Code of Integrity investigations:</b> Total number of valid reports investigated <sup>2</sup>	70	104	152		
<b>Code of Integrity non-compliances:</b> Total number of breaches of the Code of Integrity identified through integrity helplines <sup>1</sup>	36	17	35		
<b>Broken down by type of breach:</b>					
Integrity of services		3	6		
Financial records		1	4		
Conflict of interest		2	0		
Procurement		0	0		
Improper advantages		0	0		
Employee relations		9	9		
Fair competition		0	0		
Compliance with laws		1	2		
Gifts and entertainment		0	0		
Confidentiality		0	1		
Use of company assets		0	6		
Environment health & safety		1	0		
Bribery and corruption		0	7		
Intellectual property		0	0		
External communication		0	0		
<b>Broken down by consequence for the non-compliant employees:</b>					
No corrective action		0	4		
Improvement in the processes		0	5		
Notification to employee		3	2		
Workshop		0	0		
Corrective action taken by the local management		2	2		
Sanction		1	8		
Employee transferred		0	0		
Termination		3	10		

1. 'Helplines' means channels used by employees and external parties to report suspected violations of the Code of integrity and submitted online, by phone call, sent via fax, email or post.

2. We are working on extending the scope of our reporting in order to include breaches occurring locally and pending cases which are still under review at the time of the reporting. We expect to report on these figures in the coming years.

## Databank

continued



Compliance and integrity	2019	2020	2021	2023 target	2030 target
Legal action taken		0	1		
Report under submission		0	0		
Under decision process		8	3		
<b>Code of integrity non-compliances:</b> Total number of breaches of previous years closed with consequences during the reporting year			23		
No corrective action			1		
Improvement in the processes			12		
Notification to employee			0		
Workshop			3		
Corrective action taken by the local management			1		
Sanction			0		
Employee transferred			1		
Termination			1		
Legal action taken			0		
Report under submission			1		
Under decision process			3		
Total number of employees signing the code of integrity	96 301	93 269	99 371		
Percentage of employees signing the code of integrity	100	100	100		
Total number of employees trained on the code of integrity	89 993	92 150	98 377		
Percentage of employees trained on the code of integrity	98.8	98.8	99.0	100%	100%
Percentage of governance body members signing the code of integrity	100	100	100		
Percentage of governance body members trained on the code of integrity	100	100	100		
<b>Analysis of risks related to corruption:</b>					
Percentage of operations analyzed for risks related to corruption	100	100	100		
<b>Analysis of risks related to corruption:</b>					
Total number of operations analyzed for risks related to corruption	2	3	4		
<b>Number and nature of confirmed incidents of corruption identified through corporate helplines<sup>1</sup></b>	2	0	0		
<b>Public legal cases regarding corruption brought against the organization/employees</b>	0	0	0		

1. Helplines means channels used by employees and external parties to report suspected violations of the Code of integrity and submitted online, by phone call, sent via fax, email or post.
2. All operating companies included in the 2019 Annual Report (p.197-200).
3. All operating companies included in the 2020 Annual Report (p.193-196).
4. All operating companies included in the 2021 Annual Report (p.177-179).

Human rights	2019	2020	2021	2023 target	2030 target
<b>Risks within operations:</b> Operations identified as having a significant risk of incidences of child labor, forced or compulsory labor, or where the right to exercise freedom of association may be violated	0	0	0		
<b>Discrimination</b> Total number of proven incidents of discrimination, and actions taken	0	0	0		
<b>Indigenous people's rights</b> Total number of violations of the rights of indigenous people, and actions taken	0	0	0		
<b>Human rights grievances</b> Number of grievances identified through helplines <sup>1</sup> related to human rights	0	0	0		
<b>Total number of employees trained on our human rights principles</b> # of employees		36 390	39 137		
<b>Percentage of employees trained on our human rights principles<sup>2</sup></b> As a %		39.0	39.4	100%	100%

1. 'Helplines' means channels used by employees and external parties to report suspected violations of the Code of integrity and submitted online, by phone call.
2. Each year, the human rights training course is launched on December and all employees must have passed it by March.



## Databank

continued



Sustainable procurement and supply chain	2019	2020	2021	2023 target	2030 target
<b>Spend analyzed for sustainability risks</b>					
As a %	100	100	100		
<b>Tier 1 Suppliers analyzed for sustainability risks</b>					
As a % of total Tier 1 suppliers	100	100	100		
<b>Number of local suppliers</b>					
As a % of total suppliers	98	97	98		
<b>Number of global suppliers</b>					
As a % of total suppliers	2	3	2		
<b>Spend of local suppliers</b>					
As a % of total spend	80	80	82		
<b>Spend of global suppliers</b>					
As a % of total spend	20	20	18		
<b>Spend by SGS supra-region – Asia and Pacific</b>					
As a % of each region	32	35	34		
<b>Spend by SGS supra-region – Europe, Africa and Middle East</b>					
As a % of each region	47	48	49		
<b>Spend by SGS supra-region – Americas</b>					
As a % of each region	21	17	17		
<b>Spend by SGS Category – CAPEX</b>					
As a % of each category	13	14	15		
<b>Spend by SGS Category – External services</b>					
As a % of each category	23	23	23		
<b>Spend by SGS Category – Material and supplies</b>					
As a % of each category	18	19	20		
<b>Spend by SGS Category – General repairs and maintenance</b>					
As a % of each category	6	6	6		
<b>Spend by SGS Category – Travel and vehicles</b>					
As a % of each category	18	15	14		
<b>Spend by SGS Category – Other OPEX</b>					
As a % of each category	22	23	21		
<b>Spend vs. Revenue</b>					
As a % of one versus the other	33	34	34		
<b>SGS countries who have Tier 1 suppliers</b>					
# of countries	30	40	40		
High & medium risk	14	24	24		
Low risk	16	16	16		

Sustainable procurement and supply chain	2019	2020	2021	2023 target	2030 target
<b>Spend for Tier 1 suppliers</b>					
# of countries	83	81	80		
High & medium risk	33	40	37		
Low risk	50	41	43		
<b>Companies defined as Supplier Tier 1</b>					
# of companies	67 214	65 447	69 905		
High & medium risk	29 341	29 510	33 531		
Low risk	37 873	35 937	36 374		
<b>Suppliers after country level review</b>					
# of companies	4 512	5 903	6 511		
High & medium risk	2 530	3 921	4 529		
Low risk	1 982	1 982	1 982		
<b>Suppliers with actions taken</b>					
# of companies	2 853	4 244	4 852		
High & medium risk	2 163	3 554	4 162		
Low risk	690	690	690		
<b>Public policy</b>	2019	2020	2021	2023 target	2030 target
<b>Lobbying, interest representation or similar</b>					
(in CHF)	0	0	0		
<b>Contributions to local, regional or national political campaigns/ organizations/candidates</b>					
(in CHF)	0	0	0		
<b>Trade associations or tax-exempt groups (e.g. think tanks)<sup>1</sup></b>					
(in CHF)	646 252	523 622	716 652		
<b>Other (e.g. spending related to ballot measures or referendums)</b>					
(in CHF)	0	0	0		
<b>Total contributions and other spending</b>					
(in CHF)	646 252	523 622	716 652		
<b>Contribution to industry associations as % of revenue</b>					
As a %	Under 0.01%	Under 0.01%	Under 0.01%		

1. The main associations we contributed to in 2021 were: TIC Council: CHF 77 689.85; IMD International Institute for Management Development: CHF 60 000; Energy Institute: 56 523.72; Economiesuisse: CHF 50 000.

## Databank

continued



Customer relationship management	2019	2020	2021	2023 target	2030 target
Customers satisfied with SGS service As a % of total number of customers	91	83	88	85%	95%
Group's revenue covered by Voice of the Customer surveys As a % of total revenue	89	48	34		
Countries participating in Voice of the Customer survey # of countries	67	15	12		
Responses in Voice of the Customer surveys # of responses	9 628	7 990	12 560		
<b>Information security and data privacy</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2023 target</b>	<b>2030 target</b>
Number of complaints received from outside parties and substantiated by the organization # of complaints	0	0	0		
Substantiated complaints concerning breaches of data customer policy # of complaints	0	0	1		
Number of complaints from regulatory bodies # of complaints	0	0	0		
Completion rate of data protection and privacy e-learning As a % of people invited to the e-learning	95	98.8	99.0		

Talent management and equal opportunities	2019	2020	2021	2023 target	2030 target
Number of employees # of employees	96 301	93 269	99 371		
Permanent workers Each kind as a % of total employees	91	91	91		
Casual workers Each kind as a % of total employees	9	9	9		
Employees by gender (female) % of people by gender	35.1	35.5	36.5		
Employees by gender (male) % of people by gender	64.9	64.5	63.5		
Employees by age – Under 30 years old (female) # of people by ranges of age	–	–	10 162		
Employees by age – Under 30 years old (male) # of people by ranges of age	–	–	13 877		
Employees by age – 30 to 50 years old (female) # of people by ranges of age	–	–	21 229		
Employees by age – 30 to 50 years old (male) # of people by ranges of age	–	–	39 672		
Employees by age – Over 50 years old (female) # of people by ranges of age	–	–	4 875		
Employees by age – Over 50 years old (male) # of people by ranges of age	–	–	9 556		
Manager employees # of manager employees	8 076	8 249	8 246		
Manager by gender (female) % of people by gender	32.6	33.1	34.8		
Manager by gender (male) % of people by gender	67.4	66.9	65.2		
Equal Opportunity Ratio <sup>1</sup> (female managers/female employees)/ (male managers/male employees)	0.89	0.90	0.93		
CEO-3 employees # of CEO-3 employees	1 291	1 211	1 274		
CEO-3 by gender (female) – 'Women in Leadership' % of people by gender	26.7	28.0 <sup>2</sup>	29.0	30.0	Equitable representation of genders
CEO-3 by gender (male) % of people by gender	73.3	72.0	71		

1. EOR = (female managers/female employees) divided by (male managers/male employees). If EOR is 1, then female employees have as much opportunities as male employees to reach a managing position.
2. 2020 Women in Leadership figure was restated to reflect better data categorization.

## Databank

continued

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404-3  
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Talent management and equal opportunities	2019	2020	2021	2023 target	2030 target
SGS management board and operations council by gender – Female # of people by gender	1	1	3		
SGS management board and operations council by gender – Male # of people by gender	30	26	23		
SGS management board and operations council nationalities # of nationalities	16	14	14		
SGS management board and operations council by age – Under 30 years old # of people by ranges of age	0	0	0		
SGS management board and operations council by age – 30 to 50 years old # of people by ranges of age	7	8	8		
SGS management board and operations council by age – Over 50 years old # of people by ranges of age	24	19	18		
CEO and mean employee compensation ratio <sup>3</sup>	29.2	25.6	40.6		
Employees from vulnerable groups		1 275	1 299		
With disabilities		657	660		
Employees with disabilities – Male		383	370		
Employees with disabilities – Female		274	290		
With other vulnerabilities		618	639		
Employees with other vulnerabilities – Male		354	370		
Employees with other vulnerabilities – Female		264	269		
Collective bargaining <sup>4</sup> As a % of employees	40	41	44		

3. To make the ratio comparable, we have implemented cost of living adjustments using the Purchasing Power Parity conversion rates and it is calculated based only on base salary and bonuses (excluding pension funds and extra hours).
4. Employees covered by collective consultation/representation processes.

Learning and development	2019	2020	2021	2023 target	2030 target
Training ratio <sup>5</sup> As a % of total employment cost spent on training (includes safety training hours)	3.2	2.5	2.6		
Training hours per FTE # of hours per FTE	49.0	48.8	45.8		
Job related training hours per FTE # of hours per FTE	41.2	42.0	38.9		
Total training hours # million of hours	4.6	4.3	4.3		
Job related training hours # million of hours	3.9	3.7	3.6		
Performance reviews <sup>6</sup> As a % of employees receiving regular performance review	88	86	88		
Talent attraction and retention	2019	2020	2021	2023 target	2030 target
Employees invited to participate in SGS Catalyst # of employees	19 273	32 262	30 129		
Response rate in SGS Catalyst As %	82	74	86		
Engagement Index As score out of 100 <sup>7</sup>	71	70	75		
Engagement Index variation previous year		(1%)	7%		
Actively engaged employees As %	66	65	73		
Manager Score Index As score out of 100 <sup>7</sup>	72	72	78		
Manager Score Index variation previous year		0%	8%		
Natural turnover <sup>8</sup> % of permanent employees	13.6	10.1	14.7		

5. Training and Hours spent cost per Total employment cost, including safety training hours. On a constant currency basis.
6. Employees receiving regular performance reviews. Methodology has been updated in 2018 to cover percentage of all eligible employees.
7. In 2016 and 2017, Engagement Index was calculated as a % of employees answering favourably to the relevant questions. In 2019 we changed our approach and starting measuring this as a score.
8. Employees that leave SGS each year of their own will. As of 2016, NTO is calculated based on permanent (fix-term and open-ended) contracts.

## Databank

continued



Talent attraction and retention	2019	2020	2021	2023 target	2030 target
<b>Total turnover</b> As a % of total permanent employees	22.6	18.1	20.5		
<b>Total turnover female</b> (% of total employees)	20.3	16.0	20.1		
<b>Total turnover male</b> (% of total employees)	23.9	19.3	20.7		
<b>New hires</b> # of employees	22 824	18 546	29 486		
<b>New hires (internal)</b> # of each category	11	20	15		
<b>New hires (female)</b> # of each category	35	45	50		
<b>New hires (male)</b> # of each category	65	55	50		
<b>New hires (external)</b> # of each category	89	80	85		
<b>New hires (female)</b> # of each category	33	34	35		
<b>New hires (male)</b> # of each category	67	66	65		

Operational integrity	2019	2020	2021	2023 target	2030 target
<b>Total Recordable Incident Rate (TRIR)<sup>1</sup></b> (occurrences per 200,000)	0.44	0.36	0.37	<b>0.33</b>	<b>0.29</b>
<b>TRIR reduced</b> As a % against a 2018 baseline	6%	(13%)	(9%)	<b>(20%)</b>	<b>(30%)</b>
<b>Number of recordable incidents<sup>2</sup></b> (# of incidents)	432	334	357		
<b>Lost Time Incident frequency Rate (LTIR)<sup>3</sup></b> (occurrences per 200,000)	0.26	0.23	0.22	<b>0.23</b>	<b>0.20</b>
<b>LTIR reduced</b> As a % against a 2018 baseline	1%	(8%)	(14%)	<b>(10%)</b>	<b>(20%)</b>
<b>Number of near misses<sup>4</sup></b> (# of near misses)	1 801	1 959	2 273		
<b>Safety training hours</b> (# of hours)	2 497 245	2 483 305	2 692 702		
<b>Operational Integrity training per employee</b> (# of hours per employee)	26.4	27.9	28.9		
<b>Total absence rate<sup>5</sup></b> As a % of days of sickness absence plus days lost per incidents with lost time per total days worked	1.58	1.61	1.85		
<b>Sickness absence rate</b> As a % of days of sickness absence per total days worked	1.55	1.58	1.82		
<b>Work-related absence rate</b> As a % of days of days of lost time and restricted duty due to recordable incidents per total days worked	0.03	0.03	0.03		

1. Number of lost time, restricted duty, medical treatment incidents and fatalities per 200 000 hours worked.
2. Number of lost time, restricted duty, medical treatment incidents and fatalities.
3. Number of lost time incidents per 200 000 hours worked.
4. Event, situation or physical environment with the potential to cause injury, damage or loss to people, property and the environment, but which was avoided by circumstance.
5. Days of sickness absence and restricted duty per total days worked.

## Databank

continued



Climate change – energy efficiency	2019	2020	2021	2023 target	2030 target
Total energy consumption by source (Total energy consumption by source)	934 291	862 525	927 625		
Standard electricity <sup>1</sup> (MWh)	29 215	19 922	15 673		
Renewable electricity <sup>2</sup> (MWh)	421 593	420 864	464 116		
Vehicle fuels energy (MWh)	350 774	288 856	300 594		
Non-transport fuels energy (MWh)	132 709	132 883	147 242		
Total electricity consumption from renewables As %	94	95	97		
Total energy consumption per employee (MWh/FTE)	9.9	9.7	9.9		
Total energy consumption per revenue <sup>3</sup> (MWh/CHF million)	152.1	153.8	144.8		
Electricity consumption per FTE (MWh/FTE)	4.8	4.9	5.1		
Electricity consumption per revenue <sup>3</sup> (KWh/CHF million)	73.4	78.6	74.9		
Buildings covered by EEB program # of buildings	676	678	694		
Energy consumption from buildings covered by EEB program % of total energy consumed by SGS	77	83	83		
Energy conservation measures identified # of measures identified since beginning	446	471	708		
Buildings assessed through EEB program since beginning # of buildings	44	44	47		
Total car fleet CO <sub>2</sub> average emissions (gCO <sub>2</sub> /km)	140.8	136.2	134.6	<b>126.7</b>	

- Electricity bought from a non renewable tariff linked to Energy Attribute Certificates.
- Electricity bought from local renewable sources of production and through energy attribute certificates. Emissions related to District heating are currently not included in this figure.
- On a constant currency basis.

Climate change – GHG emissions	2019	2020	2021	2023 target	2030 target
Total CO <sub>2</sub> e emissions (market-based) <sup>4,5</sup> (CO <sub>2</sub> e tonnes)	159 848	122 952	131 542		
Scope 1 Fuels emissions (vehicle) (CO <sub>2</sub> e tonnes)	87 048	71 629	74 491		
Scope 1 Fuels emissions <sup>4</sup> (non-transport) (CO <sub>2</sub> e tonnes)	26 396	26 644	30 084		
Scope 2 Electricity emissions (market-based) <sup>5</sup> (CO <sub>2</sub> e tonnes)	16 758	11 864	10 728		
Scope 3 Business travel emissions (CO <sub>2</sub> e tonnes)	29 647	12 813	16 239		
Total CO <sub>2</sub> e emissions (location-based) <sup>4,5</sup> (CO <sub>2</sub> e tonnes)	358 843	318 095	344 004		
Scope 2 Electricity emissions (location-based) (CO <sub>2</sub> e tonnes)	215 752	207 009	223 190		
Estimated District Heating CO <sub>2</sub> emissions not included in breakdown of CO <sub>2</sub> emissions (CO <sub>2</sub> e tonnes)	6 788	5 697	6 577		
Decrease in total greenhouse gas emissions As a % against a 2014 baseline	25%	43%	39%		
Total CO <sub>2</sub> e emissions by source					
Transport fuels – as a % of total emissions	73%	69%	69%		
Non-transport fuels – as a % of total emissions	17%	22%	23%		
Electricity (as a % of total emissions)	10%	9%	8%		
Voluntary carbon-offsetting projects <sup>6</sup> Credits purchased by country	159 848	122 952	131 542		
Carbon Intensity (people) <sup>4,5</sup> (CO <sub>2</sub> e tonnes/FTE)	1.7	1.4	1.4		
Carbon Intensity (revenue) on constant currency basis <sup>3,4,5</sup> (CO <sub>2</sub> e tonnes/CHF million)	26.0	21.9	20.5	<b>27.4</b>	<b>19.0</b>
Reduction in annual CO <sub>2</sub> emissions per employee As a % per full-time equivalent employee against a 2014 baseline	35%	46%	46%		
Reduction in annual CO <sub>2</sub> emissions by revenue By revenue against a 2014 baseline	38%	48%	51%		
Scope 3 emissions <sup>7</sup> (CO <sub>2</sub> e tonnes)	786 371	689 902	820 776		

- On a constant currency basis.
- Refrigerant gas emissions are not included in this figure.
- District Heating emissions are not included in this figure.
- We invest in verified off-setting projects that directly benefit communities where we have an impact, in 2021 we have off-setted 27 693 tCO<sub>2</sub> with Keban small hydropower project, 34 057 tCO<sub>2</sub> with Nanshankou Cascade I 12MW hydropower project, 10 799 tCO<sub>2</sub> with AWMS GHG mitigation project, 33 468 tCO<sub>2</sub> with Poyang Kaidi Biomass Power project and 25 525 tCO<sub>2</sub> with Wanzai Kaidi biomass power project.
- Our Scope 3 emissions have been recalculated for the categories fuel and energy related activities, employee commuting and waste generated in operations with a more accurate methodology.

## Databank

continued

303-3-5  
303-4  
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413-1

Climate change – GHG emissions	2019	2020	2021	2023 target	2030 target
Purchased goods and services (CO <sub>2</sub> e tonnes)	441 064	409 869	516 742		
Fuel and energy related activities (not included in Scope 1 and Scope 2) (CO <sub>2</sub> e tonnes)	76 354	71 922	76 651		
Capital goods (CO <sub>2</sub> e tonnes)	137 633	138 991	132 908		
Employee commuting (CO <sub>2</sub> e tonnes)	91 142	42 514	62 847		
Business travel (CO <sub>2</sub> e tonnes)	29 647	12 813	16 239		
Waste generated in operations (CO <sub>2</sub> e tonnes)	10 531	13 793	15 389		
Scope 3 carbon intensity (revenue) on constant currency basis (CO <sub>2</sub> e tonnes/CHF million)	128.0	123.1	128.2		66.4
Water and waste management	2019	2020	2021	2023 target	2030 target
Water purchased (m <sup>3</sup> )	1 895 840	1 715 493	1 919 430		
Water use/FTE					
Annual water purchased per employee (m <sup>3</sup> /FTE)	20.1	19.3	20.6		
Total waste generated (metric tonnes)	54 032	55 536	65 199 <sup>1</sup>		
<b>Hazardous waste generated</b>					
Total weight of hazardous waste generated (metric tonnes)	11 651	11 121	13 377		
SGS offices and labs		7 503	9 710		
Client samples		3 618	3 667		
<b>Non-hazardous waste generated</b>					
Total weight of non-hazardous waste generated (metric tonnes)	42 381	44 415	51 822		
SGS offices and labs		24 153	29 829		
Client samples		20 262	21 993		
Total waste recovered (metric tonnes)	16 587	15 293	20 888		
<b>Hazardous waste recovered</b>					
Total weight of hazardous waste recovered (metric tonnes)	1 779	2 711	3 521		
SGS offices and labs		1 775	2 435		
Client samples		936	1,087		
<b>Non-hazardous waste recovered</b>					
Total weight of non-hazardous waste recovered (metric tonnes)	14 807	12 582	17 367		
SGS offices and labs		5 556	9 374		
Client samples		7 026	7 993		

1. 2020 Waste figure was restated to reflect an identified correction.

Water and waste management	2019	2020	2021	2023 target	2030 target
Total number of environmental incidents including spills					
Total number of environmental incidents including significant spills	74	48	45		
Community	2019	2020	2021	2023 target	2030 target
<b>Investment in community</b>					
Donations to community organisations and voluntary groups (CHF thousands on constant currency basis)	1 347	1 246	1 449	1,482	2,694
<b>Increase in investment in community</b>					
As a % against a 2019 baseline		(7%)	8%	10%	100%
<b>Total community projects</b>					
# of projects	441	323	382		
<b>Community hours</b>					
Number of hours dedicated to community	17 197	9 151	9 284		
<b>Increase in community hours</b>					
As a % against a 2019 baseline		(47%)	(46%)		
<b>Empowerment projects in Community</b>					
Number of projects	251	213	203		
<b>Education projects in Community</b>					
Number of projects	110	77	109		
<b>Environmental projects in Community</b>					
Number of projects	80	33	70		
<b>Total community investment in Empowerment projects</b>					
As a % of total community investment	54	52	41		
<b>Total community investment in Education projects</b>					
As a % of total community investment	31	42	38		
<b>Total community investment in Environmental projects</b>					
As a % of total community investment	15	6	21		
<b>Total investment in Community Investment contributions</b>					
As a % of total community investment		62.7	38		
<b>Total investment in Occasional Charitable Donation contributions</b>					
As a % of total community investment		31.6	47		
<b>Total investment in Philanthropic Sponsorship contributions</b>					
As a % of total community investment		5.7	16		
<b>Cash Contributions to Community</b>					
(% of total)	60%	79%	78%		
<b>Time Contributions to Community</b>					
(% of total)	24%	8%	11%		
<b>In-kind Contributions to Community</b>					
(% of total)	10%	10%	8%		
<b>Management Contributions to Community</b>					
(% of total)	7%	3%	4%		

Databank continued



Gender pay gap	2021
Mean Gender Pay Gap <sup>1</sup> As % of difference between men and women employees	3.0%
Median Gender Pay Gap <sup>1</sup> As % of difference between men and women employees	(4.7)%
Mean Bonus Gap <sup>1</sup> As % of difference between men and women employees	17.3%
Median Bonus Gap <sup>1</sup> As % of difference between men and women employees	(20.1)%

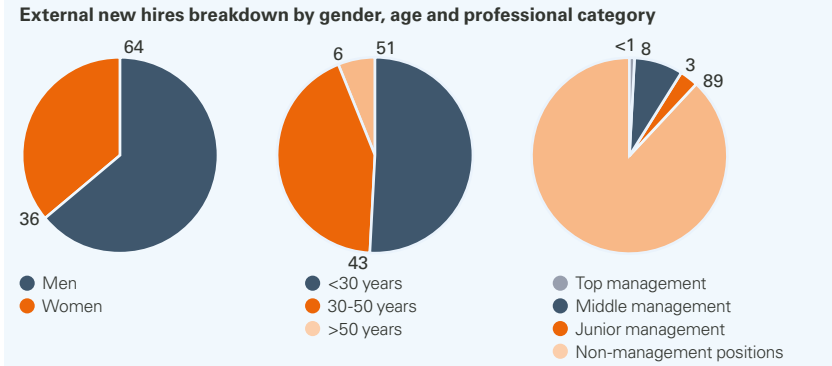
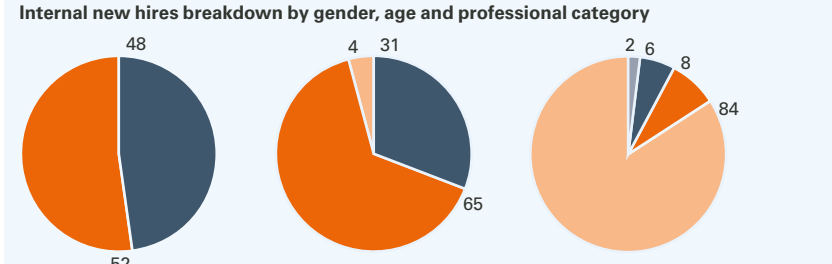
Workforce breakdown: Gender	2021
Women in management positions in revenue-generating functions As % of women	34.4%
Women in STEM-related positions As % of women	31.1%

Workforce breakdown: Nationality and ethnicity	2021
Employees by top 5 nationalities <sup>1</sup> As % of share in total workforce	
Chinese	17.5%
Indian	4.9%
Spanish	4.6%
German	4.2%
Russian	3.6%
As % of share in management workforce	
Chinese	12.4%
Indian	4.0%
Spanish	2.8%
German	5.4%
Russian	6.8%

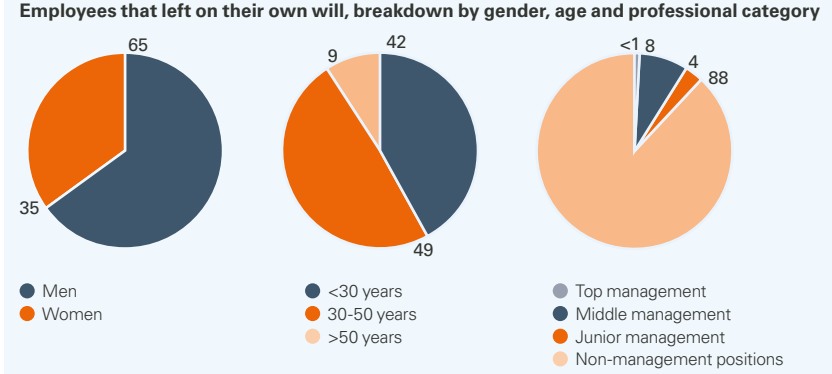
Workforce breakdown: Nationality and ethnicity	2021
USA employees by ethnicity As % of share in total workforce	
Asian	11.0%
Black or African American	8.7%
Hispanic or Latino	7.4%
White	60.9%
Indigenous or Native	0.8%
Other	11.3%
As % of share in management workforce	
Asian	13.2%
Black or African American	6.6%
Hispanic or Latino	5.9%
White	67.3%
Indigenous or Native	0.6%
Other	6.4%

1. Coverage of this data is 97% as it does not include USA employees.

Hiring



Employee turnover



## Non-financial risk management

	102-29	407-1
	102-30	408-1
	102-31	409-1
	205-1	103-1-3
	308-2	

The framework is overseen by the SGS Risk Management Oversight Committee, which is chaired by our CEO and comprises executive members and representatives from a range of departments across SGS including HR, OI and Sustainability. It also provides for designated 'Risk Champions' in each region where we operate, who own risk in their jurisdiction.

Responsibility for the integration of risk management into key business planning processes rests with our Board of Directors and Executive Management.

[For further information on risk management in 2021, please see pages 33 to 39 of our 2021 Integrated Annual Report](#)

### Responsibilities

#### Board of Directors

- Integration of risk management into key business planning processes

#### Risk Management Oversight Committee (RMOC)

Chaired by CEO – includes executive representatives, including the CFO, CCO and CIO, and operational function representatives, including HR, OI and Sustainability

- Manages the ERM framework
- Facilitates the continuous improvement of capabilities around managing priority risks
- Guided by risk management goals, objectives and policies, protects and enhances the SGS business
- Meets twice annually and additionally if required, reporting to the Board of Directors

#### Risk management, internal controls and process excellence function

- Aligns risk program with SGS goals, objectives and strategic direction and evaluates stakeholder expectations
- Implements the SGS governance, risk and compliance (GRC) platform (Antares)

#### Corporate sustainability function

- Develop and maintain program to integrate non-financial risk into risk management framework
- Define non-financial risk categories
- Run macro-risk analysis

### Assessing and mitigating non-financial risks

At SGS, non-financial risk management is a Group-wide endeavor. We treat our non-financial risks in the same way as financial risks and incorporate our risk analysis into our materiality assessments.

Integrated within the financial risk strategy, our affiliates, local business lines and operations can assess potential risks through our Group Governance Risk and Compliance platform – Antares – and, where appropriate, put in place actions to mitigate them at a local level.

We also take a top-down approach, carrying out annual assessments of future global risks to the Company, at Group level. In order to do so, we use a sustainability macro risk assessment model that analyzes economic, political, social, environmental and regulatory risks across our own operations (through our countries revenue) and our supply chain (through our countries spend).

Thanks to this macro risk assessment, we can allocate a potential grade of risk, by topic and by country.

Following this macro assessment, countries are identified as high-, medium- and low-risk, for further, more in-depth assessment.

Results from this assessment are key to help us manage critical non financial risks, such as those related to climate change, our supply chain or human rights.

In 2021, we have streamlined the combination of the results of our macro-risk assessment together with the local assessment of affiliates. This allowed us to work with those countries most exposed to non-financial risks to better identify the most significant risks and ensure that appropriate mitigation plans are in place.

### Sustainability risk assessment process





# Non-financial risk management

continued

GRI	102-15	308-2
	102-29	411-1
	102-30	409-1
	102-31	408-1
	205-1	205-1
	308-2	407-1

## Non-financial macro risk assessment

Our non-financial macro risk assessment model analyzes economic, political, social and environmental risks across 220 geographies and includes our own employees, suppliers, indigenous people, migrant labor and local communities.

By introducing our revenue generated and spend per country into the risk assessment process, we assess our potential sustainability risks across all the countries where we operate.

More than 50 non-financial risks are covered, including natural hazards and business continuity, climate change, water stress and sanitation, carbon pricing regimes, health and safety, unemployment and corruption.

### Economic and political risks

- Government instability
- Policy instability
- State failure
- Recession
- Inflation
- Currency depreciation
- Capital transfer
- Sovereign default
- Under-development
- Tax issues
- Corruption
- Infrastructural disruption
- Energy security
- Cybersecurity commitment
- Data protection
- Regulatory

### Environmental risks

- Physical exposure to natural hazards
- Water stress
- Climate change vulnerability
- Environmental health
- Drought
- Ecosystem vitality
- Environmental sustainability
- Environmental awareness
- Environmental compliance
- Carbon pricing

### Social risks

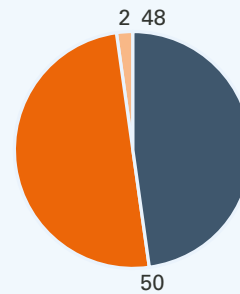
- Conflict prevalence
- Socioeconomic vulnerability
- Child labor
- Modern slavery
- Vulnerable migrant labor
- Labor strikes
- Security
- Exposure to epidemics
- Discrimination
- Workforce skills
- Health and Safety awareness
- Income disparity
- Knowledge intensiveness

## Potential sustainability risks identified

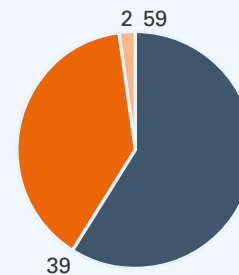
### Direct operations

Figures represent % of revenue

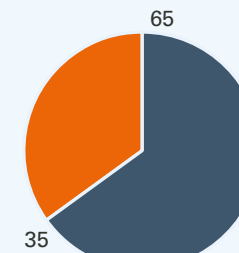
#### Environmental risk



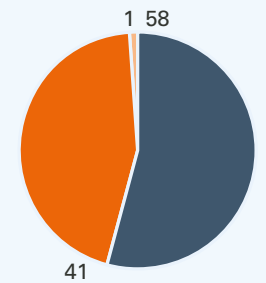
#### Economic risk



#### Social risk



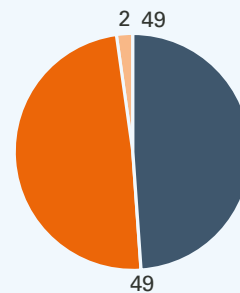
#### Total sustainability risk



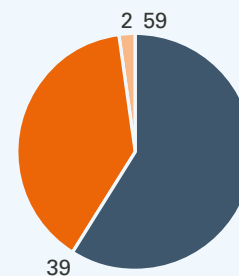
### Supply chain

Figures represent % of spend

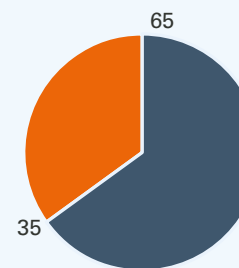
#### Environmental risk



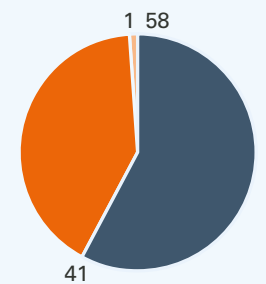
#### Economic risk



#### Social risk



#### Total sustainability risk



● Low risk ● Medium risk ● High risk



# Independent Limited Assurance Report

## on the 2021 Sustainability indicators in the SGS Corporate Sustainability Report

### To the Board of Directors of SGS SA, Geneva

We have been engaged to perform assurance procedures to provide limited assurance on the 2021 sustainability indicators published in the Corporate Sustainability Report (“Report”) of SGS SA and its consolidated subsidiaries (“SGS”) for the year ended 31 December 2021. The sustainability indicators of SGS for the prior year ends were assessed by another firm whose report for year-end period 31 December 2020, dated 23 February 2021.

#### Scope and subject matter

Our limited assurance engagement focused on the 2021 sustainability indicators as presented in the 2021 GRI Content Index of the Report on pages 67 to 73 marked with the check mark

#### Criteria

The reporting criteria used by SGS is described in the SGS Basis of Reporting document defining those procedures, by which the related sustainability indicators are internally gathered, collated and aggregated. The SGS Basis of preparation document is based on the GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) (hereafter the “related GRI-Criteria”).

#### Inherent limitations

The accuracy and completeness of sustainability indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with SGS Basis of Preparation document, its definitions and procedures on sustainability reporting therein. Further, the greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

#### SGS responsibility

The Board of Directors of SGS is responsible for the Report as well as for selection, preparation and presentation of the information in accordance with the related GRI-Criteria. This responsibility includes the preparation of the SGS Basis of Reporting document and the design, implementation and maintenance of related internal control relevant to this reporting process that is free from material misstatement, whether due to fraud or error and the appropriate record keeping.

#### Our responsibility

Our responsibility is to express a limited assurance conclusion on the 2021 sustainability indicators as presented in the 2021 GRI Content Index of the Report marked with the check mark . We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000

(revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, and, in respect of greenhouse gas emissions, with the International Standard on Assurance Engagements 3410, “Assurance Engagements on Greenhouse Gas Statements”, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about on whether anything has come to our attention that causes us to believe that the 2021 sustainability indicators presented in the 2021 GRI content index are not free from material misstatement evaluated against the related GRI-Criteria.

A limited assurance engagement undertaken in accordance with ISAE 3000 (revised) involves assessing the suitability in the circumstances of SGS’ use of applicable criteria as the basis for the preparation of the 2021 sustainability indicators, assessing the risks of material misstatement of these sustainability indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of these sustainability indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures selected depend on the assurance practitioner’s judgement.



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PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

### Our independence and quality controls

We are independent of SGS in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers SA applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.


### Summary of the work performed

Our limited assurance procedures included:

- Reviewing the SGS Basis of Reporting document and the SGS Group Sustainability Manual and observing the application
- Interviewing SGS representatives at Group and country level in Australia, Belgium, China, Spain, France, the Netherlands and South Africa responsible for the data collection and reporting
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Inspecting the relevant documentation on a sample basis
- Performing tests on a sample basis of evidence supporting the 2021 sustainability indicators concerning completeness, accuracy, adequacy and consistency

We have not carried out any work on data other than outlined in the scope and subject matter section as defined above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

### Conclusion

Based on the procedures we performed, nothing has come to our attention that causes us to believe that the 2021 sustainability indicators as presented in the 2021 GRI Content Index of the Report marked with the check mark  are not prepared and disclosed in all material respects in accordance with the related GRI criteria.

### Intended users and purpose of the report

Our report is prepared for, and only for, the Board of Directors of SGS SA, and solely for the purpose of reporting to them on the 2021 sustainability indicators in the Corporate Sustainability Report and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion might be used, or to any other person to whom our report will be shown or into whose hands it might come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the SGS Basis of Reporting document, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the 2021 sustainability indicators in the Corporate Sustainability Report without assuming or accepting any responsibility or liability to any third parties on our part.

To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the Board of Directors of SGS SA for our work or this report.

PricewaterhouseCoopers SA

Guillaume Nayet

Raphael Rutishauser

Geneva, 21 February 2022

'The maintenance and integrity of the SGS SA website is the responsibility of the Board of Directors; the work carried out by the assurance providers does not involve consideration of the maintenance and integrity of the SGS SA website and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported sustainability indicators or criteria since they were initially presented on the website.'



## 2021 GRI content index



This content index specifies which GRI Standards have been used, which disclosures have been made and where these disclosures can be found in the 2021 Corporate Sustainability Report or other location. In exceptional cases, it is not possible to disclose certain required information, in which case the reason for omission is explained below.

GRI standard	Disclosure	Page number(s)	Assured
<b>GRI 101: Foundation general disclosures</b>			
<b>GRI 102: General disclosures</b>	<b>Organizational profile</b>		
	102-1 Name of the organization	Page 75 of 2021 Sustainability Report	✓
	102-2 Activities, brands, products and services	Pages 3 of 2021 Sustainability Report	✓
	102-3 Location of headquarters	Page 75 of 2021 Sustainability Report	✓
	102-4 Location of operations	Pages 175-177 of 2021 Integrated Annual Report	✓
	102-5 Ownership and legal form	Page 163 of 2021 Integrated Annual Report	✓
	102-6 Markets served	Pages 3 of 2021 Sustainability Report	✓
	102-7 Scale of the organization	Pages 3, 54 of 2021 Sustainability Report, pages 12, 74, 171-177 of 2021 Integrated Report	✓
	102-8 Information on employees and other workers <sup>1</sup>	Page 57 of 2021 Sustainability Report	✓
	102-9 Supply chain	Pages 30-32 of 2021 Sustainability Report	✓
	102-10 Significant changes to the organization and its supply chain	Pages 30-32 of 2021 Sustainability Report, pages 30-31 of 2021 Integrated Report	✓
	102-11 Precautionary Principle or approach	Pages 52 of 2021 Sustainability Report	✓
	102-12 External initiatives	Pages 19, 20 and 46 of 2021 Sustainability Report	✓
	102-13 Membership of associations	Pages 19, 20 and 46 of 2021 Sustainability Report	✓
	<b>Strategy</b>		
	102-14 Statement from senior decision-maker	Page 4 of 2021 Sustainability Report	✓
	102-15 Key impacts, risks, and opportunities	Pages 9, 11, 12, 49, 61] of 2021 Sustainability Report	✓
<b>Ethics and integrity</b>			
102-16 Values, principles, standards, and norms of behavior	Pages 3, 6, 27 of 2021 Sustainability Report	✓	
102-17 Mechanisms for advice and concerns about ethics	Pages 27 of 2021 Sustainability Report	✓	

### OMISSION

1. Information not broken down by region as this is considered confidential information for competitive reasons. In addition, the deployment of our global HR data management tool is under review and we are currently evaluating alternative reporting options, and expect to report 102-8e as of 2023.

GRI standard	Disclosure	Page number(s)	Assured
<b>GRI 101: Foundation general disclosures</b>			
<b>GRI 102: General disclosures</b>	<b>Governance</b>		
	102-18 Governance structure	Pages 74-83 of 2021 Integrated Annual Report	✓
	102-19 Delegating authority	Page 6 of 2021 Sustainability Report	✓
	102-20 Executive-level responsibility for economic, environmental, and social topics	Page 6 of 2021 Sustainability Report	✓
	102-21 Consulting stakeholders on economic, environmental, and social topics	Pages 7-9 of 2021 Sustainability Report	✓
	102-22 Composition of the highest governance body and its committees	Pages 74-83 of 2021 Integrated Annual Report	✓
	102-23 Chair of the highest governance body	Pages 77-78 of 2021 Integrated Annual Report	✓
	102-24 Nominating and selecting the highest governance body	Page 80 of 2021 Integrated Annual Report	✓
	102-25 Conflicts of interest	Page 80 of 2021 Integrated Annual Report	✓
	102-26 Role of highest governance body in setting purpose, values, and strategy	Page 6 of 2021 Sustainability Report	✓
	102-27 Collective knowledge of highest governance body	Pages 77-79 of 2021 Integrated Annual Report	✓
	102-28 Evaluating the highest governance body's performance	Pages 77, 80 of 2021 Integrated Annual Report	✓
	102-29 Identifying and managing economic, environmental, and social impacts	Pages 9, 11, 12, 49, 62-63 of 2021 Sustainability Report	✓
	102-30 Effectiveness of risk management processes	Pages 62-63 of 2021 Sustainability Report	✓
	102-31 Review of economic, environmental, and social topics	Pages 10-12, 62-63 of 2021 Sustainability Report	✓
	102-32 Highest governance body's role in sustainability reporting	Page 6 of 2021 Sustainability Report	✓
	102-33 Communicating critical concerns	Page 27 of 2021 Sustainability Report	✓
	102-34 Nature and total number of critical concerns	Page 27 of 2021 Sustainability Report	✓
	102-35 Remuneration policies	Pages 86-106 of 2021 Integrated Annual Report	✓
	102-36 Process for determining remuneration	Pages 88-108 of 2021 Integrated Report	✓
	102-37 Stakeholders' involvement in remuneration	Pages 88-108 of 2021 Integrated Annual Report	✓
	102-38 Annual total compensation ratio	Page 58 of 2021 Sustainability Report	✓
	102-39 Percentage increase in annual total compensation ratio	Page 58 of 2021 Sustainability Report	✓
	<b>Stakeholder engagement</b>		
	102-40 List of stakeholder groups	Pages 7-8 of 2021 Sustainability Report	✓
	102-41 Collective bargaining agreements	Pages 40, 58 of 2021 Sustainability Report	✓
	102-42 Identifying and selecting stakeholders	Pages 7-8 of 2021 Sustainability Report	✓
	102-40 List of stakeholder groups	Pages 7-8 of 2021 Sustainability Report	✓

## 2021 GRI content index

continued

GRI standard	Disclosure	Page number(s)	Assured
<b>GRI 101: Foundation general disclosures</b>			
<b>GRI 102: General disclosures</b>	<b>Stakeholder engagement</b>		
	102-41 Collective bargaining agreements	Pages 40, 58 of 2021 Sustainability Report	✓
	102-42 Identifying and selecting stakeholders	Pages 7-8 of 2021 Sustainability Report	✓
	102-43 Approach to stakeholder engagement	Pages 7-8 of 2021 Sustainability Report	✓
	102-44 Key topics and concerns raised	Pages 7-8, 9, 53 of 2021 Sustainability Report	✓
	<b>Reporting practice</b>		
	102-45 Entities included in the consolidated financial statements	Pages 175-177 of 2021 Integrated Annual Report	✓
	102-46 Defining report content and topic Boundaries	Pages 9, 52 of 2021 Sustainability Report	✓
	102-47 List of material topics	Page 9 of 2021 Sustainability Report	✓
	102-48 Restatement of information	Page 52 of 2021 Sustainability Report	✓
	102-49 Changes in reporting	Page 52 of 2021 Sustainability Report	✓
	102-50 Reporting period	Page 52 of 2021 Sustainability Report	✓
	102-51 Date of most recent report	Page 52 of 2021 Sustainability Report	✓
	102-52 Reporting cycle	Page 52 of 2021 Sustainability Report	✓
	102-53 Contact point for questions regarding the report	Page 75 of 2021 Sustainability Report	✓
	102-54 Claims of reporting in accordance with the GRI Standards	Page 52 of 2021 Sustainability Report	✓
	102-55 GRI content index	Page 67 of 2021 Sustainability Report	✓
102-56 External assurance	Pages 65-66 of 2021 Sustainability Report	✓	
<b>Material topics 200 series (economic topics)</b>			
<b>GRI 103: Management approach</b>	<b>Economic performance</b>		
	103-1 Explanation of the material topic and its Boundary	Pages 18-21 of 2021 Integrated Annual Report	✓
	103-2 The management approach and its components	Pages 18-21 of 2021 Integrated Annual Report	✓
	103-3 Evaluation of the management approach	Pages 18-21 of 2021 Integrated Annual Report	✓
<b>GRI 201: Economic performance</b>	201-1 Direct economic value generated and distributed	Page 54 of 2021 Sustainability Report	✓
	201-2 Financial implications and other risks and opportunities due to climate change	Page 49 of 2021 Sustainability Report	✓
	201-3 Defined benefit plan obligations and other retirement plans	Pages 142-147 of 2021 Integrated Annual Report	✓
	201-4 Financial assistance received from government	SGS does not receive any significant financial assistance from governments, but we benefit from incentives in the form of grants from certain government schemes, such as energy-saving incentives. However, these benefits are of low value. This information is based on our global information gathering system. We are not aware of any significant incentives granted by governments or any financial aid granted to political parties at local level during 2021	✓

GRI standard	Disclosure	Page number(s)	Assured
<b>Material topics 200 series (economic topics)</b>			
<b>GRI 103: Management approach</b>	<b>Market presence</b>		
	103-1 Explanation of the material topic and its Boundary	Page 34 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 34 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 34 of 2021 Sustainability Report	✓
<b>GRI 202: Market presence</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage <sup>2</sup>	SGS is committed to comply with the applicable labor regulations in the countries where we operate. Whenever possible, we improve the minimum wages set by the local legislation	✓
	202-2 Proportion of senior management hired from the local community	We do not currently collect this data. However we are committed to promote local hiring wherever possible	✓
<b>GRI 103: Management approach</b>	<b>Indirect economic impacts</b>		
	103-1 Explanation of the material topic and its Boundary	Page 17 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 17 of 2021 Sustainability Report	✓
<b>GRI 203: Indirect economic impacts</b>	103-3 Evaluation of the management approach	Pages 17-22 of 2021 Sustainability Report	✓
	203-2 Significant indirect economic impacts	Pages 17-22 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Procurement practices</b>		
	103-1 Explanation of the material topic and its Boundary	Pages 30-32 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Pages 30-32 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Pages 30-32 of 2021 Sustainability Report	✓
<b>GRI 204: Procurement practices</b>	204-1 Proportion of spending on local suppliers	Page 32, 56 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Anti-corruption</b>		
	103-1 Explanation of the material topic and its Boundary	Page 27 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 27 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 27 of 2021 Sustainability Report	✓
<b>GRI 205: Anti-corruption</b>	205-1 Operations assessed for risks related to corruption	Page 63 of 2021 Sustainability Report	✓
	205-2 Communication and training about anti-corruption policies and procedures	Page 27 of 2021 Sustainability Report	✓
	205-3 Confirmed incidents of corruption and actions taken	Page 27 of 2021 Sustainability Report	✓

### OMISSION

- Information unavailable. The deployment of our global HR data management tool is under review. We are currently evaluating alternative reporting options and expect to report as of 2023.

## 2021 GRI content index

continued

GRI standard	Disclosure	Page number(s)	Assured
<b>Material topics 200 series (economic topics)</b>			
<b>GRI 103: Management approach</b>	<b>Anti-competitive behavior</b>		
	103-1 Explanation of the material topic and its Boundary	We are committed to using competitive and fair practices. As such, we do not engage in any understandings or agreements that may improperly influence markets, or discuss pricing, competitive bid processes, contractual terms, division of territories or customer and market allocations with competitors. We do not make disparaging or untruthful allegations regarding competitors, or endeavor to obtain confidential information about them using illegal or unethical means. Finally, our services and capabilities are never advertised in any way that could appear to be deceptive or misleading. We provide customers with detailed quotes and invoices so that they are informed about every aspect of our service, including pricing. Our Global Pricing Initiative, developed through expert review of pricing practices across the Group, ensures robust pricing processes and governance	✓
	103-2 The management approach and its components	See above	✓
	103-3 Evaluation of the management approach	See above	✓
<b>GRI 206: Anti-competitive behavior</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2021, we did not identify any legal actions related to anti-competitive behavior, antitrust and monopoly practices. This information is based on our global information gathering system based on incidents reported via the SGS integrity helplines. We are not aware of any significant incidents of this type at a local level during 2021	✓
<b>Material topics 300 series (environmental topics)</b>			
<b>GRI 103: Management approach</b>	<b>Energy</b>		
	103-1 Explanation of the material topic and its Boundary	Pages 46-49 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Pages 46-49 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Pages 46-49 of 2021 Sustainability Report	✓
<b>GRI 302: Energy</b>	302-1 Energy consumption within the organization	Pages 60-61 of 2021 Sustainability Report	✓
	302-2 Energy consumption outside of the organization	Pages 60-61 of 2021 Sustainability Report	✓
	302-3 Energy intensity	Pages 60-61 of 2021 Sustainability Report	✓
	302-4 Reduction of energy consumption	Pages 60-61 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Water</b>		
	103-1 Explanation of the material topic and its Boundary	Page 49 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 49 of 2021 Sustainability Report	✓
<b>GRI 303: Water and effluents 2018</b>	303-1 Interactions with water as a shared resource	Page 49 of 2021 Sustainability Report	✓
	303-2 Management of water discharge-related impacts	Page 49 of 2021 Sustainability Report	✓

GRI standard	Disclosure	Page number(s)	Assured
<b>Material topics 300 series (environmental topics)</b>			
<b>GRI 303: Water and effluents 2018</b>	303-3 Water withdrawal	Page 61 of 2021 Sustainability Report	✓
	303-4 Water discharge <sup>3</sup>	Page 61 of 2021 Sustainability Report	✓
	303-5 Water consumption <sup>3</sup>	Page 61 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Biodiversity</b>		
	103-1 Explanation of the material topic and its Boundary	Not applicable. Due to the services offered by SGS our company's activity does not considered have an impact on biodiversity, therefore this indicator does not apply.	✓
	103-2 The management approach and its components	See above	✓
<b>GRI 304: Biodiversity</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas not material for our operations	Not applicable. Due to the services offered by SGS our company's activity does not considered have an impact on biodiversity, therefore this indicator does not apply.	✓
	304-2 Significant impacts of activities, products, and services on biodiversity not material for our operations	See above	✓
	304-3 Habitats protected or restored not material for our operations	See above	✓
<b>GRI 103: Management approach</b>	<b>Emissions</b>		
	103-1 Explanation of the material topic and its Boundary	Pages 46-49 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Pages 46-49 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Pages 46-49 of 2021 Sustainability Report	✓
<b>GRI 305: Emissions</b>	305-1 Direct (Scope 1) GHG emissions <sup>4</sup>	Pages 60-61 of 2021 Sustainability Report	✓
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 60-61 of 2021 Sustainability Report	✓
	305-3 Other indirect (Scope 3) GHG emissions	Pages 60-61 of 2021 Sustainability Report	✓
	305-4 GHG emissions intensity	Pages 60-61 of 2021 Sustainability Report	✓
	305-5 Reduction of GHG emissions	Pages 60-61 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Waste</b>		
	103-1 Explanation of the material topic and its Boundary	Page 46-49 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 46-49 of 2021 Sustainability Report	✓
<b>GRI 306: Waste</b>	306-1 Waste generation and significant waste-related impacts	Page 49 of 2021 Sustainability Report	✓
	306-2 Management of significant waste-related impacts	Page 49 of 2021 Sustainability Report	✓
	306-3 Waste generated	Page 61 of 2021 Sustainability Report	✓

### OMISSION

3. This topic became material two years ago and we are working towards capturing more information.

4. We are currently improving our refrigerant gases collection system to ensure the accuracy of the data. To date, reliable data about refrigerant consumption is unavailable and therefore they are excluded from the Group's carbon footprint.

## 2021 GRI content index

continued

GRI standard	Disclosure	Page number(s)	Assured
<b>Material topics 300 series (environmental topics)</b>			
<b>GRI 306:</b> <b>Waste</b> continued	306-4 Waste diverted from disposal	Page 61 of 2021 Sustainability Report	✓
	306-5 Waste directed to disposal	Page 61 of 2021 Sustainability Report	✓
<b>GRI 103:</b> <b>Management approach</b>	<b>Environmental compliance</b>		
	103-1 Explanation of the material topic and its Boundary	Page 27 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 27 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 27 of 2021 Sustainability Report	✓
<b>GRI 307:</b> <b>Environmental compliance</b>	307-1 Non-compliance with environmental laws and regulations	Page 27 of 2021 Sustainability Report	✓
<b>GRI 103:</b> <b>Management approach</b>	<b>Supplier environmental assessment</b>		
	103-1 Explanation of the material topic and its Boundary	Page 31 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 31 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 31 of 2021 Sustainability Report	✓
<b>GRI 308:</b> <b>Supplier environmental assessment</b>	308-1 New suppliers that were screened using environmental criteria	Information unavailable. To date, we do not have information about the suppliers that have been screened for social and environmental aspects, but we are working on collecting this information for future reports.	
	308-2 Negative environmental impacts in the supply chain and actions taken	Pages 62, 63 of 2021 Sustainability Report	✓
<b>Material topics 400 series (social topics)</b>			
<b>GRI 103:</b> <b>Management approach</b>	<b>Employment</b>		
	103-1 Explanation of the material topic and its Boundary	Page 34 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 34 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 34 of 2021 Sustainability Report	✓
<b>GRI 401:</b> <b>Employment</b>	401-1 New employee hires and employee turnover <sup>5</sup>	Pages 58-59 of 2021 Sustainability Report	✓
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	We offer benefits such as healthcare plans and occupational pension plans to our employees considering their type of contract, in accordance with local market practices.	✓

### OMISSION

5. Information not broken down by region and age group. The deployment of our global HR data management tool is under review. We are currently evaluating alternative reporting options and expect to report as of 2023

GRI standard	Disclosure	Page number(s)	Assured
<b>Material topics 400 series (social topics)</b>			
<b>GRI 401:</b> <b>Employment</b> continued	401-3 Parental leave <sup>6</sup>	Many of our affiliates provide paid maternity and paternity leave in excess of legally required minimum. For example, SGS Switzerland offers 16 weeks of maternity leave paid at 100% and 5 paid days for paternity leave. SGS Australia offers 8 weeks of paid maternity leave in excess of the local legally required minimums and SGS South Africa, offers 5 paid days while local regulation provides 3 paid days. We also provide different childcare facilities in many of our affiliates. Some of our offices count with special rooms equipped with armchairs and freezers dedicated to breastfeeding. We also offer our employees the possibility of flexible working arrangements such as flexible check-in and checkout, remote or part-time working to promote worklife balance.	✓
	<b>GRI 103:</b> <b>Management approach</b>		
<b>GRI 103:</b> <b>Management approach</b>	<b>Labor/Management</b>		
	103-1 Explanation of the material topic and its Boundary	We strictly adhere to tariff structures and arrangements negotiated with trade unions, while we also inform and consult employees on relevant business activities. For example, we respect statutory minimum notice periods and give reasonable notice of any significant operational changes in line with local practices and labor markets. Our affiliates' communication and consultation processes are tailored to local needs.	✓
	103-2 The management approach and its components	See above.	✓
	103-3 Evaluation of the management approach	See above.	✓
<b>GRI 402:</b> <b>Labor/Management relations</b>	402-1 Minimum notice periods regarding operational changes	We respect statutory minimum notice periods and give reasonable notice of any significant operational changes in line with local practices and labor markets. Our affiliates' communication and consultation processes are tailored to local needs.	✓
	<b>GRI 103:</b> <b>Management approach</b>		
<b>GRI 103:</b> <b>Management approach</b>	<b>Occupational health &amp; safety</b>		
	103-1 Explanation of the material topic and its Boundary	Pages 35-36 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Pages 35-36 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Pages 35-36 of 2021 Sustainability Report	✓
<b>GRI 403:</b> <b>Occupational health &amp; safety 2018</b>	403-1 Occupational health & safety management system	Pages 35-36 of 2021 Sustainability Report	✓
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 35-36 of 2021 Sustainability Report	✓
	403-3 Occupational health services	Pages 35-37 of 2021 Sustainability Report	✓
	403-4 Worker participation, consultation, and communication on occupational health & safety	Pages 35-37 of 2021 Sustainability Report	✓

### OMISSION

6. Information not provided at qualitative level. The deployment of our global HR data tool is under review. We are currently evaluating alternative reporting options and expect to report in 2023.

## 2021 GRI content index

continued

GRI standard	Disclosure	Page number(s)	Assured
<b>Material topics 400 series (social topics)</b>			
<b>GRI 403: Occupational health &amp; safety 2018</b> continued	403-5 Worker training on occupational health & safety	Pages 35-37 of 2021 Sustainability Report	✓
	403-6 Promotion of worker health	Pages 35-37 of 2021 Sustainability Report	✓
	403-7 Prevention and mitigation of occupational health & safety impacts directly linked by business relationships	Pages 35-37 of 2021 Sustainability Report	✓
	403-8 Workers covered by an occupational health & safety management system <sup>7</sup>	Pages 35-37 of 2021 Sustainability Report	✓
	403-9 Work-related injuries <sup>8</sup>	Pages 35, 37 and 59 of 2021 Sustainability Report	✓
	403-10 Work-related ill health <sup>9</sup>	Page 59 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Training and education</b>		
	103-1 Explanation of the material topic and its Boundary	Page 39 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 39 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 39 of 2021 Sustainability Report	✓
<b>GRI 404: Training and education</b>	404-1 Average hours of training per year per employee <sup>10</sup>	Pages 39, 58 of 2021 Sustainability Report	✓
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 39 of 2021 Sustainability Report	✓
	404-3 Percentage of employees receiving regular performance and career development reviews	Pages 39, 57 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Diversity and equal opportunity</b>		
	103-1 Explanation of the material topic and its Boundary	Page 34 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 34 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 34 of 2021 Sustainability Report	✓
<b>GRI 405: Diversity and equal opportunity</b>	405-1 Diversity of governance bodies and employees <sup>11</sup>	Page 58 of 2021 Sustainability Report	✓
	405-2 Ratio of basic salary and remuneration of women to men <sup>12</sup>	Page 62 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Non-discrimination</b>		
	103-1 Explanation of the material topic and its Boundary	Page 27 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 27 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 27 of 2021 Sustainability Report	✓

### OMISSION

- We report on the number of sites certified and the number of employees covered by certified management systems. We are working on fully reporting this disclosure in future reports.
- We report on 403-9a (i,iii),e,f,g. We are working on fully reporting this disclosure in future reports.
- Information not broken down by gender and employee category. The deployment of our global HR data management tool is under review. We are currently evaluating alternative reporting options and expect to report as of 2023.
- Information not broken down by gender and employee category. The deployment of our global HR data management tool is under review. We are currently evaluating alternative reporting options and expect to report as of 2023.
- Information not broken down by employee age and minority. The deployment of our global HR data management tool is under review. We are currently evaluating alternative reporting options and expect to report this information in future reports.
- Information unavailable. The deployment of our Global HR data management tool is under review. We are currently considering other options to report on this information in future reports.

GRI standard	Disclosure	Page number(s)	Assured
<b>Material topics 400 series (social topics)</b>			
<b>GRI 406: Non-discrimination</b>	406-1 Incidents of discrimination and corrective actions taken	Page 54 of 2021 Sustainability Report	✓
	<b>GRI 103: Management approach</b>		
	<b>Freedom of association and collective bargaining</b>		
	103-1 Explanation of the material topic and its Boundary	Page 40 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 40 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 40 of 2021 Sustainability Report	✓
<b>GRI 407: Freedom of association and collective bargaining</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk <sup>13</sup>	Page 55 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Child labor</b>		
	103-1 Explanation of the material topic and its Boundary	Page 40 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 40 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 40 of 2021 Sustainability Report	✓
<b>GRI 408: Child labor</b>	408-1 Operations and suppliers at significant risk for incidents of child labor <sup>14</sup>	Page 55 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Forced or compulsory labor</b>		
	103-1 Explanation of the material topic and its Boundary	Page 40 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 40 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 40 of 2021 Sustainability Report	✓
<b>GRI 409: Forced or compulsory labor</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor <sup>15</sup>	Page 55 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Security practices</b>		
	103-1 Explanation of the material topic and its Boundary	Information unavailable	
	103-2 The management approach and its components	Information unavailable	
	103-3 Evaluation of the management approach	Information unavailable	
<b>GRI 410: Security practices</b>	410-1 Security personnel trained in human rights policies or procedures	Information unavailable	

### OMISSION

- We report on 407-1a. We are working on fully reporting this disclosure in future reports.
- We report on 408-1c. We are working on fully reporting this disclosure in future reports.
- We report on 409-1c. We are working on fully reporting this disclosure in future reports.
- Information unavailable. To date, we do not have information about the suppliers that have been screened for social and environmental aspects, but we are working on collecting this information for future reports.



## 2021 GRI content index

continued

GRI standard	Disclosure	Page number(s)	Assured
<b>Material topics 400 series (social topics)</b>			
<b>GRI 103: Management approach</b>	<b>Human rights assessment</b>		
	103-1 Explanation of the material topic and its Boundary	Page 40 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 40 of 2021 Sustainability Report	✓
	103-3 Evaluation of the management approach	Page 40 of 2021 Sustainability Report	✓
<b>GRI 412: Human rights assessment</b>	412-1 Operations that have been subject to human rights reviews or impact assessments <sup>16</sup>	Page 40 of 2021 Sustainability Report	
	412-2 Employee training on human rights policies or procedures	Page 40 of 2021 Sustainability Report	✓
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Page 56 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Local communities</b>		
	103-1 Explanation of the material topic and its Boundary	Pages 41-42 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Pages 41-42 of 2021 Sustainability Report	✓
<b>GRI 413: Local communities</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Page 41-44 of 2021 Sustainability Report	✓
	413-2 Operations with significant actual and potential negative impacts on local communities	Not applicable. Due to our activity, our operations do not have a direct negative impact on local communities, therefore this disclosure is not applicable.	
<b>GRI 103: Management approach</b>	<b>Supplier social assessment</b>		
	103-1 Explanation of the material topic and its Boundary	Page 31 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Page 31 of 2021 Sustainability Report	✓
<b>GRI 414: Supplier social assessment</b>	414-1 New suppliers that were screened using social criteria	Information unavailable. To date, we do not have information about the suppliers that have been screened for social and environmental aspects, but we are working on collecting this information for future reports.	
	414-2 Negative social impacts in the supply chain and actions taken	Page 56 of 2021 Sustainability Report	✓
<b>GRI 103: Management approach</b>	<b>Marketing and labeling</b>		
	103-1 Explanation of the material topic and its Boundary	We provide customers with detailed quotes and invoices so that they are informed about every aspect of our service, including pricing. Our Global Pricing Initiative, developed through expert review of pricing practices across the Group, ensures robust pricing processes and governance.	✓

OMISSION

16. Information unavailable. To date, we do not have information about the suppliers that have been screened for social and environmental aspects, but we are working on collecting this information for future reports.

GRI standard	Disclosure	Page number(s)	Assured
<b>Material topics 400 series (social topics)</b>			
<b>GRI 103: Management approach</b>	103-2 The management approach and its components	See above.	✓
	103-3 Evaluation of the management approach	See above.	✓
<b>GRI 417: Marketing and labeling</b>	417-1 Requirements for product and service information and labeling	Not applicable. Due to the kind of services we offer in SGS, service information and labeling requirements we consider this disclosure not to be applicable to our company.	
	417-2 Incidents of non-compliance concerning product and service information and labeling	In 2021, we were not issued with any significant fines or penalties for non-compliance with regulations concerning product and service information and labelling.	✓
	417-3 Incidents of non-compliance concerning marketing communications	In 2021, we were not issued with any significant fines or penalties for non-compliance with regulations concerning marketing communications.	✓
<b>GRI 103: Management approach</b>	<b>Customer privacy</b>		
	103-1 Explanation of the material topic and its Boundary	Pages 28-29 of 2021 Sustainability Report	
	103-2 The management approach and its components	Pages 28-29 of 2021 Sustainability Report	
<b>GRI 418: Customer privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 57 of 2021 Sustainability Report	
<b>GRI 103: Management approach</b>	<b>Socioeconomic compliance</b>		
	103-1 Explanation of the material topic and its Boundary	Pages 27 of 2021 Sustainability Report	✓
	103-2 The management approach and its components	Pages 27 of 2021 Sustainability Report	✓
<b>GRI 419: Socioeconomic compliance</b>	419-1 Non-compliance with laws and regulations in the social and economic area	Pages 54 of 2021 Sustainability Report	✓

## Sustainable Accounting Standards Board (SASB) framework alignment

The following tables illustrate how the Company's sustainability disclosures align with the SASB Disclosure Topics for the Professional & Commercial Services industry, and where specific information may be found.

### Sustainability disclosure topics & accounting metrics

Topic	Code	Accounting metric	Level of disclosure	Page number(s) and/or URL(s)
<b>Data Security</b>	SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Disclosed	Pages 28-29 of 2021 Sustainability Report
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Disclosed	Pages 28-29 of 2021 Sustainability Report Privacy at SGS Privacy Policy
	SV-PS-230a.3	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Disclosed	Page 56 of 2021 Sustainability Report
<b>Workforce Diversity &amp; Engagement</b>	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	Disclosed	Page 62 of 2021 Sustainability Report
	SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees	Disclosed	Pages 58-59 of 2021 Sustainability Report
	SV-PS-330a.3	Employee engagement as a percentage	Disclosed	Pages 38, 58 of 2021 Sustainability Report
<b>Professional Integrity</b>	SV-PS-510a.1	Description of approach to ensuring professional integrity	Disclosed	Page 27 of 2021 Sustainability Report Integrity Policy Statement Code of Integrity Privacy Policy
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Disclosed	In 2021, we were not issued with any significant fines or penalties for non-compliance with regulations associated with professional integrity.

### Activity metrics

Activity metric	Code	Level of disclosure	Page number(s) and/or URL(s)
Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	SV-PS-000.A	Partial <sup>2</sup>	Page 57 of 2021 Sustainability Report
Employee hours worked; percentage billable	SV-PS-000.B	Not available <sup>3</sup>	–

- FTEs, number of employees and percentage of casual and permanent workers are disclosed. We are working on reporting the requested breakdown in future reports.
- The employee hours worked are only available at theoretical level. We are working on reporting these figures in future reports.

## Contact us

If you would like further information or to provide feedback on any of the topics in this report, please do not hesitate to get in touch.

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