

# ASSURANCE STATEMENT

## Report on the Internal Assurance of SGS Corporate Sustainability Report 2015

### NATURE AND SCOPE OF THE ASSURANCE

The scope of this assurance was performance data, report text supporting performance data and a review of the management of this data. It also included the management of Materiality Identification and report text supporting those material issues identified, reflecting the needs of GRI G4 reporting, in the Sustainability Content of the 2015 SGS Annual Report and the Sustainability Report web pages as marked "verified and assured".

This Sustainability Content in the 2015 SGS Annual Report has been assured using SGS own protocols to ensure consistency with the service offered to customers. The assurance comprised a combination of documentation review and face-to-face interviews with relevant employees at the Head Office in Geneva and at affiliate level. Audit reviews of data samples and management were also carried out in selected sites.

For the period 2011 to 2014, the assurance procedures on the sustainability performance had been carried out on SGS trend countries, which represent three-quarters of revenue and two-thirds of headcount. For the year 2015, the sustainability performance assurance procedures covered the full SGS Group.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors with the following qualifications: Lead Quality, Health and Safety, Environmental and SA8000 Auditor and assurance practitioner.

The responsibility of the assurance team is to express an opinion on the text, data, graphs and statements within the scope of verification, with the intention to inform all SGS stakeholders and to inform improvements in the process for future reporting. This report has been assured at a moderate level of scrutiny using our protocols for:

- evaluation of veracity of the reported text, graphs and statements and performance data (including data on the web) with a focus on text, graphs and statements and performance data related to the identified material issues
- evaluation of GRI Principles on report content against the Global Reporting Initiative Sustainability Reporting Guidelines GRI G4 2013
- evaluation of KPIs according to the GRI Principles on report quality against the Global Reporting Initiative Sustainability Reporting Guidelines GRI G4 2013
- conduct of a GRI G4 Adherence level check

### ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within the Sustainability Content in the 2015 SGS Annual Report is reliable and provides a fair and balanced representation of SGS activities in 2015 within the limitations of the stated reporting scope.

The apparent discrepancies in the previous years CO<sub>2</sub> emission statistics have been noted by the assurers who are satisfied that they actually reflect the extension of the CO<sub>2</sub> emission scope to the full SGS Group and the change of methodology to calculate the Scope 2 CO<sub>2</sub> emissions with the integration of renewable energy accounting.

The 2015 CO<sub>2</sub> emissions underestimation of 2'662 tCO<sub>2</sub>e has been noted by the assurers who have estimated this error as non-material

In our opinion the SGS Corporate Sustainability Report 2015 fulfills the content and quality criteria for Global Reporting Initiative Sustainability Reporting Guidelines GRI G4 (2013) Identified Material Aspects.

The reporting and management of sustainability at SGS continues to improve year on year. This is demonstrated by the extension of reporting scope to the full SGS group, the inclusion of Sustainability in the Annual Reporting and the improved coverage of Supply Chain related issues.

We believe that SGS has chosen an appropriate level of assurance for this stage of its reporting journey.

### GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013)

In our opinion the SGS Corporate Sustainability Report 2015 is presented in accordance with the Comprehensive option for GRI G4 and fulfills all the required content and quality criteria.

### Principles

In our opinion the content and quality of the Report has been produced in line with the ten GRI Principles. In terms of the Principle of Balance reporting has improved with a better balance of favourable and unfavourable content and commentary on challenges demonstrating a continued commitment to transparency. The materiality identification process developed during 2013 formally identifies the relevant stakeholders. Following a review of the process in 2014 an interim materiality review was carried out in 2015. Recommendations for improvement are detailed below.

### General Standard Disclosures and Specific Standard Disclosures

We are satisfied that the General Standard Disclosures and Specific Standard Disclosures on Aspects identified as Material have been addressed in line with the comprehensive requirements of GRI G4 (2013).

### RECOMMENDATIONS

Further opportunities were identified during the assurance for consideration to ensure continual improvement, including the following

- Currently the reported environmental data is based on financial evidence. When such evidence is not available, the data is not systematically estimated. Although estimated as non-material and thus not biasing the stakeholders' opinion, it is recommended that a methodology is implemented to estimate such data based on the location surface area or/and the number of employees.
- With the extension of the CO<sub>2</sub> emissions scope to the full SGS Group, the data consolidation process should be reviewed and documented to avoid potential errors in the consolidation process.
- Several commitments published in the last sustainability report could not be successfully implemented and were postponed. It is recommended to disclose the background leading to such postponement in order that readers can see the reasoning.
- The assurers took note that the recommendations made in the last Sustainability report 2014 on the extension of the water consumption to non-purchased water and on the district heating CO<sub>2</sub> emissions reporting has been partially addressed but will require additional time to be fully implemented.
- Several indicators are based on intensity (for instance on quantity/FTE). It is recommended to emphasize the link between the highlighted improvement and the sustainability actions which have led to such improvements since several intensity indicators are based on the number of employees which has been constantly increased over the years.
- The assessor took note that a full Materiality Identification Process will be the focus of the next report assurance.

A report has been prepared for SGS management which includes a detailed set of recommendations to help identify areas for future improvement.

Signed:



**Rita Godfrey**  
Lead SRA Assuror  
March 2016

Signed:



**Michel Mooser**  
SRA Assuror