



SGS ESG Assurance Solutions

REDEFINING YOUR JOURNEY TO SUSTAINABILITY

[SGS.COM/ESGASSURANCE](https://www.sgs.com/esgassurancesolutions)

SGS



Our end-to-end solutions help customers solve a combination of risks and needs across their value chain, to redefine their journey to sustainability.

Our Sustainability Solutions

A comprehensive range of end-to-end services to help organizations mitigate risks in their supply chains, implement better and more efficient processes, address stakeholder concerns and accomplish sustainability goals.

Our solutions are founded on the need to drive better and safer business practices across six pillars. Each pillar contains services that aim to solve an issue or need within that value chain level, depending on the organization's maturity level.

Improving Business Practices with ESG Assurance Solutions

ESG refers to the environmental, social and governance criteria and goals that a company strives to achieve to demonstrate the value they bring to stakeholders and society. Categorized within the Sustainable Business Practices pillar, ESG Assurance Solutions aim to provide a unique set of competencies to help clients achieve specific targets and goals.



Sustainable Use of Natural Resources



Sustainable Energy



Sustainable Production



Sustainable Infrastructures



Sustainable Living



Sustainable Business Practices

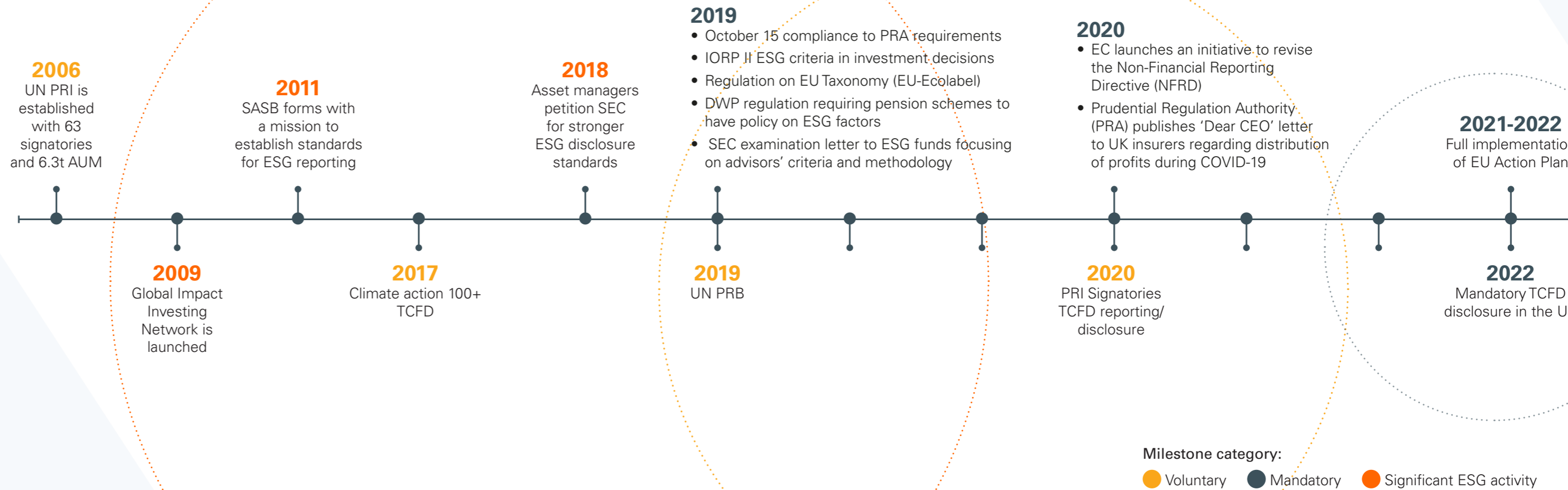


The Evolution of ESG

ESG criteria are an increasingly popular way for investors to evaluate companies in which they might want to invest. ESG criteria can help investors avoid companies that might pose a greater financial risk due to their environmental or other practices.

96% of the world's largest 250 companies report on their sustainability performance and 80% of N100 companies worldwide report on sustainability.

The reality in which organizations operate is defined by megatrends like increased connectivity and mobility, climate change, the depletion of natural resources, rapid urbanization, etc. Stakeholders, including consumers, investors, employees and society in general, demand companies go beyond mere compliance with legal requirements and instead have a positive impact that reflects a true commitment to sustainability leadership. This requires an active contribution to the UN Sustainable Development Goals (SDGs) and to embark on a journey towards value creation across the whole business model.



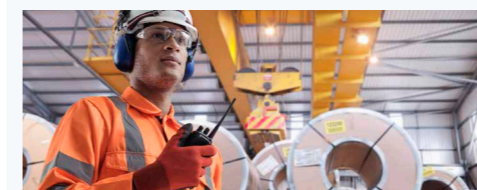
Source: Ernst & Young

Our ESG Assurance Solutions mitigate risks while optimizing success, helping clients to achieve their goals through a portfolio of environmental, social and governance solutions.

The Growing Demand for Meeting Environmental, Social and Governance Criteria

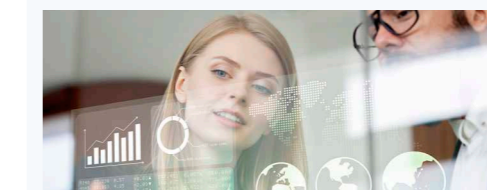
ESG impacts all stakeholders in the corporate and investment arenas. For this reason, we have developed a portfolio of services that aim to meet the needs of a variety of clients and organizations, whatever their level of maturity, industry focus or need.

Client Pain Points



Corporations

- Increased scrutiny of company performance and disclosures
- Information gap on ESG related issues
- No standardization of approach to ESG management and disclosure



Ratings Agencies

- Credibility of data sources
- Challenges focusing on relevant/material issues
- Inconsistent and incomparable assessments and ratings






Green Finance Providers, PE & Investor Groups

- Increasing focus on non-financial risks and ESG disclosure
- Absence of standardized regulations and guidelines
- Uncertainties about regulation frameworks

ESG Assurance Solutions

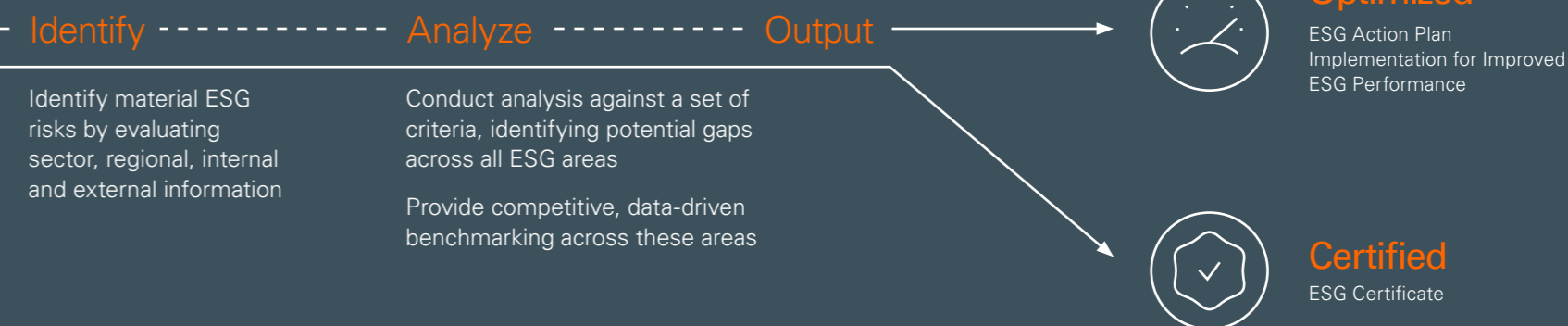
ESG Assurance Solutions provide a comprehensive framework to help clients achieve their environmental, social and governance (ESG) goals. Leveraging SGS's expertise in compliance, verification and training services, we create tailored solutions that meet the individual requirements of the client.

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ESG Verified
 Third-party ESG risk evaluation, due diligence, data verification and report assurance to achieve high quality and assured results with external expertise and verification.
- 
ESG Optimized
 Advisory services for improved ESG disclosures or processes, management and performance with clear action plan solutions leading to ESG practice optimization.
- 
ESG Certified
 Performance evaluation based on SGS criteria and certifications under environmental, social and governance categories, leading to the issuance of an ESG certificate.



Roadmap to Improved ESG Practices

Redefine your journey to sustainability. Whether your goal is raising your ESG rating or a stock market listing, our experts will identify the issues and compliance gaps that may impede your progress. ESG Assurance Solutions follow a simple process for identifying the needs of our clients. After an initial assessment and analysis of the findings, our technical experts will recommend a tailored range of solutions from our Certified, Verified and Optimized service categories.





ESG Verified



Providing independent external ESG risk and materiality evaluation, verification of ESG data, disclosures, systems and ESG financial instruments to increase stakeholder confidence and trust.

ESG Risk Evaluation and Due Diligence

Third-party ESG risk evaluation and due diligence service that delivers high quality and assured results through external expertise and verification. Identifies material ESG risks and gaps and provides a proactive action plan for mitigating these risks.

ESG Data Verification and Report Assurance

Verify data quality and accuracy to increase the value of disclosures with trusted and comparable data. Independent assurance of ESG Disclosures and/or Sustainability Report against international standards, such as the Global Reporting Initiative (GRI) and the AA 1000 Accountability Principles (2018), to increase the confidence of stakeholders in the content and accuracy of disclosures and reports.

ESG Financial Instruments Verification

Pre-issuance and post-issuance verification of bonds against relevant principles and standards to offer 2nd party opinion or verification statement, providing increased confidence.

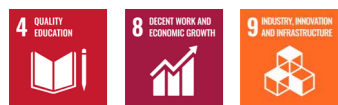
Equator Principles

Independent verification of adherence to the Equator Principles which comprise a voluntary credit risk management framework and set of guidelines for environmental and social risk assessment in project finance activities.

We will continue to publish and announce upcoming ESG Verified solutions to meet your needs.



Responding to SDGs:





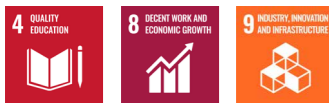
ESG Optimized



Improve overall performance and compliance to mitigate operational and reputational risks.



Responding to SDGs:



ESG Management System and Action Plan

ESG Management System and Action Plan Solutions aim to provide diagnostic consultancy and advice on the management of your ESG issues, together with a recommended action plan to support implementation and optimization.

ESG Disclosure Gap Analysis

Our ESG Disclosure Gap Analysis service evaluates actions needed to improve performance across ESG criteria and disclosures, providing an action plan for how to address the identified gaps to improve disclosures.

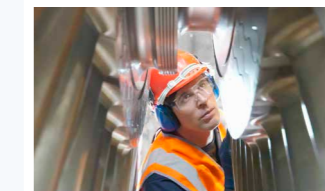
ESG Training Package Options

Based on an initial review and assessment of a client's ESG needs, we can provide a customized package of training solutions, ranging from introductory materials to topic-specific courses.



ESG Awareness

Introduction to ESG Standards & Guidance
Corporate Responsibility



Management System Implementation

Internal Auditor
Lead Auditor



Topic, Standard or Industry Specific

Environment
Social
Governance

ESG Certified



Create mechanisms to deliver continual improvements in ESG performance with definable results for customers, employees and stakeholders.



Responding to SDGs:

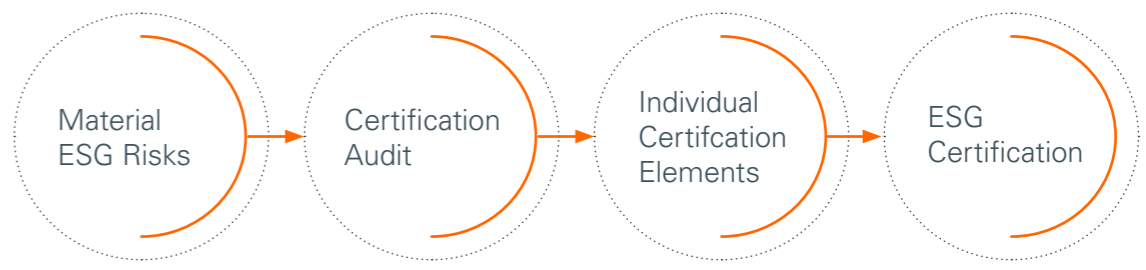


ESG Certification

ESG Certification audit follows detailed assessment of ESG risks and utilizes individual E, S and G certification standards, SGS ESG criteria, and provides certification audit options including:

- Selected ESG Certification Standards Only
- SGS ESG Criteria Only
- SGS ESG Criteria plus selected Certification Standards

Service Elements





25+ Years of Sustainability Experience



SGS has operated as an industry leader in sustainability and ESG service provision for over 25 years. With expertise in all major industries, we understand each sector’s pain points and have the technical expertise and logistical capabilities to ensure realistic sustainability outcomes.

Global Technical Expertise & Network

Utilizing a global network of more than 2,600 offices across 89 countries, we offer high-level support to clients who are addressing local, national and international sustainability risks. Our experts offer comprehensive technical support while understanding the local language, standards and customs, making it easier for companies to facilitate both local and global projects.

Consistency of Service & Execution

We deliver consistent results with excellent customer service and support. Our clients receive end-to-end support – from contract to report – and gain peace of mind through services that are delivered with integrity.

Services Portfolio

Integrated solutions allow us to operate as a single vendor covering all client types and areas of ESG. Our holistic service packages are tailored to meet the individual needs of the client and not the general demands of the industry.



Follow the Leader

We have been at the forefront of sustainability for many years. Already, we have implemented many of the solutions mentioned within our own organization delivering significant change, improvements in performance and a stronger brand.



Our sustainability leadership is based on a strong commitment to creating value for our stakeholders and wider society. As one of the most sustainable companies in the world, we are building on our own expertise and long experience working with customers around the globe to provide best-in-class Sustainability Solutions.

As a purpose-driven company, our goal is to add long-term value to society across our whole value chain. This means that we are committed to using our scale and expertise to spread positive impacts beyond our company and accompany our clients on their own journey towards value creation.

Our approach to sustainability

Sustainability is one of our Business Principles; it is embedded in our culture and the way we do business.

— 2014

Carbon neutral since 2014

▲ CHF 1,243k

Invested in communities around the world

▲ Governance

Strong sustainability governance structure

▼ 43%

Decrease in total greenhouse gas emissions against a 2014 baseline

▼ 68%

TRIR decrease since 2014

▲ 100%

of spend analyzed for sustainability risks

▲ 95%

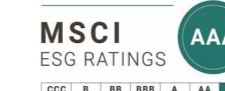
Electricity from renewable sources

▼ Zero

Zero tolerance of any form of discrimination

▲ Incentive

Management incentive plan linked to sustainability





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