

SGS Virtual
Investor Days
2021



Knowledge

Enabling knowledge,
skills and processes

May 27, 2021

SGS

Knowledge

Vision and 2023 ambition

- **Vision:** to be the global partner of choice providing business assurance and operational efficiency solutions across supply chains that delivers sustainable value for the organization, the environment, society and shareholders
- **How:** achieve a high-growth level through a combination of organic and inorganic initiatives:
 - Expanding and accelerating the higher margin business enhancement areas of the portfolio to occupy in excess of 50% of divisional revenue
 - Mid-single digit organic growth for Certification and double-digit organic growth for Technical Consultancy combined with selective acquisitions to build a global network and become the global leader in the TIC industry
 - Build a portfolio of sustainability solutions focusing on natural capital and ESG by leveraging SGS digital assets and end-to-end value chain footprint



Knowledge

SBU market position, return and investment strategy

	MARKET GROWTH PROFILE	RELATIVE MARKET SHARE	CAPEX INTENSITY	NWC INTENSITY	RETURN PROFILE	M&A APPETITE
Certification	LOW TO MID SINGLE-DIGIT	1.1	LOW	LOW	++	MEDIUM
Customized Audits	HIGH SINGLE-DIGIT	0.9	LOW	LOW	++	LOW
Training	MID SINGLE-DIGIT	0.5	AVERAGE	LOW	++	MEDIUM
Technical Consulting	HIGH SINGLE-DIGIT	0.3	LOW	LOW	++	HIGH
Knowledge						

The Knowledge business model



03 Customized Audits

Enabling compliance and performance across value chains with risk and industry specific auditing solutions

Focus: Social & environmental and other customer and supplier audit schemes

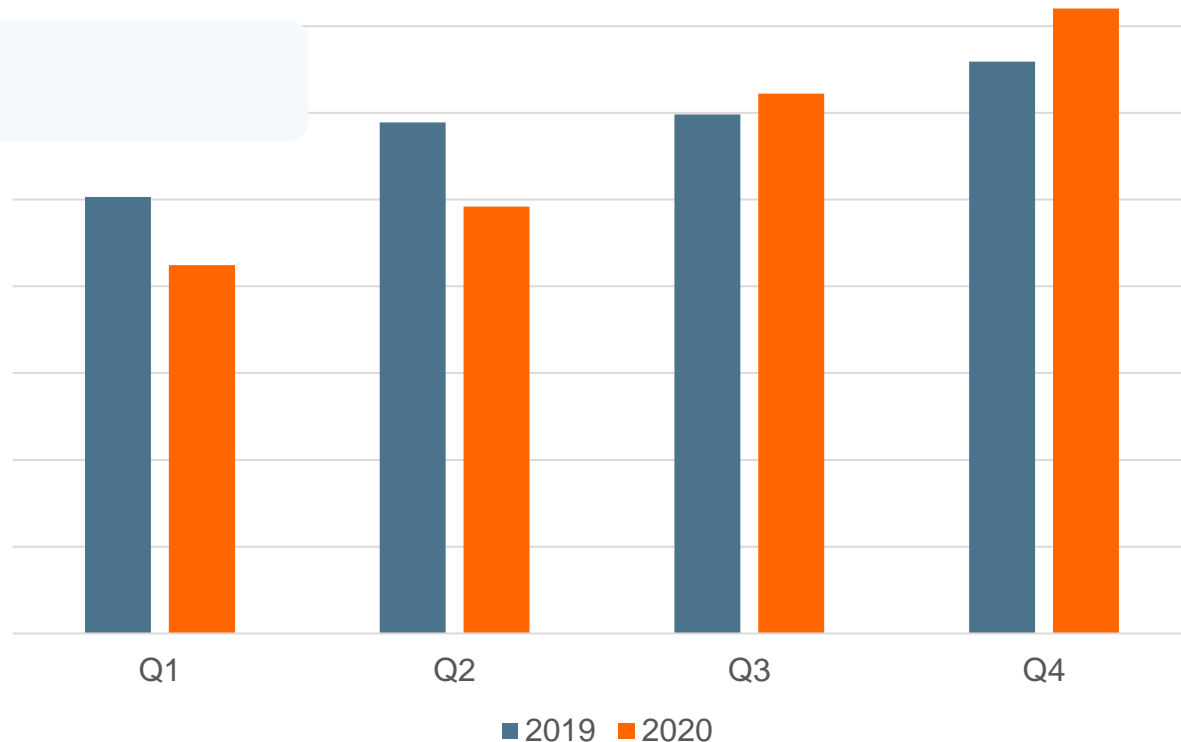
Market Size: 4B

Enabling transparency across supply chains with

Certification: COVID and beyond

Highly resilient, with a positive outlook

Comparative Performance (Audit Days)



A rebound in 2021

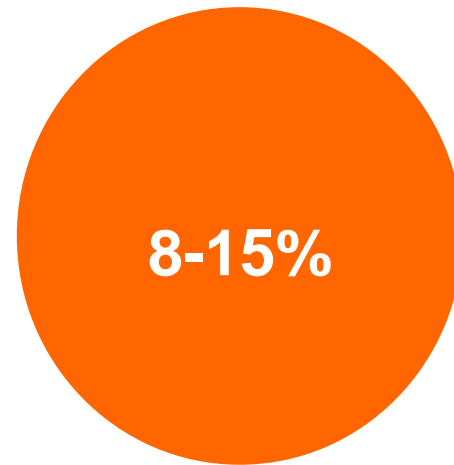
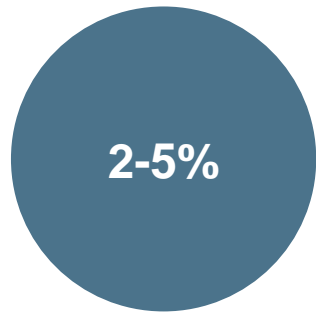
- Further enhancements to our comprehensive audit capability will be delivered to continually enhance operations
- Growth will be driven by a strong focus growth segments like: Medical, Auto, Food
- 2021 performance will be enhanced by high levels of recertification and use of our new IT application DigiApp (electronic reporting)

Certification: COVID and beyond

Highly resilient, with a positive outlook

Certification Market Growth Rates

Total Market Size
5B+ CHF



A Positive Outlook

- Working practices introduced in 2020 will continue and bring long-term benefits
- New digital solutions will support growth
- Certification remains highly resilient: SGS services were not seen as discretionary spend
- Maximized opportunities in emerging segments such as Cybersecurity, Data Privacy, ESG and Medical Device

ESG Assurance Solutions

A comprehensive checklist for ESG criteria

Service Categories

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.

Addressable Market Size

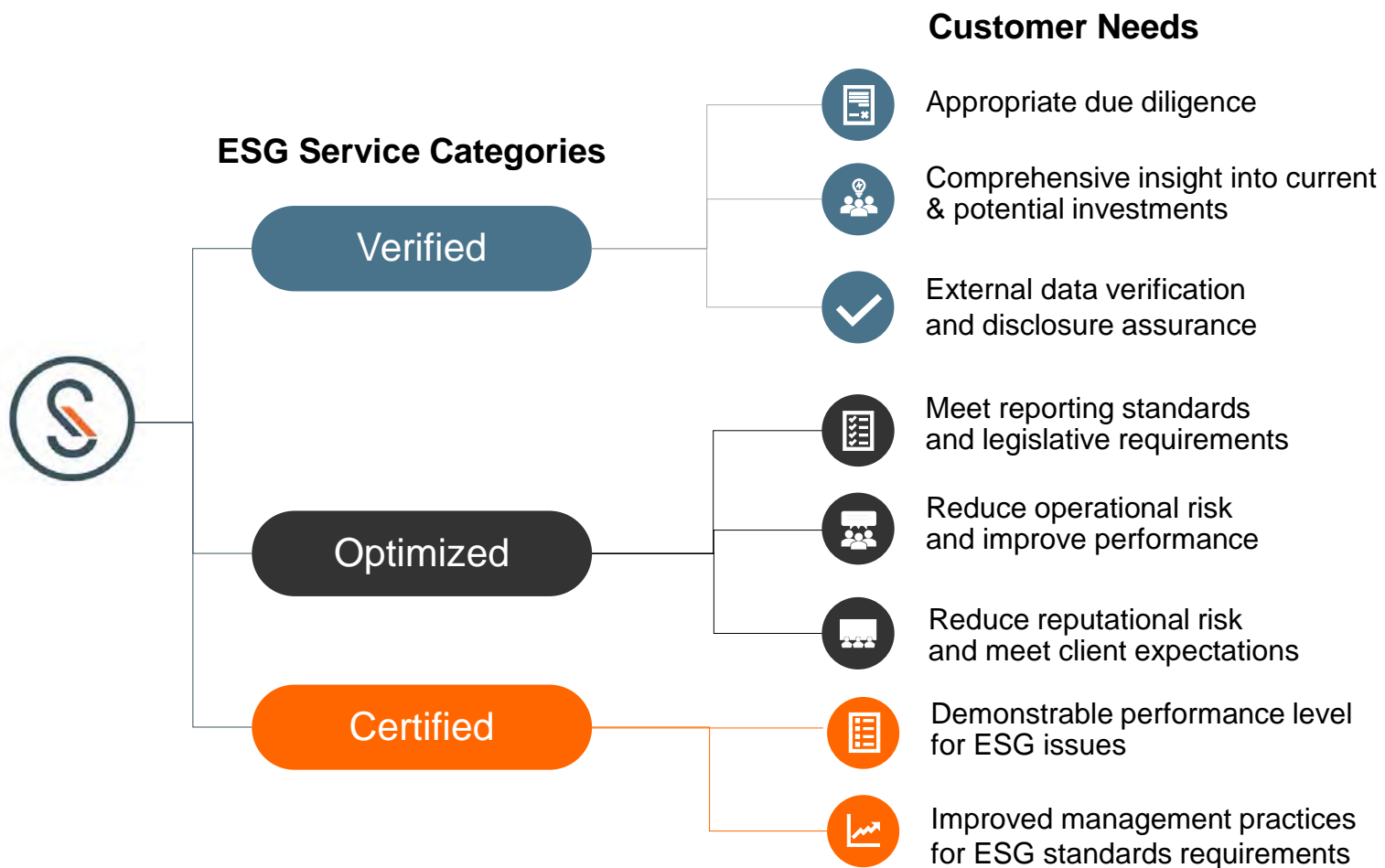
CHF 289M
Today

CHF 620M
By 2025



The Knowledge difference

Aligning with industry specific requirements



Why Knowledge?

- Comprehensive ESG Checklist Aligned with Customer Needs
- 25+ Years of Sustainability Experience
- Global Technical Expertise & Network
- Consistency of Service & Execution
- Unique Services Portfolio

Supplier Risk Management

Evaluate and mitigate supplier risk



Effectively pre-qualifies new and existing suppliers against SGS or client criteria, covering multiple risk areas:

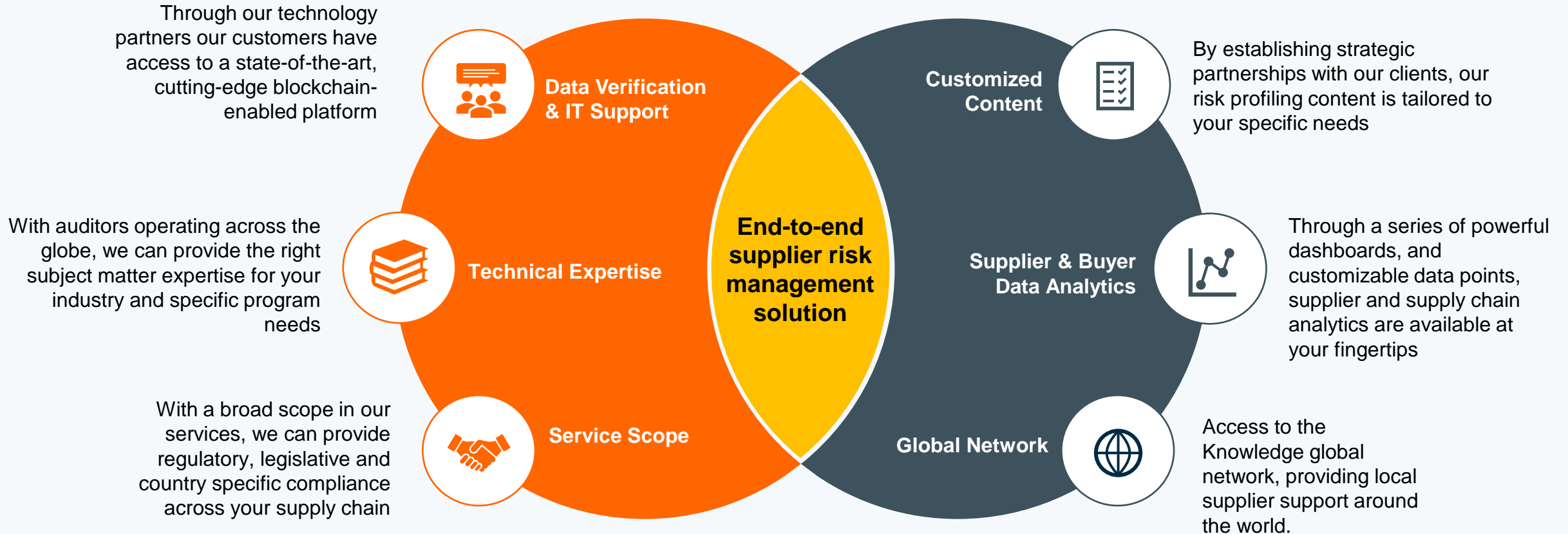
- Quality
- Health & Safety
- Environmental
- Social Responsibility
- Information Security
- Business Continuity

Supplier Information hosted on a best-in-class IT platform and validated by SGS global team of subject matter experts to provide on-going assurance of supplier risk management.

Market Size

**CHF 500M
10%+ Growth**

Our Supplier Risk Management differentiators



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Questions?