CBE PAST, PRESENT & FUTURE

Jeff McDonald
EVP Certification and Business Enhancement
Investor Days 2018, Bordeaux
Continue to be the global leader in Management System Certification and to grow this area by focusing on specific high growth standards and segments.

Continue to evolve the business model adding additional and new Business Enhancement revenue streams as a business key growth driver.
EVOLUTION OF SERVICE OFFERING

1991-2005
ICS
SERVICE FOCUSED
ISO 9001, ISO 14001
Management System & Training

2005-2009
SSC
VERTICAL FOCUS
FOOD / AUTO / E&E
Industry Specific Standards & Training

2010-2014
SSC
SEGMENT EVOLUTION FOCUSED ON
SERVICES & COMPANY SPECIFIC STANDARDS
Industry & Customer Specific Standards & Training

2015+
CBE
SEGMENT FOCUS & EVOLUTION TO BE SOLUTIONS
Evolution to BE Solutions

CBE
SUPPLY CHAIN RISK MGMT PLATFORM
Business Model for Risk Management of Global Supply Chains

SGS ACADEMY
TECHNICAL CONSULTING
PERFORMANCE ASSESSMENT
CONNECTING BUYERS & SELLERS

SUPPLY CHAIN RISK MGMT
REPORTING ANALYTICS
THE CBE DATA

Historical information from over 200,000 Customers on Compliance, Quality Environmental & Health & Safety

- COMPLIANCE
- QUALITY
- ENVIRONMENTAL
- HEALTH & SAFETY

NON-CONFORMANCE DATA (PAIN POINT)

AUDITOR FEEDBACK

INDUSTRY & COMPANY SPECIFIC

COMPLIANCE GAPS

BE SOLUTIONS
THE CBE SYSTEM

SGS ACADEMY
ON-LINE AND OFF-LINE TRAINING SOLUTIONS
CUSTOMER / INDUSTRY BASED

TECHNICAL CONSULTING
SPECIFIC & FOCUSED CONSULTING
CUSTOMER / INDUSTRY BASED

PERFORMANCE ASSESSMENTS
TAILOR MADE ASSESSMENT PROGRAMS
CUSTOMER / INDUSTRY BASED

DATA
FINDING VALUE IN OUR DATA
TO EVOLVE FOR THE FUTURE

200,000 CUSTOMERS
39 INDUSTRIES
100,000+ CERTIFICATES ISSUED

ECONOMIC IMPACT

NONCONFORMITITES BY REGION

26%
26%
9%
14%
25%

Electronics
Rubber & Plastic
Chemical
Transport

449
9%
IATF 16949:2016
7289
5673

ISO 9001:2015
32688
11663

ISO 14001:2015
OHSAS 18001:2007

GSNSOLUTION NETWORK

NONCONFORMITY DATA

TRAINING

TECH CONSULTING

PERFORMANCE ASSESSMENT
BE ENGINE
An IT tool and process that allows us to:

- Input non-conformity data and other data from our centralized global platform
- Give an automatic summary of key areas where we see a high level of non-conformances
- Defines clients / industries needs or clients pain-points
THE BUSINESS ENHANCEMENT ENGINE

BE ENGINE
BUSINESS ENHANCEMENT

1. ANALYTICS
   - Analysis of Data
     - Nonconformity data
     - Auditor & customer feedback
     - Industry specific data

2. INTELLIGENCE
   - Risk Assessment
     - Operational Efficiency
     - Environmental Management
     - Economic Performance
     - Root Cause Analysis

3. ACTIVATION
   - Solution Recommendation
     - Training
     - Technical Consulting
     - Performance Assessment
     - Competitive Benchmarking
     - Value Creation Model
**BE ENGINE INDUSTRY SPECIFIC ANALYSIS**

### STANDARDS

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### KEY INDUSTRY PAIN POINTS

- **SUPPLIER EVALUATION**
- **PROCESS DESIGN, CONTROL AND IMPLEMENTATION**
- **RISK ASSESSMENT**
- **QUALITY CONTROL PROTOCOL**
- **CONTINUAL IMPROVEMENT**

### ECONOMIC IMPACT

- **RECALL** Low
- **DELAY** High
- **NON-COMPLIANCE** Medium

### Top 5 clauses within each standard that have the highest number of nonconformities

- Standards with the most nonconformities
- Top 5 pain point areas for the industry
- Probability of negative economic associated with 3 main risk factors
BE ENGINE
CUSTOMER SPECIFIC APPLICATION

**ANALYTICS**

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**INTELLIGENCE**

- **RISK ASSESSMENT**
  - Recall
  - Product Delay
  - Product Recall
  - Public Relations
  - Environmental Impact
  - Energy Efficiency
  - Operational Efficiency

**ACTIVATION**

- **SOLUTION RECOMMENDATION**
  - OH&S Awareness training
  - Contamination prevention
  - OH&S risk assessment
  - Risk event planning and design of emergency response protocol
  - Internal audit program design and implementation

- **PERFORMANCE ASSESSMENT**
  - Customized assessment and benchmarking program

**CARS OVER TIME**

- Quality Management
  - Control of production and service provision
  - Design and development of products and services
  - Control of release of products and services
  - Monitoring and measuring resources
  - Internal audit

- Occupational Health & Safety
  - OH&S performance measurement and monitoring
  - Operational planning and control
  - Emergency preparedness and response
  - Incident investigation, nonconformity, corrective action and preventive action

- Environmental Impact & Sustainability
  - Operational planning and control
  - Emergency preparedness and response
  - Monitoring, measurement, analysis, and evaluation

**ROOT CAUSE ANALYSIS & ECONOMIC IMPACT**

- Economic Impact

**COMPETITIVE BENCHMARKING**

- Profitability
- Environment
- Quality
- Efficiency
- Client vs. Industry Benchmark
- Process

- 2014: ISO9001, ISO14001, OHSAS18001
- 2015: ISO9001, ISO14001
- 2016: ISO9001
- 2017: ISO14001
BE ENGINE
CUSTOMER SPECIFIC ACTIVATION

**RECOMMENDED BE SOLUTIONS**

**TRAINING**
- Workspace Health & Safety Guidelines
- ISO 9001 Internal Auditor Training
- Waste Control & Energy Efficiency

**PERFORMANCE ASSESSMENT**
- Environmental Performance Assessment and Analysis
- OH&S performance assessment and benchmarking

**TECHNICAL CONSULTING**
- Operation Planning: Establishing Operating Criteria & Implementation
- Hazardous Material Control & Recycling Program Design
- OH&S Risk Event Planning & Design of Emergency Protocol

**POTENTIAL BENEFITS**

- Process Control
- Operational Efficiency
- Environmental Responsibility
- Productivity

**LONG TERM GOALS**
- Economic Growth
- Brand Reputation
- Industry Leadership
BE ENGINE INDUSTRY BENCHMARKING

ANALYTICS

BREAKDOWN OF NONCONFORMITIES BY AUDIT TYPE

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<tr>
<th>Audit Type</th>
<th>GMP Nonconformities</th>
<th>HACCP Nonconformities</th>
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INTELLIGENCE

Key Pain-point Areas

- HACCP
- GMP

- HACCP
- Maintenance and Cleaning
- Equipment Maintenance
- Pest Control Systems

- GMP
- Pest Control
- Waste Management
- Facility Maintenance
- Physical Contamination
- Cleaning Programs
SUPPLY CHAIN RISK MANAGEMENT
SOLUTION MODEL

BRAND OWNERS

MARKET POTENTIAL

- **Potential business opportunity** for Supplier Verification is estimated at over $1bn USD
- In 2016 **Supply Chain incidences costs** reached $56bn USD
- **New legislation** is driving organizations to take action and provide transparency of their supply chains (e.g. Modern Day Slavery, Anti-Bribery etc.)

SUPPLY CHAIN SOLUTIONS

- **TRAINING**
- **MAPPING**
- **CONSULTING**
- **RISK EVAL.**
- **ANALYTICS**
- **AUDIT**

SOLUTIONS
Training • Performance • Assessments • Brand Protection

TRANSPARENCY-ONE
maps the entire supply chain, tracks compliance, and provides analytics to proactively manage business risks.

APPROVED SUPPLIER/PERFORMANCE DATA

DATA ANALYSIS & APPROVAL

SUPPLIER A • SUPPLIER B • SUPPLIER C • SUPPLIER D

SUPPLIER E • SUPPLIER F • SUPPLIER G

DATA ANALYSIS & APPROVAL
THE CBE SYSTEM

The BE platform of innovative solutions is based on three pillars:

• **CERTIFICATION**: Our wide ranging portfolio of standards and industry specific regulations.

• **INTELLIGENCE**: A complete set of CBE digital tools and solutions used to improve business efficiency and functionality.

• **ACTIVATION**: Our total Business Enhancement services specifically to enhance business

Data from **certification** drives intelligence. **Intelligence** offers insights that guide activation. **Activation** brings about transformation, leading to business success.

**THE CBE SYSTEM** is used to create real and tangible Business Enhancement processes, tools and services for our partners, enabling organization to **BE THE BENCHMARK**.