



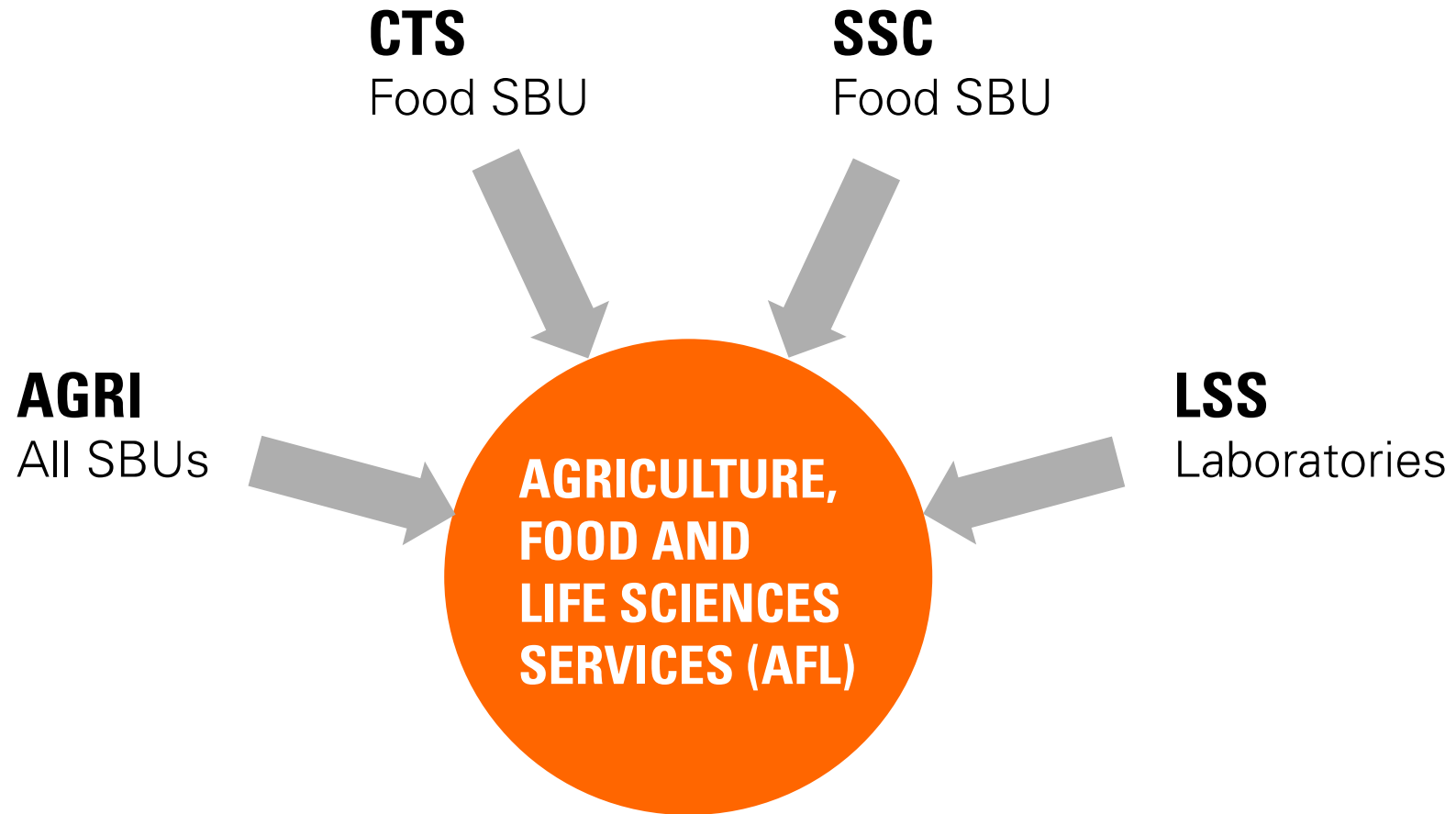
AGRICULTURE, FOOD AND LIFE SCIENCES SERVICES @ SGS

OLIVIER COPPEY – EXECUTIVE VICE PRESIDENT

INVESTORS DAYS, 29-30 OCTOBER 2015

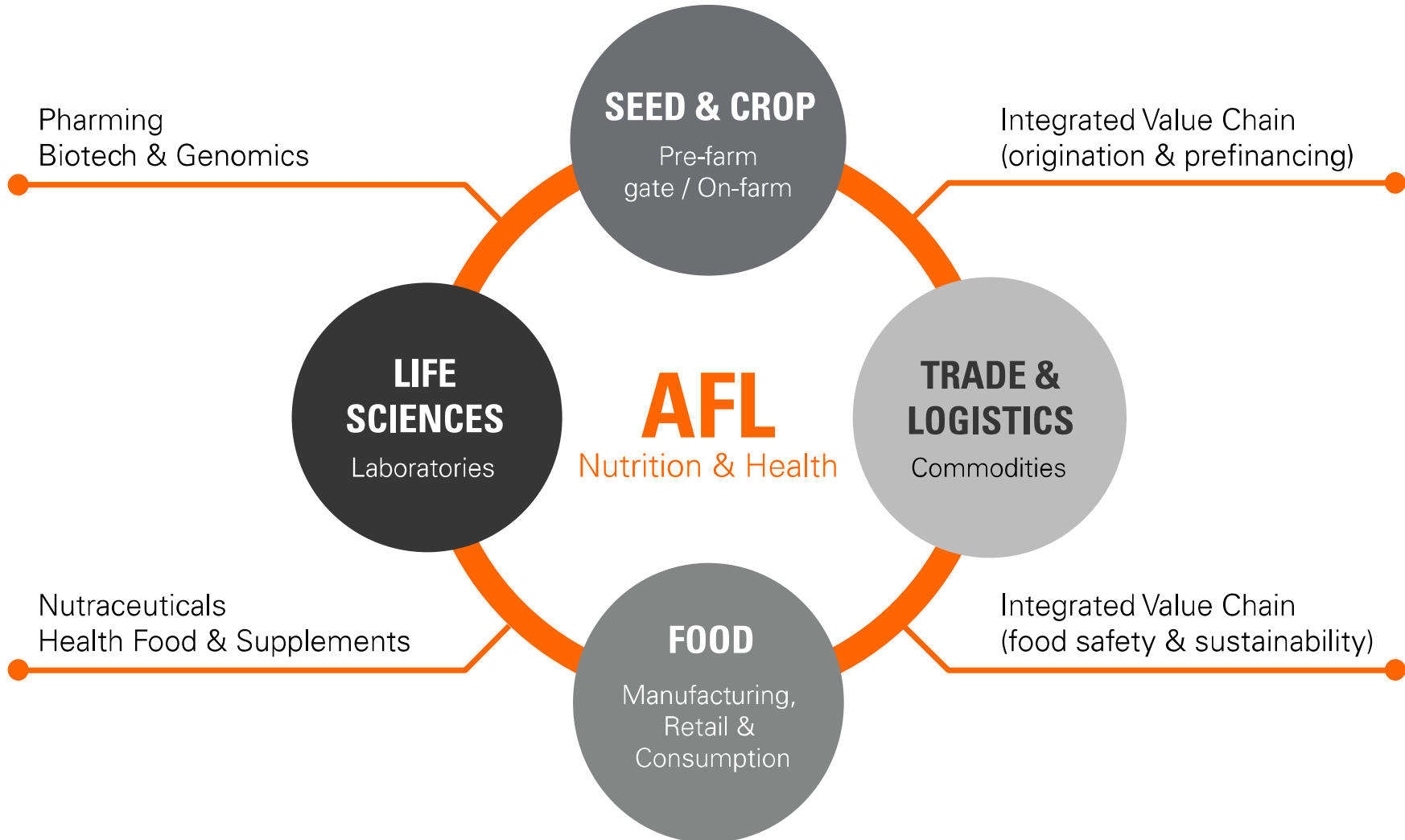
WHEN YOU NEED TO BE SURE







- Align our organization to the market by having a coherent sales and marketing structure that can sell the full SGS service portfolio across the value chain
- Sell solutions to the industry instead of individual services (*inspection, testing, audit/certification, data management, advisory services, etc.*) and become the global partner of choice
- Renew our focus on Life Sciences laboratories
- Accelerate revenue growth by having a coordinated strategy for organic and inorganic development
- Improve operational margins by rationalizing the network and optimizing the use of resources





We have created a **unique** and **seamless** operating structure that will reinforce our **leading** position in the Agri-Food & Health industries. Our reconfigured **global** network of experts and laboratories will respond to the **present and future** requirements of the market. We will deliver **unparalleled competitive advantage** to our customers through **innovative** solutions and technologies on quality, safety and sustainability, for the R&D, primary production, trade, manufacturing & retailing segments.

- Among the largest global TIC service providers to the Agri-Food industries with the most comprehensive solutions, the largest geographical footprint and by far the largest reach across the entire value chain
- One of the four largest business lines of SGS Group evolving in a recession-resistant market with strong underlying fundamentals



Overview of Services



■ Sustainable growth drivers for the TIC industry

- Increase in outbreak of food borne illness and poisoning (widely covered by the media)
- Implementation of stringent food and feed regulations (EU, FSMA, etc.)
- Increased consumer awareness and demand for nutritious and safe food
- Globalization of the production and food supply chain requires increased transparency & traceability
- Reputational risks for brand owners
- New inputs and veterinary drugs used in primary production requiring additional testing on crops, fish and meat
- Outsourcing trend & market consolidation

■ Key mega trends

- Health & wellness
- Sustainability & ethics
- Authenticity
- Convenience

} Drives **INNOVATION** in
Processing, Packaging, Safety & Quality and
Product Formulation



Food producers and manufacturers operate in a vast, globalized supply chain, where one mislabelled product or contaminated ingredient can cause sickness, death, multi-million dollar commercial losses, not to mention severe and lasting reputational damage.

Facts from the largest food market [USA]:

- Number of product recalls per year in the US has almost doubled since 2002
- Food contamination costs US health authorities USD 15.6 billion per year; nearly 9 million Americans became sick from contaminated food in 2013 alone
- Half of all the food recalls cost the affected companies more than USD 10 million per recall
- The globalized food supply chain makes risk management for food recalls more difficult.

SUCCESS FACTOR: FROM FARM TO TABLE

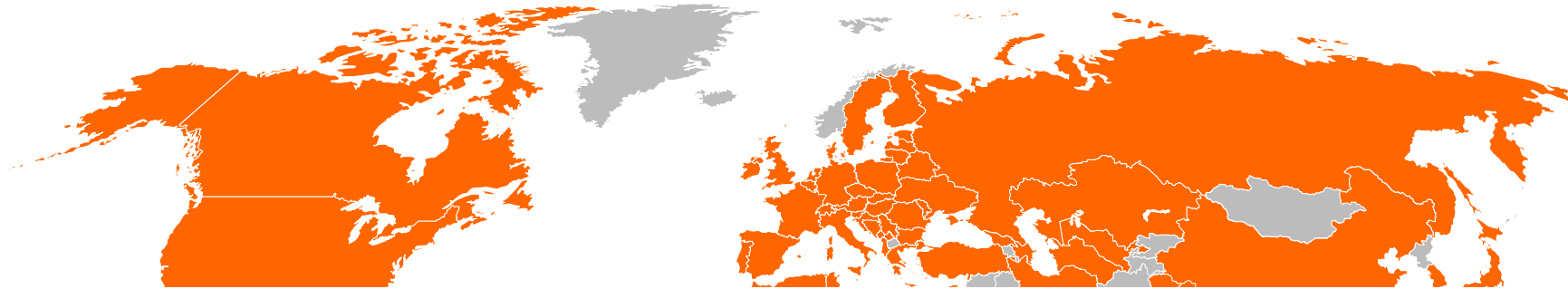


INTEGRATED SOLUTIONS ACROSS THE VALUE CHAIN

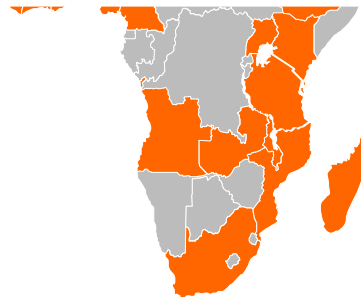
- Inspection services
- Analytical services
- Audit & Certification services
- Training services
- Advisory services

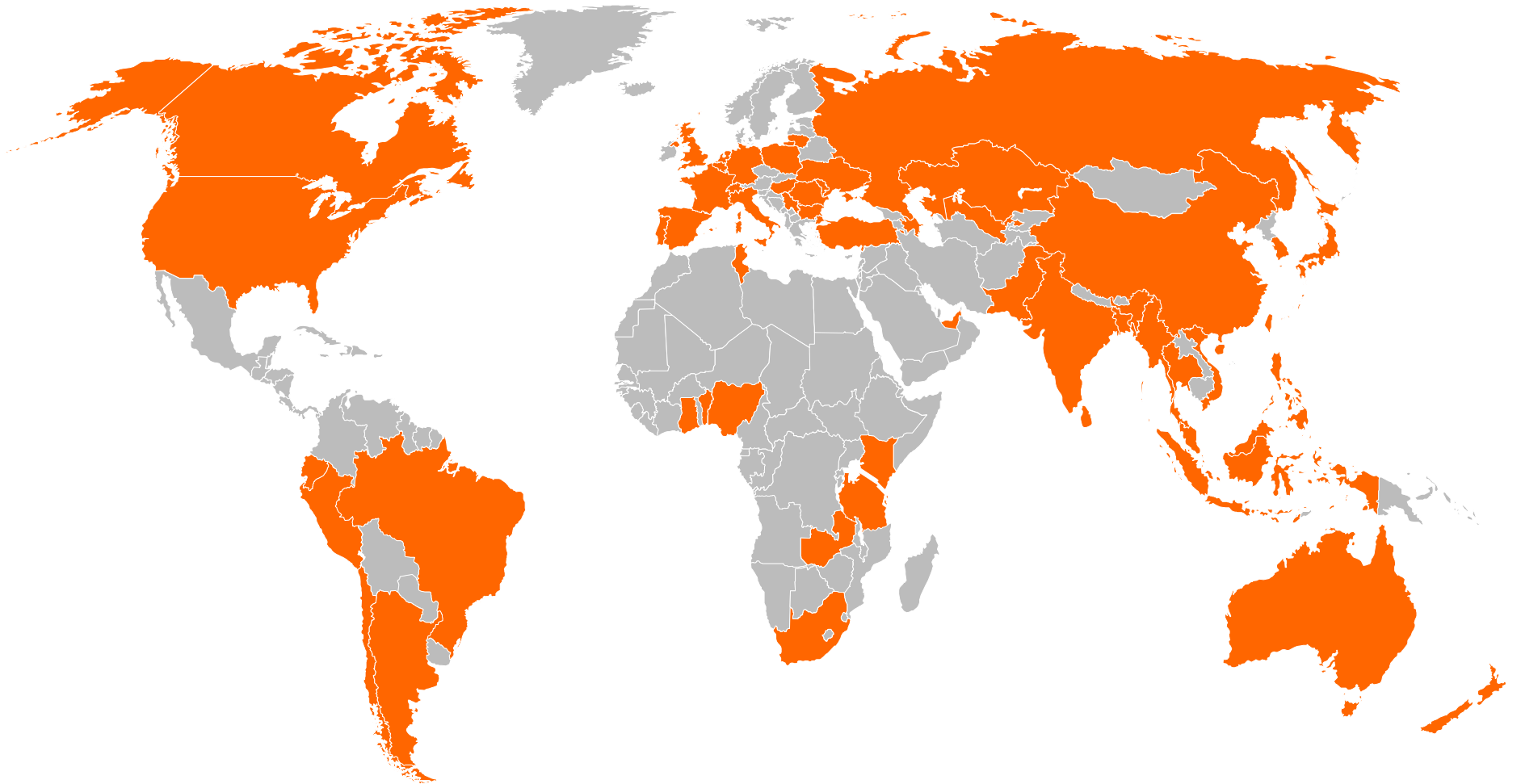






With almost **13,000** employees around the world,
Agriculture Food Life Sciences has the most extensive network
of operations to respond to our clients' needs







- Network powered by Expert Teams of
 - Scientists,
 - Food Technologists,
 - Agronomists,
 - Field trialists,
 - Drone operators,
 - Inspectors,
 - Fumigators,
 - Engineers,
 - Training specialists,
 - Auditors.
- All working together to provide a holistic and multi-disciplinary approach to best serve our clients in the Agri-Food & Life Sciences industries
- A team of passionate SGS employees driven by passion



Foodies @ SGS Hong Kong

- SVA Ltd is a leading independent provider of an extensive range of advisory, testing and innovative IT services to the food and consumer products industry, headquartered in the UK.
- Founded in 2010 and privately owned, SVA employs 200 highly skilled specialists and generated revenue in excess of GBP 14 million in 2014.
- Scope:
 - Advisory services on legal and regulatory compliance (product labels, specifications, etc.)
Approves product labels and specs on over 750 retailer own branded products per month
 - Microbiological, chemical, nutritional and compliance driven testing services
More than 35,000 tests monthly on over 5,000 products
 - IT/eVision: suite of product management software tools to gather, manage and manipulate the extensive amount of validated data produced by all of these services for the clients



SVA **Service and Value Assured**





SGS