

SA30 SUSTAINABILITY AMBITIONS 2030

A clear vision for a better future

SGS

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Better planet

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Our Value to Society



*We are committed to enabling
a **better, safer and more**
interconnected world.*

As the leader in the testing, inspection and certification industry, we have a responsibility to society. With more than 89,000 employees, operations around the world, an extensive global supply chain and services provided in all sectors, we have a purpose of enabling a better, safer and more interconnected world.

Building on the success of our Sustainability Ambitions 2020, we have now set even more ambitious targets with our Sustainability Ambitions 2030. Built on three pillars – a better planet, a better society and better governance – across our entire value chain, this new strategy is aligned with both our business strategy for 2023 and the long term remuneration of our senior management.

We are one of the few companies pioneering the measurement of the total value we create for society in economic terms. We will continue to develop and further expand this methodology, adapting to new regulations and frameworks. This will help us measure our positive impact on the Sustainable Development Goals and help us to understand the value we create for society. Our ultimate goal is to maximize that value and use the methodology to make better decisions, which include non-financial considerations.

Frankie Ng
CEO, SGS



At SGS, we are committed to enabling a better, safer and more interconnected world. We are a purpose-driven company and sustainability is integral to our strategy. In fact, sustainability is one of our six Business Principles that guide our activity within our organization, how we interact with our customers, with other stakeholders and with the communities where we operate across our global network.

We are committed to increasing our positive impact on society, supported by the launch of our Sustainability Ambitions 2030. Building on the success of our Sustainability Ambitions 2020, we have set the bar even higher for ourselves by 2023 and 2030. These targets are aligned and integral to the Group strategy.

The evolution of our commitment to sustainability is reflected in some tangible actions at Group level. For example, we have linked Environmental, Social and Governance performance to the remuneration of our top management at a global and affiliate level. We have also created a new committee at Board level, the Corporate Governance and Sustainability Committee, that assists the management team in defining the Group policies and strategies related to sustainability, including reputation and non-financial risks.



A clear vision for a
better future



*Sustainability Ambitions 2030 will represent a **great step** towards the purpose of our company*

We are proud to be internationally recognized as sustainability leaders. We will continue to raise the bar for sustainability standards within our company, our sector, our customers and beyond.

Our Sustainability Ambitions 2030 address the major concerns and expectations from our stakeholders and society over the responsibilities that SGS has and we will continue to evolve to address any future concerns. We also ensure that every employee can engage with our sustainability ambitions and play an active role in contributing towards a better future. We believe that sustainability can only be achieved when it is embedded in our company culture. I am proud to say that this process is supported by multiple cross-department and region actions and campaigns driven by our corporate sustainability team.

We are convinced that our Sustainability Ambitions 2030 represent a significant step towards realizing our company purpose of enabling a better, safer and more interconnected world.

Paula Ordoñez

Global Head of Corporate Sustainability



Building our **Ambitions**

Our Sustainability Ambitions 2030 integrate and address current global trends and requests from a wide range of global and local stakeholders. We have conducted an analysis of the societal megatrends that are the most closely related to our testing, inspection and certification sector and have integrated them into our strategic thinking, including our Sustainability Ambitions 2030. We also conduct regular materiality assessments to ensure that we address our stakeholders' key concerns and interests to guide our efforts towards 2030. For example: cybersecurity, data privacy and protection, ethical behavior, etc. Finally, we wish to ensure that we directly support the SDGs through our services, operations and supply chain and that we contribute to their achievement towards 2030. We have mapped our contribution and determined our priorities for 2030 across our value chain, in order to focus our actions and maximize our positive impact.



Our **pillars**

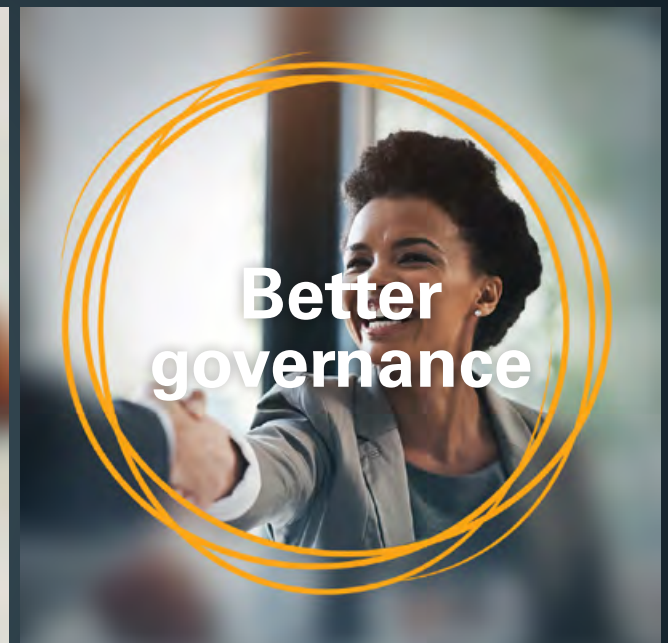
Our Sustainability Ambitions 2030 are structured into three pillars: a better planet, a better society and better governance. Following the Environment, Social and Governance (ESG) approach, we have analyzed how best to create and enable value and have defined high-level ambitions in each of these pillars to help achieve our clear vision for a better future.



Supporting the transition to a low carbon and climate resilient world through responsible use of resources and effective waste management.



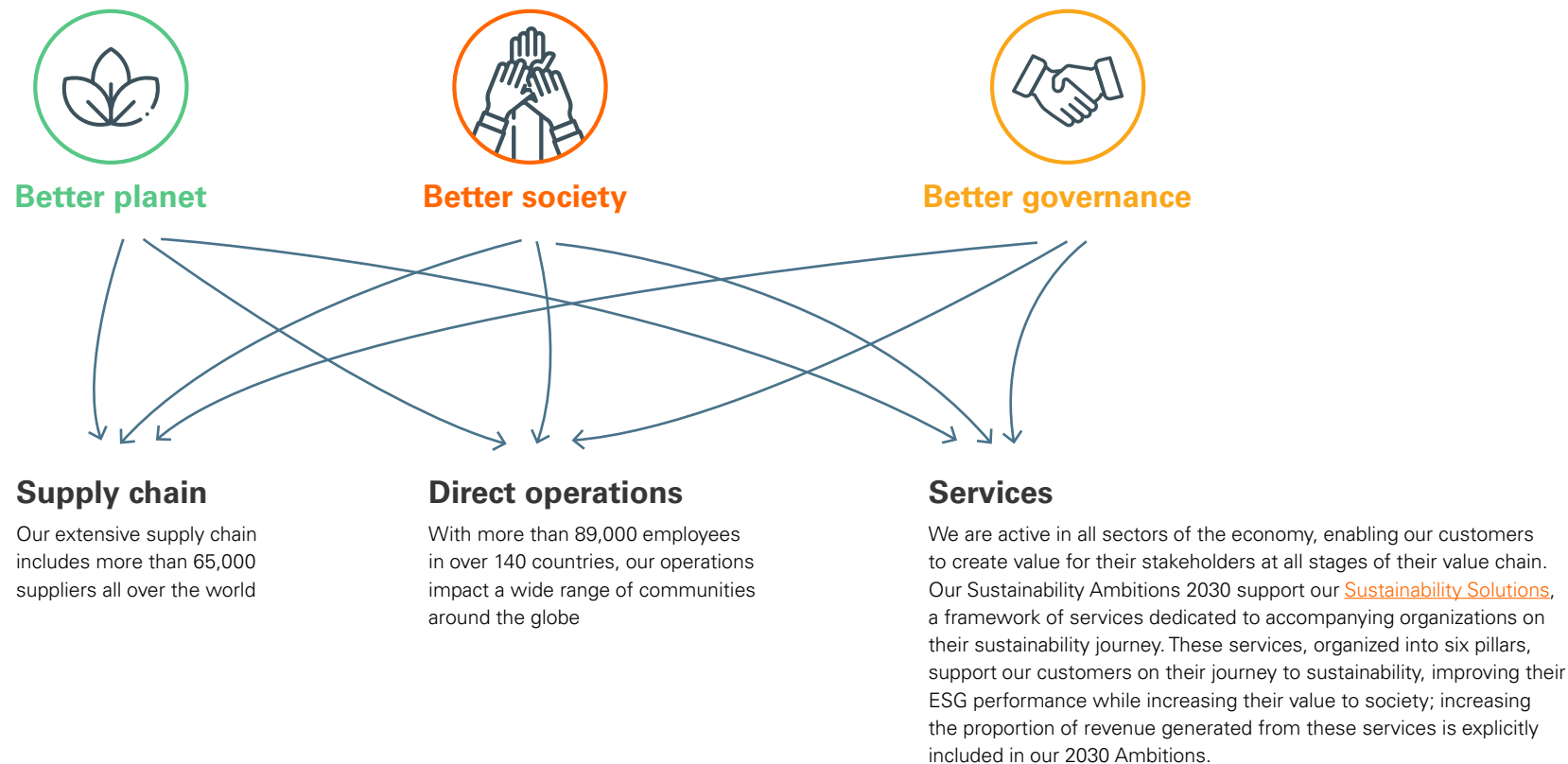
Empowering equality, wellbeing and prosperity.



Enabling long-term value through secure, fair, transparent and responsible business practices.

Engaging our **value chain** towards achieving our Ambitions

Ensuring that we maximize the value we create for society requires us to assess our whole value chain and set targets and priorities related to supporting a better planet, better society and better governance across our supply chain, direct operations and services.



Integrating our financial and non-financial strategies

We are on a journey towards integrating financial and non-financial aspects to ensure long-term value creation for all our stakeholders. A significant step in this direction is represented by the alignment and complimentary nature of our Group and sustainability strategies. Our integrated thinking encourages the development of new high value-added services, responding to emerging demands from our stakeholders, complying with regulatory changes, increasing operational efficiency, improving resource management and identifying and addressing new risks and opportunities. Our financial growth is becoming commensurate with value creation for our shareholders and the communities where we operate. This includes providing the resources to invest in sustainability actions, changing behavior in our operations and developing leading services for our customers.



Our road towards a **better future** in a glimpse



Targets 2023 - 2030

Our **targets**

The journey to achieving our high-level ambitions is defined by our targets, which we have set for 2023 and 2030, in all three pillars and across our entire value chain.



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A clear vision for a better future

Better planet

2030 TARGETS



BETTER PLANET 2023 Targets

Services

With a focus on our Industries & Environment and Natural Resources Divisions, we commit to:

Support our customers on their journey to sustainability by increasing the proportion of revenue generated by our Sustainability Solutions and measure its positive impact through our impact valuation methodology

Operations and Supply Chain

Throughout our operations and supply chain, we commit to:

CLIMATE CHANGE MITIGATION

- Meet our Science-based Target of reducing our CO₂ emissions per revenue by 35% (1) by:
 - increasing annually the number of energy efficiency measures in our 100 most energy intensive owned buildings,
 - a 10% reduction in total car fleet CO₂ emissions
 - and 10% of our cars having low-carbon technologies.

All residual CO₂ emissions will be compensated to maintain our Carbon Neutral Status

- Further adopt the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

(1) Against a 2014 baseline

BETTER PLANET 2030 Targets

Services

With a focus on our Industries & Environment and Natural Resources Divisions, we commit to:

Support our customers on their journey to sustainability by increasing the proportion of revenue generated by our Sustainability Solutions and measure its positive impact through our impact valuation methodology

Operations and Supply Chain

Throughout our operations and supply chain, we commit to:

CLIMATE CHANGE MITIGATION

- Meet our Science-based Target of reducing our CO₂ emissions per revenue by 55% (1) by:
 - increasing annually the number of energy efficiency measures taken in our top 100 energy intensive owned buildings,
 - reducing by 40% the average CO₂ emissions from our total car fleet
 - and 50% of our cars having low-carbon technologies.

All residual CO₂ emissions will be compensated to maintain our Carbon Neutral Status.

- Fully adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

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Better society

2030 TARGETS



BETTER SOCIETY 2023 Targets

Services

With a focus on our Connectivity & Products and Health & Nutrition divisions, we commit to:

Support our customers on their journey to sustainability by increasing the proportion of revenue generated by our Sustainability Solutions and measure its positive impact through our impact valuation methodology

Operations and Supply Chain

Throughout our operations and supply chain, we commit to:

HUMAN RIGHTS

- Achieve 30% women at CEO-3
- Reduce our Total Recordable Incident Rate by 20% and Lost Time Incident Rate by 10% (1) and HSE certify the main operational sites (integrated ISO 45001 and ISO 14001 certification)
- Continue performing annual risk assessments on human right across the Group, keep developing our human rights due diligence program to avoid violations across our operations and train 100% of our employees on our human rights principles annually

KNOWLEDGE & ENGAGEMENT

- Increase by 10% the completion rate of job-related training (2) and improve year-on-year our Employee Engagement and Manager Effectiveness scores (3)

COMMUNITY

- Increase by 10% our positive impact on our communities through employee volunteering, with special focus on vulnerable groups affected by pandemics (4)

BETTER SOCIETY 2030 Targets

Services

With a focus on our Connectivity & Products and Health & Nutrition divisions, we commit to:

Support our customers on their journey to sustainability by increasing the proportion of revenue generated by our Sustainability Solutions and measure its positive impact through our impact valuation methodology

Operations and Supply Chain

Throughout our operations and supply chain, we commit to:

HUMAN RIGHTS

- Strive towards an equitable representation of genders at CEO-3
- Reduce our Total Recordable Incident Rate by 30% and Lost Time Incident Rate by 20% (1) and HSE certify the main operational sites (integrated ISO 45001 and ISO 14001 certification)
- Continue performing annual risk assessments on human right across the Group, keep developing our human rights due diligence program to avoid violations across our operations and train 100% of our employees on our human rights principles annually

KNOWLEDGE & ENGAGEMENT

- Continuously improve the capabilities and know-how of our employees and strive to be the employer with the highest level of employee engagement in the industry

COMMUNITY

- Double our positive impact on our local communities through employee volunteering (4)

(1) Against a 2018 baseline (2) Except compliance-related training (3) Against a 2020 baseline (4) Against a 2019 baseline

SA30

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Better governance

2030 TARGETS



BETTER GOVERNANCE 2023 Targets

Services

With a focus on our Knowledge and Digital & Innovation Divisions, we commit to:

Support our customers on their journey to sustainability by increasing the proportion of revenue generated by our Sustainability Solutions and measure its positive impact through our impact valuation methodology

Operations and Supply Chain

Throughout our operations and supply chain, we commit to:

EXCELLENCE

- Promote a culture of efficiency and excellence through our World Class Services (WCS) program: 20% of WCS labs to reach World Class Manufacturing (WCM) Bronze award level and expand the program to at least 10 new sites (1)

BRAND

- Achieve a customer satisfaction score of 85%

INTEGRITY

- 100% of our employees trained on our Integrity Principles on an annual basis

SUPPLY CHAIN

- Actively promote SGS sustainability principles & values in our supply chain. By 2023 at least 50% of our goods & services spend will be supplied by suppliers who have signed our Code of Conduct or commit to comparable standards to SGS's within their own policy. 100% of the selected SGS strategic suppliers will have completed our Sustainability Self-Assessment Questionnaire
- 75% of our RFP (Requests For Proposal) will be online and will include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers
- Actively contribute to the reduction of our SGS CO₂ footprint by sourcing energy efficient solutions from our suppliers
- Leverage SGS buying power to request strategic suppliers to report their own CO₂ footprint and subsequently target carbon reduction in their own operations

DIGITALIZATION, INFORMATION PROTECTION AND PRIVACY

- Enhance the SGS Information governance framework, data privacy framework and standardized information security management systems
- Harmonize processes for third party vendors/processors for risk evaluation purposes

(1) Considering 2020 perimeter

BETTER GOVERNANCE 2030 Targets

Services

With a focus on our Knowledge and Digital & Innovation Divisions, we commit to:

Support our customers on their journey to sustainability by increasing the proportion of revenue generated by our Sustainability Solutions and measure its positive impact through our impact valuation methodology

Operations and Supply Chain

Throughout our operations and supply chain, we commit to:

EXCELLENCE

- Promote a culture of efficiency and excellence through our World Class Services (WCS) program: 90% of current WCS perimeter to achieve World Class Manufacturing (WCM) awarded levels and reach at least first WCM Gold awarded site (1)

BRAND

- Achieve a customer satisfaction score of 95%

INTEGRITY

- 100% of our employees trained on our Integrity Principles on an annual basis

SUPPLY CHAIN

- Partner with relevant suppliers to transform the products and services we purchase into more sustainable ones, while elevating the sustainability agenda of our strategic suppliers' operations striving towards their carbon neutrality in 2030
- Cover at least 90% of our expenditure with suppliers that have agreed with our Code of Conduct Principles and continue developing our human rights due diligence program to avoid violations across our supply chain
- 100% of our RFP (Requests For Proposal) will be online and will include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers

DIGITALIZATION, INFORMATION PROTECTION AND PRIVACY

- Be an outstanding company in information governance and data privacy by ensuring the robustness of our systems, infrastructure & organizational culture

Our **Value** to Society

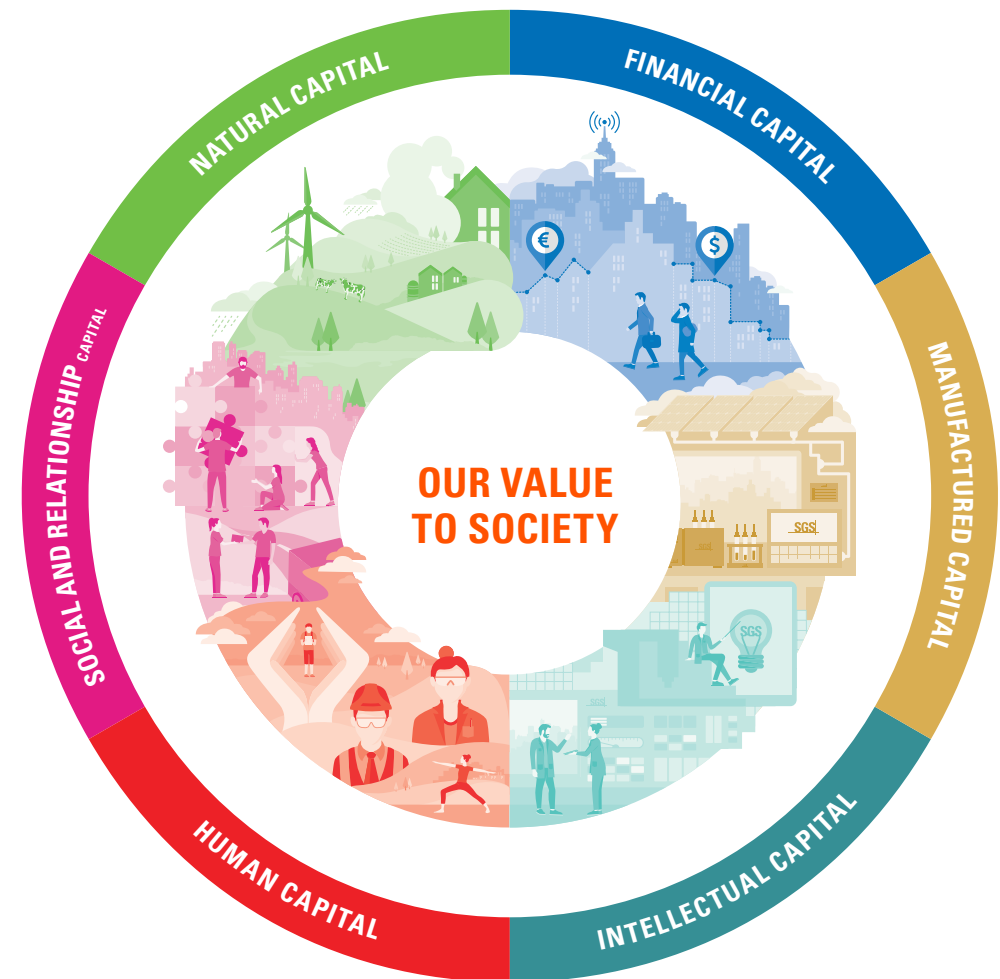
The final aim of our Sustainability Ambitions 2030 is to bring value to society. This includes addressing our contribution to the Sustainable Development Goals (SDGs). More specifically, to focus on those identified as most closely aligned to our business model. We have mapped them and established our priorities according to the areas where we can have a clear positive, tangible and long-lasting impact.



Our **Value** to Society

Enabling value creation to society drives our company. We are convinced that our role in society is defined by both our financial and our non-financial performance, in equal measure. This has motivated us to become pioneers in developing our own [impact valuation framework](#). This framework quantifies the positive and negative impact of our value chain across the six capitals of the Integrated Reporting Framework (Human, Natural, Financial, Manufactured, Intellectual and Social & Relationship capitals). These calculations allow us to better understand our impact and outcomes and, therefore, make better decisions.

Our impact valuation framework is also a tool that will allow us to calculate the value created throughout our value chain as we implement measures to achieve our targets. This process gives us a better understanding of the value of the steps we are taking and helps us to evolve to meet the need for additional measures that help us achieve our vision for a better future.



Contact

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Sustainability at SGS

WHEN YOU NEED TO BE SURE

SGS