

# Non-financial statements



Water Sampling, Turkey

<b>1. General information</b>	<b>154</b>
1.1. General basis for preparation of the sustainability statement	154
1.2. Disclosures in relation to specific circumstances	154
1.3. Governance	155
1.4. Strategy	156
1.5. Impacts, risks and opportunities	158
<b>2. Environmental topics</b>	<b>163</b>
2.1. Climate change	163
2.2. Metrics and targets	169
<b>3. Social topics</b>	<b>172</b>
3.1. Interests and views of stakeholders	172
3.2. Impact, risk and opportunities management	172
3.3. Metrics and targets	176
<b>4. Governance topics</b>	<b>182</b>
4.1. Governance	182
4.2. Impact, risk and opportunities management	182
4.3. Metrics and targets	183
<b>5. Company-specific topics</b>	<b>185</b>
5.1. Customer relationship and satisfaction	185
5.2. Cybersecurity and data privacy	185
5.3. Risk management	187
5.4. Sustainability services	187
<b>6. References</b>	<b>188</b>
6.1. Glossary	188
6.2. GRI	189
6.3. Sustainable Accounting Standards Board (SASB) framework alignment	195
6.4. Non-financial matters required by Article 964b of the Swiss Code of Obligations	196
<b>7. Independent practitioner's limited assurance report</b>	<b>197</b>

# 1. General information

## 1.1. General basis for preparation of the sustainability statement

### Scope and boundaries

#### Scope

The scope of the sustainability information contained in the non-financial statement covers all regions and business lines of the Group for the period 1 January to 31 December 2024. A list of SGS affiliates can be found on pages 144-145 of this report.

We have identified and prioritized the most material impacts on our business and across our value chain. This integrated annual report includes performance data for our direct operations and, when relevant and available, information about our upstream and downstream value chain.

#### Consolidation approach

We follow the financial control approach, which means we account for 100% of the KPIs from operations over which we have control. We do not account for KPIs from operations in which we own an interest but not a financial control.

#### Reliability of the information

We do not include a KPI in our accounting or reporting if we do not have reliable information about it. This omission is noted in the report. As an example, we currently do not account for district heating and refrigerants in our total carbon dioxide (CO<sub>2</sub>) emissions.

#### Omissions

Whenever a piece of information is omitted due to being classified or sensitive information, this is indicated in a footnote.

### Data collection process

Most of our data is collected locally through centralized software, and then reviewed and consolidated in a centralized manner. The remaining data is gathered directly from global functions. Frequency of the data collection varies depending on the type of indicators. In general, the Group has established three reporting periods: second-quarter, third-quarter and full-year.

### External assurance

External assurance of the sustainability performance indicators and the non-financial performance indicators is an important part of our approach, and our sustainability reporting has been independently assured since 2011. Since 2021, PricewaterhouseCoopers SA (PwC) has provided independent limited assurance over certain sustainability metrics, indicated within this report on pages 197-199. PwC's assurance report describes the work undertaken and their conclusion for the reporting period to 31 December 2024. Documents relating to independent external assurance in the years prior to 2023 are available on our website.

## 1.2. Disclosures in relation to specific circumstances

### Time horizons

Unless stated otherwise, the time horizons applied are the following:

- Short-term: current reporting year
- Medium-term: from the end of the short-term reporting period up to four years (until the end of our Strategy 27)
- Long-term: more than five years

### Value chain estimations

Scope 3 emissions have been estimated by applying different emission factors to each Scope 3 category:

- Purchased goods and services and capital goods: extended input-output analysis methodology based on spends
- Fuel and energy-related activities: average data method, using real consumption data and average emission factors
- Waste generated in operations: quantity of waste generated attributed an emission factor per type and management method
- Business travel: distance-based method. Number of tickets purchased, and estimation of average distance traveled per train fare and air fare (intercontinental or domestic). Emission factors are then applied
- Employee commuting: distance-based method. Calculations based on a sample survey performed among all employees to determine distance and means of transport. Emission factors are then applied

We are constantly working to improve the accuracy of this information. For instance, for the Scope 3 category, 'Purchased goods and services', we are working towards gathering supplier specific data. For the 'Business travel' category, we are working to centralize travel data through travel agencies directly.

### Sources of estimation and outcome uncertainty

Uncertainties can arise depending on the quality of the data calculated for the value chain (such as GHG emissions) or when projections are based on uncertain assumptions.

Our reporting approach is explained further in our Basis of reporting available at [sgs.com](https://www.sgs.com). Where GRI or SASB standards do not provide a methodology for a sustainability performance indicator, or their methodology is not appropriate, we apply the methodology provided in our Basis of reporting.

## Changes in preparation or presentation of sustainability information

The Group has started aligning with the requirements of the Corporate Sustainability Reporting Directive (CSRD). As such, this statement has been modified compared to previous years to adapt the content and the structure to the requirements set out in the European Sustainability Reporting Standards (ESRS).

In 2024, there were no material changes in the preparation of the information.

## Reporting errors in prior periods


In this statement, we present our historical and current performance over a three-year period. Sometimes historical data may differ from that included in previous reports due to the availability of more accurate data or improved data gathering and/or reporting. Variations lower than 5% are usually considered not material. Significant modifications to data from previous years, however, are noted in the report when they initially appear, with an explanation of the reasons.

## Disclosures stemming from reporting frameworks

We have published sustainability information at SGS for more than 10 years, and since 2015, we have integrated sustainability content into our integrated annual report.

Since 2013, our non-financial information has been developed using the guidelines for the AA1000 AccountAbility Principles Standard and the standards of the Global Reporting Initiative (GRI). We also align our reporting with the Sustainability Accounting Standard Board for the Professional & Commercial Services Industry (SASB).

Since 2023, the Group also reports against the requirements of Article 964b of the Swiss Code of Obligations.

 **For more information**  
Section 6 References

## 1.3. Governance

### The role of the Board of Directors and the Executive Committee

The content of this section is addressed in the Corporate Governance report page 39.

The Sustainability Committee of the Board and the Executive Committee receive periodic information about SGS sustainability programs and initiatives. New regulations or requirements are analyzed during the regular meetings to assess their potential impact on SGS operations, supply chain and services. Specific analysis sessions are organized on demand depending on the level of complexity of a given topic, and additional training needs are constantly evaluated. In 2024, we launched specific training for Board and Executive Committee members. The course includes general sustainability content linked to the most material topics for SGS, such as integrity, climate change or labor practices.

During 2024, the following topics were discussed within the Board of Directors and its committees:

- Sustainability roadmap
- ESG ratings and reporting
- Sustainable supply chain
- Diversity and inclusion
- Sustainability training and awareness
- Sustainability services offering (IMPACT NOW for sustainability)

During 2024, the following topics were discussed within the Executive Committee:

- Implementation of Strategy 27
- Sustainability services offering (IMPACT NOW for sustainability)
- Sustainability KPIs progress
- ESG reporting

### Integration of sustainability-related performance in incentive schemes

The content of this section is addressed in the Remuneration report page 63.

### Risk management and internal controls over sustainability reporting

Sustainability data is reported in accordance with the Group reporting deadline and in compliance with the instructions provided in the Group Sustainability Manual.

The Minimum Control Standards explains the risks and controls associated with sustainability reporting. See section '12. Internal control', on page 51 of the Corporate Governance report.

## 1.4. Strategy

### Strategy, business model and value chain

The business model and Strategy 27 are explained in the section 'How we create value' of the management report. Sustainability KPIs are embedded in the pillar 'Strong financial and ESG profile' of Strategy 27 through four key targets:

- Make material progress towards our 2030 target to reduce 28% of our Scope 3 emissions
- Have at least one-third of leadership positions held by women
- Deliver 7 million hours of training per year to employees, clients and communities
- Achieve a customer satisfaction score of 93%

Our Sustainability Ambitions 2030 cover our entire value chain and set targets to 2027 and 2030 in three key areas: Environment, Society and Governance.

	2027	2030
<b>Environment</b>		
<b>As part of our roadmap to achieve our SBTi targets, we commit to:</b>	<ul style="list-style-type: none"> <li>• Maintain our decreasing trend towards 46.2% reduction in Scope 1 and 2 emissions</li> <li>• Make material progress towards our 2030 target to reduce 28% of our Scope 3 emissions</li> <li>• Further align with IFRS-S2 disclosure recommendations about climate-related risks and opportunities (previously, TCFD initiative)</li> </ul>	<p>SGS is committed to reducing absolute Scope 1 and Scope 2 GHG emissions 46.2% by 2030 from a 2019 base year. SGS is also committed to reducing absolute Scope 3 GHG emissions 28% by 2030 from a 2019 base year</p>
<b>Social</b>		
<b>Diversity and Equal Opportunity</b>	<ul style="list-style-type: none"> <li>• At least one-third of leadership positions held by women</li> </ul>	<ul style="list-style-type: none"> <li>• Strive towards an equitable representation of genders at CEO-3</li> </ul>
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>• Maintain our Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR) below 0.31 and 0.21 respectively</li> <li>• Increase year-on-year the number of HSE certifications for the main operational sites (ISO 45001 and ISO 14001)</li> <li>• Increase the number of behavioral-based safety observations every year by 5%</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce our TRIR by 30% and LTIR by 20% and HSE certify the main operational sites (integrated ISO 45001 and ISO 14001 certification)</li> <li>• Achieve 100 000 observations, within the behavioral-based safety observation program</li> </ul>
<b>Knowledge and Engagement</b>	<ul style="list-style-type: none"> <li>• 7 million hours of training per year to employees, clients and communities</li> <li>• Improve year on year our employee engagement and manager support scores</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>• Ensure and protect human rights respect throughout our operations and supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure and protect human rights respect throughout our operations and supply chain</li> </ul>
<b>Community Donations</b>	<ul style="list-style-type: none"> <li>• Increase by 50% our positive impact on our communities through employee volunteering</li> </ul>	<ul style="list-style-type: none"> <li>• Double our positive impact on our local communities through employee volunteering</li> </ul>
<b>Governance</b>		
<b>Brand</b>	<ul style="list-style-type: none"> <li>• Achieve a customer satisfaction score of 93%</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve a customer satisfaction score of 95%</li> </ul>
<b>Integrity</b>	<ul style="list-style-type: none"> <li>• Ensure 100% of employees are trained on our Integrity Principles on an annual basis</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of our employees trained on our Integrity Principles on an annual basis</li> </ul>
<b>Supply Chain</b>	<ul style="list-style-type: none"> <li>• 70% of our goods and services spend under procurement Scope to come from suppliers who have signed our Code of Conduct or committed to standards comparable to SGS's within their own policy</li> <li>• 50% of SGS strategic suppliers in extra-large, large and medium affiliates, as per our procurement policy, will have completed our sustainability self-assessment questionnaire</li> <li>• 85% of requests for proposals will be online and include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• 100% of our Requests for Proposal (RfP) will be online and will include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers</li> <li>• 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</li> </ul>

## Interests and views of stakeholders

Maintaining continuous dialogue with stakeholders is critical to our long-term success. These valuable insights enable us to align our initiatives to stakeholder requirements and are a key input for our annual materiality assessment. Interests and views of the stakeholders are shared with both the Executive Committee and the Board of Directors when necessary for their information and decision making.

The table below explains why these groups of stakeholders are important for us, how we engage with them and the key topics we have discussed with them during 2024.

Stakeholder group	Why we engage	How we engage	Key topics discussed
<b>Upstream</b>			
<b>Investors and shareholders</b>	Investors are vital to our ongoing success and growth. We constantly review market analysis, and aim to be assessed as both a sound investment and a sustainable business.	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Capital Markets Event</li> <li>Meetings with investors and analysts</li> <li>Answers to analyst questions</li> </ul>	<ul style="list-style-type: none"> <li>Strategy 27</li> <li>Company performance</li> <li>Capital allocation</li> <li>Execution of action plans</li> <li>ESG credentials</li> </ul>
<b>Suppliers</b>	Engaging with suppliers is key to ensuring a smooth supply chain, boosting innovation and strengthening sustainability in our business.	<ul style="list-style-type: none"> <li>Supplier self-assessment program</li> <li>Sustainability criteria in sourcing events</li> <li>Supplier Code of Conduct commitment</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability requirements to our suppliers</li> <li>Supplier plans to reduce CO<sub>2</sub> emissions and their impact on our business</li> <li>Human rights and ethics</li> </ul>
<b>Operations</b>			
<b>Employees</b>	Our people are essential to our business. Discussing performance and providing training and opportunities helps to develop the potential of our talent and keep employees motivated and engaged.	<ul style="list-style-type: none"> <li>Global employee engagement program</li> <li>SGS intranet portal and internal social network</li> <li>Line manager direct engagement</li> <li>Leadership town halls</li> </ul>	<ul style="list-style-type: none"> <li>Strategy 27</li> <li>Training, development and recognition</li> <li>Diversity and inclusion</li> <li>Health, safety and well-being</li> <li>Sustainability awareness</li> </ul>
<b>Subcontractors</b>	Our subcontractors play a key role in our day-to-day operations. They complement the skills of our employees and provide local knowledge and expertise in different regions, helping SGS meet the varied requirements of different countries and cultures.	<ul style="list-style-type: none"> <li>Direct communication with business managers and procurement teams</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety – training and development</li> <li>Quality of service</li> <li>Sustainability in the supply chain</li> </ul>
<b>Downstream</b>			
<b>Customers</b>	Customers are at the heart of everything we do. It is important to understand whether we achieve our goals to make their businesses more efficient, profitable and sustainable.	<ul style="list-style-type: none"> <li>One-to-one meetings</li> <li>SGS-hosted conferences, seminars and webinars</li> <li>Customer surveys</li> <li>Knowledge and educational resources</li> <li>Customer portal</li> <li>Online and social media engagement</li> </ul>	<ul style="list-style-type: none"> <li>Quality of services</li> <li>SGS employees' attitude, expertise and responsiveness</li> <li>Quick turnaround times</li> <li>Sustainability services</li> </ul>
<b>Communities</b>	The sustainability of our communities and the planet is critical to our success. We engage with our communities to continually evaluate whether our sustainability ambitions are fit for purpose and meeting their targeted impact.	<ul style="list-style-type: none"> <li>Multiple community projects across the network</li> </ul>	<ul style="list-style-type: none"> <li>Community donations and volunteering programs</li> <li>Human rights and ethical labor practices</li> <li>Sustainable business practices</li> </ul>
<b>Consumers</b>	Our services ensure that consumers trust the products they buy. Understanding our end consumers tells us whether our services support SGS's reputation for delivering confidence and assurance.	<ul style="list-style-type: none"> <li>Certification and product labeling</li> <li>Direct marketing and communication with certain B2C products</li> </ul>	<ul style="list-style-type: none"> <li>Product safety and quality</li> <li>Ethical behavior</li> </ul>

## 1.5 Impacts, risks and opportunities

### Description of the process to identify and assess material impacts, risks and opportunities

The process to identify and assess material impacts, risks and opportunities involves numerous stakeholders, both internal and external.

The analysis has considered all activities and geographies where the Group operates.

During the first stages of the analysis, interviews, surveys and desktop research were conducted among the stakeholders to gain a better understanding of their views and interests. This also included the impacts, risks and opportunities they perceived that SGS is facing today or will face in the medium and long term. This consultation process included employees and employee representatives, sustainability ambassadors of the network, suppliers and key experts of the procurement team, customers and internal marketing managers per business line, shareholders and investors, external sustainability experts, the Executive Committee and the Board of Directors.

This process has helped us shape the universe of material topics that should be included in the expert analysis. We considered the list of sustainability topics covered by the ESRS together with the material topics identified in the first stage of the analysis.

For each of these material topics, a group of internal experts identified:

#### Impact materiality:

- Impacts that the Company may have on the environment or on society. This includes an analysis of:
  - Nature: positive or negative
  - Type: actual or potential
  - Severity: the combination of magnitude and extent of the impact together with the reversibility (only for negative impacts)
  - Probability: only for potential impacts

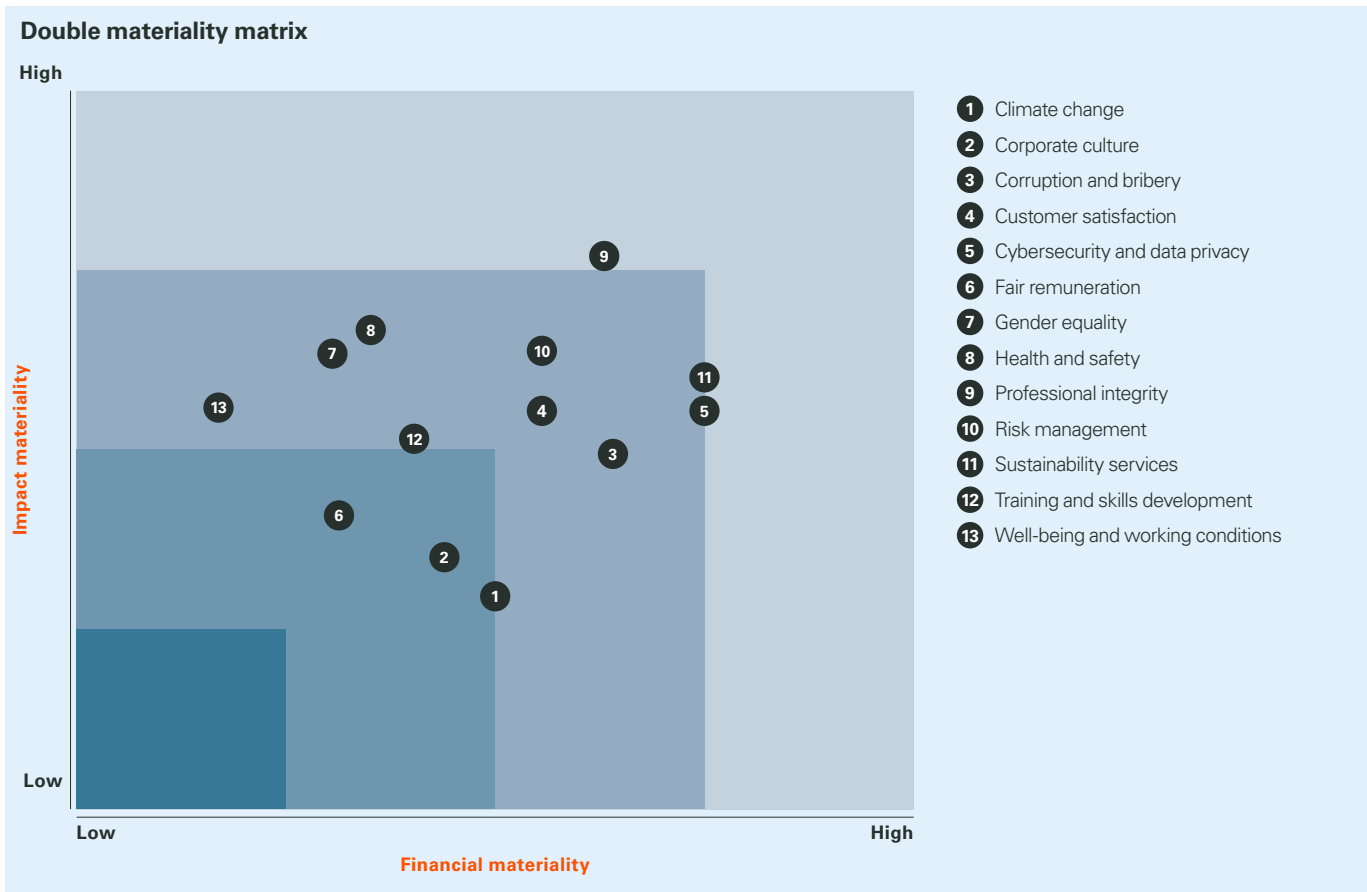
#### Financial materiality:

- Risks that the Company may face and that could have a negative financial effect on financial position, financial performance and cash flows. Risks identified through the Group’s annual risk assessment and through our climate risk assessment were also incorporated into the analysis and linked to each of the topics previously identified
- Opportunities that the Company may capture and that could have a positive financial effect on financial position, financial performance and cash flows

The results were presented to the CEO and the Sustainability Committee of the Board of Directors for approval.

This statement covers the topics deemed material as per the double materiality assessment and other pieces of information requested by third parties.

The result of the analysis of impacts, risks and opportunities is presented in the following double materiality matrix:



## Impacts

Impacts are identified in several ways:

- Reviewing SGS operations, activities and processes
- Engaging with different functions across the organization
- Analyzing the market, competitors and megatrends
- Conducting stakeholder analysis and engaging with them to identify their concerns, priorities and expectations

In 2024, this analysis resulted in the following impacts:

Impact description	Position in the value chain	Material topic	Actions taken by the Group
Value and trust creation to our clients, stakeholders and society through our services	Upstream Operations Downstream	<ul style="list-style-type: none"> <li>• Corporate culture</li> <li>• Customer satisfaction</li> </ul>	➔ See section 4 and 5.1
Cybersecurity and data privacy measures to protect and prevent data leaks of our clients and business partners	Upstream Operations Downstream	<ul style="list-style-type: none"> <li>• Cybersecurity and data privacy</li> </ul>	➔ See section 5.2
Adequate risk management processes	Operations	<ul style="list-style-type: none"> <li>• Risk management</li> </ul>	➔ See section '11. Risk management' of the Corporate Governance report
ESG services portfolio to support our clients in the sustainability transition	Downstream	<ul style="list-style-type: none"> <li>• Sustainability services</li> </ul>	➔ See section 'Strategy 27' of the Management report
Adequate whistle-blower mechanisms and prevention of corruption and bribery	Upstream Operations Downstream	<ul style="list-style-type: none"> <li>• Protection of whistle-blowers</li> <li>• Incidents of corruption</li> </ul>	➔ See section 4
Adequate and fair remuneration	Operations	<ul style="list-style-type: none"> <li>• Adequate wages</li> <li>• Gender equality and equal pay for work of equal value</li> </ul>	➔ See section 3
Inclusive and diverse workforce	Operations	<ul style="list-style-type: none"> <li>• Diversity</li> </ul>	➔ See section 3
Health and safety measures to protect people working at our sites and consumers and end-users	Operations	<ul style="list-style-type: none"> <li>• Health and safety</li> </ul>	➔ See section 3
Protection against violence and harassment in the workplace	Operations	<ul style="list-style-type: none"> <li>• Measures against violence and harassment in the workplace</li> </ul>	➔ See section 3
Good working conditions to guarantee employee well-being, satisfaction and work-life balance	Operations	<ul style="list-style-type: none"> <li>• Secure employment</li> <li>• Work-life balance</li> </ul>	➔ See section 3
Talent development programs to upskill our workforce and guarantee an adequate service quality	Operations Downstream	<ul style="list-style-type: none"> <li>• Training and skills development</li> <li>• Customer satisfaction</li> </ul>	➔ See section 3 and 5.1
Policies to manage climate change mitigation and adaptation and measures to achieve our decarbonization targets	Upstream Operations Downstream	<ul style="list-style-type: none"> <li>• Policies related to climate change mitigation and adaptation</li> <li>• Carbon emissions</li> </ul>	➔ See section 2
Long-term and sustainable relationship with our suppliers	Upstream Operations	<ul style="list-style-type: none"> <li>• Management of relationships with suppliers</li> <li>• Sustainable supply chain</li> </ul>	➔ See section 4

## Resilience of the business model and strategy to material impacts

We are constantly adapting our business model and operations in order to mitigate our negative impacts on the environment, our employees and the rest of our stakeholders. Regarding our negative environmental impacts, we are working towards meeting our science-based targets, as outlined in our Net-Zero Transition Plan. We have identified several decarbonization levers and are exploring ways to minimize our impact through energy efficiency projects, transition to a greener fleet and other methods (see section 2). On the other hand, regarding our impacts on our employees, we have a clear strategy to ensure employee well-being and satisfaction (see section 3).



## Risks

Risk assessment and risk identification within the double materiality assessment are currently performed separately, but the results of these two processes have a very high level of alignment. Most risks identified in the risk assessment were included in the double materiality analysis, except for those of a purely financial nature. We are working towards a full integration of both processes in the coming years.

Risk category	Risk title	Material topic	Summary of potential consequences	Mitigation measures taken by the Group
<b>External</b>				
<b>Economy and Sovereign</b>	Loss of revenue due to decrease in service demand/economy	<ul style="list-style-type: none"> <li>Customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Target organic growth not fully achieved</li> </ul>	<ul style="list-style-type: none"> <li>The new IMPACT NOW for sustainability offering was launched to capitalize on the expanding sustainability megatrend</li> <li>Continued development of our Digital Trust services, targeting growing sectors and industries</li> <li>Ongoing strengthening presence in North America and Europe through both organic growth and acquisitions</li> </ul>
	Lack of capital availability to grow the business	<ul style="list-style-type: none"> <li>Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>Target organic growth not fully achieved</li> <li>Stagnation or decline in market share in certain strategic business units</li> </ul>	<ul style="list-style-type: none"> <li>Stricter financial discipline enforced on CAPEX, working capital, and M&amp;A management</li> <li>New Free Cash Flow KPI introduced as part of the management incentive plan</li> <li>Successful implementation of a scrip dividend, with the dividend policy to be aligned with earnings levels moving forward</li> </ul>
	Price pressure	<ul style="list-style-type: none"> <li>Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>Target profitability increase not fully achieved</li> </ul>	<ul style="list-style-type: none"> <li>The Renew restructuring program has been fully implemented to align SGS's capacity and cost structure with market demand</li> <li>Procurement savings initiatives have been accelerated to offset rising costs and enhance profitability</li> </ul>
<b>Customer Needs</b>	Loss of revenue due to insufficient adaptation to changes in customer demand	<ul style="list-style-type: none"> <li>Sustainability services</li> <li>Customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Loss of customers resulting from an inability to meet demand due to insufficient capacity or inadequate sales forecast planning</li> <li>Market share stagnation or decrease in some strategic business units</li> </ul>	<ul style="list-style-type: none"> <li>Management structure realigned to focus on local customers for locally managed operations and global key account management for globally driven businesses, enhancing customer proximity and improving sales forecast accuracy and proactivity</li> <li>Preserve or develop a global footprint for strategic activities, enabling laboratory backup and cross-country collaboration</li> <li>Expansion of Global Business Services to enhance operational excellence and reduce TAT KPIs</li> </ul>
<b>Hostile Civil or Political Environment Risks</b>	Business disruption, harm to personnel or property from any form of civil strife	<ul style="list-style-type: none"> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Increase in crime, particularly criminal damage and looting</li> <li>The personal security of employees at risk, and disruption to transport infrastructure adversely affecting business operations</li> <li>In extreme cases, SGS facilities may be forced to cease operations or even close down</li> </ul>	<ul style="list-style-type: none"> <li>Increased country Managing Director's awareness of this risk, especially via the efforts of business continuity initiatives, in order to improve preparedness and responsiveness</li> <li>Work from home initiatives improving resilience for those activities that do not demand presence on site</li> <li>Better physical and procedural security controls to protect premises</li> </ul>
<b>Cyberattack</b>	Cyberattacks	<ul style="list-style-type: none"> <li>Cybersecurity and data privacy</li> </ul>	<ul style="list-style-type: none"> <li>Compromise on critical data, disruption of operations, and erosion of customer trust and SGS reputation</li> </ul>	<ul style="list-style-type: none"> <li>Continuous strengthening of cybersecurity defenses, including firewalls, identity &amp; access management, and intrusion detection systems. Maintaining the current 24/7 monitoring levels of the Security Operations Center and Digital Forensic &amp; Incident Response services</li> </ul>

Risk category	Risk title	Material topic	Summary of potential consequences	Mitigation measures taken by the Group
<b>Business ethics</b>				
<b>Bribery and Corruption</b>	Bribery and corruption	<ul style="list-style-type: none"> <li>Corporate culture</li> <li>Incidents of corruption</li> </ul>	<ul style="list-style-type: none"> <li>Fines, loss of business and reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Robust compliance framework, featuring comprehensive policies and processes on Third-Party Due Diligence, Anti-Corruption and Conflicts of Interest</li> <li>Prevention: fostering a culture of integrity based on our Code of Integrity, reinforced through systematic and recurring training for all employees</li> <li>Detection: Compliance Committee dedicated to ensuring ethical conduct and strict adherence to the Code of Integrity across all company operations and activities</li> </ul>
<b>Information Technology</b>				
<b>Access</b>	Ineffective access controls resulting in security breach and business disruption	<ul style="list-style-type: none"> <li>Cybersecurity and data privacy</li> </ul>	<ul style="list-style-type: none"> <li>Unauthorized access to sensitive information and disturbance of operational activities</li> </ul>	<ul style="list-style-type: none"> <li>Robust access management solutions to prevent lateral movements and privilege escalation</li> <li>Regular audits of access permissions and enforcement of least-privilege principles</li> </ul>
<b>Human Capital</b>				
<b>Talent Management</b>	Lack of succession planning of key personnel	<ul style="list-style-type: none"> <li>Training and skills development</li> </ul>	<ul style="list-style-type: none"> <li>Negative effect on business continuity and operational excellence</li> <li>Key positions potentially remaining vacant for extended periods, causing unprepared successors, inefficiencies and potential loss of competitive advantage</li> </ul>	<ul style="list-style-type: none"> <li>Succession planning program and talent review process ensure a strong pipeline for critical roles by integrating these practices into daily leadership activities, fostering proactive talent management and organizational resilience. These efforts are supported by mySGS to streamline and enhance the effectiveness of this process</li> </ul>
	Inefficient performance management	<ul style="list-style-type: none"> <li>Training and skills development</li> </ul>	<ul style="list-style-type: none"> <li>Misaligned employee behaviors and eroded engagement due to unclear or unrealistic goals</li> <li>Employee disengagement, resulting in lower productivity and unfulfilled KPIs, which can negatively impact organizational performance</li> </ul>	<ul style="list-style-type: none"> <li>Driving high performance through proactive goal-setting, regular feedback, and alignment of individual and organizational goals. Accountability and process efficiency supported by implemented technologies</li> </ul>
	Lack of qualified and competent employees	<ul style="list-style-type: none"> <li>Training and skills development</li> <li>Customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Reduced customer satisfaction and reputational damage due to an insufficient pool of qualified employees</li> <li>Missed business opportunities, decreased productivity, and weakened organizational competitiveness resulting from a lack of qualified talent</li> </ul>	<ul style="list-style-type: none"> <li>SGS Campus is an established SGS online learning platform, and it is integrated with MySGS to lay the foundation for progress tracking and targeted development outcomes</li> <li>Strengthened leadership through access to courses from leading business schools, coupled with the planned launch of a new Leadership Program in 2025 aligned with Strategy 27</li> <li>The 'Career Conversation' framework facilitating the alignment of employee aspirations with organizational goals through actionable plans, supported by tools for follow-up and tracking</li> </ul>

**Resilience of the business model and strategy to material risks**

Risk identification and assessment are a key input into the strategy and business model. Risks are evaluated annually following the risk assessment process, and mitigating actions at both global and local level are identified for the top risks. The implementation of these mitigating actions is monitored regularly and, when necessary, the strategy is reviewed and adapted.

## Opportunities

Opportunities are identified through the strategic reflection process performed annually. One of the key drivers is the analysis of the megatrends that shape the markets in which we operate. We have identified four megatrends:

- Powerful sustainability transition: our clients must comply with several new regulations, but beyond the law, they are also pushed to adopt even more sustainable practices by their own customers and stakeholders
- Innovation in digital capabilities and new technologies: the continuous growth of digital technology, which creates a strong demand for the tech industry in data integrity and in digital trust
- Nearshoring of supply chains
- Increasing regulation and public awareness

The analysis of these megatrends together with the Group's strategic priorities has resulted in the following opportunities:

Opportunity	Position in the value chain	Material topic	Actions taken by the Group
Increasing demand for sustainability services	Downstream	<ul style="list-style-type: none"> <li>• Sustainability services</li> </ul>	<p>➔ <b>See section 'Strategy 27' of the Management report</b></p> <p>In 2024, we launched IMPACT NOW for sustainability a new strategy that consolidates SGS's sustainability solutions under four pillars: climate, circularity, nature and ESG assurance.</p>
Increasing demand for data integrity and digital trust services	Downstream	<ul style="list-style-type: none"> <li>• Cybersecurity and data privacy</li> </ul>	<p>➔ <b>See section 'Strategy 27' of the Management report</b></p> <p>We are strengthening our leadership in cybersecurity and AI trust with new acquisitions that enable us to lead in the cybersecurity market.</p>
Customer satisfaction and quality of service	Operations Downstream	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> </ul>	➔ <b>See section 5.1</b>
Highly qualified professionals to deliver high-quality services	Operations Downstream	<ul style="list-style-type: none"> <li>• Training and skills development</li> </ul>	➔ <b>See section 3</b>
Increasing concern about sustainability risks in the value chain	Upstream	<ul style="list-style-type: none"> <li>• Management of relationships with suppliers</li> <li>• Sustainable supply chain</li> </ul>	➔ <b>See section 4</b>
Building trust across our clients and business partners	Operations	<ul style="list-style-type: none"> <li>• Corporate culture</li> </ul>	➔ <b>See section 4</b>

### Resilience of the business model and strategy to take advantage of material opportunities:

Our Strategy 27 was specifically designed to capture the opportunities derived from megatrends, change in customer behavior and regulation. Our pillars 'Sustainability transition' and 'Digital acceleration' are linked to the most material topics for the Company, 'Sustainability services' and 'Cybersecurity and data privacy'. Our global reach and diversified operations constitute a competitive advantage and positions SGS as a key and reliable partner for our customers.

## 2. Environmental topics

### 2.1. Climate change

#### Governance

Climate governance and integration of climate-related performance in incentive schemes is explained in the Remuneration report, page 63.

#### Strategy

In 2022, we received approval for a Net-Zero target. Aligned with the 1.5°C objective from the Paris Agreement, we have committed to reach Net-Zero GHG emissions across our entire value chain by 2050. To achieve this objective, we have approved near- and long-term science-based emissions reduction targets with the SBTi:

Near-term targets:

- We commit to reduce absolute Scope 1 and Scope 2 GHG emissions by 46.2% by 2030 from a 2019 base year
- We also commit to reduce absolute Scope 3 GHG emissions by 28% by 2030 from a 2019 base year

Long-term targets:

- We commit to reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2050 from a 2019 base year

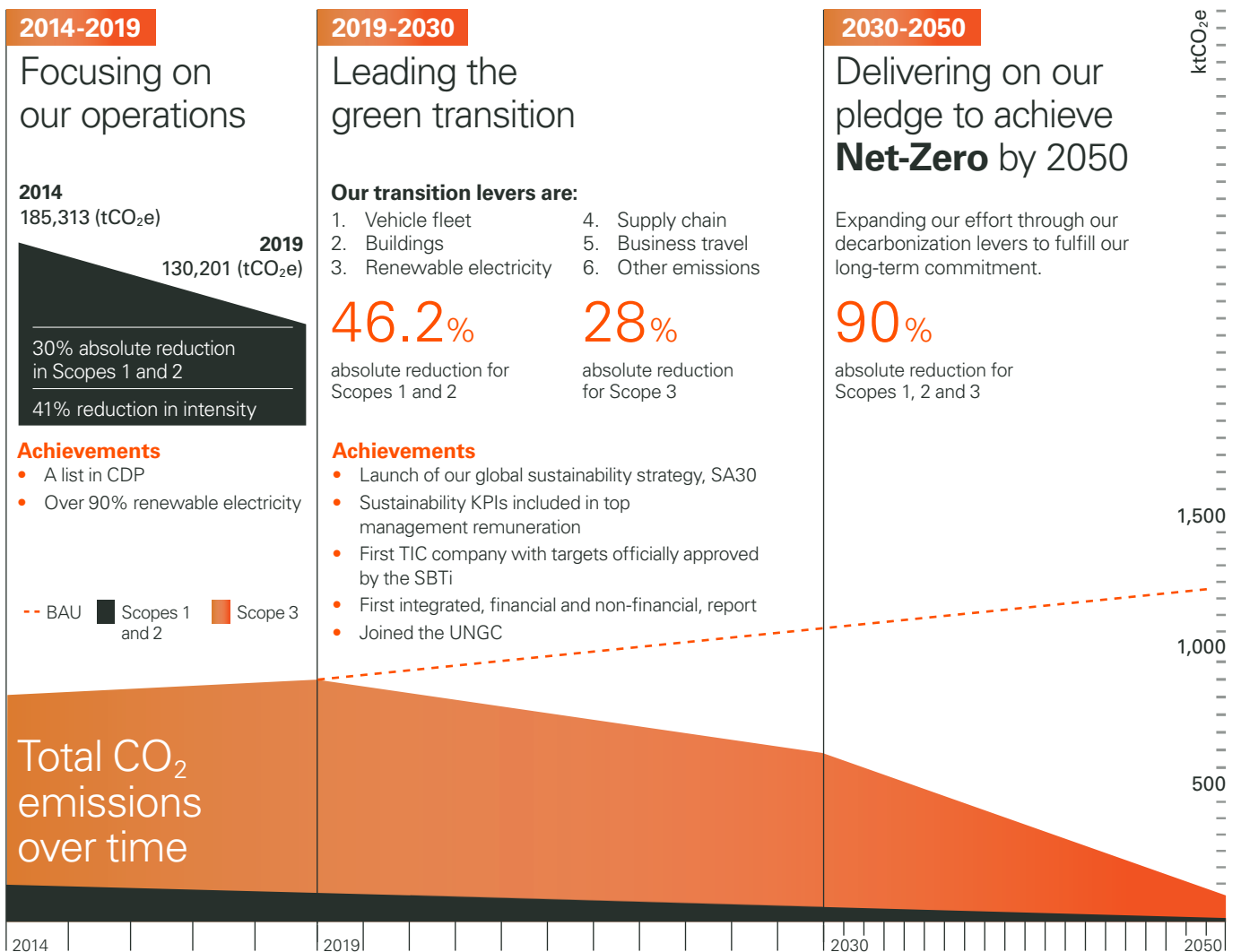
Our direct emissions reduction will be prioritized, and all residual emissions will be neutralized in line with SBTi criteria before reaching Net-Zero emissions by 2050.

These targets were determined following the absolute contraction approach, as there is no sectoral pathway that applies to the TIC industry. Given the Covid pandemic, we consider 2019 to be the most representative year in terms of business activity, and this was set as the baseline for our targets.

In 2024, we presented our Net-Zero Transition Plan, which outlines a roadmap to reduce our emissions through various decarbonization levers and initiatives that cover our entire value chain.

We will reach our 2030 targets by implementing various decarbonization levers and initiatives, while also expanding our efforts to fulfil our commitment to achieving Net-Zero emissions by 2050.

The transition plan has been presented to the Executive Committee and approved by the CEO.



Our decarbonization levers and their contribution towards emissions reduction are presented below:

Lever	Description	Key actions planned
<b>Vehicle fleet</b>	<p>Around 70% of our operational emissions are linked to our vehicle fleet. This mainly comprises passenger cars, light commercial vehicles and pick-ups used for the purpose of transporting samples and personnel to inspection sites.</p> <p>This category represents our major source of locked-in emissions. However, most vehicles are leased with leasing conditions under three years. When possible, we are trying to transition to low carbon technologies in our contracts with leasing companies.</p>	<ul style="list-style-type: none"> <li>• Greener fleet</li> <li>• Reduced emissions</li> <li>• Sustainable mobility</li> <li>• Streamlined routes</li> </ul>
<b>Buildings</b>	<p>Around 30% of our operational emissions are associated with our portfolio of buildings, which includes mainly leased offices and laboratory spaces. While managing actions in rented buildings poses challenges in terms of control and implementation, it is crucial to adopt practices that enhance the efficiency of our operations.</p> <p>This category also represents our second major source of locked-in emissions. Through our Energy Efficiency in Buildings (EEB) program we identify the most energy and GHG emissions intensive buildings and implement specific actions to reduce their impact on climate.</p>	<ul style="list-style-type: none"> <li>• Optimized office space</li> <li>• Energy efficiency</li> <li>• Energy source diversification</li> <li>• Awareness</li> </ul>
<b>Renewable electricity</b>	<p>We are investing in on-site electricity generation, mainly through solar photovoltaic installations, along with green tariffs offered by suppliers. However, there are limitations to the scalability of these approaches, and, consequently, we are also directing investments towards energy attribute certificates (EACs).</p>	<ul style="list-style-type: none"> <li>• On-site generation</li> <li>• Green tariffs</li> <li>• EACs</li> <li>• PPAs</li> </ul>
<b>Supply chain</b>	<p>Within Scope 3, categories 3.1 and 3.2 encompass emissions resulting from purchased goods and services and capital goods, respectively. This source of emissions primarily originates from our supply chain, comprising the largest share of our carbon footprint, nearly 70% of the total.</p>	<ul style="list-style-type: none"> <li>• Comprehensive data</li> <li>• Engagement with suppliers</li> </ul>
<b>Business travel</b>	<p>Within Scope 3, category 3.6 encompasses emissions resulting from long-distance business trips via flights or trains, excluding short-distance trips using taxis or short-term rentals. Business travel emissions play a crucial role in our sustainability strategy.</p>	<ul style="list-style-type: none"> <li>• Green travel policy</li> <li>• Integration into mobility strategy</li> <li>• Technology adoption</li> </ul>
<b>Other emissions</b>	<p>Within Scope 3, in addition to the emissions associated with the aforementioned supply chain and business travel, it is crucial to consider other categories.</p>	<ul style="list-style-type: none"> <li>• Mobility strategy</li> <li>• Reduction and recuperation initiatives</li> </ul>

As part of our Strategy 27, we have set ambitious targets based on our unique ability to respond to the megatrends driving growth in the TIC industry. One of these is the 'powerful sustainability transition', which encompasses higher demand from environmental, social and governance (ESG) regulation and societal expectations. Our transition plan is fully embedded in our strategy and key climate-related indicators are included in Strategy 27.

### Progress in the implementation of the transition plan in 2024

We have communicated our global commitment to each region and affiliate. In this context, the global target related to our operations has been cascaded down to regions and affiliates by using a multi-criteria methodology that considers their weight, intensity and trend. Affiliates are implementing their local action plans, focused on their major contribution, whether this is building or vehicles, aiming to achieve their designated targets.

By lever, we have made the following progress:

#### Vehicle fleet

Through the adoption of local targets and development of emissions reduction plans, affiliates are diligently identifying and implementing initiatives in electrification and other areas related to vehicles.

These efforts include the adoption of more sustainable fuels, smart fleet management and provision of efficient driving training. In addition, our vehicle emissions policy allows the transition away from traditional combustion engines to more environmentally sustainable alternatives.

#### Buildings

The 930 buildings currently in our EEB program account for 90% of our electricity and 89% of our non-transport fuel consumption. Similar to the approach taken with regard to vehicles, through the adoption of local targets and development of emissions reduction plans, affiliates are establishing predetermined actions concerning buildings to address consumption and subsequently reduce emissions. Local teams consistently receive data visualization and additional supportive tools to enhance the effectiveness of their initiatives.

In the implementation of energy efficiency and awareness measures, laboratories are one of our major focus areas. For example, our laboratory in Ringaskiddy, Cork, Ireland, has achieved platinum certification from My Green Lab, highlighting our commitment to delivering advanced analytical services while minimizing environmental impact.

#### Renewable electricity

We have increased our on-site renewable electricity production by 182% in 2024 and the local procurement of green tariffs. In addition, we buy EACs up to 97% of our electricity consumption.

#### Supply chain and other emissions

We are working to improve the accuracy of the supply chain data and launched engagement initiatives with suppliers. Regarding the rest of Scope 3 categories, we are working on specific action plans to address each of them individually.

## Roadmap to 2030

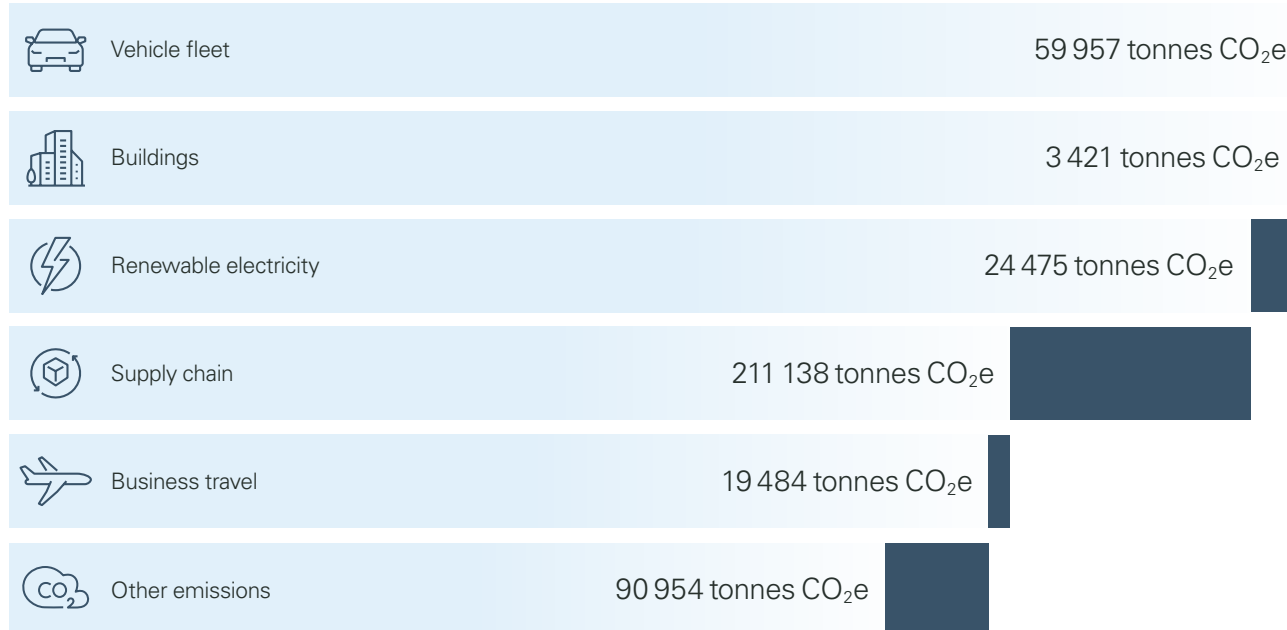
### Reduction of emissions among decarbonization levers

**2019 absolute emissions**

**916 573** tonnes CO<sub>2</sub>e

### 2019-30 activity-related growth

129 091 tonnes CO<sub>2</sub>e



**2030 emissions target**

**636 235** tonnes CO<sub>2</sub>e

Our commitment to reducing emissions also covers our expected growth, estimated based on 2014-2019 trend.

## Management of impacts, risks and opportunities

### Identification and assessment of material climate-related impacts, risks and opportunities

Climatic risks and opportunities are identified through various channels:

- Climatic scenario analysis: through climatic analysis models, market trends, upcoming regulations and megatrends
- Our operations: they are up to date with market changes that can result in risks and/or opportunities
- Business continuity team: analyzes, anticipates and prepares the organization for potential business disruption, which includes extreme weather events

Identified climatic risks include upstream and downstream activities across the supply chains for all our stakeholders, which are input into our risk intelligence tool for evaluation.

In addition to identifying and evaluating potential risks, our operations and functions at local, regional and global levels are required to explain the associated mitigation programs, in order to define the residual risks. These residual risks are then evaluated against SGS risk appetite and risk tolerance level.

The heads of each of our business lines consider climatic risks when defining the strategy of the business line and in their financial planning. In most cases, where a portion of the business could be disrupted due to market or regulatory changes, this includes diversifying into other services or geographies, and investing where new opportunities are likely to appear or where there may be an increase in demand for an existing service.

These risks and opportunities are prioritized depending on this assessment.

Main risks and opportunities related to climate change:

	Risk category & risk	Impact description	Mitigation	Time horizon and geography
Regulatory	<b>Increased compliance costs</b>	Higher operational costs to comply with climate-related legislation (e.g. EU Taxonomy, adoption of climate reporting requirements, etc.).	We take a proactive approach and adopt best-in-class practices towards climate change mitigation and adaptation.	Short term Global
	<b>Failing to adapt to new low carbon technologies</b>	Not adopting low carbon technologies (such as low carbon vehicles, energy efficiency measures for our buildings or renewable energy generation) would reduce our competitiveness and affect our reputation.	Our climate change mitigation strategy ensures that we continuously innovate. For example, through our Energy Efficiency in Buildings (EEB) program, or our vehicle emissions policy.	Medium term Global
Technology	<b>Shifts in service demand</b>	Market changes due to climate change can have a significant impact on client demand for SGS services, either directly or indirectly.	We are diversifying our market segment to increase revenues from markets that will be developing because of climate change. Key to this are our sustainability services, a wide range of services that help organizations to implement better and more efficient processes, address stakeholder concerns, address risks and accomplish their sustainability goals. The impact of this mitigation measure is displayed as an opportunity below, under 'Main climate-related opportunities.'	Medium term Global
Market	<b>Climate reputation</b>	Failing to address appropriately our impact on climate change, or to comply with climate regulations, would impact the value of our brand and imply the loss of clients.	Our sustainability team ensures that our approach to addressing climate change is best-in-class and credible. Our sustainability and legal teams ensure that we stay up to date with legislation and comply with all regulations.	Long term Global
Reputation	<b>Extreme weather</b>	Extreme weather conditions, such as cyclones, hurricanes or floods, can affect our business performance and continuity, by forcing us to close sites, disrupting our logistics, etc.	We have business continuity guidelines and a global emergency management standard which our affiliates must implement at local level. This ensures that 100% of our revenues, as well as any new operations, are protected against extreme weather conditions. Business continuity programs across SGS define roles and responsibilities in case of crisis and provide guidelines and Group procedures to organize a coordinated response in case of emergencies.	Short, medium and long term Global
Acute physical	<b>Increase in mean temperatures</b>	Higher mean temperatures result in higher energy consumption and usage of refrigerant gases, which translate into CO <sub>2</sub> emissions.	Through our EEB program, we implement measures to optimize energy consumption in our facilities. Our energy efficiency in buildings program covers our entire operations, ensuring that 100% of our revenues, as well as any new operations, are protected against the increase in mean temperatures. We are also working on reducing the fugitive emissions of refrigerant gases.	Short, medium and long term Global
Chronic physical	<b>Rising sea levels</b>	Our coastal facilities could be impacted, requiring relocation.	Given that rising sea levels are a slow phenomenon, we continually assess when it will be necessary to move affected facilities.	Long term Global
	Opportunity category & opportunity	Impact description	Strategy to maximize the opportunity	Time horizon and geography
Technology	<b>New and more affordable low carbon technologies</b>	Increased demand for low carbon technologies is resulting in new technologies appearing, being developed faster and being made more affordable, in most cases.	Adopting these technologies will help us implement our climate change mitigation strategy, also reducing costs associated with energy and carbon.	Medium term Global
	<b>Cost savings associated with climate strategy implementation</b>	Reducing the energy that we consume in our buildings, as well as the amount of employee travel, will reduce not only our carbon emissions but also the associated costs (such as the cost of energy).	Reducing our carbon emissions and energy consumption through our climate change mitigation strategy (including, amongst others, our EEB program and our vehicle emissions policy).	Short, medium and long term Global
Market	<b>Shifts in service demand</b>	Market changes due to climate change can have a significant impact on client demand for SGS services, either directly or indirectly.	We capture climate opportunities by engaging in mandatory and voluntary carbon markets, ensuring compliance with regulations like the Carbon Border Adjustment Mechanism (CBAM).  We deliver actionable, results-driven solutions that empower clients to measure, reduce, verify and report greenhouse gas emissions across their organizations, products and projects, while providing expertise through their energy transition journeys.	Short, medium and long term Global

## Scenario analysis

As part of our climatic risk and opportunity management process, we conduct scenario analysis to improve our strategic resilience and explore climate vulnerabilities that might impact our business.

Scenarios applied:

Scenario	Temperature rise	Transition risks	Physical risks	Rationale
RCP 2.6/IEA STEPS <sup>1</sup>	1.5-2°C	✓	✓	All climate commitments made by governments for 2030 targets and longer-term Net-Zero and other pledges will be met.
RCP 4.5/IEA APS <sup>2</sup>	2-3°C	✓		More conservative benchmark for the future, because it does not take for granted that governments will reach all announced goals.
RCP 8.5 <sup>3</sup>	>4°C		✓	Only current climate policies are implemented. Paris Agreement targets are not met. It is an extrapolation of what could happen if no additional measures were taken.

1. International Energy Agency Stated Policies Scenario.

2. International Energy Agency Announced Pledges Scenario.

3. Representative Concentration Pathway.

## Transition risks

As transition risks and opportunities are those expected to have the largest impact on Group operations, we have quantified the estimated financial impact of:

- Cost savings associated with climate strategy implementation (opportunity)
- Shifts in service demand (risk and opportunity)

The estimated values presented in the table below represent the total discounted value of future revenues and costs driven by transition risks and opportunities, for the period from 2023 to 2050, using a weighted average discount rate of 7.4%.

The calculated financial impact on SGS is denominated in Swiss Francs (CHF). Where financial projections were denominated in another currency, these have been converted to CHF by using forward exchange rates from Oxford Economics.

Where projections were made in real terms, inflation expectations for Switzerland were considered, taken from Oxford Economics.

Risk category & risk	Market Shifts in service demand	IEA STEPS 2050 <sup>1</sup>		IEA APS 2050 <sup>2</sup>		Strategy to mitigate risk and maximize opportunity
		Gross financial impact (CHF million)	Net financial impact (CHF million)	Gross financial impact (CHF million)	Net financial impact (CHF million)	
Opportunity category & opportunity	Technology Cost savings associated to climate strategy implementation	0	525	0	510	We are reducing our carbon emissions and energy consumption through our climate change mitigation strategy (including, amongst others, our Energy Efficiency in Buildings program and our vehicle emissions policy).
	Market Shifts in service demand	419	577	656	944	Through our IMPACT NOW for Sustainability service portfolio, we are capturing climate opportunities by engaging in mandatory and voluntary carbon markets, ensuring compliance with regulations like the Carbon Border Adjustment Mechanism (CBAM).  We deliver actionable, results-driven solutions that empower clients to measure, reduce, verify and report greenhouse gas (GHG) emissions across their organizations, products and projects, while providing expertise through their energy transition journeys.

1. International Energy Agency Stated Policies Scenario.

2. International Energy Agency Announced Pledges Scenario.



## Physical risks

In 2023, we performed a physical risk assessment considering our top 80 key owned buildings, including offices, laboratories and warehouses scattered around the world. The results of this assessment will help us identify key assets highly exposed and vulnerable to physical risks, as well as their respective hazard(s) of concern.

The analysis was limited to the property value itself, and therefore, no capital equipment (within the building) was considered. We have assessed the exposure and vulnerability assessment of direct physical risks (direct damage caused to the assets), and therefore, indirect physical risks were not considered (e.g. the loss of worker productivity due to high temperatures).

The climate risk assessment was conducted by analyzing:

- Hazards: probability of occurrence of a hazardous event at a given intensity
- Exposure: number of assets present in a given location potentially affected by the selected hazard, and
- Vulnerability: expected value loss of the asset, should an event of a specific intensity occur

Overview of the results based on the scenario with most severe physical impacts (RCP 8.5):

- Europe is the region with the highest exposure, primarily driven by floods (fluvial, pluvial and tidal), as well as wind and high temperatures, to a lower extent. Finland, Belgium and the Netherlands will be the countries most impacted
- North America is the region with the second highest exposure, mainly driven by pluvial and fluvial flooding
- Latin America is the region with the third highest exposure, driven by floods (fluvial and pluvial) in Brazil and Colombia
- Asia Pacific is the region with the fourth highest exposure, driven by floods (all types), as well as wind and high temperatures
- Africa Middle East is the region least exposed to hazards, which will be driven by fire and high temperatures

## Resilience strategy

To enhance our resilience, SGS's framework aims to minimize climatic risks and maximize climatic opportunities.

To minimize risks, for each identified risk in which the gross risk level is unacceptable (i.e. the risk can have a significant impact on business revenues, profit margin, business continuity, reputation or operations), mitigation programs are defined in order to manage them and bring the residual risk level to an acceptable level.

In addition, our global business continuity strategy aims to enable us to respond to any disruption efficiently and effectively, while minimizing the impact on our operations in terms of our sites, processes and service delivery.

Finally, each business line takes into consideration identified risks and the results of our scenario analysis to define our business strategies and ensure that we anticipate any market or regulatory changes and that we also exploit any new opportunities.

Our resilience strategy also includes the programs that we have in place to reduce our CO<sub>2</sub> emissions and our dependency on energy. Some examples are our Energy Efficiency in Buildings program and our vehicle emissions policy.

## Policies related to climate change mitigation and adaptation

In 2024, we approved our climate change policy. This policy outlines our commitment and targets related to climate change mitigation and adaptation. It applies to SGS Group and all its affiliates and it's available at [sgs.com](https://www.sgs.com).

## Actions and resources in relation to climate change policies

We have made large green investments in line with our mission to create a Net-Zero future. Achieving a balanced and effective use of capital and operating expenditure is our main goal in the decarbonization process. By carrying out their plans for reducing emissions, affiliates are assiduously investing considerable effort and complementing local expenditures in order to satisfy their allocated responsibilities and help achieve global goals.

At a global level, our financial commitment associated with decarbonizing our operations is principally motivated by a focus on operational excellence and the adoption of renewable electricity. In this context, under the umbrella of our EEB program, in 2024, we dedicated a Global CAPEX of CHF 3 million to facilitate the implementation of projects designed to expedite the reduction of our energy consumption and electrification. These investments are strategically designed to impact all our operations and geographical areas, incorporating established technologies with proven returns on investment.

We also regularly allocate annual sums to make sure that the electricity we use comes from renewable sources. This pledge does not change, especially in light of the projected rise in electricity usage brought on by the electrification of cars and buildings. To decarbonize our supply chain, we are investing primarily in getting reliable and insightful data from our suppliers. We also take great care to ensure that our investment plans match our long-term goal of Net-Zero emissions. This all-encompassing strategy guarantees that every financial commitment we make has a substantial contribution to both the global imperative to combat climate change and our wider sustainability goals.

## 2.2 Metrics and targets

### Energy consumption and mix

	2024	2023 <sup>1</sup>	2022
<b>Total energy consumption (MWh)</b>	<b>941 484</b>	<b>941 852</b>	<b>947 571</b>
<b>Total energy consumption by use (MWh)</b>			
Vehicle fuels energy	290 581	305 208	310 792
Non-transport fuels energy	153 584	141 353	149 182
Total electricity	497 319	495 290	487 597
Standard electricity <sup>2</sup>	14 234	12 109	15 541
Renewable electricity <sup>3</sup>	483 085	483 181	472 056
<b>Total fuel consumption by source (MWh)</b>			
Coal and coal products	–	–	–
Crude oil and petroleum products	42 858	46 715	52 483
Natural gas	110 725	94 638	96 698
Others	1	–	–
<b>Total energy production (MWh)</b>			
Non-renewable energy production	–	–	–
Renewable energy production	11 241	3 981	2 312
Total renewable electricity (% of total electricity consumption)	97	98	97
Energy intensity per sales <sup>4</sup> (MWh/CHF million)	138.6	142.2	154.6
Energy intensity per average FTE <sup>5</sup> (MWh/FTE)	9.5	9.6	9.8
Electricity intensity per sales <sup>4</sup> (MWh/CHF million)	73.2	74.8	79.6
Electricity intensity per average FTE <sup>5</sup> (MWh/FTE)	5.0	5.0	5.0

1. Total energy consumption for 2023 was updated based on improved data accuracy, with a net change of 7,065 MWh: a 6,342 MWh decrease in vehicle fuels, a 658 MWh increase in non-transport fuels, and a 616 MWh decrease in total electricity (685 MWh less in standard electricity and 69 MWh more in renewable electricity). As a result of these changes, percentage renewable electricity has increased by 0.6 percentage points, energy intensity per sales has decreased by 0.8 MWh/CHF million and electricity intensity per sales has decreased by 0.1 MWh/CHF million.

2. Electricity bought from a non renewable tariff linked to Energy Attribute Certificates.

3. Electricity bought from local zero emissions sources of production and through Energy Attribute Certificates.

4. Being the denominator the sales on a constant currency basis. Energy consumption within the organization.

5. Being the denominator the average FTEs (see table 'Average number of employees by geographical area' on p. 98). Energy consumption within the organization.

## Gross Scopes 1, 2, 3 and Total GHG emissions

	Retrospective				Milestones and target years	
	Base year	Comparative	N	%N/N-1		
	2019	2023 <sup>1</sup>	2024		2030	2050
<b>Scope 1 GHG emissions<sup>2</sup></b>						
Gross Scope 1 GHG emissions (tCO <sub>2</sub> e)	113 443	103 387	101 320	-2%	61 033	11 344
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%		0%	0%
<b>Scope 2 GHG emissions<sup>3</sup></b>						
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	215 752	224 813	219 073	-3%	116 075	21 575
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> e) <sup>4</sup>	16 758	7 128	8 117	14%	9 016	1 676
<b>Significant scope 3 GHG emissions</b>						
Total gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> e)	786 370	812 049	794 581	-2%	423 067	78 637
1 Purchased goods and services	441 064	498 086	486 821	-2%	237 292	44 106
2 Capital goods	137 633	127 168	116 856	-8%	74 047	13 763
3 Fuel and energy related activities (not included in Scope 1 and Scope 2)	76 354	72 932	69 430	-5%	41 078	7 635
4 Upstream transportation and distribution	-	-	-		-	-
5 Waste generated in operations	10 531	19 045	20 715	9%	5 666	1 053
6 Business travel	29 647	23 003	21 876	-5%	15 950	2 965
7 Employee commuting	91 142	71 815	78 884	10%	49 034	9 114
8 Upstream leased assets	-	-	-		-	-
9 Downstream transportation and distribution	-	-	-		-	-
10 Processing of sold products	-	-	-		-	-
11 Use of sold products	-	-	-		-	-
12 End-of-life treatment of sold products	-	-	-		-	-
13 Downstream leased assets	-	-	-		-	-
14 Franchises	-	-	-		-	-
15 Investments	-	-	-		-	-
<b>Total GHG emissions</b>						
Total GHG emissions (location-based) (tCO <sub>2</sub> e)	1 115 566	1 140 249	1 114 974	-2%	600 174	111 557
Total GHG emissions (market-based) (tCO <sub>2</sub> e)	916 572	922 563	904 018	-2%	493 115	91 657
<b>Emissions intensity</b>						
Scope 1+2 intensity per sales market-based <sup>2,3,4,5</sup> (tCO <sub>2</sub> e/CHF million)	21.7	16.7	16.1	-3%		
Scope 1+2 intensity per average FTE market-based <sup>2,3,4,6</sup> (tCO <sub>2</sub> e/FTE)	1.4	1.1	1.1	-2%		
Scope 3 intensity per sales <sup>7</sup> (tCO <sub>2</sub> e/CHF million)	131.3	122.6	117.0	-5%		

1. Emissions in 2023 were updated based on corrected energy consumption figures, leading to a decrease of 1,374 tCO<sub>2</sub>e in Scope 1 emissions, 223 tCO<sub>2</sub>e in location-based Scope 2 emissions and 141 tCO<sub>2</sub>e in market-based Scope 2 emissions. As a result, Total GHG emissions (location-based) have decreased by 1,596 tCO<sub>2</sub>e, Total GHG emissions (market-based) have decreased by 1,515 tCO<sub>2</sub>e and Scope 1+2 intensity per sales (market-based) has decreased by 0.2 tCO<sub>2</sub>e /CHF million. See Table 'Energy consumption and mix'.

2. Refrigerant gas emissions are not included in this figure.

3. District heating emissions are not included in this figure.

4. 97% of total electricity consumption is sourced from renewable energy: 69% I-RECs, 16.5% guarantees of origin, 13% RECs, 1% REGOs, and 0.5% other country-specific certificates.

5. Being the numerator the total scope 1 + 2 market-based GHG emissions and the denominator the sales on a constant currency basis.

6. Being the numerator the total scope 1 + 2 market-based GHG emissions and the denominator the average FTEs (see table 'Average number of employees by geographical area' on p. 98).

7. Being the numerator the total scope 3 GHG emissions and the denominator the sales on a constant currency basis.

We no longer finance GHG mitigation (avoidance and removal) projects through carbon credits and we have yet not implemented carbon-pricing mechanisms.

Regarding the Scope 3 categories reported as zero in the table above:

- Category 4 'Upstream transportation and distribution' emissions are included in the emission factors used in Scope 3.1 and 3.2
- Categories 9 to 13 do not apply as SGS does not sell manufactured products
- Category 14 'Franchises' does not apply as SGS does not use franchises to operate
- Category 15 'Investments' does not apply as SGS does not provide financial services

## Other environmental indicators

### Water and waste management

While our water consumption and waste impact is relatively small compared to other industries, we monitor our impact and reduce our resources' footprint.

	2024	2023	2022
Water purchased (m <sup>3</sup> )	2 070 130	2 051 434	1 985 965
Water use/average FTE <sup>1</sup> (m <sup>3</sup> /FTE)	20.9	20.8	20.5
Weight of waste generated (metric tons)	85 139	70 348	78 560
Weight of hazardous waste generated (metric tons)	24 251	15 020	16 217
SGS offices and labs	18 001	8 598	10 829
Client samples	6 250	6 422	5 388
Weight of non-hazardous waste generated (metric tons)	60 888	55 328	62 343
SGS offices and labs	32 998	29 448	36 558
Client samples	27 890	25 880	25 785
Weight of waste recovered (metric tons)	24 655	22 616	24 783
Weight of hazardous waste recovered (metric tons)	5 151	5 643	5 107
SGS offices and labs	2 501	2 792	2 343
Client samples	2 649	2 851	2 764
Weight of non-hazardous waste recovered (metric tons)	19 505	16 973	19 676
SGS offices and labs	8 479	8 018	8 943
Client samples	11 026	8 955	10 733
Environmental incidents (# of environmental incidents including significant spills)	35	29	26

1. See table "Average number of employees by geographical area" on p. 98.

## 3. Social topics

### 3.1. Interests and views of stakeholders

The interests and views of stakeholders can have a significant impact on our strategy and business model. We have several channels of communication with our employees (see section 1.4) and we constantly encourage them to provide their opinions and ideas.

### 3.2. Impact, risk and opportunities management

#### Policies related to own workforce

Our Group policies cover all of our affiliates and state our commitments and the minimum requirements that all affiliates must comply with. At the local level, affiliates develop their own policies based on local regulation and needs. In all cases, local law, regulations, any applicable work agreement and any more stringent local/regional SGS policies prevail over the provisions of Group policies.

One of the most relevant Group policies is the human rights policy. Our commitment to respecting human rights is grounded in our SGS Code of Integrity and our SGS business principles, and reflected in our human rights policy, supplier code of conduct and other relevant policies. To bring our human rights commitment to life, we follow the principles of the United Nations Global Compact (UNGC) and United Nations Guiding Principles (UNGPs) on business and human rights.

Furthermore, we employ a wide range of controls to assess, prevent and mitigate risks of human rights violations and more general labor rights violations across our operations.

Our enterprise risk management framework incorporates relevant human rights issues and brings accountability and responsibility for risk management close to our operations. In addition, we have integrated controls, specifically targeting human rights related risks in our Group-wide internal control framework. These controls include, but are not limited to, compliance with minimum wage requirements, overtime rules, changes to pay, and collective agreements.

To further mitigate any adverse human rights impact, SGS applies the four-eyes principle in a rigorous manner to all employment-related decisions. All employment contracts and any changes in an employee's general conditions require at least two levels of approval and the validation of a human resources professional.

In our continuous effort to integrate human rights considerations throughout our operations, we have developed a Human Rights Due Diligence Checklist, tailored for use during future social compliance audits within our own operations. This initiative helps us manage operational risks more effectively, uphold our responsible business practices, and foster positive engagement with our stakeholders.

SGS has put in place several policies, procedures and plans to prevent and reduce the risk of having a negative impact on human rights as part of our ongoing commitment to upholding such rights. All policies, programs and plans aimed at preventing and mitigating human rights risks apply to all SGS employees and all offices and laboratories operated by SGS. These policies include the following aspects:

#### Diversity in the recruitment process

To ensure that we are increasing the diversity of our hiring, we train our recruiters on recruitment best practices and talent acquisition, and our managers in recruitment, interviewing and diversity best practices. We are also measuring the gender diversity of our applicants.

SGS has a standardized recruitment process. The process includes the use of interview scorecards to standardize the evaluation of our candidates in the interview process. The proper and consistent use of interview scorecards helps us to remove potential interview bias, create a quantitative standard for candidate evaluation, and make better hiring decisions. Furthermore, SGS designed a gender bias toolkit to help us prevent using gender-biased wording in job adverts. Gender-biased words can be viewed as discriminatory towards male or female candidates and could discourage people from applying to work for SGS.

In enhancing our recruitment practices, we have increased the use of AI predictive analytics. By integrating AI tools, we are able to analyze a wide array of candidate data without prejudice, effectively removing unconscious biases from the hiring process. The utilization of AI in our recruitment strategy reinforces our dedication to promoting diversity by ensuring that hiring decisions are based on merit and potential, regardless of the candidate's background.

#### Fair and competitive remuneration

SGS is committed to providing fair and competitive remuneration packages in all the markets in which we operate. Our approach ensures a fair and competitive remuneration package by utilizing a globally recognized job architecture methodology throughout the SGS Group. This methodology evaluates each job based on its contribution to our business success as well as the knowledge, qualification, skills and experience required to perform the job. It allows us to benchmark our remuneration packages against local market practices, using data collected from salary surveys conducted by reputable professional service providers.

Salary adjustments are a reflection of the employee's contribution to our business success as well as external factors such as local legislation and collective bargaining agreements where applicable.

The deployment of our new human capital management system, mySGS, has significantly enhanced our ability to manage and evaluate global job architecture effectively. With mySGS, we have centralized job data, including job grades. This enables us to conduct comprehensive data analysis, such as gender pay gap analysis. It provides immediate insight into pay disparities, which we can address promptly through corrective measures. This level of analysis and proactive management ensures our remuneration packages remain fair and competitive, while reinforcing our commitment to equal pay for work of equal value across the SGS Group.

In adherence to our anti-discrimination and dignity at work policy, we continue to ensure that every employment-related decision, including compensation, benefits, recognition and promotions is based solely on an individual's qualification, performance and behavior or other legitimate business considerations without discrimination. We rigorously respect minimum wages defined by the local regulations and comply with all the mandatory requirements defined by local legislation or binding collective bargaining agreements with regards to wages and their evolution.

### No cash policy

SGS recognizes that cash-based wage payments are not only inefficient for employers, but also risky and disempowering for workers. We therefore follow the recommendations of the International Labour Organization and the UN-based Better Than Cash Alliance to shift wage payments from cash to digital, in order to promote respect for workers' rights, broaden financial inclusion and make payments safer and more transparent. Our Group policies require wages to be paid digitally and not through cash or cheques.

### Education and employability

SGS promotes the right to education by offering continuous learning opportunities to all our employees. Our employee online learning portal offers a large portfolio of learning opportunities, ranging from technical knowledge to interpersonal and management skills. It enables our employees to fully customize their individual learning path to their needs.

We believe that helping our employees embrace a lifelong learning mindset will empower them to increase their employability and help them be more resilient to life challenges. The recent integration of an auto-translation tool into SGS Campus allows for course materials to be translated into 72 languages, significantly increasing the accessibility and reach of these resources. This enhancement ensures employees worldwide can engage with learning in their native language, promoting inclusivity and fostering a learning environment that accommodates a diverse workforce.

### Anti-discrimination and dignity at work

As stated in our anti-discrimination and dignity at work policy, SGS does not tolerate any discriminatory practices, harassment or bullying, in particular based on age, civil partnership, disability, ethnicity, family status, gender, gender identity, ideological views, marital status, nationality, political affiliation, pregnancy, religion, sexual orientation, social origin or any other status that is protected as a matter of local law. We encourage our employees to act immediately and speak up if they encounter discrimination. At SGS, there is no place for any form of discrimination.

### Facilitating the freedom of expression and opinion

At SGS, we are dedicated to fostering an atmosphere where people can freely engage in dialogue, offer ideas and voice their opinions without worrying about facing consequences. We place a high priority on open communication. To foster sharing, cooperation and engagement, we are dedicated to fostering an open and sincere relationship with our employees, as stated in our business principle on leadership. To enable our employees to share their honest feedback anonymously and to help us understand how our employees feel about working for SGS, we conduct regular employee engagement surveys.

### Bonded labor, child labor and forced labor

SGS does not engage in bonded labor, child labor or forced labor. As an inspection, verification, testing and certification company, it is in the nature of our business to employ workers with a certain level of occupational qualifications (e.g. inspectors, auditors, office workers, laboratory personnel). In our own operations, many of our activities are therefore considered inherently low-to-medium risk for bonded labor, child labor or forced labor.

### Health and safety (H&S)

Our health, safety & environment policy statement and the SGS Rules for Life sets the foundations of our H&S management system. Our H&S management system covers all personnel, including employees, clients, contractors and visitors, at SGS locations or locations operated by SGS. It defines the criteria to be met to comply with our own requirements and with local laws and regulations. To ensure compliance, we audit regions and countries centrally, while local H&S managers audit our laboratories, offices and facilities. The audit results go into our performance reports, along with incidents and hazards information captured in the system.

All site managers are expected to perform risk assessments and develop associated action plans. Employees have the right to stop work at any time, without reprisal, if they consider there to be a health, safety or environmental risk. To ensure early detection of potential ill health, we conduct pre-employment and periodic health surveillance on our workforce. Through appropriate case management, we support management and recovery from illness resulting from these exposures.

We promote initiatives to enhance the physical and mental well-being of our employees to ensure their fitness for work. This includes the provision of preventive health measures, such as vaccinations, and mental and physical health programs focused on awareness, support and resilience.

Each role at SGS requires specific H&S knowledge to support the safety and well-being of our employees. All employees are given training on site standard operating procedures, along with regular training sessions on Group H&S management systems and Rules for Life. We also operate a behavior-based safety peer-to-peer observation program.

### Processes for engaging with own workers and workers' representatives about impacts

#### Works councils

One of SGS's primary communication channels with employee representatives is the European Works Council (EWC). The EWC serves as a formal platform where management informs and consults employees on significant business developments and decisions at a European level that could impact their employment or working conditions. The EWC representatives are selected based on the rules of each of the 25 European member countries, with each country represented by at least one delegate. Depending on the workforce size within a country, representation may increase to two or three members.

To facilitate regular and effective communication, the EWC elects five representatives to form a select committee, which serves as the primary contact for management throughout the year. The committee addresses mutual initiatives and issues requiring discussion. The selected committee and management typically meet in person once or twice a year, supplemented by ongoing communication via email or virtual meetings.

Additionally, an annual in-person meeting is held over three to four days, during which all 30 EWC representatives are invited. This meeting includes specialized training by external trainers to strengthen the representatives' understanding of European legislation and EWC rights. One full day is dedicated to meetings with SGS management, providing an opportunity to align SGS's strategic direction and overall performance.

The Head of Europe at SGS oversees this engagement, supported by the Head of HR Europe. Their leadership ensures that EWC representatives' feedback and insights are actively integrated into decision-making processes. This includes considerations in strategic areas such as acquisitions, divestments, reorganizations and structural changes.

To assess the effectiveness of this engagement, SGS conducts an annual evaluation following the week's meetings, gathering feedback from EWC members to inform improvements in our collaboration. In addition to formal meetings, informal sessions are held to foster open dialogue, enabling management and EWC representatives to continuously refine their approach and strengthen mutual understanding.

The EWC plays a vital role in shaping SGS' approach to workforce-related matters, offering invaluable perspectives that guide us in managing both the current and potential impacts on our employees.

## Employee Voice & Engagement

Our Employee Voice & Engagement survey enables us to understand employees' perceptions on important topics such as Company strategy, workplace practices, workload management, recognition, health and safety (H&S), and sustainability. Last year, we introduced a new Employee Voice & Engagement platform with pulse surveys, allowing us to collect more frequent and focused insights, enhancing our responsiveness to employee feedback.

After each survey, we analyze strengths and areas of improvement. Tailored action plans are then developed and implemented at the country level, ensuring that feedback is addressed locally. Confidentiality is rigorously maintained. All responses remain anonymous and are aggregated for reporting.

This structured process supports continuous improvement in employee engagement, ensuring that managers can address priorities based on real-time feedback, fostering a collaborative and responsive workplace culture.

## Performance reviews

Our formal performance review process occurs annually and is a key communication channel between employees and their managers. During these reviews, employees discuss their performance relative to set targets and establish new goals for the coming year. This process also allows employees to share any concerns or career development needs with their managers. We customize the performance review approach based on the role, employing methods such as management by objectives and agile conversations. Managers are encouraged to provide ongoing feedback throughout the year, ensuring continuous performance alignment and development.

## Processes to remediate negative impacts and channels for own workers to raise concerns

Employees can raise concerns through multiple channels, including direct communication with their manager or team leader, contacting Human Resources, or using established reporting mechanisms such as the SGS Integrity Helpline. All reports will be handled with confidentiality, sensitivity, and in accordance with applicable laws and policies.

Any employee or third party can report violations through our Integrity Helpline. All the reports received are considered and evaluated. Based on the data received, we assess whether an investigation is needed or whether more information is required. Reported issues might be discarded only if the information provided was not sufficient or if the issue reported is not in the scope of the Code of Integrity.

We do not tolerate violations of the Code of Integrity. Violations of the SGS code will result in disciplinary action, including termination of employment and criminal prosecution for serious violations.

We recognize that, even with the best policies and practices, SGS may cause or contribute to an adverse impact that we have not foreseen or been able to prevent. When this occurs, SGS applies remediation actions to ensure that the people who were negatively affected receive an effective remedy. In line with the UNGPs, when an adverse impact is detected in our own operations, SGS is committed to taking transparent action to remedy the situation in a fair and equitable manner. Should the adverse impact be found in the supply chain, SGS will encourage its suppliers to respect human rights, either through the development and implementation of corrective action plans or through governance.

## Taking action on material impacts on own workforce

### Talent attraction and retention

SGS completed the second phase of the mySGS Global Human Capital Management (HCM) system implementation, integrating talent review, succession planning, goal setting, and performance management into a unified platform. This standardization enhances our ability to attract, retain and develop top talent while aligning individual goals with organizational objectives. Our efforts were recognized by Workday, who gave us the Rock Star award for the best large-scale global rollout.

We developed the 'Stay Conversation' and 'Career Conversation' frameworks to provide managers with tools for proactive engagement with employees on retention and career development. The 'Stay Conversation' helps managers address retention topics early, while the 'Career Conversation' offers a structured approach for discussing career aspirations, challenges and opportunities. The outcomes from these conversations will be translated into concrete actions and integrated into personalized development plans, ensuring systematic follow-up and execution.

To further support future growth, we established a dedicated talent pool for critical P&L positions, securing a strong leadership pipeline in alignment with our Strategy 27.

### Training and skills development

We integrated SGS Campus, our dedicated online learning portal for employees, with mySGS, enhancing our talent development capabilities and creating a unified learning environment across the organization.

We launched a new online learning platform for leadership development, providing access to a wide range of courses from major business schools. This platform empowers employees to drive their own development at their own pace.

We have developed a new Leadership Program to support the implementation of Strategy 27, scheduled to launch in 2025. This program aims to equip leaders with the necessary skills to achieve our strategic goals.

We are also helping employees become more digital in their daily tasks. We organized nine sessions during 2024 covering different topics, specially focused on the use of productivity applications. In the future, we will focus on the basic processes that employees have in their daily work, like managing documents, planning and organization. This way, we can support people to become more productive and efficient in their daily work. In 2025, we plan to deliver training on the following areas: communication and collaboration, planning and prioritization, project management, time management, reporting, problem solving and decision making, and administrative tasks.

In addition to this, as part of our goal of delivering high-quality training to our employees, we have begun developing a comprehensive sustainability training framework. This framework includes a basic course for all employees, an intermediate course for those seeking specialization, a course for Top Management, and continued human rights training, which was already part of our curriculum. The courses include several topics such as climate change, integrity, diversity and human rights, with a key focus on SGS strategic priorities.

## Performance reviews

In 2024, we designed a continuous performance management model that supports ongoing coaching and feedback between managers and employees. This model will be fully integrated into the 2025 performance management cycle.

We have implemented a new system to manage the performance reviews process integrated within mySGS. The process focuses on setting clear expectations, continuously monitoring progress, providing regular feedback, and offering coaching and support to develop employees' skills and capabilities.

## The Employee Voice & Engagement survey

In 2024, we expanded the Employee Voice & Engagement survey, inviting more than 62,000 employees to participate, almost three times more than the previous year. The response rate was 76.6%, with an engagement score of 7.3.

We also created a pulse survey feature to provide more frequent and focused engagement insights, enhancing our ability to respond to employee feedback.

## Diversity

SGS introduced its first Group diversity, equity and inclusion (DE&I) policy, establishing clear expectations for supporting DE&I at all levels. This policy, together with our updated sustainability business principle, underscores our commitment to creating a workplace that values diversity, promotes equity and empowers all employees.

The integration of HR-related processes into the mySGS HCM system has provided us with real-time visibility into workforce demographics and employment management across the Group. This enables us to proactively identify opportunities to enhance DE&I, and implement targeted actions to support a more inclusive workplace. Leveraging these insights, we are well positioned to cultivate a culture that values and empowers all employees.

Thanks to our commitment and efforts, we have been included in the FTSE Diversity & Inclusion Index for the second consecutive year. This index ranks over 15,000 companies globally and identifies the top 100 publicly traded companies with the most diverse and inclusive workplaces, as measured by 24 separate metrics across four key pillars: diversity, inclusion, people development, and news and controversies.

This Group commitment is reflected at the local level in several ways. For example, for the third consecutive year, SGS Spain, has been awarded the TOP DIVERSITY COMPANY certification, in the framework of the largest professional congress on diversity, equity and inclusion, the DEI SUMMIT, organized by the INTRAMA Foundation.

## Health and safety

We have introduced several targeted training initiatives to enhance the skills and knowledge of our employees, ensuring they contribute effectively to a safer workplace. One of the key initiatives was the global onboarding scheme for H&S professionals, designed to provide new team members with a comprehensive understanding of our safety culture and policies. Additionally, we also implemented a new e-learning onboarding for all new employees and contractors, ensuring that safety remains a priority from day one. These training efforts have fostered greater engagement, collaboration and awareness across our global workforce, contributing significantly to a safer and healthier working environment.

Apart from training, we organize several awareness initiatives throughout the year:

- As part of our ongoing commitment to ensuring a safe workplace, this year Safety Month focused on preventing slips, trips and falls accidents. These incidents are common in many work environments (from offices to warehouses), and they represent the most common way of being injured at SGS. While everyone is at risk, certain groups are more vulnerable to STF accidents. Older adults, for instance, are at a higher risk due to potential mobility issues and weaker physical condition. In the workplace, employees who frequently navigate between different types of flooring, carry loads that obstruct their view or work in areas with poor lighting are also significantly exposed
- During Safety Month, the Global H&S Survey is launched to capture employees' perceptions and sentiments regarding H&S
- Each year, the collected data is thoroughly analyzed to pinpoint opportunities for improvement across global, regional, country, and business line levels. 2024 key highlights include:
  - 36,012 SGS employees participated in the Global H&S Survey across all five regions, line of businesses and functions
  - 93% of SGS employees feel protected against the risks associated with their jobs
  - 94% declared feeling empowered to stop the job when their or others' health and safety is at risk
- We also released a chemical awareness campaign called: Be Safe Be Chemsafe. The goal of this campaign was to raise awareness, reinforce safety practices, address the importance of health protection in the workplace and ensure emergency readiness



### 3.3. Metrics and targets

#### Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Embedded in our Strategy 27 and as part of our Sustainability Ambitions 2030, we have set several targets linked to our social impacts, risks and opportunities. For more information see section 1.4.

#### Workforce metrics

##### Workforce breakdown

The total number of full-time equivalent employees (FTE) decreased to 99 483 as of December 2024. This was the result of the deployment of a leaner operating model, partly compensated by the successful relaunch of M&A program, bringing more than 500 new FTEs, and by the expansion in operational workforce, supporting the strong growth delivered.

Unless stated otherwise, workforce data only includes own employees. Currently, we do not consolidate centrally the data relative to workers who are not employees.

	2024	2023	2022
<b>Number of FTEs<sup>1</sup> at year end (# FTEs)</b>	<b>99 483</b>	99 589	98 152
<b>Number of employees at year end (# employees)</b>	<b>102 413</b>	103 193	101 860
Employees by gender (female) (% of total employees)	38	37	37
Employees by gender (male) (% of total employees)	62	63	63
Permanent workers (% of total employees)	93	92	92
Casual <sup>2</sup> workers (% of total employees)	7	8	8

1. Full-time equivalent employment is the number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs.

2. Casual employees are those people who are engaged for short periods of time (man-day, job by job basis).

Number of employees by region at year end	2024	2023	2022
Asia Pacific	37 493	37 077	36 987
Europe	24 028	24 473	24 494
North America	5 896	5 778	5 839
Eastern Europe, Middle East and Africa	19 578	19 820	19 171
Latin America	15 418	16 045	15 369

Employees in management positions by gender	2024	2023	2022
Male (% of male employees over total management positions)	65.1	65.7	66.1
Female (% of female employees over total management positions)	34.9	34.3	33.9

## Diversity

	2024	2023	2022
Employees by age – Under 30 years old (female) (# of employees by ranges of age)	10 853	11 146	10 995
Employees by age – Under 30 years old (male) (# of employees by ranges of age)	13 995	14 500	14 248
Employees by age – 30 to 50 years old (female) (# of employees by ranges of age)	23 163	22 753	22 255
Employees by age – 30 to 50 years old (male) (# of employees by ranges of age)	38 547	39 432	39 695
Employees by age – Over 50 years old (female) (# of employees by ranges of age)	4 812	4 611	4 394
Employees by age – Over 50 years old (male) (# of employees by ranges of age)	11 043	10 743	10 271
CEO-3 employees # of CEO-3 employees	1 240	1 299	1 235
<b>CEO-3 by gender (female) 'Women in Leadership' (% of CEO-3 female employees)</b>	<b>32</b>	<b>32</b>	<b>31</b>
CEO-3 by gender (male) (% of CEO-3 male employees)	68	68	69
Women in management positions in sales-generating functions (% of women over the total managers in sales-generating functions)	34.0	32.3	31.8
Women in STEM-related positions (% of women over the total STEM-related positions)	38.5	34.3	33.8
Nationality			
	2024	2023	
Employees by top 5 nationalities <sup>1</sup> (% of share in total workforce)			
Chinese	16.7	17.0	
Indian	5.6	5.6	
Spanish	4.7	4.5	
German	3.6	3.7	
Brazilian	3.5	3.7	
Management workforce by top 5 nationalities <sup>1</sup> (% of share in total management workforce)			
Chinese	14.0	14.9	
Indian	5.0	5.6	
French	4.7	4.8	
German	4.3	4.6	
Brazilian	3.8	4.1	

1. This data covers 97% of our employees as USA employees are not included in this breakdown.

## Employee engagement

	2024	2023	2022
Employees invited to participate in the employee engagement survey (# of employees)	62 052	25 412	28 569
Response rate (%)	77	81	79
Engagement Index (2023 and 2024: average score out of 10; 2022: average score out of 100)	7.3	7.6	69
Actively engaged employees <sup>1</sup> (%)	74	79	64
Management support index <sup>2</sup> (2023 and 2024: average score out of 10; 2022: average score out of 100)	8.0	8.3	72

1. Employees that are Promoters and Passives (those that gave a score from 10 to 7) based on employee NPS.

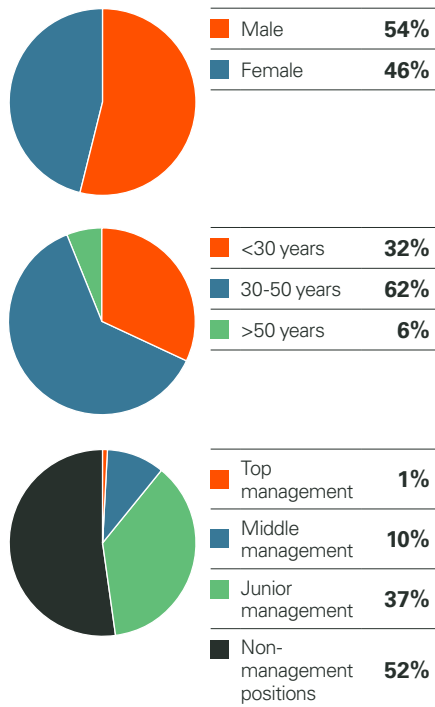
2. Management support index (formerly, 'Manager effectiveness index' before the new Employee Voice & Engagement platform) is calculated based on the combination of the two questions of the engagement survey: 'My manager provides me with the support that I need to complete my work' and 'My manager communicates openly and honestly with me.'

**Talent attraction and retention**

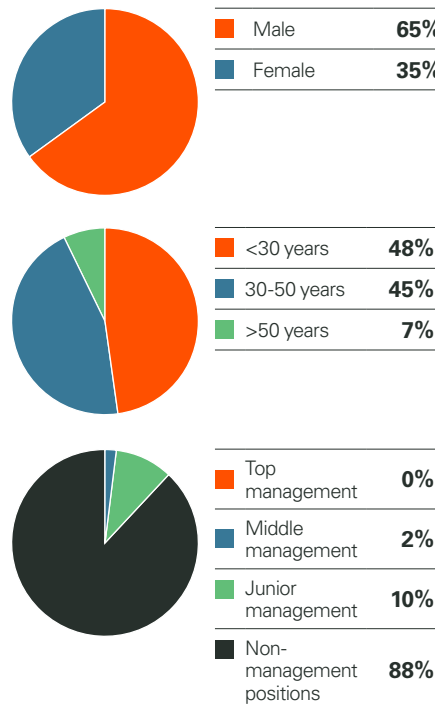
	2024	2023 <sup>1</sup>	2022
New hires (# of employees)	28 337	27 288	28 430
Internal new hires (% of total new hires)	20.9	16.3	15.1
New hires (female) (% of internal hires)	46.1	45.8	50.3
New hires (male) (% of internal hires)	53.9	54.2	49.7
External new hires (% of total new hires)	79.1	83.7	84.9
New hires (female) (% of external hires)	35.2	36.1	36.8
New hires (male) (% of external hires)	64.8	63.9	63.2
Total number of employees who left the Company during the year (# of employees)	21 746	18 114	18 995
Voluntary turnover (% of permanent employees)	13.7	12.8	14.8
Total turnover (% of total permanent employees)	22.8	19.0	20.3
Total turnover female (% of total permanent female employees)	20.0	18.4	19.6
Total turnover male (% of total permanent male employees)	24.5	19.4	20.8

1. Total number of employees who left the Company in 2023 were updated based on improved data accuracy, with an increase of 124 employees who left. Voluntary turnover has increased 0.1 percentage points and total turnover has decrease 0.2 percentage points.

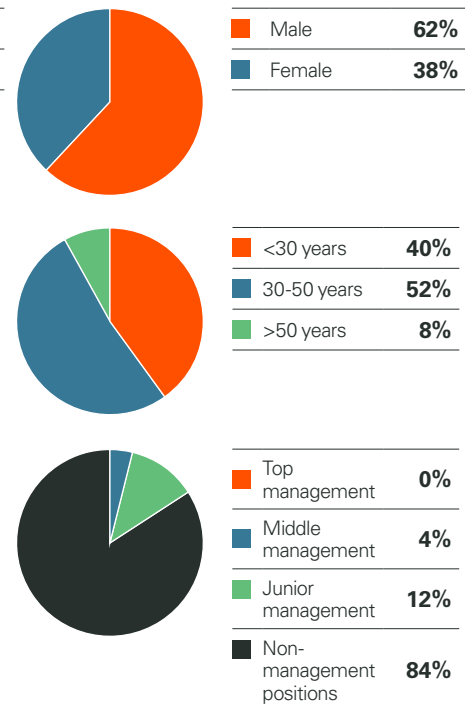
**Internal new hires**



**External new hires**



**Voluntary leaves**



## Adequate wages and compensation

	2024	2023	2022
Mean gender pay gap <sup>1</sup> (% of difference between men and women employees)	1.3	3.0	2.4
Median gender pay gap <sup>1</sup> (% of difference between men and women employees)	-7.2	-4.7	-7.3
Mean bonus gap <sup>1</sup> (% of difference between men and women employees)	10.8	21.4	21.0
Median bonus gap <sup>1</sup> (% of difference between men and women employees)	0.0	-4.0	6.3
CEO and mean employee compensation ratio <sup>2</sup>	56.4	31.9	28.5

1. This data covers 98% of all SGS employees. 0% means no gap, negative percentage benefits women and positive percentage benefits men.
2. To make the ratio comparable, we have implemented cost of living adjustments using the Purchasing Power Parity conversion rates and it is calculated based only on base salary and bonuses (excluding pension funds and extra hours).

## Inclusion of persons with disabilities

	2024	2023	2022
Employees with disabilities <sup>1</sup>	979	906	796
Employees with disabilities – female	482	434	369
Employees with disabilities – male	497	472	427
% of employees with disabilities	1.0	0.9	0.8

1. Employees with disabilities are recorded in the HR system according to the local regulation in each affiliate, which may vary between countries.

## Training and skills development

	2024	2023 <sup>1</sup>	2022
Training hours per FTE (# of hours per FTE)	61.4	61.1	54.7
<b>Total training hours<sup>2</sup> (# of hours)</b>	<b>6 092 636</b>	<b>6 016 570</b>	<b>5 296 680</b>
Management and leadership development training	81 122	110 575	80 972
Apprentice & trainee training programs	270 059	205 020	201 868
Technical training	970 146	832 438	872 340
Non-technical training	123 684	157 183	97 120
Health & safety training	3 432 614	3 423 056	2 937 914
Compliance training	911 257	1 071 096	757 649
Other training	303 754	217 201	348 818
Performance reviews (% of employees who have received performance reviews out of the total eligible)	88.3	79.2	84.5

1. Training hours in 2023 were updated based on improved data accuracy, with a decrease of 0.1 percentage points in Training hours per FTE and a decrease of 15,273 hours in Technical trainings.
2. We do not collect training hours data broken down by gender. We offer different types of training to our employees based on their needs and business demands and regardless of their gender.

## Health and safety

	2024	2023	2022
Total Recordable Incident Rate (TRIR) <sup>1</sup> (occurrences per 200 000)	0.34	0.32	0.35
Number of recordable incidents <sup>2</sup> (# of incidents)	355	326	346
Lost Time Incident Rate (LTIR) <sup>3</sup> (occurrences per 200 000)	0.17	0.17	0.19
Fatalities (# of cases)	2	2	–
Sites certified to ISO 45001 and/or ISO 14001 standards (number of sites)	719	644	562
Sites dual certified to ISO 45001 and ISO 14001 standards (number of sites)	291	278	229
FTE covered by ISO45001 standard (number of FTE)	32 348	28 222	20 862
Percentage of FTE covered by ISO45001 standard (%)	32.5	28.3	21.3
FTE covered by ISO14001 standard (number of FTE)	31 574	26 204	18 195
Safety training hours (# of hours)	3 432 614	3 423 056	2 937 914
Health and safety training per employee (# of hours per FTE)	34.6	34.7	30.4
Total absence rate <sup>4</sup> (% of days of sickness absence plus days lost per incidents with lost time per total days worked)	2.07	1.92	2.22
Sickness absence rate (% of days of sickness absence per total days worked)	2.05	1.90	2.20
Work-related absence rate (% of days of days of lost time and restricted duty due to recordable incidents per total days worked)	0.02	0.02	0.02

1. Number of lost time, restricted duty, medical treatment incidents and fatalities per 200 000 hours worked.
2. Number of lost time, restricted duty, medical treatment incidents and fatalities.
3. Number of lost time incidents per 200 000 hours worked.
4. Days of sickness absence and restricted duty per total days worked.

## Collective bargaining coverage and social dialogue and protection

	2024	2023	2022
Percentage of employees covered by collective bargaining agreements <sup>1</sup>	47	46	46

1. Employees covered by collective consultation/representation processes. The scope is limited to those affiliates where collective bargaining exists according to the International Labour Organization database for coverage rate.

## Incidents, complaints and severe human rights impacts

	2024	2023	2022
Number of operations identified as having a significant risk of incidences of child labor, forced or compulsory labor, or where the right to exercise freedom of association may be violated	–	–	–
Total number of employees trained on our Human Rights Principles	85 628	88 885	79 893
Percentage of employees trained on our Human Rights Principles	83.6	86.1	78.4

1. "Helplines" means channels used by employees and external parties to report suspected violations of the Code of integrity and submitted online, by phone call.

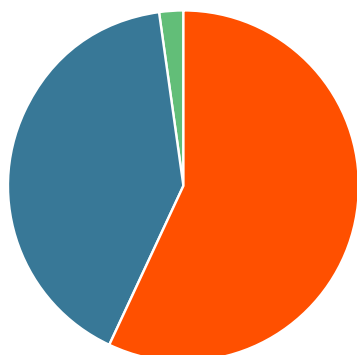
## Community donations

We are committed to supporting the communities where we operate, and do so across three pillars: empowerment, education and environmental sustainability. Through our community program, we help to tackle global challenges such as poverty, equal opportunities, health, education, climate change and environmental degradation.

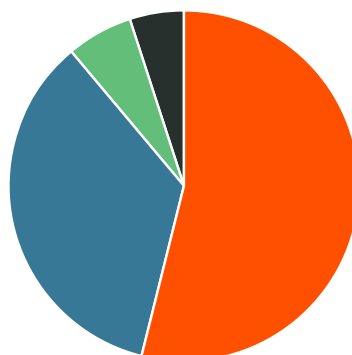
	2024	2023	2022
Community donations <sup>1</sup> (CHF thousands on constant currency basis)	1 473	1 722	1 850
Total community projects (# of projects)	528	595	526
Community hours (# of hours dedicated to community)	33 651	32 590	18 691

1. Community donations include: cash, donations in kind and volunteering hours.

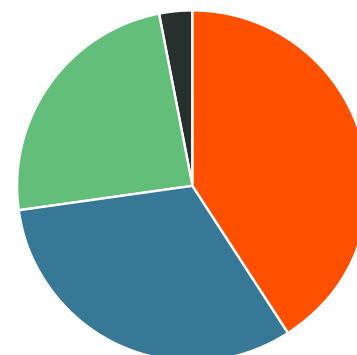
### Donation per type



### Donation per nature of contribution



### Donations per pillar



Community donation	52%
Occasional charitable donation	46%
Commercial initiative	2%

Cash contribution	54%
Volunteering hours	35%
Management costs	6%
In-kind donation	5%

Empowerment	44%
Education	35%
Environmental sustainability	17%
Disaster relief	4%

## 4. Governance topics

### 4.1. Governance

#### The role of the administrative, supervisory and management bodies

The Board of Directors has the ultimate responsibility for the strategic direction, supervision and the control of the management of the Company and the Group.

Such responsibility includes, among others, respecting the Company's business principles, Code of Integrity and any other policies or procedures relevant to the ethical conduct of business as may be enacted from time to time, defining and approving the business principles, values and codes of conducts and setting the tone of the Group business culture.

In addition, the Audit Committee assists the Board in ensuring Group compliance with legal and regulatory requirements.

The Audit Committee has the following attributions in relation to:

- Reviewing and discussing any fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal controls
- Reviewing major litigation or material legal matters involving the Company or the Group
- Reviewing reports on compliance matters, including on violations of the Code of Integrity, internal investigations, whistle-blower reporting procedures, information regarding due diligence of business partners, agents and suppliers, and other such matters brought to the attention of the Committee by the Chief Compliance Officer

Finally, the Board is responsible for maintaining an appropriate level of oversight on the Company's activities, ensuring compliance with applicable laws and internal and external rules and regulations.

In turn, the Executive Committee is entrusted with implementing the strategy, goals and objectives of the Company, maintaining the same tone from the top with regards to business culture and managing the day-to-day business operations of the Company.

The members of the Executive Committee and the Board have a deep level of understanding of the SGS compliance framework and requirements and are fully committed to conducting and promoting SGS's business in a highly ethical and sustainable manner.

Both the Chief Compliance Officer and the Head of Business Ethics have extensive experience in business ethics and compliance.

### 4.2. Impact, risk and opportunity management

#### Business conduct policies and corporate culture

Being trusted is a prerequisite of everything we do as a business. The SGS Code of Integrity applies to all employees, as well as affiliated companies, contractors, subcontractors, joint venture partners and agents.

The new edition of the SGS Code of Integrity was launched in May 2024. It formally introduces the responsibility of employees in management roles to ensure that their direct reports have been properly trained, fully understand the content of the training course and are able to comply with and apply the Code, and that they act with integrity. The revised version also highlights the rules on sanctions and trade controls, money laundering, and criminal and terrorism financing.

Key activities in 2024 related to business conduct include:

- New integrity assessments as a proactive and preventive measure to determine the control framework to prevent integrity risks across the SGS Group network
- Reporting of the locally investigated Code of Integrity violations to the global platform in order to collect accurate, centralized data
- Implementation of local channels in various affiliates to report suspected or known violations of the SGS Code of Integrity

- New global, regional and local learning offerings: live webinars, integrity minutes
- Implementation of a global framework to mitigate the sanctions risk. In this regard, there has been a substantial increase in the use of the sanctions advisory service

#### Grievance mechanisms

We communicate extensively throughout the Group on the different channels through which employees, external rightsholders and stakeholders can bring any breach of the Code of Integrity to our attention.

Our SGS integrity helpline is available 24/7 in multiple languages online and by phone and is offering a way to report concerns confidentially and anonymously. The SGS integrity helpline is operated by an independent service provider that specializes in dealing with compliance and ethics concerns. Communications made to this helpline are treated confidentially and are reported to the SGS compliance team, which protects the anonymity of the informant, where required.

SGS does not tolerate any form of retaliation or adverse consequences for having sought advice or reported any violations or risks of human rights violations. Retaliation against a rightsholder who has reported a violation in good faith will result in disciplinary action.

#### Animal welfare

At SGS, we are committed to minimizing animal testing by exploring other methods to ensure product safety and efficacy. In very limited cases, animal testing is still required by regulators, as there is no alternative way to assess specific risks.

Where regulations require animal testing, such as for environmental ecotoxicology risk assessments, we comply strictly with all legal standards while considering all viable alternatives first. We collaborate with industry partners to advance other testing methods and reduce reliance on animal tests wherever possible.

#### Training and awareness

Our foundational and annual mandatory training, Think Integrity, ensures that every employee understands the rules of the SGS Code of Integrity and the Integrity Helpline, as well as the principles, values and standards that guide our business operations. Real-world integrity dilemmas are presented through scenarios, allowing employees to navigate complex situations and make integrity-based decisions:

- **Target audience:** all employees and contractors
- **Frequency:** annual
- **Coverage:** includes Executive Committee members; Board members will be added shortly

The Compliance & Business Ethics Global Network facilitates ongoing regional webinar training sessions. These sessions provide targeted insights into the rules of the revised Code and address specific integrity challenges unique to each region:

- **Target audience:** regional
- **Frequency:** three sessions per quarter
- **Coverage:** all employees – non mandatory

We also conduct integrity sessions on the rules of the SGS Code of Integrity, which consist of micro learning, and are issued via email approximately on a monthly basis.

Several other initiatives are also accompanied by communication campaigns which may include videos, emails and information on several channels, articles on SGS's intranet, and even posts on social media, such as LinkedIn. Field and in-office material may also be launched with the campaign. These campaigns do not have a pre-established frequency.

In addition, senior management and leaders support and periodically communicate the importance of business ethics, compliance and integrity in their speeches, communication messages, town halls and meetings with their teams. They are responsible for acting as role models for the rest of our employees.

Employees in management roles must also ensure that all direct reports have been properly trained, fully understand the content of the training course, and are able to comply with and apply the Code. They must also ensure that employees under their supervision act with integrity and comply with the Code.

Employees in management roles are expected to be responsive to anyone who seeks guidance or raises concerns and to treat them seriously and in confidence.

Employees in management roles to whom suspected or known violations of the Code are reported must escalate them in accordance with the applicable SGS Group policies.

### Management of relationships with suppliers and sustainable supply chain

We have a significant opportunity to extend our sustainability principles to many more businesses and employees beyond our own. As a responsible major purchaser, we ensure that goods and services are sourced sustainably and that our suppliers respect human rights.

Our Supplier Code of Conduct, updated in 2024, sets out the basis of our responsible sourcing approach. It defines not only the non-negotiable minimum standards that we ask our suppliers to respect when conducting business with SGS, but also the values which are shared throughout SGS, its various businesses and affiliates. Every supplier that wants to do business with SGS is required to sign the SGS Code of Conduct to ensure that they are aligned with our standards and commitments.

We have implemented the SGS self-assessment questionnaire (SAQ) for our key global and local suppliers operating in the top 25 countries. This is a strategic program that aims to identify potential sustainability risks in our supply chain, especially those concerning human rights and childhood protection, and take action to mitigate these risks, towards a full human right-protected partnering. This program is mandatory for all suppliers in scope to ensure that our current/potential partners comply with our standards. In 2024, we deployed the SGS SAQ program to our most strategic suppliers. This program ensures a sustainable supply chain by assessing our suppliers and creating a sustainability risk map. Based on this map, we collaborate with our suppliers, providing guidance and best practices from our new SGS Sustainability Guidebook to help mitigate high-impact issues in our supply chain. This represents our continuous commitment to fostering sustainable partnerships. Additionally, we have initiated a review of the program based on the results of the first phase, to optimize alignment with our goals.

We integrate social and environmental criteria in the selection of our suppliers since 2023. Since 2024, we have extended the number of social and environmental criteria in the selection of suppliers through our sourcing process. Besides requesting our participating suppliers to adhere to our Code of Conduct, we take other social and environmental factors into account in the evaluation of our suppliers, like child employment prohibitions, employee rights and anti-discrimination policies, environmental and H&S policies and management systems, and commitment to reduce carbon footprint.

### Prevention and detection of corruption and bribery

There are various global (including the Integrity Helpline) and local channels that allow detection of corruption and bribery and through which SGS employees, and externals can report known or suspected violations of the SGS Code of Integrity, including those related to corruption.

The Compliance & Business Ethics function has direct communication channels into the Executive Committee and the Audit Committee.

The Chief Compliance Officer and the Global Head of Business Ethics regularly report to the Audit Committee, which is composed of members of the Board of Directors, on all business ethics, compliance and integrity related matters. The Chief Compliance Officer also has direct access to the Chairman of the Board.

Moreover, the Global Head of Business Ethics reports to the Executive Committee on the progress and status of the various SGS integrity program initiatives.

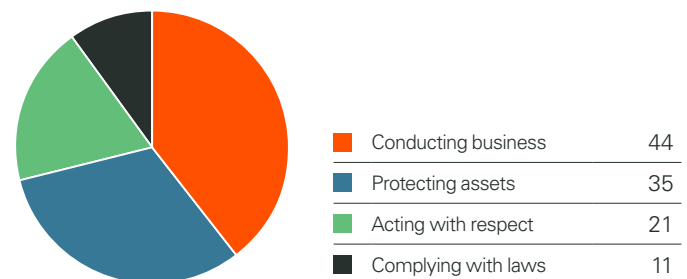
## 4.3. Metrics and targets

### Compliance and integrity

	2024	2023	2022
Total number of integrity issues reported through integrity helplines <sup>1</sup>	512	450	374
Total number of breaches of the Code of Integrity identified through integrity helplines <sup>1</sup>	111	89	73

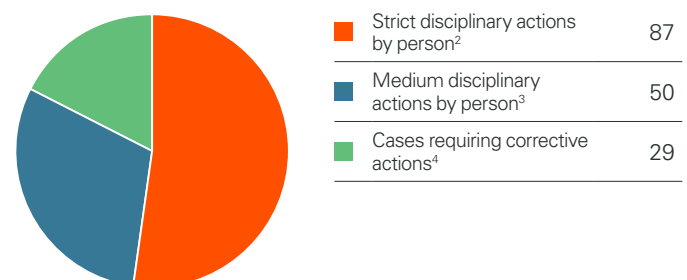
1. 'Helplines' means channels used by employees and external parties to report suspected violations of the Code of integrity and submitted online, by phone call, sent via fax, email or post.

#### Breakdown by type of breach<sup>1</sup>



1. Breakdown based on the categories defined in the Code of Integrity. The following breaches are included: 7 cases of corruption and bribery (measures taken for these cases were terminations of employees and disciplinary actions), 1 case of discrimination (measure taken for this case was the termination of one employee) 1 case of data privacy and 15 cases of conflict of interest.

#### Breakdown by type of consequence<sup>1</sup>



1. Consequences adopted during the reporting year. Some of these consequences may refer to breaches confirmed in previous years.  
 2. Termination with cause, without cause or by mutual agreement or resignation.  
 3. Financial sanction, suspension, written or verbal warnings or function demotion.  
 4. Process corrections, improvements, financial recovery actions, trainings or communications.

	2024	2023	2022
Percentage of employees signing the Code of Integrity	100	100	100
Percentage of employees trained on the Code of Integrity <sup>1</sup>	99.5	99.9	99.9
Percentage of operations analyzed for risks related to corruption	100	100	100.0
Public legal cases regarding corruption brought against the organization/employees	–	–	–

1. The calculation is based exclusively on permanent employees who completed the annual integrity training.



## Political influence and lobbying activities

We do not provide any financial or in-kind support, given directly or indirectly, to political parties, their elected representatives or persons seeking political office. We support some industry associations, but the sum is not material, representing approximately 0.01% of our sales.

	2024	2023	2022
Lobbying, interest representation or similar (CHF)	–	–	–
Contributions to local, regional or national political campaigns, organizations or candidates (CHF)	–	–	–
Trade associations or tax-exempt groups (e.g. think tanks) <sup>1</sup> (CHF)	1 294 767	909 129	1 121 161
Other (e.g. spending related to ballot measures or referendums) (CHF)	–	–	–
Total contributions and other spending (CHF)	1 294 767	909 129	1 121 161
Contribution to industry associations as % of sales (% of sales)	0.01	0.01	0.02

1. The main associations we contributed to in 2024 were: Association of Professional Social Compliance Auditors: CHF 420,990; OT Technology Spain: CHF 131,307; Six Swiss Exchange: CHF 88,000; TIC Council: CHF 73,590; Energy Institute: CHF 65,870.

## Sustainable procurement and supply chain

	2024	2023	2022
Spend analyzed for sustainability risks <sup>1</sup> (%)	100.0	100.0	100.0
Tier 1 Suppliers analyzed for sustainability risks <sup>2</sup> (% of total Tier 1 suppliers)	100.0	100.0	100.0
Number of local suppliers (% of total suppliers)	98.9	99.0	98.0
Number of global suppliers (% of total suppliers)	1.1	1.0	2.0
Spend of local suppliers (% of total spend)	90.2	89.0	84.0
Spend of global suppliers (% of total spend)	9.8	11.0	16.0
Spend by supra-region – Europe, Africa and Middle East (% of total spend)	44.0	43.0	46.0
Spend by supra-region – Asia Pacific (% of total spend)	32.0	35.0	34.0
Spend by supra-region – Americas (% of total spend)	24.0	22.0	20.0

1. Potential sustainability risks identified in the supply chain in 2022 assessment (as a % of spend): – Economic risk: low: 59%; medium: 40%; high: 1% – Social risk: low: 65%; medium: 35%; high: 0 – Environmental risk: low: 49%; medium: 49%; high: 2%.

2. Tier 1 suppliers within the scope of the SAQ.

## Spend by category

In 2024, a new system to monitor procurement spend was implemented and we now have a more accurate spend categorization. Spend by category is presented as a percentage of total spend.

(% of total spend)	2024
Banks and financing	3
Car fleet	5
Insurances and pensions	5
Information technology and telecommunications	8
Laboratory	25
Logistics	4
Professional services	7
Real estate	17
Subcontracting	21
Travel	3
Other	2

## 5. Company-specific topics

### 5.1. Customer relationship and satisfaction

We expand and enhance our Voice of the Customer program every year to support our long-term customer satisfaction targets.

In an effort to obtain a more representative sample and thus gain greater visibility into our global customer experience, we have expanded the scope of countries participating in our Voice of the Customer survey.

Furthermore, we are making progress in integrating the various tools related to customer service (VOC, CRM, Mailing, etc.) to achieve better data quality and measurement, ensuring this information can be accessed from all relevant platforms.

We have developed internal training programs with the aim of increasing and enhancing communication with customers (a key area for improvement from prior surveys). We have also prepared and launched workshops at local level to facilitate the creation of action plans based on the results of the surveys. After implementing these and other actions we expect to significantly improve our customer experience and therefore our results in future surveys.

	2024	2023	2022
Customer satisfaction score (% score)	91 <sup>1</sup>	91	85
Group sales covered by Voice of the Customer surveys <sup>2</sup> (% of total sales)	78	78	76
Countries participating in Voice of the Customer survey (# of countries)	34	27	27
Responses to Voice of the Customer surveys (# of responses)	32 588	26 140	19 000

1. In 2024, we adjusted the methodology to include the weight by operating segment.
2. 2023 data corrected in 2024.

### 5.2. Cybersecurity and data privacy

#### Information security and cybersecurity

##### IT security/cybersecurity governance

The Audit Committee supports the Board of Directors in discharging its duties in relation to financial reporting and internal controls. This includes specific IT security/cybersecurity risks. It receives regular reports on cybersecurity incidents and measures taken by management to address this risk.

We have implemented an information security management system (ISMS) certified under ISO/IEC 27001 since 2023, which ensures a structured and systematic approach to managing security risks. This system includes clear and defined governance mechanisms to oversee information security activities, aligned with international best practices.

We have also designated Board-level responsibilities for overseeing information security risks. This is achieved through a dedicated Information Security Committee, which annually reviews risks, controls, and progress in security. This committee is responsible for ensuring that the ISMS aligns with the organization's strategic and business objectives.

Additionally, the Risk Committee at the Board level also includes information security as a priority item on its agenda, enabling the integration of security risk management within the enterprise risk management framework.

The Company has appointed a Global Chief Information Security Officer (CISO) responsible for leading the information security program and reporting directly to the Board through the Security Committee. The CISO is accountable for implementing and maintaining the ISO/IEC 27001-certified ISMS, coordinating internal and external security audits, managing incident response, and ensuring security awareness across the organization.

This role is supported by six regional information security officers (RISO) and the Global Information Security (GIS) area, which provides SecOps, IAM, Vulnerability Management, and GRC services.

Additionally, the Chief Information Officer (CIO) works closely with the CISO to integrate security within the Company's technological and digital strategy, ensuring comprehensive cybersecurity coverage across all information systems.

David Plaza, CIO of SGS, has been appointed to the Executive Committee. In this role, he drives the implementation of a robust IT roadmap to support the goals of Strategy 27.

SGS has established robust governance mechanisms for information security, including an ISO/IEC 27001-certified ISMS, continuous oversight by the Board of Directors, and designated executive roles with clear responsibilities in security. This structure ensures that our security processes comply with international standards and are backed by strong governance and risk management policies.

## IT security/cybersecurity policies

In 2024, policies were reviewed and updated to ensure all were aligned with ISO/IEC 27001, and we created an SGS Security white paper to document security strategies and standards.

SGS has a comprehensive information security policy framework that is accessible to all employees. This policy outlines our commitment to ensuring the security of our information assets and protecting stakeholder data.

The Company's policy includes a commitment to:

- Continuous investment in information security systems: we are committed to ongoing investment in advanced security technologies and solutions to enhance the resilience of our information security systems. This includes regular updates and upgrades to our security infrastructure in alignment with evolving cyber threats
- Integrity and protection of data: our policy prioritizes the integrity and confidentiality of all data handled by the Company. We have implemented robust data protection measures to prevent unauthorized access, data breaches and loss of sensitive information
- Monitoring and responsiveness to information security threats: we maintain a proactive approach to threat monitoring and incident response. We have a dedicated Security Operations Center (SecOps) that operates 24/7 to detect and respond to potential security incidents in real time
- Establishing individual responsibilities for information security for the entire workforce: our policy assigns clear security responsibilities to all employees, fostering a culture of security awareness and accountability. Regular training and awareness programs are conducted to ensure that everyone understands their role in protecting Company and customer information
- Applicable requirements designated for third parties (e.g. suppliers): we enforce strict security requirements for third-party vendors and suppliers, including regular assessments to ensure compliance with our security standards. These requirements are included in all contracts and are monitored continuously

## Impacts, risks and opportunities management

SGS has a comprehensive information security management program (ISMP), which covers a wide range of security elements designed to protect our information assets and respond to potential security threats.

The Company's program includes:

- Escalation process to report incidents, vulnerabilities, or suspicious activities: we have established a clear and accessible process to report any security-related concerns, incidents, or suspicious activities. This process includes a dedicated hotline, an internal reporting tool and guidance on the immediate escalation of high-risk incidents
- Information security-related business continuity plans: we maintain robust business continuity and disaster recovery plans specifically tailored to address information security incidents. These plans are tested regularly to ensure readiness in the event of a cyberattack or data breach
- Information security vulnerability testing: we conduct regular vulnerability assessments and penetration testing to identify and mitigate potential security weaknesses. Our vulnerability management program is part of our commitment to continuous improvement in security

- Internal audits of the ISMSs: internal audits are conducted annually to evaluate the effectiveness of our ISMP, ensuring compliance with internal policies and industry standards. The audit results are reviewed by senior management and used to drive improvements in our security posture
- External certification of information security management: our ISMS is certified under ISO/IEC 27001, demonstrating our adherence to international best practices in information security management. This certification reflects our commitment to maintaining the highest standards in data protection and risk management

The ISO/IEC 27001 certification not only validates the strength of our ISMS but also provides us with a key competitive advantage in an environment where data protection is critical. This renewal ensures that we continue to operate with a rigorous and systematic approach to risk management, making sure that our internal processes not only comply with global regulations but are also secure and efficient.

For our clients, ISO/IEC 27001 is a guarantee that their information is protected against threats and vulnerabilities. This strengthens the trust in our ability to safeguard their most sensitive data, a core value that sets us apart and fosters lasting relationships built on security and transparency.

Moreover, by maintaining such high standards, we contribute to the sustainability of our business. Secure data management minimizes the risk of breaches, legal issues and reputational damage, which in turn ensures long-term business stability. Efficient security practices also support environmental sustainability by promoting digital processes, reducing paper consumption, and optimizing energy use in data storage and management systems.

- Information security awareness training: all employees undergo mandatory security awareness training, which includes modules on recognizing phishing, secure handling of data, and reporting suspicious activity. Training is conducted annually and supplemented with ongoing security communications and refreshers
- Monitoring of information security breaches: we have a dedicated SecOps that continuously monitors our environment for any security breaches or unusual activity
- Certification and compliance: we conducted NIS2 and IoT/OT security assessments to ensure compliance with current regulations
- Identity and Access Management (IAM): the deployment of passwordless authentication (Windows Hello) and the introduction of identity governance tool for financial users has significantly enhanced our access control mechanisms.
- We implement leading market solutions for identity threat detection and response to mitigate risks of identity attacks on servers and workstations, as well as identity governance tools
- Performance and recognition: leading BitSight security ratings for over a year, consistently maintaining a rating above 720 across all regions

## Data privacy

SGS is committed to supporting the right of any individual to control their own personal information and to make decisions about it. Privacy is a fundamental human right and SGS has adopted an approach that protects the personal data of our customers, employees and third parties from the moment we collect it to the time we destroy it.

Data privacy is a key principle of our Code of Integrity. SGS respects the privacy and confidential nature of the personal information of any individual we interact with to the extent required for the effective operation of its business or for complying with legal requirements.

Our data privacy policy, upgraded in 2024, governs how we collect, use and manage the personal data of customers, employees and third parties. Moreover, we have developed a management framework to allow us to manage personal data in a manner that is consistent with the data privacy policy across all affiliates.

Aside from the policies, our data protection officers provide continuous advice, identify privacy risks, develop policies on specific issues and train employees on data privacy.

We also take data privacy into consideration from the outset when developing new services or processes. By following the privacy by design approach, we aim to avoid a 'collect first, ask questions later' approach to personal data. For those projects that entail data privacy concerns, our data protection officers work closely with the relevant business and IT security teams to undertake a data protection impact assessment, documenting both the potential risks to individuals and the measures being taken to minimize them.

In 2024, we have developed and deployed the SGS Data Privacy Controls Checklist. This checklist includes a comprehensive inventory of 13 privacy management categories and over 130 privacy management controls and activities, crafted to guide all SGS affiliates in meeting local privacy laws, while showcasing accountability in managing personal data and minimizing the risk of complaints. These controls will also serve as measurable benchmarks, enabling the tracking of data privacy compliance progress across SGS countries and regions.

We have also adopted and implemented retention rules within two critical global applications in HR and Sales and Marketing. This includes establishing clear retention periods, implementing storage guidelines to ensure local compliance, enhancing data quality and minimizing potential risks. Data retention is a critical aspect of modern data management, balancing our need for information access with legal, regulatory and business requirements. It supports the responsible management of increasing data volumes and strengthens the trust of our customers.

Finally, any individual who wants to exercise their privacy rights can do so by simply visiting our online privacy request form at [www.sgs.com](http://www.sgs.com). We will not discriminate against individuals who choose to exercise any of their rights. Specifically, SGS will not deny goods or services, charge different prices or rates, or provide a different level of quality of services.

	2024	2023	2022
Number of complaints received from outside parties and substantiated by the organization (# of complaints)	1	–	–
Substantiated complaints concerning breaches of data customer policy (# of complaints)	–	–	–
Number of complaints from regulatory bodies (# of complaints)	–	–	–
Completion rate of data protection and privacy e-learning (% of people invited to the eLearning)	98	N/A <sup>1</sup>	N/A <sup>1</sup>

1. Data protection and privacy e-learning is a new course launched in 2024

## 5.3. Risk management

The content of this section is addressed in the Governance report pages 45 to 50.

## 5.4. Sustainability services

The content of this section is addressed in the Management report pages 2 and 21.

## 6. References

### 6.1. Glossary

The definitions and calculation methods of the indicators disclosed in the Non-financial statements are mostly based in Global Reporting Initiative (GRI) Standard and can be found in SGS Basis of reporting, available at [sgs.com](https://www.sgs.com). Definitions for certain key indicators are explained as follows:

#### Customer satisfaction

Measurement of the level of customer satisfaction of the service SGS provides, collected through the global Voice of Customer program. The calculation method is based on the number of satisfied customers (rating of at 4 or 5, out of 5)/number of survey responses x 100. In 2024, we adjusted the methodology to include the weight by operating segment.

#### Training hours

Training hours include all training provided to employees internally or externally, in person or virtually. When specified, training hours also include training delivered to clients through the SGS Academy and training delivered to communities through the SGS Academy for the Community.

#### Women in leadership

Percentage of women managers up to level CEO-3. A manager is defined as an employee with a people-management responsibility and/or Profit & Loss responsibility and/or reports to an ExCo member, Managing Director or Business managers (except clerical jobs).

#### GHG emissions

Emissions of carbon dioxide equivalent (CO<sub>2</sub>eq) to the atmosphere resulting from the company's operations and value chain. CO<sub>2</sub>eq emissions are accounted based on the guidelines of the GHG Protocol.

#### Engagement index

Engagement is a measure of how committed to and enthusiastic employees are about their work and the organization. The index is the average engagement score given by survey respondents in response to 3 engagement questions:

- How likely is it that you would recommend SGS as a place to work?
- How likely is it that you would stay with SGS if you were offered the same job at another organization?
- Overall, how satisfied are you working at SGS?

It's calculated by averaging each employee's engagement score based on their answer to all the engagement questions and ranges between 0 to 10.

#### Number of experts

Based on SGS's job architecture, the level and grade of roles, this includes all those roles which require a technical background. It does not include roles in general management, administration, support functions or profiles requiring no technical qualifications.

#### Employees trained to the Code of Integrity

Number or percentage of permanent employees who have completed the annual mandatory integrity training.

## 6.2. GRI

SGS has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI standard and disclosure	Reference	Reported performance	Assurance	
<b>GRI 2: General Disclosures 2021</b>				
2-1	Organizational details	Page 90	AL	
2-2	Entities included in the organization's sustainability reporting	Pages 144-145	AL	
2-3	Reporting period, frequency and contact point	Pages 154 and 200	AL	
2-4	Restatements of information	Page 157	AL	
2-5	External assurance	Pages 154, 197-199	AL	
2-6	Activities, value chain and other business relationships	Pages 10-11, 32-33, 184	<ul style="list-style-type: none"> <li>- Spend by SGS category</li> <li>- Spend by SGS supra-region</li> </ul>	AL
2-7	Employees	Page 176 Information regarding the total number of non-guaranteed hours employees, full-time employees and part-time employees including its breakdown by gender and by region is not disclosed.	<ul style="list-style-type: none"> <li>- Number of employees at year end (# of employees)</li> <li>- Permanent workers (as a % of total employees)</li> <li>- Casual workers (as a % of total employees)</li> </ul>	AL
2-9	Governance structure and composition	Pages 30-51		AL
2-10	Nomination and selection of the highest governance body	Page 34		AL
2-11	Chair of the highest governance body	Page 35		AL
2-12	Role of the highest governance body in overseeing the management of impacts	Page 39		AL
2-13	Delegation of responsibility for managing impacts	Page 39		AL
2-14	Role of the highest governance body in sustainability reporting	Page 39		AL
2-15	Conflicts of interest	Page 38		AL
2-16	Communication of critical concerns	Page 174 and 182-183	<ul style="list-style-type: none"> <li>- Total number of substantiated breaches of the Code of Integrity received through integrity helplines and broken down by type of breach</li> <li>- Total number of integrity issues reported through integrity helplines</li> </ul>	AL
2-17	Collective knowledge of the highest governance body	Page 155		AL
2-18	Evaluation of the performance of the highest governance body	Page 38		AL
2-19	Remuneration policies	Pages 52-79		AL
2-20	Process to determine remuneration	Pages 52-79		AL
2-21	Annual total compensation ratio	Pages 52-79 and 179	<ul style="list-style-type: none"> <li>- CEO and mean employee compensation ratio</li> </ul>	AL
2-22	Statement on sustainable development strategy	Pages 3-5		AL
2-23	Policy commitments	Page 11, 168, 172-173, 182-183		AL
2-24	Embedding policy commitments	Page 11, 168, 172-173, 182-183		AL
2-25	Processes to remediate negative impacts	Pages 163-168 and 174		AL
2-26	Mechanisms for seeking advice and raising concerns	Pages 174 and 182		AL
2-27	Compliance with laws and regulations	As indicated in our Code of Integrity, SGS complies with applicable laws in the countries where it does business. During 2024 the SGS Group was not condemned to any significant fines or penalties for non-compliance with any kind of laws and regulations.		AL
2-28	Membership associations	Pages 26 and 184	<ul style="list-style-type: none"> <li>- Payments to trade associations or tax-exempt groups</li> </ul>	AL

GRI standard and disclosure		Reference	Reported performance	Assurance
2-29	Approach to stakeholder engagement	Pages 157, 177 and 185	<ul style="list-style-type: none"> <li>Customer satisfaction score (as a % score)</li> <li>Engagement index</li> </ul>	AL
2-30	Collective bargaining agreements	Pages 173 and 180	<ul style="list-style-type: none"> <li>Percentage of employees covered by collective bargaining</li> </ul>	AL
<b>GRI 3: Material Topics 2021</b>				
3-1	Process to determine material topics	Pages 158-162		AL
3-2	List of material topics	Pages 158-162		AL
3-3	Management of material topics	Pages 158-162		AL
<b>GRI 201: Economic Performance 2016</b>				
3-3	Management of material topics	Pages 82-85		
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>Total economic value generated: CHF 6 828 M (Revenue: CHF 6 794 M; Financial and other income: CHF 34 M)</li> <li>Total economic value distributed: CHF 6 840 M (Salaries and wages: CHF 3 427 M; Subcontractors' expenses: CHF 414 M; Depreciation, amortization and impairment: CHF 476 M; Other operating expenses: CHF 1 534 M; Financial expenses: CHF 94 M; Dividends paid (expected): CHF 634 M; Income taxes CHF 222 Mio; Other taxes: CHF 38 M; Community contributions and charitable donations: CHF 1 M)</li> <li>Total economic value retained: CHF -12 M</li> </ul>	<ul style="list-style-type: none"> <li>Total economic value generated</li> <li>Total economic value distributed</li> <li>Total economic value retained</li> </ul>	AL
201-2	Financial implications and other risks and opportunities due to climate change	Pages 165-168		
201-3	Defined benefit plan obligations and other retirement plans	Page 93-94 Only qualitative information is disclosed.		
201-4	Financial assistance received from government	SGS does not receive any significant financial assistance from governments, but we benefit from incentives in the form of grants from certain government schemes, such as energy-saving incentives. However, these benefits are of low value. This information is based on our global information gathering system. We are not aware of any significant incentives granted by governments or any financial aid granted to political parties at local level during 2024.		
<b>GRI 202: Market Presence 2016</b>				
3-3	Management of material topics	Page 172-173		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	The quantitative information breakdown is unavailable. We are currently evaluating alternative reporting options and expect to report in coming years.		
<b>GRI 204: Procurement Practices 2016</b>				
3-3	Management of material topics	Page 183		
204-1	Proportion of spending on local suppliers	Page 184	<ul style="list-style-type: none"> <li>Number of local suppliers (as a % of total suppliers)</li> <li>Number of global suppliers (as a % of total suppliers)</li> <li>Spend of local suppliers (as a % of total spend)</li> <li>Spend of global suppliers (as a % of total spend)</li> </ul>	AL
<b>GRI 205: Anti-corruption 2016</b>				
3-3	Management of material topics	Pages 182-183		
205-1	Operations assessed for risks related to corruption	<p>Our non-financial macro risk assessment model analyzes economic, political, social and environmental risks across 220 geographies and includes our own employees, suppliers, indigenous people, migrant labor and local communities. The analysis of economic and political risks includes the following categories: government instability, policy instability, state failure, recession, inflation, currency depreciation, capital transfer, sovereign default, under-development, tax issues, corruption, infrastructural disruption, energy security, cybersecurity commitment, data protection and regulatory. Our most recent risk assessment was performed in 2022 and externally assured by PwC. The results of that assessment resulted in the following risk exposure:</p> <ul style="list-style-type: none"> <li>Direct operations (as a % of sales): Low 58%; Medium 40%; High 2%</li> <li>Supply chain (as a % of spend): Low 59%; Medium 40%; High 1%</li> </ul>		

GRI standard and disclosure	Reference	Reported performance	Assurance
205-2	Communication and training about anti-corruption policies and procedures	Pages 182-183 Breakdown by gender and employee category is not reported.	– Percentage of employees trained to the Code of Integrity <span>AL</span>
205-3	Confirmed incidents of corruption and actions taken	Page 183 In 2024, there were no public legal cases regarding corruption brought against the organization or its employees.	– Number and nature of confirmed incidents of corruption identified through corporate helplines <span>AL</span>
<b>GRI 206: Anti-competitive Behavior 2016</b>			
3-3	Management of material topics	We are committed to using competitive and fair practices. As such, we do not engage in any understandings or agreements that may improperly influence markets, or discuss pricing, competitive bid processes, contractual terms, division of territories or customer and market allocations with competitors. We do not make disparaging or untruthful allegations regarding competitors, or endeavor to obtain confidential information about them using illegal or unethical means. Finally, our services and capabilities are never advertised in any way that could appear to be deceptive or misleading. We provide customers with detailed quotes and invoices so that they are informed about every aspect of our service, including pricing. Our Global Pricing Initiative, developed through expert review of pricing practices across the Group, ensures robust pricing processes and governance.	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2024, we did not identify any legal actions related to anticompetitive behavior, antitrust and monopoly practices. This information is based on our global information gathering system based on incidents reported via the SGS integrity helplines. We are not aware of any significant incidents of this type at a local level during 2024.	– Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant <span>AL</span>
<b>GRI 207: Tax 2019</b>			
3-3	Management of material topics	Pages 100-101	
<b>GRI 302: Energy 2016</b>			
3-3	Management of material topics	Pages 163-165	
302-1	Energy consumption within the organization	Pages 163-165, 169 The information reported is limited to the total fuel and the total electricity consumption broken down by renewable and non-renewable electricity.	<ul style="list-style-type: none"> <li>– Total energy consumption (MWh)</li> <li>– Total energy consumption by use (MWh)</li> <li>– Vehicle fuels energy (MWh)</li> <li>– Non-transport fuels energy (MWh)</li> <li>– Total electricity (MWh)</li> <li>– Standard electricity (MWh)</li> <li>– Renewable electricity (MWh)</li> <li>– Total energy production (MWh)</li> <li>– Non-renewable energy production (MWh)</li> <li>– Renewable energy production (MWh)</li> <li>– Total renewable electricity (As % of total electricity consumption)</li> </ul> <span>AL</span>
302-3	Energy intensity	Pages 163-165, 169	<ul style="list-style-type: none"> <li>– Energy intensity per revenue (MWh/CHF million)</li> <li>– Energy intensity per FTE (MWh/FTE)</li> </ul> <span>AL</span>
302-4	Reduction of energy consumption	Page 169 Compared to 2023, our energy consumption has remained stable in 2024 (-0.04%).	<span>AL</span>
<b>GRI 303: Water and Effluents 2018</b>			
3-3	Management of material topics	Page 171	
303-5	Water consumption	Page 171	
<b>GRI 304: Biodiversity 2016</b>			
3-3	Management of material topics	Not applicable. Being a service based company, SGS does not have a significant impact on biodiversity.	
<b>GRI 305: Emissions 2016</b>			
3-3	Management of material topics	Page 163	
305-1	Direct (Scope 1) GHG emissions	Page 170	– Gross Scope 1 GHG emissions (tCO <sub>2</sub> e) <span>AL</span>
305-2	Energy indirect (Scope 2) GHG emissions	Page 170	<ul style="list-style-type: none"> <li>– Gross location-based Scope 2 GHG emissions (tCO<sub>2</sub>e)</li> <li>– Gross market-based Scope 2 GHG emissions<sup>3</sup> (tCO<sub>2</sub>e)</li> </ul> <span>AL</span>



GRI standard and disclosure	Reference	Reported performance	Assurance
305-3 Other indirect (Scope 3) GHG emissions	Page 170	<ul style="list-style-type: none"> <li>Total Gross indirect (Scope 3) GHG emissions (tCO<sub>2</sub>e)</li> <li>Purchased goods and services</li> <li>Capital goods</li> <li>Fuel and energy related activities (not included in Scope 1 and Scope 2)</li> <li>Waste generated in operations</li> <li>Business travel</li> <li>Employee commuting</li> </ul>	AL
305-4 GHG emissions intensity	Page 170	<ul style="list-style-type: none"> <li>Scope 1+2 intensity per sales market based (CO<sub>2</sub>e tons/CHF million)</li> <li>Scope 1+2 intensity per FTE market based (CO<sub>2</sub>e tons/FTE)</li> <li>Scope 3 intensity per sales (CO<sub>2</sub>e tons/CHF million)</li> </ul>	AL
305-5 Reduction of GHG emissions	Page 170	<ul style="list-style-type: none"> <li>Scope 1+2 emissions variation</li> <li>Scope 3 emissions variation</li> </ul>	AL
<b>GRI 306: Waste 2020</b>			
3-3 Management of material topics	Page 171		
306-3 (2020) Water generated	Page 171		
306-3 (2016) Significant spills	Page 171	<ul style="list-style-type: none"> <li>Environmental incidents (as # of environmental incidents including significant spills)</li> </ul>	AL
306-4 Waste diverted from disposal	Page 171		
<b>GRI 308: Supplier Environmental Assessment 2016</b>			
3-3 Management of material topics	Page 183		
308-2 Negative environmental impacts in the supply chain and actions taken	Page 183 The information reported is limited to the number of suppliers assessed for environmental impacts. Our most recent risk assessment was performed in 2022 and externally assured by PwC.		
<b>GRI 401: Employment 2016</b>			
3-3 Management of material topics	Pages 172-175		
401-1 New employee hires and employee turnover	Page 178 Information not broken down by region.	<ul style="list-style-type: none"> <li>New hires (# of employees)</li> <li>Total number of employees who left the Company during the year</li> <li>Voluntary turnover (as a % of permanent employees)</li> <li>Total turnover by gender (as a % of total permanent employees)</li> </ul>	AL
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	We offer benefits such as healthcare plans and occupational pension plans to our employees considering their type of contract, in accordance with local market practices.		
401-3 Parental leave	Many of our affiliates provide paid maternity and paternity leave in excess of legally required minimum. For example, SGS in Switzerland offers 16 weeks of maternity leave paid at 100%. SGS in Australia offers 8 weeks of paid maternity leave in excess of the local legally required minimums and SGS in South Africa, offers 5 paid days while local regulation provides 3 paid days. We also provide different childcare facilities in many of our affiliates. Some of our offices count with special rooms equipped with armchairs and freezers dedicated to breastfeeding. We also offer our employees the possibility of flexible working arrangements such as flexible check-in and checkout, remote or part-time working to promote worklife balance. No quantitative information available.		
<b>GRI 402: Labor/Management Relations 2016</b>			
3-3 Management of material topics	We strictly adhere to tariff structures and arrangements negotiated with trade unions, while we also inform and consult employees on relevant business activities. We respect statutory minimum notice periods and give reasonable notice of any significant operational changes in line with local practices and labor markets. Our affiliates' communication and consultation processes are tailored to local needs. Organizational changes and relevant events that occur are formally communicated in compliance with the different regulations that apply both globally and locally as well as, when applicable, in accordance with what is established in the collective bargaining agreements of the Group's companies.		
402-1 Minimum notice periods regarding operational changes			AL

GRI standard and disclosure		Reference	Reported performance	Assurance
<b>GRI 403: Occupational Health and Safety 2018</b>				
3-3	Management of material topics	Pages 173-175		
403-1	Occupational health and safety management system	Page 173		AL
403-2	Hazard identification, risk assessment, and incident investigation	Page 173		AL
403-3	Occupational health services	Page 173		AL
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 173		AL
403-5	Worker training on occupational health and safety	Page 175		AL
403-6	Promotion of worker health	Page 175		AL
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 173-175		AL
403-8	Workers covered by an occupational health and safety management system	Page 180	– FTE covered by ISO 45001 standard (number of FTE)	AL
403-9	Work-related injuries	Page 180	– Total Recordable Incident Rate (TRIR) (occurrences per 200 000) – Lost Time Incident Rate (LTIR) (occurrences per 200 000) – Sickness absence rate (as a % of days of sickness absence per total days worked) – Total absence rate (as a % of days of sickness absence plus days lost per incidents with lost time per total days worked)	AL
403-10	Work-related ill health	Page 180 Information not broken down by gender and employee category.	– The number of fatalities as a result of work-related ill health	AL
<b>GRI 404: Training and Education 2016</b>				
3-3	Management of material topics	Page 174		
404-1	Average hours of training per year per employee	Page 179 Information not broken down by gender and employee category.	– Training ratio (As a % of total employment cost spent on training) – Percentage of employees trained on the Code of Integrity. – H&S training hours – % rate of completion of the data protection and privacy (e-learning)	AL
404-2	Programs for upgrading employee skills and transition assistance programs	Page 174		AL
404-3	Percentage of employees receiving regular performance and career development reviews	Page 179	– Performance reviews (as a % of employees eligible to performance review)	AL
<b>GRI 405: Diversity and Equal Opportunity 2016</b>				
3-3	Management of material topics	Page 175		
405-1	Diversity of governance bodies and employees	Pages 35-37, 42-43 The Board of Directors is composed of 8 members (5 men and 3 women) The Executive Committee is composed of 13 members (11 men and 2 women)	– Percentage of employees by gender – Percentage of managers by gender – Percentage of women in leadership positions (CEO-3) – Diversity on the Board and Executive Committee by gender, nationality and age	AL
405-2	Ratio of basic salary and remuneration of women to men	Page 179		

GRI standard and disclosure	Reference	Reported performance	Assurance
<b>GRI 406: Non-discrimination 2016</b>			
3-3	Management of material topics	Pages 172-173	
406-1	Incidents of discrimination and corrective actions taken	Page 183	– Total number of proven incidents of discrimination <span style="float: right;">AL</span>
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>			
3-3	Management of material topics	Page 173	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our most recent risk assessment was performed in 2022 and externally assured by PwC.	
<b>GRI 408: Child Labor 2016</b>			
3-3	Management of material topics	Page 173	
408-1	Operations and suppliers at significant risk for incidents of child labor	Our most recent risk assessment was performed in 2022 and externally assured by PwC.	
<b>GRI 409: Forced or Compulsory Labor 2016</b>			
3-3	Management of material topics	Page 173	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our most recent risk assessment was performed in 2022 and externally assured by PwC.	
<b>GRI 413: Local Communities 2016</b>			
3-3	Management of material topics	Page 181	
413-1	Operations with local community engagement, impact assessments, and development programs	Page 181 We have implemented such programs in 50% of our affiliates.	– Investment in community (CHF thousands) <span style="float: right;">AL</span> – Total community projects (# of projects) – Community hours (# of hours dedicated to community)
<b>GRI 414: Supplier Social Assessment 2016</b>			
3-3	Management of material topics	Page 183	
414-2	Negative social impacts in the supply chain and actions taken	Page 183 The information reported is limited to the number of suppliers assessed for social impacts. Our most recent risk assessment was performed in 2022 and externally assured by PwC.	
<b>GRI 415: Public Policy 2016</b>			
3-3	Management of material topics	Page 184	
415-1	Political contributions	Page 184	– Contributions to local, regional or national political campaigns, organizations or candidates (CHF) <span style="float: right;">AL</span>
<b>GRI 417: Marketing and Labeling 2016</b>			
3-3	Management of material topics	We provide customers with detailed quotes and invoices so that they are informed about every aspect of our service, including pricing. Our Global Pricing Initiative, developed through expert review of pricing practices across the Group, ensures robust pricing processes and governance.	
417-2	Incidents of non-compliance concerning product and service information and labeling	In 2024, we were not issued with any significant fines or penalties for non-compliance with regulations concerning product and service information and labelling.	– Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling. <span style="float: right;">AL</span>
417-3	Incidents of non-compliance concerning marketing communications	In 2024, we were not issued with any significant fines or penalties for non-compliance with regulations concerning marketing communications.	– Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. <span style="float: right;">AL</span>
<b>GRI 418: Customer Privacy 2016</b>			
3-3	Management of material topics	Page 187	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 187 The total number of identified leaks, thefts, or losses of customer data is not reported.	– Number of complaints received from outside parties and substantiated by the organization (# of complaints) <span style="float: right;">AL</span> – Substantiated complaints concerning breaches of data customer policy (# of complaints) – Number of complaints from regulatory bodies (# of complaints)

### 6.3. Sustainable Accounting Standards Board (SASB) framework alignment

The following tables illustrate how the Company's sustainability disclosures align with the SASB Disclosure Topics for the Professional & Commercial Services industry, and where specific information may be found.

Topic	Code	Accounting metric	Level of disclosure	Page number(s) and/or URL(s)
<b>Data Security</b>	SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Disclosed	Pages 185-187
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Disclosed	Pages 185-187 See Privacy Policy at sgs.com
	SV-PS-230a.3	(1) Number of data breaches (2) Percentage involving customers' confidential business information (CBI) or personally identifiable information (PII) (3) Number of customers affected	Disclosed	Page 187
<b>Workforce Diversity &amp; Engagement</b>	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) Executive management, and (2) All other employees	Disclosed	Pages 35-37, 42-43 and 176
	SV-PS-330a.2	(1) Voluntary, and (2) Involuntary turnover rate for employees	Disclosed	Page 178
	SV-PS-330a.3	Employee engagement as a percentage	Disclosed	Page 177
<b>Professional Integrity</b>	SV-PS-510a.1	Description of approach to ensuring professional integrity	Disclosed	Pages 182-183 See Code of Integrity at sgs.com
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Disclosed	In 2024, we were not issued with any significant fines or penalties for noncompliance with regulations associated with professional integrity

#### Activity metrics

Activity metric	Code	Level of disclosure	Page number(s) and/or URL(s)
Number of employees by: (1) Full-time and part-time (2) Temporary, and (3) Contract	SV-PS-000.A	Partial <sup>1</sup>	Page 176
Employee hours worked; percentage billable	SV-PS-000.B	Not available <sup>2</sup>	–

1. FTEs, number of employees and percentage of casual and permanent workers are disclosed. We are working on reporting the requested breakdown in future reports.
2. We are working on reporting these figures in future reports.

## 6.4 Non-financial matters required by article 964b of the Swiss Code of Obligations

In compliance with the new Swiss rules on non-financial reporting (article 964b of the Swiss Code of Obligations), the Shareholders are invited to approve a report on non-financial matters. The Company publishes an integrated report, which covers a larger scope than what is strictly required by legislation. The vote of the shareholders is limited to the contents included in the following table.


Requirement	Sections in the Annual Report	Page number(s)	GRI Indicators
Description of the business model	Management Report: – How we create value	Pages 8 to 11	➔ GRI 2-6
Description of the policies adopted in relation to the relevant matters and measures taken to implement these policies			
Environmental matters	Non-Financial Statements: – 2. Environmental topics	Pages 163-168	➔ GRI 3-3 (Energy and Emissions) GRI 302-1, 303-3, 303-4, 305-1, 305-2, 305-3, 305-4, 305-5
Social and employee-related issues	Non-Financial Statements: – Management of relationships with suppliers and sustainable supply chain – Community donations	Pages 183, 185	➔ GRI 3-3 (Procurement practices and Local communities) GRI 204-1, 413-1
Respect for human rights	Non-Financial Statements: – Policies related to own workforce – Processes for engaging with own workers and workers' representatives about impacts – Processes to remediate negative impacts and channels for own workers to raise concerns – Taking action on material impacts on own workforce	Pages 172-175	➔ GRI 3-3 (Employment, Occupational Health and Safety, Training and Education) GRI 401-1, 403-1, 403-2, 403-3, 403-4, 403-6, 403-7, 404-1, 404-3
Combating corruption	Non-Financial Statements: – Business conduct policies and corporate culture – Prevention and detection of corruption and bribery	Pages 182-183	➔ GRI 3-3 (Anti-corruption) GRI 205-2, 205-3
Description of the main risks related to the relevant matters and how the undertaking is dealing with these risks	Non-Financial Statements: – 1.5 Impacts, risks and opportunities	Pages 158-162	➔ GRI 3-1, 3-2, 3-3
Main performance indicators	Non-Financial Statements: – 2.2 Metrics and targets – 3.3 Metrics and targets – 4.3 Metrics and targets – 5.1. Customer relationship and satisfaction	Pages 169, 170, 176-181, 183-186	➔ GRI 302-1, 303-3, 303-4, 305-1, 305-2, 305-3, 305-4, 305-5, 403-8, 403-9, 403-10, 404-1, 404-3, 405-1, 406-1
References to national, European or international regulations	Non-Financial Statements: – 6.2. GRI – 6.3. Sustainable Accounting Standards Board (SASB) framework alignment	Page 155	➔ N/A
Coverage of subsidiaries	Non-Financial Statements: – 1.1. General basis for preparation of the sustainability statement	Page 154	➔ GRI 2-2


# Independent practitioner's limited assurance report

## On 2024 selected sustainability indicators presented in the non-financial statements section of the 2024 Integrated Annual Report to the Board of Directors of SGS SA

### Geneva

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on the 2024 selected sustainability indicators (including the GHG statement) as well as on the selected Non-Financial matters 2024 required by article 964b of the Swiss Code of Obligations applying article 964b paragraph 3 CO (referred to hereafter Non-financial Matters 2024) presented in the non-financial statements section of the 2024 Integrated Annual Report of SGS SA (hereafter the 'Report') for the period ended 31 December 2024.

Our limited assurance engagement focused on 2024 selected sustainability indicators as presented in the 2024 GRI Content Index of the Report on pages 189 to 194 as well as in the selected Non-Financial matters table of the report on page 196 as marked with the check mark  (hereafter the 'Subject Matters').

We do not comment on, nor conclude on any prospective or retrospective information nor did we perform any assurance procedures on the information other than those marked with the check mark  for the reporting period 2024, accordingly we provide no assurance on other information.

The Subject Matters in the Report were prepared by the Board of Directors of SGS based on the criteria disclosed on page 154 in the section 'General basis for preparation of the sustainability statement' defining those procedures, by which the related sustainability indicators are internally gathered, collated and aggregated. Further, this section describes and defines the principles, processes as well as data collection and reporting. The section 'General basis for preparation of the sustainability statement' and the document 'Basis of reporting' have been developed using, among others, the GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI), Version 2021 and the GHG Protocol Corporate Accounting and Reporting Standard, Corporate Standard, Revised edition (GHG Protocol Standard) as well as the Swiss Code of Obligations applying article 964b paragraph 3 CO. We evaluated the Subject Matters against the GRI Standards and the GHG Protocol Standard ('reporting Criteria').

#### Inherent limitations

The accuracy and completeness of the sustainability indicators presented in the non-financial statements section of the Report are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the sustainability indicators (including the GHG statement) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the sustainability indicators presented in the non-financial statements section of the Report and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with reporting criteria, its definitions and procedures in the document 'Basis of Reporting' document presented on SGS SA's website.

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PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

### Board of Directors' responsibility

The Board of Directors of SGS SA is responsible for preparing and presenting the sustainability indicators (including the GHG statement) presented in the non-financial statements section of Report in accordance with criteria disclosed. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the sustainability indicators (including the GHG statement) presented in the non-financial statements section of the Report that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the sustainability indicators presented in the non-financial statements section of the Report and adequate record keeping.

### Independence and quality management

We are independent of the SGS SA in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers SA applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a limited assurance conclusion on the Subject Matters as marked with the check mark <sup>AL</sup>. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the Subject Matters of the 2024 Report were not prepared, in all material aspects, in accordance with reporting criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures:

- Assessment of the section 'General basis for preparation of the sustainability statement' in the Report and the 'Basis of Reporting' document presented on the SGS SA's website and observing the application, including the reporting criteria to determine whether they are appropriate when applied in relation to the disclosures and indicators;
- Interviewing SGS representatives at Group and country level in China, United States of America, France, Taiwan, Canada, Belgium, Australia, India, Colombia, Germany, South Africa and Chile responsible for the data collection and reporting;
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and Subject Matters in the Report;
- Inspecting the relevant documentation on a sample basis;
- Performing tests of details on a sample basis as evidence supporting the Subject Matters concerning completeness, accuracy, adequacy and consistency.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.



### Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the 2024 selected sustainability indicators (including the GHG statement) presented in 2024 GRI content index on page 189 to 194 as well as in the selected Non-financial matters table on page 196 in the non-financial statements section of the 2024 Integrated Annual Report of SGS SA for the period ended 31 December 2024 as marked with the check mark **AL** are not prepared, in all material respects, in accordance with the reporting Criteria .

### Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of SGS SA, and solely for the purpose of reporting to them on 2024 selected sustainability indicators (including the GHG Statement presented in as presented in the 2024 GRI Content Index as well as in the selected Non-financial matters required by article 964b of the Swiss Code of Obligations table of the Report as marked with the check mark **AL** and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the reporting Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the 2024 selected sustainability indicators (including the GHG statement) as presented in the 2024 GRI Content Index as well as in the selected Non-financial matters required by article 964b of the Swiss Code of Obligations table of the Report as marked with the check mark **AL** without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the Board of Directors of SGS SA for our work or this report.

PricewaterhouseCoopers SA

Guillaume Nayet

Brendon Dawson

Geneva, 10 February 2025

*The maintenance and integrity of SGS SA's website and its content are the responsibility of the Board of Directors; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the SGS SA's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported 2024 selected sustainability indicators presented in the non-financial statements section of the 2024 Integrated Annual Report (including the GHG statement) or 2024 selected sustainability indicators as well as in the selected Non-financial matters required by article 964b of Swiss Code of Obligation table presented in the non-financial statements section of the 2024 Integrated Annual Report since they were initially presented on the website.*

