

# Remuneration report

The SGS Remuneration report provides an overview of the SGS remuneration principles and policies and the related governance framework. The report also includes details on the remuneration of the Board of Directors and the Executive Committee related to the 2024 business year. The SGS Remuneration report has been prepared in compliance with the new Code of Obligations, in effect as of 1 January 2023, the Swiss Exchange (SIX) Directive on Information Relating to Corporate Governance, revised on 29 June 2022 and in effect as of 1 January 2023, the Swiss Code of Best Practice for Corporate Governance of economiesuisse, revised on 14 November 2022, and according to the articles of association of SGS SA, as revised and approved by the shareholders at the Annual General Meeting in 2024.



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# 1. Introduction by the Remuneration Committee



On behalf of the Remuneration Committee, I am pleased to present the SGS Remuneration report for the year ended in December 2024, a year of strategic transformation.

As the market leader in testing inspection & certification globally, providing innovative services to their customers, SGS aims to be the employer of choice. This is supported by the Company's remuneration framework that is designed to attract, motivate and retain the best talent needed to ensure our success and growth globally while providing excellent returns to you, our shareholders.

In 2024, the group underwent significant organizational changes under the new leadership of Géraldine Picaud, CEO. The Company defined and launched Strategy 27: Accelerating growth, building trust.

The central pillar of Strategy 27 is 'People, Performance and Agility.' SGS implemented a more agile management structure in 2024, which is the foundation of its performance culture. The Group streamlined the leadership team to provide clear accountability and focus on results. This new, agile organization now comprises of six organizations accountable for sales growth, profit and loss, and cash flow. Additionally, two Global Business Development teams were created to bring commercial expertise to our end-markets to further enhance sales growth over the entire product portfolio. These teams are supported by four central functions.

To further reinforce the performance culture, the Group carried out a comprehensive revision of its reward strategy.

Both short-term and long-term incentive plans have been redesigned with clear performance metrics to prioritize growth, margin improvement, and cash generation, while maintaining alignment with the shareholders' interests and focus to environmental, social, and governance (ESG) matters.

Detailed descriptions of the short-term and long-term incentive plan structures can be found in sections 5.5. and 5.6. of this report.

In 2024, SGS sales grew organically by 7.5%, delivering an adjusted operating income margin on sales of 15.3% – marking a 60-basis point improvement compared to 2023 – and a free cash flow of CHF 748 million, 24% higher than the previous year. I am delighted with this outstanding business performance, which highlights the success of our new incentive schemes.

Another outcome of the corporate simplification process is the dissolution of the senior management body, previously comprising the CEO, CFO and Group Legal Counsel. The newly formed Executive Committee, now consisting of 13 members, has absorbed the responsibilities previously held by senior management. Consequently, starting with this 2024 report, all remuneration reporting for the Executive Committee will be consolidated into two categories: total compensation for the Executive Committee, and the CEO.

The change in CEO took place at the 2024 Annual General Meeting (AGM). In this report, we will outline the remuneration elements for the incoming CEO, Géraldine Picaud, which includes her compensation as CFO from 1 January to the AGM.

On the following pages, you will find detailed information about our remuneration principles and policies, and the remuneration awarded to the Board of Directors and the Executive Committee related to the business year 2024.

We have made significant strides in enhancing the clarity and transparency of this report. We trust that it will serve as a valuable resource for understanding and evaluating the group's reward policies and strategies.

I look forward to your support on the 2024 annual remuneration report at the AGM.

**Sami Atiya**

Chair of the Remuneration Committee

## 2. Remuneration at a glance

### Board of Directors: summary of current remuneration system

In order to compensate their activities and responsibilities as the highest governing body of the Group and to guarantee their independence in exercising their supervisory duties towards the executive management, members of the Board of Directors receive a fixed remuneration only in the form of cash and restricted shares.

#### Annual mandate remuneration:

(CHF thousand, gross)	Cash	Restricted shares
Board of Directors Chair (Board retainer)	500	165
Board of Directors Member (Board retainer)	150	50
Audit Committee Chair	70	–
Audit Committee Member	50	–
Remuneration Committee Chair	40	–
Remuneration Committee Member	30	–
Nomination Committee Chair	–	–
Nomination Committee Member	30	–
Sustainability Committee Chair	40	–
Sustainability Committee Member	30	–

Board members are required to accumulate during their tenure a number of shares equivalent in value to two years of an annual Board retainer.

### Board of Directors: remuneration AGM 2024 to AGM 2025

The remuneration awarded to the Board of Directors for the mandate AGM 2024 to AGM 2025 was within the limits approved by the shareholders at the AGM 2024:

(CHF thousand, gross)	Approved amount	Actual amount
AGM 2024 to AGM 2025	2 700	2 470

### Executive Committee: summary of current remuneration system

In order to attract and retain top industry talent, drive performance excellence and foster long-term value creation, Executive Committee members receive a fixed remuneration and a variable remuneration linked to short-term and long-term results.

Remuneration element	Purpose	Vehicle
Base salary	Pay for the position	Cash
Benefits	Protect against risks, cover retirement	Contributions
Short-Term Incentive (STI)	Drive and reward annual performance excellence	Cash, Restricted shares
Long-Term Incentive (LTI)	Drive and reward long-term performance excellence, align with shareholders' interests	Performance share units (PSUs)

Members of the Executive Committee are required to accumulate during their tenure a number of shares equivalent in value to three times the annual base salary for the CEO and two times the annual base salary for the other members of the Executive Committee.

### Executive Committee: remuneration 2024

(CHF thousand, gross)	Fixed remuneration 2024	STI 2024 pay-out	LTI 2024-2026 grant	Total 2024 granted	LTI 2022-2024 vesting	Total 2024 realized
CEO	1 393	2 772	2 083	6 248	0	4 165
Other ExCo	8 751	8 161	4 770	21 682	1 439	18 351

The fixed remuneration (base salary and benefits) awarded to the Executive Committee members in 2024 was within the limits approved by the shareholders at the AGM 2023:

(CHF thousand, gross)	Approved amount	Actual amount
Year 2024	12 500	10 144

The short-term pay-out for the performance year 2024 was 233% of target for the CEO and, on average, 150% of target for other members of the Executive Committee. The total pay-out, CHF 10 732 thousand, is submitted to the approval of the shareholders at the AGM 2025.

The long-term incentive 2024-2026 grant was within the limits approved by the shareholders at the AGM 2024:

(CHF thousand, gross)	Approved amount <sup>1</sup>	Actual amount <sup>1</sup>
Year 2024	12 000	10 280

1. Value of the PSUs granted assessed at the maximum possible vesting level according to the plan rules (150%).

The vesting level of the long-term incentive 2022-2024, related to the performance period 2022-2024, granted in 2022 and vested in early 2025, was 30% of target; 16 260 shares were allocated to the Executive Committee members with a value of CHF 1 439 thousand.

### 3. Remuneration governance

The general principles of remuneration of the members of the Board of Directors and the members of the Executive Committee are defined in the articles of association (Art. 28, Art. 29, Art. 30, Art. 31 and Art. 32).

The maximum aggregate amounts of remuneration of the members of the Board of Directors and of the Executive Committee are subject to a binding vote at the AGM. In addition, the Remuneration Report is subject to a consultative vote at the AGM. Here below are the details of the AGM voting structure:

- Consultative vote on the remuneration report
- Binding vote on the prospective maximum remuneration amount of the Board of Directors until the next Annual General Meeting
- Binding vote on the retrospective short-term variable remuneration amount of the Executive Committee members
- Binding vote on the prospective maximum fixed remuneration amount of the Executive Committee members
- Binding vote on the prospective maximum value of the grants awarded under the long-term incentive plan to the Executive Committee members

The table below summarizes the votes of the Annual General Meeting on remuneration matters in the last five years.

(% of votes for)	2024	2023	2022	2021	2020
Consultative vote on the remuneration report	<b>95.53</b>	95.41	83.94	92.70	93.05
Binding vote on the prospective maximum remuneration amount of the Board of Directors	<b>99.06</b>	98.10	97.81	95.51	98.13
Binding vote on the prospective maximum fixed remuneration amount of the Executive Committee members	<b>98.14</b>	95.34	96.11	94.37	95.58
Binding vote on the retrospective short-term variable remuneration amount of the Executive Committee members	<b>97.68</b>	98.16	97.02	96.95	97.39
Binding vote on the value of the grants awarded under the long-term incentive plan to the Executive Committee members <sup>1,2</sup>	<b>97.74</b> <b>90.90</b>	96.08	96.88	96.40	–

1. Until 2020, the SGS Long-Term Incentive plan provided a grant every three years.

2. Until 2023, the AGM voted on the current-year Long-Term Incentive; the AGM 2024 voted on both the 2024 (current year) and 2025 (next year) Long-Term Incentive; effective 2025, the AGM will vote only on the next year Long-Term Incentive.

Within the limits approved by the AGM, the Board of Directors is responsible for determining the remuneration of the Board Chair and the directors. It also decides on the remuneration and terms of employment of the CEO. In addition, the Board of Directors defines general executive remuneration policies, including the implementation and terms and conditions of long-term incentive plans, as well as the financial targets relevant to any incentive plan.

The Board of Directors is assisted in its work by a Remuneration Committee (the Committee), which consists of non-executive Directors. The Committee acts in part in an advisory capacity to the Board of Directors, and in part as a decision-making body on matters that the Board of Directors has delegated to the Committee. The Committee reviews regularly, at least once a year, the compensation of each member of the Executive Committee (including the CEO) and decides on all matters relating to the remuneration of these executives.

When reviewing and deciding on executive remuneration policies, the Committee and the Board of Directors have access to group human resources staff and may use third-party consultants that specialize in compensation matters. In 2024, neither the Committee nor the Board of Directors had recourse to such external advisors.

The following chart summarizes the authorization levels for the main decisions relating to the compensation of the Board of Directors and the Executive Committee members.

Subject matter	CEO	Remuneration Committee	Board of Directors	Annual General Meeting
Aggregate remuneration amount of the Board of Directors			●	●
Individual remuneration of the members of the Board of Directors including the Chair of the Board		●	✓	
Aggregate fixed remuneration amount of the Executive Committee			●	●
Aggregate short-term variable remuneration amount of the Executive Committee			●	●
Setting of annual financial targets for short-term variable remuneration of Executive Committee members	●	✓		
Establishment of Long-Term Incentive plans		●	✓	
Setting of multi-year financial and non-financial targets for long-term variable remuneration of Executive Committee members	●	✓		
Aggregate value of the grants awarded under the Long-Term Incentive plan to Executive Committee members			●	●
Individual remuneration of the CEO		●	✓	
Individual remuneration of the Executive Committee members	●	✓		
Remuneration report		●	✓	●

● Recommendation   ✓ Approval   ● Binding vote   ● Consultative vote

The following directors served on the Committee during their mandate from Annual General Meeting 2024 to 2025:

- Sami Atiya (Chair)
- Ian Gallienne
- Kory Sorenson

In 2024, the Committee met three times and handled several matters pertaining to remuneration outside scheduled meetings. The Chair of the Remuneration Committee reports to the Board of Directors after each meeting on the activities of the Committee. The minutes of the Committee meetings are available to the members of the Board of Directors. Generally, the Chair of the Board attends the meetings of the Committee, except when matters pertaining to his own compensation are being discussed.

The CEO, selected members of the Executive Committee, the Chief People Officer and the Global Head of Reward may be asked to attend the meetings in an advisory capacity. They do not attend the meeting when their own compensation or performance are being discussed.

In line with its anti-discrimination and dignity at work policy, SGS is committed to promoting equal opportunity for all employees and an environment in which all members of the workplace treat all individuals both in the workplace and in other work-related settings at all times with dignity, consideration and respect.

All employment-related decisions, including compensation, benefits and promotions, will be solely made on the basis of an individual's qualifications, performance and behavior or other legitimate business considerations. SGS does not tolerate any discriminatory practices, 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.

## 4. Remuneration policy of the Board of Directors

Members of the Board of Directors are appointed by the AGM for a period of one year until the date of the next ordinary AGM. Their remuneration follows the following principles and structure.

### Objectives

The remuneration of the members of the Board of Directors is defined with two main objectives:

- To **compensate their activities and responsibilities as the highest governing body** of the Group and their participation in the committees established within the Board of Directors
- To **guarantee their independence** in exercising their supervisory duties towards the executive management

### Method of determination of remuneration levels

In determining the amounts of the compensation elements, the Board of Directors considers the prevailing practices of the Swiss publicly traded companies belonging to the SMI or SMIM indexes, with market capitalization of similar size (-50%/+100%), and not belonging to the capital markets, insurance, and pharmaceuticals sectors:

Adecco	Barry Callebaut	BKW	EMS-Chemie
Geberit	Lindt+Spruengli	Logitech	Lonza
Schindler	SIG Combibloc	Sonova	Straumann
Swatch	Swiss Prime Site	Swisscom	VAT Group

### Remuneration elements

Fixed remuneration only:

- Annual Board retainer
- Committee fees (Board chair not eligible)

Part of the remuneration of the Board Chair may be paid in the form of a representation fee (per agreement with tax authorities).

Board members are not entitled to variable remuneration, benefit plans of the Company or any termination/severance agreements.

The remuneration of the members of the Board of Directors is subject to employer social charges according to Swiss legislation.

### Remuneration vehicles

75% of the annual Board retainer and Committee fees is settled in cash and paid in two installments (June and December).

25% of the annual Board retainer is settled in shares restricted for three years, which are allocated after the AGM during which the Board member is elected. The number of restricted shares is determined by dividing the value of 25% of the annual Board retainer by the average closing share price during the 20-day period following the payment of the dividends after the AGM. Restricted shares may not be sold, donated, pledged, or otherwise disposed of to third parties during the three-year restriction period. In case of change of control or liquidation, or in case a member of the Board ceases to exercise their mandate following death or permanent disability, the restriction period of the shares lapses. The shares remain restricted in all other instances.

### Remuneration levels

(CHF thousand, gross)	Board retainer	Audit Committee fee	Remuneration Committee fee	Nomination Committee fee	Sustainability Committee fee
Chairmanship	665	70	40	–	40
Membership	200	50	30	30	30

### Share Ownership Guidelines (SOG)

Board members are required to accumulate during their tenure a number of shares equivalent in value to two years of annual Board retainer.

## 5. Remuneration policy of the Executive Committee

### 5.1. General principles

The Company's remuneration policy applicable to the Executive Committee members is defined by the Board of Directors in support of Strategy 27: Accelerating growth, building trust – and in line with its business principles: integrity, health, safety and environment, quality and professionalism, respect, sustainability, leadership.

#### Objectives

The remuneration policy for members of the Executive Committee is designed to achieve three key objectives:

- **Attract and retain top industry talent** by offering competitive and fair compensation packages
- **Drive performance excellence** by aligning incentives with the achievement of annual operating goals and long-term strategic priorities
- **Foster long-term value creation** by encouraging sustainable outcomes that benefit shareholders and contribute positively to society

#### Method of determination of remuneration levels (peer group)

SGS is a global company, operating in a broad range of sectors; the determination of the remuneration levels of the Executive Committee members must consider both global and local practices. We periodically compare our compensation practices with those of other similar global organizations:

- Main competitors in the TIC industry

ALS	Bureau Veritas	Eurofins	Intertek
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- The Swiss listed companies belonging to the Swiss Leader Index (SLI), not belonging to the capital markets, insurance and pharmaceuticals sectors, of comparable size (-50% / +100% in terms of sales):

Alcon	Givaudan	Lindt+Spruengli	Logitech
Lonza	Schindler	Sika	Sonova
Swatch	Swisscom		

The elements of executive remuneration benchmarked include annual base salary and benefits, short-term and long-term incentives. Since half of our Executive Committee members are based outside Switzerland, we use information published by reputable data providers, including Mercer and Willis Towers Watson, related to both the Swiss market and the other markets where the Executive Committee members are based.

As a reference point, SGS targets the median compensation level of the peer group.

#### Remuneration elements and vehicles

The members of the Executive Committee receive a fixed remuneration and a variable remuneration linked to short-term and long-term results:

- The fixed remuneration includes an annual base salary and benefits
- The variable remuneration consists of a short-term incentive and a long-term incentive

Element	Purpose	Drivers	Performance measures	Vehicle
Base salary	Pay for position	Skillset and experience, market benchmark	–	Cash
Benefits	Protect against risks, cover retirement	Market practices	–	Contributions
Short-term incentive	Drive and reward annual performance excellence	Annual financial and individual performance	Organic sales growth, profit margin, free cash flow (group, region, and business); Individual leadership	50% cash 50% restricted shares
Long-term incentive	Drive and reward long-term performance excellence; align with shareholders' interests	Three-year financial and ESG <sup>1</sup> performance	rTSR <sup>2</sup> , Group EPS <sup>3</sup> , ESG <sup>1</sup> metrics	Performance share units (PSUs)

1. ESG: environmental, social and governance.
2. rTSR: relative total shareholder return.
3. EPS: earnings per share.



Employment contracts of the Executive Committee members have no fixed term and can be terminated at any time by either party, provided that a notice period of six months is respected. For the CEO, the notice period is 12 months. The executive contracts do not provide for any severance payments (beyond the minimum legally required in the country of employment) and are subject to applicable legislation in the country of employment. They include non-competition provisions in the countries where such provisions are enforceable.

The remuneration of the members of the Executive Committee is subject to employer social charges, according to the legislation in force in their country of employment.

### Share Ownership Guidelines (SOG)

Members of the Executive Committee are required to own at least a certain multiple of their annual base salary in SGS shares, as follows:

- CEO: three times the annual base salary
- Other members of the Executive Committee: two times the annual base salary

Executive Committee members have five years to comply with the SOG requirements. Until the obligation is met, restrictions on the sale of shares allocated through short-term incentive plan settlements and upon the vesting of long-term incentive plans will apply, with the exception of transactions made to cover income tax liabilities.

In the event of a substantial drop in the share price, the Board of Directors has the discretion to modify the SOG.

The determination of equity amounts against the SOG is defined to include vested shares allocated under the short-term and long-term incentive plans and other shares that are owned by the Executive Committee member directly or indirectly (by 'closely related persons').

The Remuneration Committee reviews compliance with the SOG on an annual basis.

## 5.2. Remuneration mix

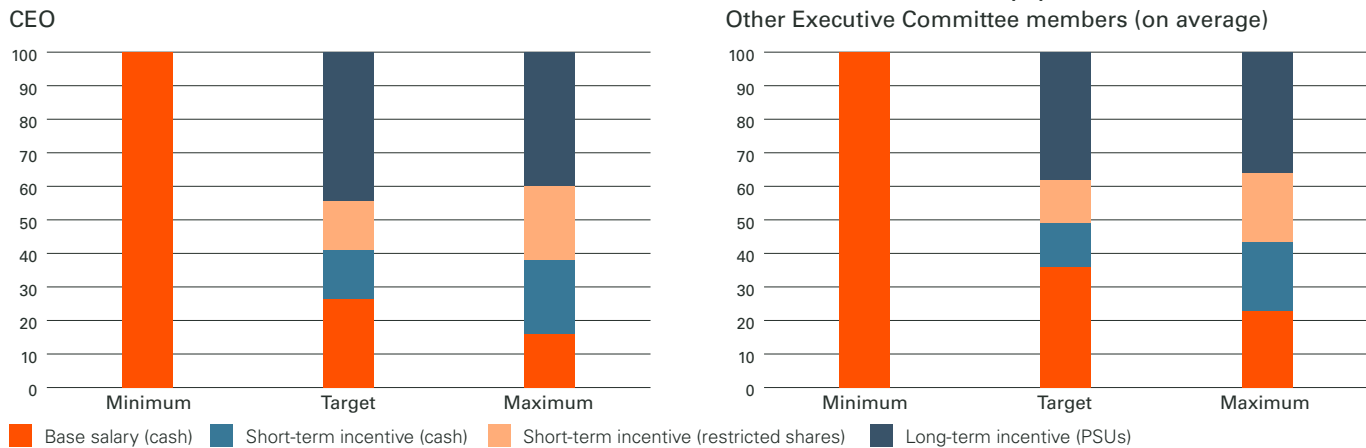
The part of remuneration at risk (short-term incentive and long-term incentive) for the CEO represents, at target, 73% of her total remuneration. The part of remuneration settled in equity instruments (restricted shares and PSUs) represents, at target, 59% of her total remuneration.

For the other members of the Executive Committee, the part of remuneration at risk represents, on average, 64% of their total remuneration. The part of remuneration settled in equity instruments represents, on average, 51% of their total remuneration.

The part of the fixed remuneration linked to benefits is not considered in this analysis.

The charts below show the remuneration mix for the CEO and the other members of the Executive Committee in three cases: at minimum (both short-term and long-term incentives at zero pay-out), at target (both short-term and long-term incentives at 100% pay-out) and at maximum (both short-term and long-term incentives at maximum pay-out).

### Remuneration mix for the CEO and other Executive Committee members in three cases (%)



### 5.3. Fixed remuneration: annual base salary

The base salaries of the CEO and each Executive Committee member are reviewed annually based on market data for similar positions in those companies and geographies against which the Group benchmarks itself. In addition to individual performance and contribution, business performance and results, the deciding body considers the scope and complexity of the areas of responsibility of the position, and the skillsets and experience required to perform the job.

### 5.4. Fixed remuneration: benefits

Benefits include the employer's contributions to pension plans, the employer's contributions to insurances for health, life, disability and other risks, allowances and benefits in kind. They are awarded in accordance with prevailing practices in the country of employment of the members of the Executive Committee.

Swiss-based Executive Committee members participate, on the same basis as other Swiss employees of the Group, in the Company's pension scheme.

## 5.5. Short-term variable remuneration

The CEO and the other members of the Executive Committee are eligible for a performance-related annual incentive plan (the short-term incentive). The short-term incentive is designed to reward the CEO and the other members of the Executive Committee for:

- The annual financial performance of the Group and its businesses
- The demonstration of leadership behaviors in line with the Group's business strategy and sustainability ambitions

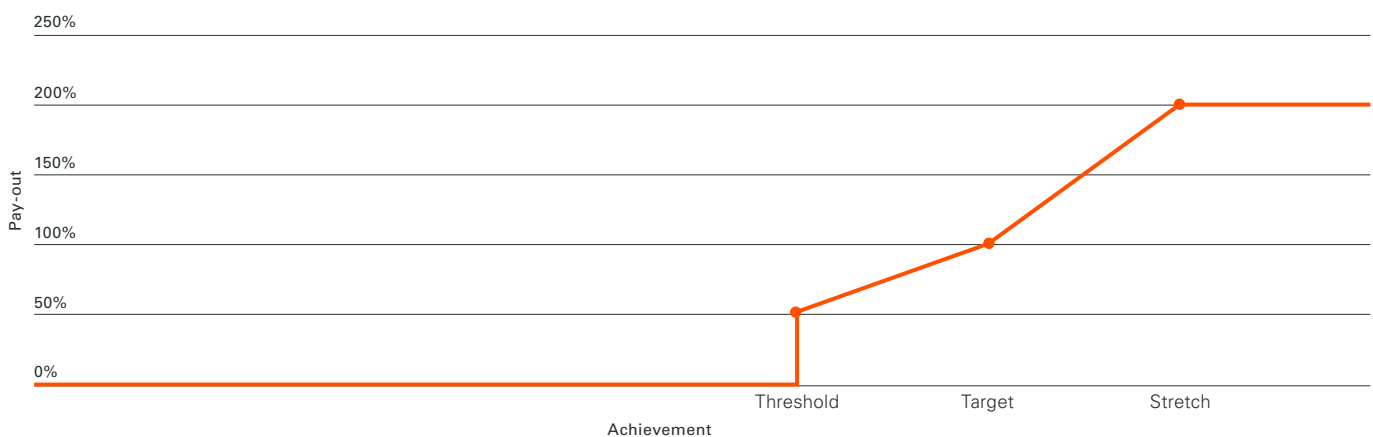
The short-term incentive plan is reviewed annually to ensure its alignment with the Group's business strategy and value to society ambitions.

For the 2024 business year, the structure of the short-term incentive plan has been revised to align with Strategy 27: Accelerating growth, building trust.

Incentive opportunity	CEO	Other Executive Committee members
Target incentive opportunity	110% of base salary	60% – 80% of base salary
Maximum incentive opportunity	275% of base salary	150% – 200% of base salary

Performance objectives <sup>1</sup>		Growth	Profitability	Cash generation
Purpose		Measure the Company's ability to grow organically	Measure the Company's operational profitability	Measure the Company's ability to generate cash
Definition		Organic sales growth vs. prior year (Group, Regions, Business)	Adjusted Operating Income margin on sales (Group, Regions, Business)	Free cash flow before restructuring (Group, Regions)
Weighting	CEO, corporate functions	30% Group	35% Group	35% Group
	Heads of regions	25% Region	25% Group 25% Region	25% Region
	Head of Business Assurance	35% Business Assurance	25% Group 40% Business Assurance	–
	Heads of business support functions	20% Group 40% Business	20% Group	20% Group
2024 targets (Group)	Threshold	4.5%	14.7%	561 CHF million
	Target	6.1%	15.0%	611 CHF million
	Stretch	6.7%	15.5%	661 CHF million

### Pay-out formula



1. Refer to alternative performance measures of this report.

## Leadership multiplier

The members of the Executive Committee are also rewarded for the demonstration of leadership behaviors in line with the Group's business strategy and sustainability ambitions.

The leadership multiplier is determined for each executive based on an assessment of their behaviors and performance against:

- The leadership competency model of SGS in the areas of innovation, people management and change management
- ESG metrics aligned with the Group's sustainability ambitions, in the areas of energy consumption, sustainable supply chain, diversity, equity and inclusion, employee training, customer satisfaction, integrity

The assessment of the CEO is conducted at year end by the Board of Directors, while the assessment of the other members of the Executive Committee is conducted by the CEO and approved by the Remuneration Committee.

The assessment leads to a leadership multiplier that can range between 70% and 125%.

## Settlement vehicles

Once the final incentive amount is determined, it is settled 50% in cash and 50% in restricted shares, to strengthen the link between the compensation of executives and the interests of the shareholders.

The cash component is paid and the restricted shares are allocated after the shareholders' approval at the AGM of the following year.

The number of restricted shares to be allocated is determined by dividing 50% of the final incentive amount by the average closing share price during the 20-day period following the payment of the dividends after the AGM. They are restricted for a period of three years during which they may not be sold, donated, pledged, or otherwise disposed of to third parties.

The Group does not issue new shares to be allocated to employees for equity-based compensation plans, but uses treasury shares instead, acquired through share buyback programs. Detailed information on the overhang and burn rate is disclosed in note 27 of the consolidated financial statements.

## Clawback provisions

A clawback policy applies to any variable remuneration awarded to the members of the Executive Committee. Under this policy, the Company may reclaim the value of any variable incentives paid, in cash or shares, in the following cases:

- Any fraud, negligence or intentional misconduct was a significant contributing factor to the Company having to restate all or a portion of its financial statements
- A serious violation of the SGS internal regulations and/or Code of Integrity
- Any violation of law within the scope of employment at the Company

## Provisions in case of termination of employment

In case of termination of employment during the business year, "bad" leavers (voluntary resignation, termination for cause) lose their award, while "good" leavers (all other termination reasons) receive it on a pro-rata basis for their time of employment during the year. The table below details the rules applicable to the award in the different cases of termination of employment during the business year and between the end of the business year and the next AGM.

The table below details the rules applicable to the award in the different cases of termination of employment during the business year and between the end of the business year and the next AGM.

Termination reason	Last day of employment before 31 December				Last day of employment between 31 December and AGM			
	Incentive opportunity (target incentive)	Incentive pay-out	Payment date	Payment vehicle	Incentive opportunity (target incentive)	Incentive pay-out	Payment date	Payment vehicle
<b>Termination for cause</b>	Zero	Zero	–	–	Zero	Zero	–	–
<b>Resignation</b>	Zero	Zero	–	–	Full	Based on actual performance	After AGM approval	100% cash
<b>Death or disability</b>	Pro-rated on calendar days	Based on estimated performance	Shortly after the termination date	100% cash	Full	Based on actual performance	Shortly after the termination date	100% cash
<b>Change in control or liquidation</b>	Pro-rated on calendar days	Based on actual performance	After AGM approval	100% cash	Full	Based on actual performance	After AGM approval	100% cash
<b>Retirement, termination not for cause</b>	Pro-rated on calendar days	Based on actual performance	After AGM approval	100% cash	Full	Based on actual performance	After AGM approval	100% cash

### 5.6. Long-term variable remuneration

The CEO and the other members of the Executive Committee are eligible to a performance-related long-term incentive (the long-term incentive). The long-term incentive is designed to:

- Motivate the leadership team to achieve the long-term objectives of the Group
- Align their remuneration with the interests of the shareholders

The long-term incentive consists of a grant of performance share units (PSUs).

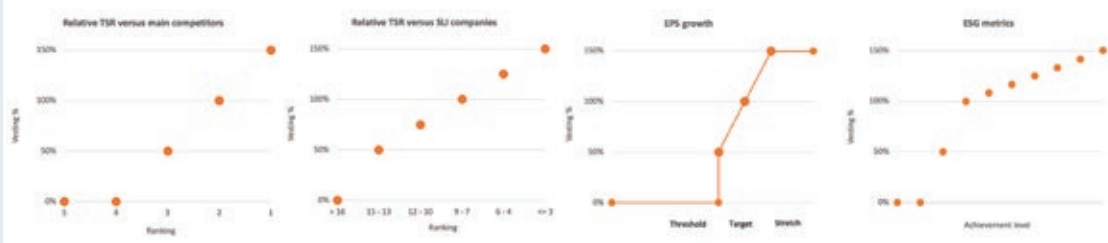
The PSUs granted under the long-term incentive vest after a performance period of three years, conditionally upon the achievement of pre-defined performance objectives and subject to continuity of employment of the beneficiaries during the vesting period; at vesting, shares are allocated to the participants according to the performance achievements.

The long-term incentive plan is reviewed annually to ensure its alignment with the Group’s business strategy and value to society ambitions.

For the 2024-2026 performance period, the long-term incentive plan has been revised to ensure alignment with Strategy 27: Accelerating growth, building trust.

Incentive opportunity	CEO	Other Executive Committee members
Target incentive opportunity	167% of base salary	100% of base salary
Maximum incentive opportunity	250% of base salary	150% of base salary

Performance objectives	rTSR vs. TIC main competitors	rTSR vs. SLI companies	Earnings Per Share (EPS) growth	ESG metrics
Performance period	3 years: 2024-2026			
Purpose	Measure the Company’s ability to outperform its four main competitors (ALS, Bureau Veritas, Eurofins, Intertek)	Measure the Company’s ability to outperform the 30 largest and most liquid securities in the Swiss equity market	Measure the Company’s ability to grow profitably and sustainably	Support the Company’s ongoing commitment to advancing ESG initiatives as part of its long-term strategy; align the interests of our leadership with our long-term sustainability goals
Definition	TSR: (ending stock price – beginning stock price) + sum of all dividends distributed during the three-year performance period		Average year-over-year growth of the adjusted basic EPS during the three-year performance period	<b>Diversity &amp; Inclusion:</b> % of women in leadership positions <b>Health and safety:</b> Lost Time Incident Rate (LTIR) <b>Environment protection:</b> GHG emissions (each metric accounting for one third of the weighting)
Weighting	30%	20%	30%	20%
Vesting formula	Vesting is based on the ranking of SGS against the peer groups. It is 0% below median, 50% at median, 100% at upper quartile, 150% at top ranking		Vesting is based on the Company performance against threshold, target, stretch pre-defined achievement levels	Vesting is based on the Company’s performance against pre-defined achievement levels for the three metrics



**Malus and clawback provision**

A malus and clawback policy applies to any long-term incentive grant awarded to the members of the Executive Committee. Under this policy, the Company may forfeit any unvested equity compensation and/or reclaim the value of any vested equity compensation granted under a long-term incentive plan, in the following cases:

- Any fraud, negligence or intentional misconduct that was a significant contributing factor in the Company having to restate all or a portion of its financial statements
- A serious violation of the SGS internal regulations and/or Code of Integrity
- Any violation of law within the scope of employment at the Company

**Provisions in case of termination of employment**

In case of termination of employment, all unvested PSUs are as a rule immediately forfeited without value and without any compensation, with the exception of the cases outlined in the table below.

Termination reason	Vesting rule	Vesting time and shares allocation	Vesting level
Retirement or disability	Vesting on a pro-rata basis	At regular vesting date	Based on actual performance
Death	Vesting on a pro-rata basis	Immediate	Based on an estimation of performance by the Board of Directors
Corporate transaction or liquidation	Full vesting	Immediate	Based on an estimation of performance by the Board of Directors
Other reasons <sup>1</sup>	Forfeiture	–	–

1. In case of company-initiated termination not for cause, if the termination date occurs during the last 12 months of the vesting period, and subject to the Board of Directors approval, PSUs unvested at the termination date may vest on a pro-rata basis.

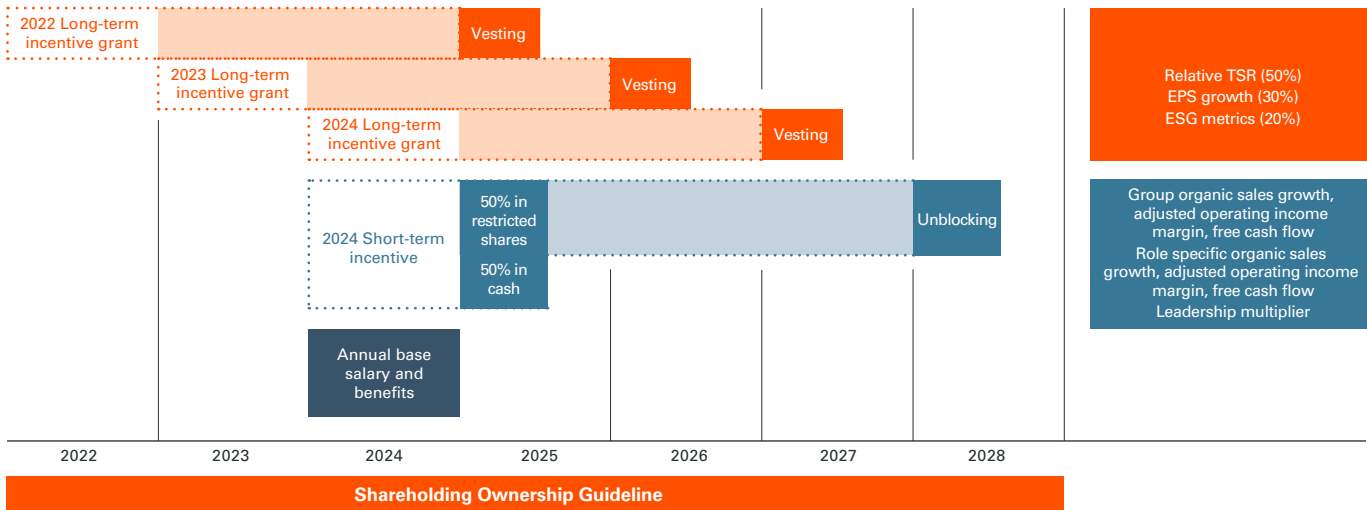
**5.7. Timeline of remuneration**

The following chart outlines the timeline of payment of each remuneration element that was earned in 2024:

- The annual base salary is paid during 2024
- The cash portion of the short-term incentive is paid shortly after the 2025 AGM
- The share portion of the short-term incentive is allocated in Q2 2025 and will be unblocked in Q2 2028
- The PSUs granted under the long-term incentive in 2022 were earned over the performance period from 2022 to 2024, and vested, subject to performance conditions and continuity of employment, on 1 February 2025; shares will be allocated to the participants in Q1 2025
- The PSUs granted under the long-term incentive in 2024 will be earned over the performance period from 2024 to 2026 and will vest, subject to performance conditions and continuity of employment, in Q1 2027

**Timeline of remuneration**

Timeline (performance period, time of payment)



## 6. Remuneration awarded to the Board of Directors

### 6.1. AGM vote on remuneration

The table below summarizes the vote of the AGM 2024 on the remuneration of the members of the Board of Directors for the mandate AGM 2024 to AGM 2025.

AGM	Remuneration element	Vote type	Period	Approved amount CHF thousand	Actual amount CHF thousand
2024	Aggregate total remuneration	Prospective	AGM 2024 to AGM 2025	2 700	2 470

The actual remuneration for the mandate AGM 2024 to AGM 2025 was within the approved amount.

The table below summarizes the proposed amount for the vote at the 2025 AGM.

AGM	Remuneration element	Vote type	Period	Proposed amount CHF thousand
2025	Aggregate total remuneration	Prospective	AGM 2025 to AGM 2026	2 700

### 6.2. Details of remuneration (audited)

#### Remuneration awarded for the mandate AGM 2024 to AGM 2025

The table below details the remuneration elements and the settlement vehicle of the Directors for the mandate AGM 2024 to 2025.

(CHF thousand, gross)	Chairmanship	Board membership	Audit Committee membership	Remuneration Committee membership	Nomination Committee membership	Sustainability Committee membership	Total remuneration	To be settled in cash	To be settled in restricted shares <sup>1</sup>
Calvin Grieder	665	–	–	–	–	–	665	500	165
Sami Atiya	–	200	–	40	30	–	270	220	50
Phyllis Ka Yan Cheung	–	200	–	–	–	30	230	180	50
Ian Gallienne	–	200	–	30	30	–	260	210	50
Tobias Hartmann	–	200	50	–	–	–	250	200	50
Jens Riedl	–	200	–	–	–	–	200	150	50
Kory Sorenson	–	200	70	30	–	30	330	280	50
Janet S. Vergis	–	200	50	–	15	–	265	215	50
<b>Total</b>	<b>665</b>	<b>1 400</b>	<b>170</b>	<b>100</b>	<b>75</b>	<b>60</b>	<b>2 470</b>	<b>1 955</b>	<b>515</b>

1. Restricted shares were granted during financial year 2024.

The table below details the remuneration elements and the settlement vehicle of the Directors for the mandate Annual General Meeting 2023 to 2024.

(CHF thousand, gross)	Chairmanship	Board membership	Audit Committee membership	Remuneration Committee membership	Nomination Committee membership	Sustainability Committee membership	Total remuneration	To be settled in cash	To be settled in restricted shares <sup>1</sup>
Calvin Grieder	665	–	–	–	–	–	665	500	165
Sami Atiya	–	200	–	40	30	–	270	220	50
Phyllis Ka Yan Cheung	–	200	–	–	–	30	230	180	50
Ian Gallienne	–	200	–	30	30	–	260	210	50
Tobias Hartmann	–	200	50	–	–	–	250	200	50
Shelby R. du Pasquier	–	200	–	–	–	–	200	150	50
Jens Riedl	–	200	–	–	–	–	200	150	50
Kory Sorenson	–	200	70	30	–	30	330	280	50
Janet S. Vergis	–	200	50	–	–	–	250	200	50
<b>Total</b>	<b>665</b>	<b>1 600</b>	<b>170</b>	<b>100</b>	<b>60</b>	<b>60</b>	<b>2 655</b>	<b>2 090</b>	<b>565</b>

1. Restricted shares were granted during financial year 2023.

### Remuneration awarded for the financial year 2024

The following table details the remuneration elements granted to each of the directors for their tenure in financial year 2024. It includes both pro-rata temporis elements of remuneration for the mandate AGM 2023 to 2024 and pro-rata temporis elements of remuneration for the mandate AGM 2024 to 2025.

The remuneration of the Board of Directors is subject to employer social charges according to Swiss legislation.

(CHF thousand, gross)	Board retainer	Representation fees	Committee fees	Total remuneration	Cash	Restricted shares value <sup>2</sup>	Restricted shares NB	Employer social charges
Calvin Grieder	668	–	–	668	503	165	2 000	11
Sami Atiya	201	–	70	271	221	50	606	23
Phyllis Ka Yan Cheung	201	–	30	231	181	50	606	19
Ian Gallienne	201	–	60	261	211	50	606	22
Tobias Hartmann	201	–	50	251	201	50	606	–
Shelby R. du Pasquier <sup>1</sup>	36	–	–	36	36	–	–	3
Jens Riedl	201	–	–	201	151	50	606	17
Kory Sorenson	201	–	131	332	282	50	606	27
Janet S. Vergis	201	–	58	259	209	50	606	22
<b>Total</b>	<b>2 111</b>	<b>–</b>	<b>399</b>	<b>2 510</b>	<b>1 995</b>	<b>515</b>	<b>6 242</b>	<b>144</b>

1. Until the AGM 2024.

2. Based on the average closing share price of the 20 trading days preceding the grant date.

The following table details the remuneration elements granted to each of the directors for their tenure in financial year 2023. It includes both pro-rata temporis elements of remuneration for the mandate AGM 2022 to 2023 and pro-rata temporis elements or remuneration for the mandate AGM 2023 to 2024.

(CHF thousand, gross)	Board retainer	Representation fees	Committee fees	Total remuneration	Cash	Restricted shares value <sup>3</sup>	Restricted shares NB	Employer social charges
Calvin Grieder	667	–	–	667	502	165	2 003	10
Sami Atiya	201	–	70	271	221	50	607	23
Phyllis Ka Yan Cheung	201	–	30	231	181	50	607	19
Paul Desmarais, Jr. <sup>1</sup>	37	–	–	37	37	–	–	2
Ian Gallienne	201	–	60	261	211	50	607	22
Tobias Hartmann	201	–	50	251	201	50	607	–
Shelby R. du Pasquier	201	–	–	201	151	50	607	17
Jens Riedl <sup>2</sup>	164	–	–	164	114	50	607	14
Kory Sorenson	201	–	130	331	281	50	607	27
Janet S. Vergis	201	–	50	251	201	50	607	21
<b>Total</b>	<b>2 275</b>	<b>–</b>	<b>390</b>	<b>2 665</b>	<b>2 100</b>	<b>565</b>	<b>6 859</b>	<b>155</b>

1. Until the AGM 2023.

2. As of the AGM 2023.

3. Based on the average closing share price of the 20 trading days preceding the grant date.

The overall remuneration paid to the Board of Directors in 2024 is lower than the overall remuneration paid in 2023 because the AGM 2024 appointed eight Board members, while in the previous mandate there were nine.

### 6.3. Other compensation, loans and credit facilities (audited)

In 2024 no other payment was made to any member or former member of the Board of Directors (unchanged from prior year).

As at 31 December 2024, no loan, credit or outstanding advance was due to the Group from members or former members of the Board of Directors or related parties (unchanged from prior year).

## 6.4. Shares and options held (audited)

The following table shows the shares held by members of the Board of Directors as at 31 December 2024:

Name	Shares
C. Grieder	16,712
S. Atiya	4,032
P. Cheung	1,732
I. Gallienne	1,713
T. Hartmann	1,688
J. Riedl	1,238
K. Sorenson	3,946
J. S. Vergis	1,732

No options were held by members of the Board of Directors as at 31 December 2024.

The following table shows the shares held by members of the Board of Directors as at 31 December 2023:

Name	Shares
C. Grieder	14,128
S. Atiya	3,382
P. Cheung	1,082
I. Gallienne	1,082
T. Hartmann	1,082
S.R. du Pasquier	2,257
J. Riedl	607
K. Sorenson	3,207
J. S. Vergis	1,082

No options were held by members of the Board of Directors as at 31 December 2023.

## 6.5. Gender representation (audited)

The following table shows the gender representation in the Board of Directors for the mandate from AGM 2024 to 2025 and for the previous mandate.

Period	Female		Male	
	Number	%	Number	%
AGM 2024 to AGM 2025	3	37.5%	5	62.5%
AGM 2023 to AGM 2024	3	33.3%	6	66.7%



## 6.6. Other activities (audited)

The functions of the members of the Board of Directors in other undertakings in 2024 are detailed in the table below.

Name	Undertaking	Function exercised
C. Grieder	Givaudan SA	Chair of the Board
	Bühler Group AG	Chair of the Board
	Eranoes Group AG	Chair of the Board
	Carivel7 AG	Owner
	Avenir Suisse	Member of the Board of Trustees
	ETH Zurich – Department of Mechanical & Process Engineering	Member of the Advisory Board
S. Atiya	ABB Ltd	Member of the Group Executive Committee and President of ABB's Robotic & Discrete Automation business
Ph. Cheung	McDonald's China	CEO
	Aspen China Fellowship	Fellow
	Aspen Global Leadership Network	Member
I. Gallienne	Groupe Bruxelles Lambert	CEO
	adidas	Vice Chairman of the Supervisory Board, Member of the General Committee
	Imerys	Member of the Board, Chairman of the Strategic Committee and Member of the Compensation Committee, Member of the Remuneration Committee
	Pernod Ricard SA	Member of the Board, Member of the Strategic Committee and Member of the Remuneration Committee
	Carpar SA	Member of the Board
	Compagnie Nationale à Portefeuille SA	Member of the Board
	Financière De La Sambre SA	Member of the Board
	Société Civile du Château Cheval Blanc	Member of the Board
T. Hartmann	Scout24 SE	CEO
J. Riedl	Groupe Bruxelles Lambert	Investment Partner
	GEA Group	Member of the Supervisory Board, Member of the Presiding and Sustainable Committee, Member of the Nomination Committee (until April 2024)
	Sanoptis	Member of the Supervisory Board
	Canyon Koblenz	Observer to the Supervisory Board
	EMarketing Munich	Member of the Supervisory Board (until June 2024)
K. Sorenson	Pernod Ricard SA	Member of the Board and Chair of the Remuneration Committee, Member of the Audit Committee
	Bank Gutmann	Member of the Supervisory Board
	Comgest	Chair of the Board of Partners
	AA Limited	Member of the Board and Chair of Audit and Risk Committee
	Premium Credit Limited	Member of the Board and Chair of Audit and Risk Committee
J. S. Vergis	Teva Pharmaceutical Industries	Member of the Board, Chair of Compliance Committee and Member of the Human Resources/Compensation Committee
	Dentsply Sirona	Member of the Board, Chair of the Science & Technology Committee
	Church and Dwight Company	Member of the Board, Chair of the Governance Committee, and Member of the Compensation and Human Capital Committee

The functions of the members of the Board of Directors in other undertakings in 2023 are detailed in the table below.

Name	Undertaking	Function exercised
C. Grieder	Givaudan SA	Chair of the Board
	Bühler Group AG	Chair of the Board
	Eranoes Group AG	Chair of the Board
	Carivel7 AG	Owner
	Avenir Suisse	Member of the Board of Trustees
	ETH Zurich – Department of Mechanical & Process Engineering	Member of the Advisory Board
S. Atiya	ABB Ltd	Member of the Group Executive Committee and President of ABB's Robotics & Discrete Automation business
Ph. Cheung	McDonald's China	CEO
	Aspen China Fellowship	Fellow
	Aspen Global Leadership Network	Member
I. Gallienne	Groupe Bruxelles Lambert	CEO
	adidas	Vice Chairman of the Supervisory Board, Member of the General Committee
	Imerys	Member of the Board, Chairman of the Strategic Committee, Member of the Compensation Committee, Member of the Appointments Committee
	Pernod Ricard SA	Member of the Board, Member of the Strategic Committee and Member of the Remuneration Committee
	Carpar SA	Member of the Board
	Compagnie Nationale à Portefeuille SA	Member of the Board
	Financière De La Sambre SA	Member of the Board
	Société Civile du Château Cheval Blanc	Member of the Board
	Marnix French ParentCo (Webhelp group)	Chair of the Board
T. Hartmann	Scout 24 SE	CEO
S.R. du Pasquier	Lenz & Staehelin	Partner
	Swiss National Bank	Member of the Board, Chair of the Risk Committee
	Pictet and Cie Group SCA	Chairman of the Supervisory Board
J. Riedl	Groupe Bruxelles Lambert	Investment Partner
	GEA Group	Member of the Supervisory Board, Member of the Presiding and Sustainable Committee, Member of the Nomination Committee
	Sanoptis	Member of the Supervisory Board
	Canyon Koblenz	Observer to the Supervisory Board
	SecureSystem Munich	Member of the Advisory Board
	EMarketing Munich	Member of the Supervisory Board
K. Sorenson	Phoenix Group Holdings PLC	Member of the Board and Chair of the Remuneration Committee, Member of the Risk and Sustainability Committees
	Pernod Ricard SA	Member of the Board and Chair of the Remuneration Committee, Member of the Audit Committee
	Bank Gutmann	Member of the Supervisory Board
	Comgest	Chair and an independent member of the Board of Partners
	AA Limited	Member of the Board and Chair of Audit and Risk Committee
	Premium Credit Limited	Member of the Board and Chair of Audit and Risk Committee
J. S. Vergis	Teva Pharmaceutical Industries	Member of the Board, Chair of Compliance Committee, Member of the Human Resources/Compensation Committee, and Member of the Nominating and Governance Committee
	Dentsply Sirona	Member of the Board, Chair of the Science & Technology Committee
	Church and Dwight Company	Member of the Board, Chair of Governance Committee, and Member of the Compensation and Human Capital Committee
	The Pennsylvania State University	Biotechnology Advisory Board Chair; Corporate Engagement Advisory Board Vice-Chair

## 7. Remuneration awarded to the Executive Committee

This section sets out the remuneration that was paid to the Executive Committee as a whole and to the CEO in 2024. All amounts disclosed in this section include the short-term incentive cash amount and restricted shares that will be granted in Q2 2025 with respect to performance in 2024 (disclosure according to the accrual principle).

### 7.1. AGM votes on remuneration

The table below summarizes the votes of the AGM 2024 and of the AGM 2023 pertinent to financial year 2024 and 2025 on the remuneration of the members of the Executive Committee.

AGM	Remuneration element	Vote type	Period	Approved amount CHF thousand	Actual amount CHF thousand
2023	Aggregate fixed remuneration	Prospective	Calendar year 2024	12 500	10 144
2024	Aggregate short-term variable remuneration	Retrospective	Performance year 2023 (paid after the 2024 AGM)	4 956	4 956
2024	Aggregate long-term variable remuneration <sup>1</sup>	Prospective	Calendar year 2024 (transition)	12 000	10 280
2024	Aggregate long-term variable remuneration <sup>1</sup>	Prospective	Calendar year 2025	12 956	Will be reported in the 2025 Remuneration Report
2024	Aggregate fixed remuneration	Prospective	Calendar year 2025	10 500	Will be reported in the 2025 Remuneration Report

1. Value of PSUs at the time of the grant assessed at the maximum possible vesting level under the plan rules (150%).

The actual remuneration in 2024 was within the approved amounts, and the statutory additional amount was not made use of accordingly. The table below summarizes the proposed amounts for the votes at the 2025 AGM.

AGM	Remuneration element	Vote type	Period	Proposed amount CHF thousand
2025	Aggregate short-term variable remuneration	Retrospective	Performance year 2024 (paid after the 2025 AGM)	10 933
2025	Aggregate long-term variable remuneration <sup>1</sup>	Prospective	Calendar year 2026	13 000
2025	Aggregate fixed remuneration	Prospective	Calendar year 2026	10 500

1. Value of Performance Share Units at the time of the grant assessed at the maximum possible vesting level under the plan rules (150%).

### 7.2. Total remuneration (audited)

The tables below present all components of the remuneration earned in 2024 and 2023 by the Executive Committee and the CEO. The employer social charges are reported separately in the last column of the table.

#### Total remuneration 2024

(CHF thousand, gross)	Total fixed remuneration	Total short-term variable remuneration	Total remuneration before LTI	Total long-term variable remuneration	Total remuneration	Employer social charges
<b>Executive Committee (including CEO)<sup>1</sup></b>						
Cash (including allowances)	9 078	7 364	16 442	–	16 442	–
Contributions and benefits in kind	1 066	–	1 066	–	1 066	1 813
Equity	–	3 569	3 569	6 853	10 422	–
<b>Total</b>	<b>10 144</b>	<b>10 933</b>	<b>21 077</b>	<b>6 853</b>	<b>27 930</b>	<b>1 813</b>
<b>Chief Executive Officer</b>						
Cash (including allowances)	1 283	1 386	2 669	–	2 669	–
Contributions and benefits in kind	110	–	110	–	110	114
Equity	–	1 386	1 386	2 083	3 469	–
<b>Total</b>	<b>1 393</b>	<b>2 772</b>	<b>4 165</b>	<b>2 083</b>	<b>6 248</b>	<b>114</b>

1. 16 FTE (full-time equivalent).

## Total remuneration 2023

(CHF thousand, gross)	Total fixed remuneration	Total short-term variable remuneration	Total remuneration before LTI	Total long-term variable remuneration	Total remuneration	Employer social charges
<b>Executive Committee (including CEO)<sup>1</sup></b>						
Cash (including allowances)	8 726	2 737	11 463	–	11 463	–
Contributions and benefits in kind	1 047	–	1 047	–	1 047	1 222
Equity	–	2 219	2 219	8 727	10 946	–
<b>Total</b>	<b>9 773</b>	<b>4 956</b>	<b>14 729</b>	<b>8 727</b>	<b>23 456</b>	<b>1 222</b>
<b>Chief Executive Officer</b>						
Cash (including allowances)	1 263	492	1 755	–	1 755	–
Contributions and benefits in kind	125	–	125	–	125	156
Equity	–	492	492	2 000	2 492	–
<b>Total</b>	<b>1 388</b>	<b>984</b>	<b>2 372</b>	<b>2 000</b>	<b>4 372</b>	<b>156</b>

1. 17 FTE (full-time equivalent).

## 7.3. Fixed remuneration (audited)

The table below summarizes the fixed remuneration paid to the Executive Committee and the CEO in 2024.

(CHF thousand, gross)	Base salary	Other cash allowances	Contributions to pension plans	Other contributions and benefits in kind	Total fixed remuneration
<b>Executive Committee (including CEO)</b>					
Cash (including allowances)	7 930	1 148	–	–	9 078
Contributions and benefits in kind	–	–	762	304	1 066
Equity	–	–	–	–	–
<b>Total</b>	<b>7 930</b>	<b>1 148</b>	<b>762</b>	<b>304</b>	<b>10 144</b>
<b>Chief Executive Officer</b>					
Cash (including allowances)	1 190	93	–	–	1 283
Contributions and benefits in kind	–	–	106	4	110
Equity	–	–	–	–	–
<b>Total</b>	<b>1 190</b>	<b>93</b>	<b>106</b>	<b>4</b>	<b>1 393</b>

The table below summarizes the fixed remuneration paid to the Executive Committee and the CEO in 2023.

(CHF thousand, gross)	Base salary	Other cash allowances	Contributions to pension plans	Other contributions and benefits in kind	Total fixed remuneration
<b>Executive Committee (including CEO)</b>					
Cash (including allowances)	7 753	973	–	–	8 726
Contributions and benefits in kind	–	–	755	292	1 047
Equity	–	–	–	–	–
<b>Total</b>	<b>7 753</b>	<b>973</b>	<b>755</b>	<b>292</b>	<b>9 773</b>
<b>Chief Executive Officer</b>					
Cash (including allowances)	1 200	63	–	–	1 263
Contributions and benefits in kind	–	–	116	9	125
Equity	–	–	–	–	–
<b>Total</b>	<b>1 200</b>	<b>63</b>	<b>116</b>	<b>9</b>	<b>1 388</b>

## 7.4. Short-term variable remuneration (audited)

The short-term variable remuneration of the members of the Executive Committee is determined by the achievement of financial targets and by their leadership behaviors.

In 2024, the achievement of financial targets at group level, in the businesses and in the regions ranges from 62.9% to 174.3% (2023: 63.8% to 126.7%).

The chart below summarizes the 2024 performance achievements against targets for the financial objectives (sales, profit margin, free cash flow) used in the short-term incentive.

### 2024 performance achievements against targets

	Threshold	Target	Stretch	
<b>Organic sales growth</b>				
Group				The 2024 Group organic sales growth was 7.5% compared with a target of 6.1%, which corresponds to a pay-out factor of 200%. The regional and business organic sales growth was mixed, with two regions below threshold (0% pay-out factor), two regions and one business above stretch (200% pay-out factor), one region between target and stretch, and two businesses between threshold and target.
Regions and businesses				
<b>Adjusted operating income margin</b>				
Group				The 2024 Group AOI margin was 15.3% compared with a target of 15.0%, which corresponds to a pay-out factor of 161%. The regional and business local contribution/business profit margin was above stretch for one region (200% pay-out factor), between target and stretch for two regions, and between threshold and target for two regions and one business.
Regions and businesses				
<b>Free cash flow*</b>				
Group				The 2024 Group free cash flow (excluding the impact of restructuring expenses paid in 2024) was CHF 792 million, compared with a target of CHF 611 million, which corresponds to a pay-out factor of 200%. The regional free cash flow was above threshold for all the regions (200% pay-out factor), except one between target and stretch.
Regions				

\* Excluding the impact of CHF 44 million restructuring expenses paid in 2024

The overall short-term incentive pay-out amounts to 233.0% of the target incentive opportunity for the CEO (2023: 82.0%) and ranges from 97.1% to 192.2% of the target incentive opportunity for the other members of the Executive Committee (2023: 48.3% to 142.7%). For the purpose of the short-term incentive, targets and performance achievement are measured at constant currency exchange rates.

The table below details the 2024 short-term incentive for the CEO.

### CEO 2024 STI pay-out

KPI description Metric	Group financial KPIs			Pay-out
	Organic sales growth (%)	Adjusted operating income margin on sales (%)	Free cash flow* (CHF million)	
Threshold	4.5%	14.7%	561	
Target	6.1%	15.0%	611	
Stretch	6.7%	15.5%	661	
Actual	7.5%	15.3%	792	
Pay-out %	200.0%	161.1%	200.0%	
Weight	30%	35%	35%	
Financial KPIs pay-out %				186.4%
Leadership multiplier				125.0%
Total pay-out %				233.0%
Pay-out (CHF thousand, gross)				2 772

\*Excluding the impact of CHF 44 million restructuring expenses paid in 2024

The table below details the 2023 short-term incentive for the CEO.

### CEO 2023 STI pay-out

KPI description	Group financial KPIs				Pay-out
	Sales (CHF million)	NPAT (CHF million)	ROIC (organic) (%)	FCF (CHF million)	
Target	6 475	606	26	612	
Actual	6 622	553	22	604	
Actual vs. target %	102.3%	91.2%	87.5%	98.8%	
Pay-out %	111.4%	55.8%	37.3%	93.8%	
Weight	25%	25%	25%	25%	
Financial KPIs pay-out %					74.6%
Leadership multiplier					110%
Total pay-out %					82.0%
Pay-out (CHF thousand, gross)					984

In settlement of the equity portion of the short-term incentive 2024, SGS restricted shares will be allocated to the members of the Executive Committee in Q2 2025, after the approval of the total short-term incentive amount by the AGM (in Q2 2024, 26 914 restricted shares were granted in settlement of the equity portion of the short-term incentive 2023). The number of restricted shares to be allocated is calculated by dividing the equity portion of the short-term incentive by the average closing price of the share during a 20-trading-day period following the payment of the dividends after the AGM, rounded up to the nearest integer, and are restricted for a period of three years.

The table below summarizes the short-term variable remuneration awarded to the Executive Committee and the CEO for the 2024 performance year, and its comparison with the incentive opportunity.

(CHF thousand, gross)	Minimum	Target	Maximum	Actual short-term variable remuneration
<b>Executive Committee (including CEO)</b>				
Cash (including allowances)	–	4 500	11 250	7 364
Contributions and benefits in kind	–	–	–	–
Equity	–	1 995	4 988	3 569
<b>Total</b>	<b>–</b>	<b>6 495</b>	<b>16 238</b>	<b>10 933</b>
<b>Chief Executive Officer</b>				
Cash (including allowances)	–	595	1 488	1 386
Contributions and benefits in kind	–	–	–	–
Equity	–	595	1 488	1 386
<b>Total</b>	<b>–</b>	<b>1 190</b>	<b>2 975</b>	<b>2 772</b>

The total short-term remuneration amount will be submitted for approval to the AGM of 2025, and the settlement for both the cash and the equity part will be implemented shortly after.

The table below summarizes the short-term variable remuneration awarded to the Executive Committee and the CEO for the 2023 performance year, and its comparison with the incentive opportunity.

(CHF thousand, gross)	Minimum	Target	Maximum	Actual short-term variable remuneration
<b>Executive Committee (including CEO)</b>				
Cash (including allowances)	–	3 195	7 988	2 737
Contributions and benefits in kind	–	–	–	–
Equity	–	2 500	6 250	2 219
<b>Total</b>	<b>–</b>	<b>5 695</b>	<b>14 238</b>	<b>4 956</b>
<b>Chief Executive Officer</b>				
Cash (including allowances)	–	600	1 500	492
Contributions and benefits in kind	–	–	–	–
Equity	–	600	1 500	492
<b>Total</b>	<b>–</b>	<b>1 200</b>	<b>3 000</b>	<b>984</b>

The total 2023 short-term remuneration amount was approved by the AGM of 2024, and the settlements for both the cash and the equity part were implemented shortly after.

The increase in short-term variable remuneration compared with 2023 reflects the higher pay-out achieved against the financial targets in 2024 compared with 2023.

## 7.5. Long-term variable remuneration

### 7.5.1. 2024-2026 PSUs long-term incentive grant (audited)

In 2024, the Group implemented a long-term incentive plan for the performance period 2024-2026. Under the long-term incentive plan 2024-2026, a total of 82 831 PSUs were granted to the members of the Executive Committee; this includes 25 183 PSUs granted to the CEO.

The PSUs awarded under the long-term incentive 2024-2026 vest after the three-year performance period 2024-2026, in early 2027, subject to the performance conditions (rTSR, EPS growth, ESG metrics; see Section 5.6 of this report for detailed explanations on the performance conditions) and to continuity of employment of the beneficiaries during the vesting period.

The number of PSUs granted is calculated dividing the value of the grant, as disclosed in Section 5.6 of this report, by the average closing price of the share during a 20-trading-day period preceding the grant date, rounded up to the nearest integer.

In 2023, the Group implemented a long-term incentive plan for the performance period 2023-2025. Under the long-term incentive plan 2023-2025, a total of 105 045 PSUs were granted to the members of the Executive Committee; this includes 24 074 PSUs granted to the CEO.

The table below summarizes the value of the long-term variable remuneration awarded to the Executive Committee and the CEO in 2024.

	Number of PSUs granted	Total value of the grant <sup>1</sup> (CHF thousand)
<b>Executive Committee (including CEO)</b>		
Cash (including allowances)	–	–
Contributions and benefits in kind	–	–
Equity	82 831	6 853
<b>Total</b>	<b>82 831</b>	<b>6 853</b>
<b>Chief Executive Officer</b>		
Cash (including allowances)	–	–
Contributions and benefits in kind	–	–
Equity	25 183	2 083
<b>Total</b>	<b>25 183</b>	<b>2 083</b>

1. The value of the grant for the equity part is defined as the number of PSUs granted multiplied by the average closing price of the share during a 20-trading-day period preceding the grant date.

The table below summarizes the value of the long-term variable remuneration awarded to the Executive Committee and the CEO in 2023.

	Number of PSUs granted <sup>1</sup>	Total value of the grant <sup>2</sup> (CHF thousand)
<b>Executive Committee (including CEO)</b>		
Cash (including allowances)	–	–
Contributions and benefits in kind	–	–
Equity	105 045	8 727
<b>Total</b>	<b>105 045</b>	<b>8 727</b>
<b>Chief Executive Officer</b>		
Cash (including allowances)	–	–
Contributions and benefits in kind	–	–
Equity	24 074	2 000
<b>Total</b>	<b>24 074</b>	<b>2 000</b>

1. After the share split implemented on 12 April 2003.

2. The value of the grant for the equity part is defined as the number of PSUs granted multiplied by the average closing price of the share during a 20-trading day period preceding the grant date.

## 7.5.2. Vesting of the 2022-2024 PSUs long-term incentive plan

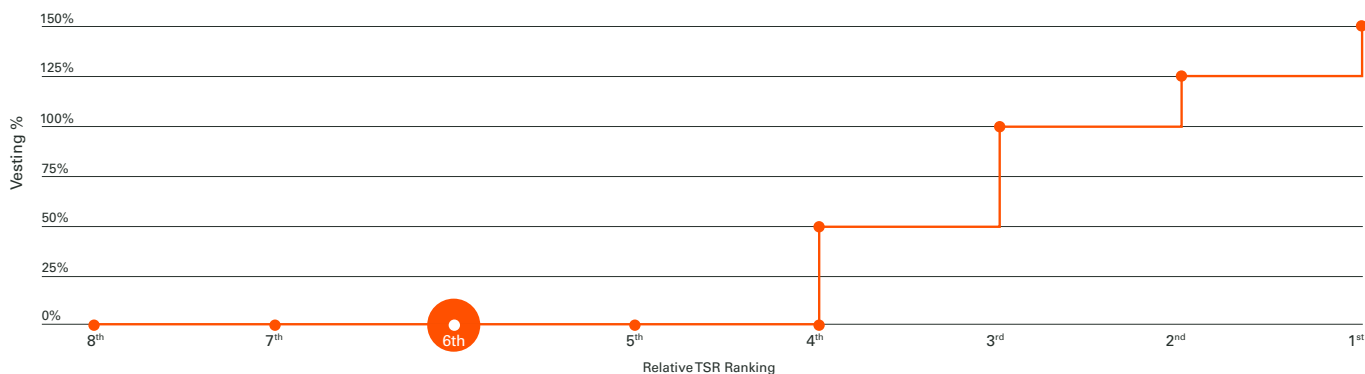
On 1 February, 2025, the 2022-2024 PSUs and long-term incentive plan vested, according to their performance conditions:

- 80% rTSR of SGS against seven listed competitors in the TIC sector (ALS, Applus+, Bureau Veritas, Eurofins, Intertek, Mistras, Team)
- 20% ESG metrics (Women in leadership, LTIR, CO<sub>2</sub> emissions intensity)

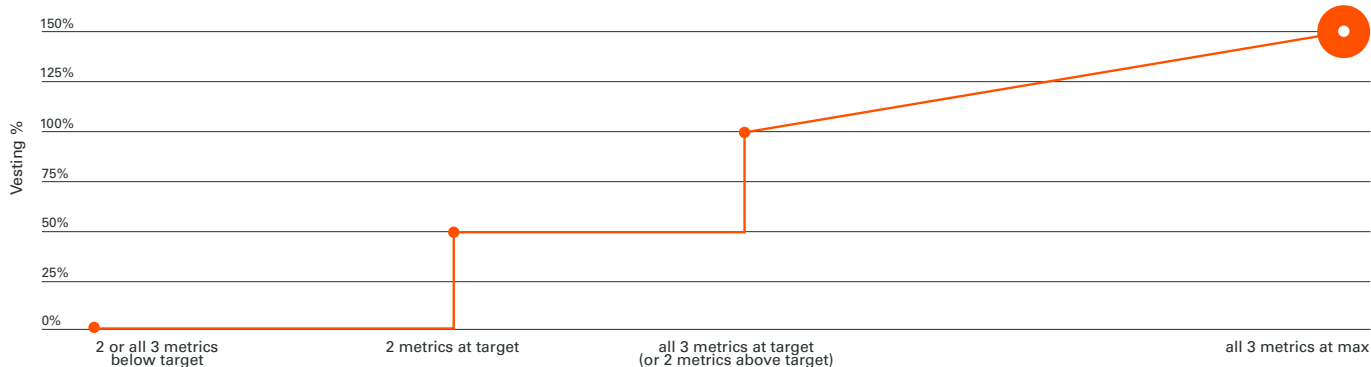
The assessment of the performance conditions has been performed by the Board of Directors, based on the recommendation of the Remuneration Committee.

The charts below show the achievements on rTSR and ESG metrics.

### Relative TSR



### ESG metrics



The table below presents the details of the vesting.

	Weight	Vesting level
rTSR	80%	0%
ESG metrics	GHG emissions	
	LTIR	20%
	Women in leadership	150%
<b>Total</b>	<b>100%</b>	<b>30%</b>

The table below details the vesting of the 2022-2024 PSUs and long-term incentive plan for the Executive Committee and the former CEO.

	Number of PSUs granted in 2022	Value at grant <sup>1</sup> (CHF thousand)	Number of PSUs outstanding at vesting date <sup>1</sup>	Number of shares allocated (CHF thousand)	Value at vesting <sup>2</sup>
<b>Executive Committee (including CEO)</b>					
Cash (including allowances)	–	–	–	–	–
Contributions and benefits in kind	–	–	–	–	–
Equity	84 125	8 757	54 188	16 260	1 439
<b>Total</b>	<b>84 125</b>	<b>8 757</b>	<b>54 188</b>	<b>16 260</b>	<b>1 439</b>
<b>Chief Executive Officer<sup>3</sup></b>					
Cash (including allowances)	–	–	–	–	–
Contributions and benefits in kind	–	–	–	–	–
Equity	–	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

1. Based on the average closing share price of the 20 trading days preceding the grant date.

2. Based on the closing share price at vesting date.

3. The CEO was not present in 2022 and therefore did not receive any grant of PSUs



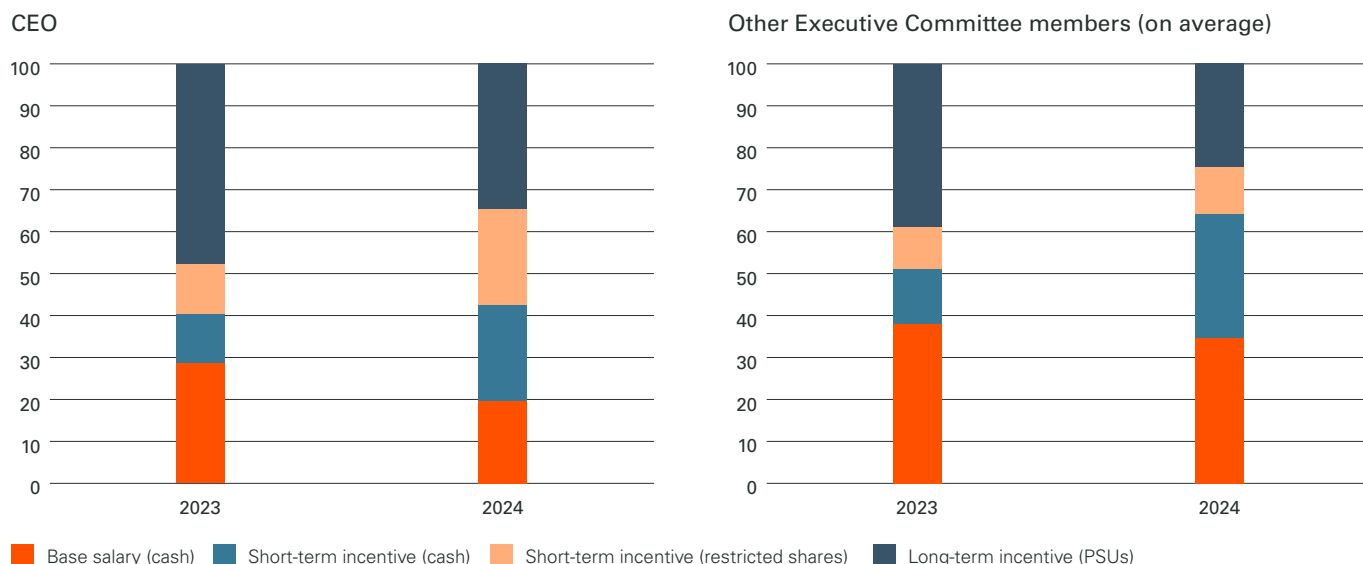
## 7.6. Remuneration mix (audited)

In 2024, the part of remuneration at risk (short-term incentive and long-term incentive) for the CEO represents 80% of the total remuneration (2023: 71%); the part of remuneration settled in equity instruments (restricted shares and PSUs) represents 57% of the total remuneration (2023: 60%). For the other members of the Executive Committee, the part of remuneration at risk represents, on average, 65% of the total remuneration (2023: 62%); the part of remuneration settled in equity instruments represents, on average, 36% of the total remuneration (2023: 49%).

The part of the fixed remuneration linked to benefits is not considered in this analysis.

The charts below show the remuneration mix for the CEO and for the other members of the Executive Committee in 2024 and 2023.

### Remuneration mix of the CEO and other Executive Committee members (%)



## 7.7. Other compensation, loans and credit facilities (audited)

According to the legislation in force in their countries of employment, severance payments for a total amount of CHF 1 278 000 were made in 2024 to two members of the Executive Committee who left the Group in 2024, (2023: severance payment for a total amount of CHF 194 000 to one member of the Executive Committee), according to the legislation in force in his country of employment.

As at 31 December 2024, no loan, credit or outstanding advance was due to the Group from members or former members of the Executive Committee or related parties (unchanged from prior year).

## 7.8. Shares and options held (audited)

The following table shows the shares and restricted shares held by Executive Committee members as at 31 December 2024:

Name	Corporate responsibility	Restricted shares	Shares
G. Picaud	Chief Executive Officer	192	920
T. Abasov	Head of Eastern Europe, Middle East & Africa	5 001	22 964
S. Du	Head of Asia Pacific	4 211	3 668
D. Govender	Head of North America	4 653	13 651
E. Jokubauskas	Head of Industries & Environment and Natural Resources	–	2 504
C. Ly Wa Hoi	Head of Connectivity & Products and Health & Nutrition	3 982	7 644
J. McDonald	Head of Business Assurance	5 356	10 023
R. Navazo	Head of Latin America	–	–
M. Oesch	Group General Counsel	–	–
D. Plaza	Chief Information Officer	–	–
M. Reid	Head of Europe	4 590	40 416
J. Roberts	Chief People Officer	–	–
M. Vlatchkova	Chief Financial Officer	–	–

No options were held by Executive Committee members as at 31 December 2024.

The following table shows the shares and restricted shares held by former senior management as at 31 December 2023:

Name	Corporate responsibility	Restricted shares	Shares
F. Ng		14 726	95 000
G. Picaud		–	500
O. Merkt		3 001	8 750

## 7.9. Gender representation (audited)

The following table shows the gender representation in the Executive Committee as at 31 December 2024 and 31 December 2023.

Period	Female		Male	
	Number	%	Number	%
31 December 2024	2	15.4%	11	84.6%
31 December 2023	2	12.5%	14	87.5%

## 7.10. Other activities (audited)

The functions of the members of the Executive Committee in other undertakings in 2024 are disclosed in the table below.

Name	Undertaking	Function exercised
G. Picaud	Danone SA	Member of the Board of Directors and Chair of the Audit Committee
	Conseillers du Commerce Extérieur de la France (CCEF)	Member of the Committee
T. Abasov	–	–
S. Du	–	–
D. Govender	–	–
E. Jokubauskas	–	–
C. Ly Wa Hoi	–	–
J. McDonald	–	–
R. Navazo	–	–
M. Oesch	Cocoa Horizons Foundation	Member of the Board of Directors
D. Plaza	–	–
M. Reid	–	–
J. Roberts	–	–
M. Vlachkova	–	–

The functions of the members of the former senior management in other undertakings in 2023 are detailed in the table below.

Name	Undertaking	Function exercised
F. Ng	Logitech SA	Member of the Board of Directors and Chair of the Compensation Committee
O. Merkt	–	–
G. Picaud	Danone SA	Member of the Board of Directors and Chair of the Audit Committee
	Conseillers du Commerce Extérieur de la France (CCEF)	Member of the Committee



# Report of the statutory auditor to the General Meeting of SGS SA, Geneva

## Report on the audit of the remuneration report

### Opinion

We have audited the remuneration report of SGS SA (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' in sections 6 and 7 (pages 65 to 77) of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report for the tables marked 'audited' in sections 6 and 7 complies with Swiss law and the Company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

### Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

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As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers SA

Guillaume Nayet  
Licensed audit expert  
Auditor in charge

Mario Berckmoes  
Licensed audit expert

Geneva, 10 February 2025