



Community policy



1. OUR COMMITMENT

At SGS, we believe that everyone has a fundamental right to education, enterprise, food, health, and shelter. We contribute to the welfare of the communities we operate in through local investment, by minimizing our adverse impacts, and conducting our business in a manner that respects the rights and dignity of individuals and communities affected by our activities. We also encourage our suppliers and business partners to help foster local social and economic development and to contribute to the sustainability of the communities in which they operate.

Through our Sustainability Ambitions 2030, by 2023, we are committed to increasing our positive impact on our communities through employee volunteering by 10%, against our 2019 baseline. As part of an even more ambitious goal, by 2030, we are committed to doubling our positive impact on our local communities through employee volunteering, against our 2019 baseline.

As a result, our community projects are divided into three pillars: Education, Empowerment and Environment. Our material contribution to each of these pillars can adopt the form of volunteering activities, in-kind contributions and cash donations. Through our support to communities, SGS plays its part in helping to address the world's biggest sustainable development challenges.

2. POLICY SCOPE

This policy applies to all SGS employees and sub-contractors globally.

3. OUR CONTRIBUTIONS TO COMMUNITIES

SGS develops and supports initiatives that are aligned with any of our three community pillars:

- **Education:** includes projects aimed at improving access to elementary, primary, secondary, higher, and further education, as well as informal education in the form of employment training schemes and skills workshops
- **Empowerment:** includes projects aimed at promoting the economic, emotional, intellectual and physical empowerment of individuals through access to healthcare, counselling, mentoring, enterprise schemes and micro credit
- **Environment:** includes projects aimed at reducing or eliminating the reliance on non-renewable or scarce resources, such as fossil fuels and water

Our programs materialize in different forms of contribution that include:

- **Employee volunteering:** SGS empowers its employees to take part in community volunteering activities organized by SGS

We believe that community involvement is not only a responsibility, but also a great way to build strong relationships and make a positive impact. We encourage our affiliates to consider organizing volunteering activities for their employees. It is at the discretion of each affiliate to decide how these activities are organized and the conditions of participation for employees

Volunteering can take place during or outside working hours, although volunteering during working hours is generally preferred

- **In-kind support:** SGS has many assets and resources that can benefit communities worldwide. These include, amongst others, physical assets, such as offices and lab space or equipment, and intellectual property, in the form of our services and the skills and expertise of our people. Where practicable and appropriate, we want to support communities by offering them in-kind support through access to our assets and resources, either free of charge or at a fee that is below our commercial rates
- **Cash donations:** SGS supports non-profit organizations and not-for-profit programs in the communities in which it operates by donating cash

The use of SGS monetary resources to purchase other assets for those organizations and programs is also considered a donation. Such donations must be freely given and never used as a way to improperly influence or reward a third party for an advantage or to promote SGS. SGS must not make cash donations to individual employees. These donations require prior approval in accordance with the SGS Code of Integrity.

Building on the forms of contribution described above, SGS also supports local communities through disaster relief initiatives. These focus on coordinated intervention aimed at meeting the immediate needs of communities following a major disruption caused by natural and man-made disasters.

4. EXCLUSIONS

SGS will not support community activities if they involve any of the following:

- A breach of the SGS Code of Integrity
- Organizations of uncertain financial soundness
- Organizations that support a single individual or a personal project

- Organizations that demonstrate a political affiliation
- Religious organizations
- Illegal or unethical activities or organizations

5. ROLES AND RESPONSIBILITIES

The managing director is responsible for ensuring that a structure is in place at local level to promote and encourage community activities, in line with this community policy.

Employees are encouraged to participate in selecting and organizing community activities, and to voluntarily participate in the activities. Employees may refuse to participate in voluntary work. SGS ensures that no-one faces any form of retaliation or adverse consequences for having refused to participate in voluntary work.

Corporate sustainability oversees day-to-day management of the community program, delivers global initiatives, works with affiliates to support the implementation of our group community policy and monitors performance.

Our actions are guided by transparency, fact-based decision-making and are based on a preventative, precautionary and integrated approach to community investment. This means conforming to or exceeding the requirements of national and international regulations, as well as engaging in continuous and informed dialogue with relevant stakeholders.

6. RELATED DOCUMENTS AND POLICIES

This policy supports the SGS Business Principles, as well as the SGS Sustainability Ambitions 2030, the SGS Sustainability Policy Statement, and the SGS Human Rights Policy. The contents of this policy are to be applied in line with SGS Code of Integrity. This policy should be read in conjunction with other published SGS sustainability policies available at www.sgs.com.

Internal resources are available for the implementation of this policy. Please contact corporate.sustainability@sgs.com for assistance, questions or suggestions.



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