

SGS VEHICLE EMISSIONS POLICY

Corporate Sustainability

1. INTRODUCTION

Carbon emissions from motor vehicles contribute to the rise in carbon dioxide (CO₂) concentrations in the atmosphere, which is a major factor in climate change. Motor vehicles are calculated to generate around one fifth of manmade CO₂ emissions, with passenger cars contributing approximately 12%. If long term climate protection targets are to be met, the transport sector must play its part by reducing absolute CO₂ emissions from vehicles.

SGS is a purpose-driven company, committed to using our expertise and global reach to promote sustainability. Our corporate sustainability strategy, our Sustainability Ambitions 2030, sets the path towards a better future and determines specific targets for 2023 and 2030.

The environmental pillar of the Sustainability Ambitions 2030 aims to support the transition to a low carbon and climate resilient world through responsible use of resources and effective waste management.

In all SGS operations, we continually strive to reduce our climate impacts, including the emissions from our use of transport fuel.

Our Sustainability Ambitions 2030 sets specific targets for reducing the amount of CO₂ emissions associated with vehicles:

By 2023 we aim to achieve:

- 10% reduction in total car fleet CO₂ emissions
- 10% of our cars having low-carbon technologies

By 2030 we aim to achieve:

- 40% reduction of average CO₂ emissions from our total car fleet
- 50% of our cars having low-carbon technologies

To help us achieve our Sustainability Ambitions 2030, our goal is to reduce SGS's fleet CO₂ emissions on a yearly basis for the period 2022-2025.

2. POLICY SCOPE

This policy covers every SGS company vehicle that is owned or leased, (for a period of a year or more) which may be used either as a utility car or as a benefit car, (provided to the employee as part of a salary package) and which falls under any of the following categories:

- Passenger cars: vehicles used exclusively for the carriage of passengers, with no more than eight seats in addition to the driver's seat, excluding buses and minibuses
- Light commercial vehicles: vehicles used exclusively for the carriage of goods, with a maximum mass not exceeding 3.5 tons
- Pickups: vehicles used exclusively for the carriage of goods, where light commercial vehicles are not suitable or available

All other types of vehicles, such as motorcycles, buses, minibuses, trucks, private vehicles and specialist vehicles, remain out of the scope of this policy.

3. OUR COMMITMENTS AND TARGETS

- All Affiliates are required to gradually reduce the average emissions of their vehicle fleet from January 1, 2022, so that by 2025 the average CO₂ emissions of each group of vehicles in their fleet is below established limits, that are defined internally and reviewed in line with our carbon reduction commitments
- Newly acquired passenger cars cannot exceed CO₂ emissions limits that are defined internally and reviewed in line with our carbon reduction commitments.
- At least 10% of all new company vehicles acquired each calendar year shall be based on low carbon technologies, which include hybrid, plug-in hybrid, pure electric and natural gas propulsion systems

4. ROLES AND RESPONSIBILITIES

The Chief Executive Officer of SGS is ultimately responsible for the implementation of this policy, with assistance from the Sustainability Steering Committee, which oversees the implementation of social and environmental programs within SGS.

Senior management is responsible for ensuring compliance with this policy, including, but not limited to, the establishment of programs and compliance with reporting requirements. Sustainability, however, is the responsibility of everyone at SGS, at every level of our organization.

It is every Managing Director's responsibility to ensure that all vehicles acquired by Affiliates, from the launch of this policy until December 31, 2025, comply with this policy and are capable of meeting the targets.

Chief Operating Officers are responsible for approving any exception to this policy.

Managing Directors are also responsible for ensuring that vehicle fleet data (including total number of company cars and associated theoretical emissions, among other data) is reported twice a year during the established sustainability closings (at the time of publishing this policy, these are January and July).

Global and local procurement teams will support and deliver appropriate solutions for the correct implementation of the policy.

5. TRACKING AND REPORTING

Performance and compliance will be monitored by Corporate Sustainability on the basis of the data reported from the Affiliates. Data will be presented to the Operational Council every six months.

6. POLICY REVISION

This policy will be formally reviewed at the mid-point of its term and may be adapted (including vehicle fleet emissions targets and other requirements) as necessary, based on potential market and regulatory changes.

¹ EU CO₂ emission performance standards for cars and vans.

² Utility car: vehicle provided for a business purpose.

³ The average fleet emissions for each group is calculated as the sum of the grams of CO₂ per kilometer of each individual vehicles within the group, divided by the number of vehicles within the group.