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Our approach to sustainability reporting

At SGS, we are committed to providing stakeholders with accurate and timely updates on our sustainability activities and performance, and we strive to produce a report that is fair, transparent and balanced, and meets the needs of stakeholders.

Scope and boundaries

The scope of the sustainability information contained in this integrated annual report covers all regions and business lines of the SGS Group for the 2023 calendar year. A list of SGS affiliates can be found on pages 155 to 157 of this report. Unless stated otherwise, our reported data scope covers the Group business and targets for the period 1 January to 31 December 2023.

We have identified and prioritized the most material impacts on our business and on stakeholders across our value chain. This integrated annual report includes performance data for our direct operations, as well as information on how we manage the most material issues.

➔ For more information on material issues Page 24

We report key performance indicators (KPIs) from all of our facilities, subsidiaries, and other business units, as determined by our reporting boundaries.

Under the financial control approach, 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 control. Control is defined in financial terms.

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 (CO₂) emissions.

In this report, 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 in the data that are less than 5% are usually considered not material in these situations. Significant modifications to data from previous years, however, are noted in the report when they initially appear.

Data collection process

Robust data gathering is important to set targets and monitor performance. The majority of our data is collected locally through centralized software then reviewed and consolidated in a centralized manner. The remaining data is gathered directly from global functions.

All sustainability data is gathered on a half-year basis. Remaining data is collected annually at the full year.

External standards

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. We support the principles of integrated reporting, and continue to move towards a fully integrated reporting structure in line with the Integrated Reporting Framework. Since 2013, our non-financial information has been developed using the guidelines for the AA1000 Accountability Principles Standard and the Global Reporting Initiative's Standards (GRI). We also align our reporting with the Sustainability Accounting Standard for the Professional & Commercial Services Industry (SASB). Our reporting approach is explained further in our Sustainability Basis of Reporting.

➔ For more information on our Sustainability Basis of Reporting www.sgs.com/en/sustainability/corporate-sustainability/reporting-hub

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.

Assurance and basis of preparation

Each year, around 10% of our affiliates are selected to be audited on all data reported and procedures in place to collect and consolidate data. Each audit is carried out by a qualified Sustainability Report Assurance (SRA) auditor.

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) provides independent limited assurance over certain sustainability metrics, indicated with **AL** in this report on pages 177 to 184. PwC's Assurance Report describes the work undertaken and their conclusion for the reporting period to 31 December 2023. Documents relating to independent external assurance in the years prior to 2022 are available in our website.

➔ Please see Independent practitioner's limited assurance report Pages 187 to 189

Our progress towards our sustainability ambitions 2030

2023 marks the end of a strategic cycle and we have taken the opportunity to reflect on our achievements as we set new focus areas for 2027.

1

Environment

2023 targets

2023 performance

Climate change mitigation

Continue working towards our SBTi ambition by:

- Increase annually the number of energy efficiency measures in our 100 most energy intensive owned buildings
- Reduce total car fleet CO₂ average emissions by 10% compared to 2019
- Ensure 10% of our cars have low-carbon technologies
- Further adopt Task Force on Climate-related Financial Disclosures (TCFD) recommendations

- ✓ **Achieved**
14% reduction since 2019 in scope 1 and 2 absolute GHG emissions.
5% reduction compared to 2022 in scope 3 absolute GHG emissions.
- ✓ **Achieved**
The coverage of our energy efficiency measures in these buildings has now reached 85% of our consumption, representing a 10% increase compared to 2022. The number of energy efficiency measures has increased by 12%.
- ✓ **Achieved**
10% reduction in car fleet GHG emissions since 2019.
- ✓ **Achieved**
15% of cars have low-carbon technologies.
- ✓ **Achieved**
See TCFD report on page 190.

2

Social

Human rights protection

- Achieve 30% women in senior leadership positions (CEO-3)
- Reduce our Total Recordable Incident Rate (TRIR) by 20% and Lost Time Incident Rate (LTIR) by 10% compared to 2018
- HSE Certify main operational sites to ISO 45001 and ISO 14001
- Continue performing annual risk assessments on human right across the Group, keep developing our human rights due diligence program to avoid violations across our operations and train 100% of our employees on our human rights principles annually

- ✓ **Achieved**
31.9% women at CEO-3 level.
- ✓ **Achieved**
LTIR of 0.17 and TRIR of 0.32, a 31% and 22% reduction respectively compared to 2018.
- ➔ **On track**
An additional 20% of operational sites obtained independent certification to ISO 45001 and ISO 14001, bringing the cumulative total to 644 sites.
- ➔ **On track**
See Human Rights report on page 197.

Knowledge and engagement

- Increase by 10% the completion rate of job-related training compared to 2020
- Improve year on year our employee engagement and manager effectiveness scores

- ✓ **Achieved**
4.7 million hours and 48.1 hours per FTE of job-related training (27% and 15% variation compared to 2020).
- ✓ **Achieved**
7.6/10 employee engagement average score and 8.3/10 of management support average score, an improvement compared to last year.

Community

- Increase our positive impact on our communities through employee volunteering by 10% compared to 2019

- ✓ **Achieved**
CHF 1.7 million of community donations and 32 590 hours of volunteering (22% and 89.5% increase respectively compared to 2019).

3

Governance

2023 targets

2023 performance

Excellence

- Promote a culture of efficiency and excellence through our WCS program, with 20% of WCS labs reaching WCM Bronze
- Expand the program to at least 10 new sites considering 2020 perimeter

➔ **On track**
10% of labs reached Bronze level.

✔ **Achieved**
13 additional sites adopted World Class Methodology.

Brand

- Achieve a customer satisfaction score of 85%

✔ **Achieved**
90.6% customer satisfaction score.

Integrity

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

➔ **On track**
99.9% employees trained on our Integrity Principles.¹

Digitalization, information protection and privacy

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

✔ **Achieved**
Security governance maturity has been improved and security structure expanded.

✔ **Achieved**
The process of 'Third party security assessments' (TPSA) has been formalized.

Supply chain

- >50% of our goods and services spend from suppliers who have signed our Code of Conduct or commit to comparable standards
- 100% of the selected SGS strategic suppliers will have completed our sustainability self-assessment questionnaire (SAQ)
- 75% of requests for proposals to be online and include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers
- Actively contribute to the reduction of our SGS CO₂ footprint by sourcing energy efficient solutions from our suppliers
- Leverage SGS buying power to request strategic suppliers to report their own CO₂ footprint and subsequently target carbon reduction in their own operations

✔ **Achieved**
65% of our goods and services spend now come from suppliers having signed the Code of Conduct.

✔ **Achieved**
We have extended the SAQ to all countries in scope (25 countries and suppliers with over CHF 1 million spend).

✔ **Achieved**
Sustainability criteria now embedded in new RFP tool as mandatory fields for all online RFPs.

✔ **Achieved**
New classification of spend and more accurate numbers embedded in a new dashboard.

Based on new spend classification, suppliers with high CO₂ intensity are being identified. The next steps would be to work proactively with those suppliers to reduce their footprint.

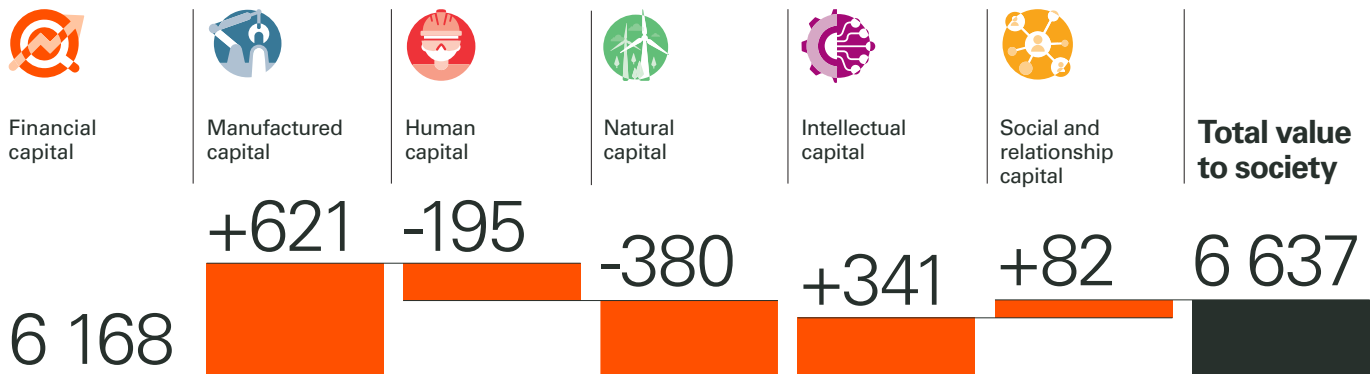
CO₂ questionnaire included in SAQ to collect real footprint data.

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

Quantifying our value through six capitals

Like all organizations we depend on various capitals to be successful. We are one of a small number of companies that measure value creation by capital using our Impact Valuation Framework.

2022 SGS value to society (CHF million)



Our financial capital results are impacted by profit, sales, employment costs and taxes paid to governments

Our manufactured capital value measures the improvement of capital assets (directly controlled and those of our supply chain)

Our human capital value is directly influenced, among others, by our risk of having human rights non-compliances in our value chain and by our suboptimal data on gender equality

The most negative impact is related to the footprint in the value chain, especially in our supply chain

Our intellectual capital value is mostly driven by our training and development programs

This capital is positively impacted by the way we create trust to customers and communities

The total value to society of SGS direct operations and supply chain activities

	Positive impacts		Negative impacts		Net impact
	Supply chain	Direct operations	Supply chain	Direct operations	
Financial capital	1 988	4 180	–	–	6 168
Industrial capital	482	157	–	–18	621
Human capital	–	62	–120	–137	–195
Natural capital	–	7	–372	–15	–380
Intellectual capital	–	365	–	–24	341
Social and relationship capital	–	218	–	–136	82

The framework is based on six forms of capital, as defined by the International Integrated Reporting Council. We use it to help us to make better decisions, by considering non-financial as well as financial aspects of our business. We measure our progress using 32 indicators that support how we track our measurable positive impact.

Applying our Impact Valuation Framework methodology, we have calculated that our total value to society calculated in 2023 for 2022 was +CHF 6 637 million, and that the value of our positive benefit to society was +CHF 7 459 million.

We created the majority of this value through profit generation, the paying of taxes and wages, and our investments in training programs and information security.

The framework also shows that we generated CHF 822 million of negative societal impacts, arising from the environmental footprint of our supply chain.

Our value in action

Our SGS Impact Valuation Framework allows us to quantify the effects of events that occur within our operations and throughout our supply chain. Furthermore, we are dedicated to assessing the results of the services we provide.

We worked across all five of our business lines to identify services and their impacts in order to develop a valuation approach based on independently verified data and research. We are then able to determine the impact and monetize it using a combination of research and input data.

This exercise helps us better understand the impact of our services in terms of how much value they add to the different capitals. We have covered almost 50% of our sales and our initial impact calculation shows a significant positive impact in many different areas. Among the main impact indicators we have looked at so far are consumption of energy and CO₂ emissions avoided; water consumption avoided; injuries avoided; and lost disability-adjusted life years avoided.

Main impact indicators:

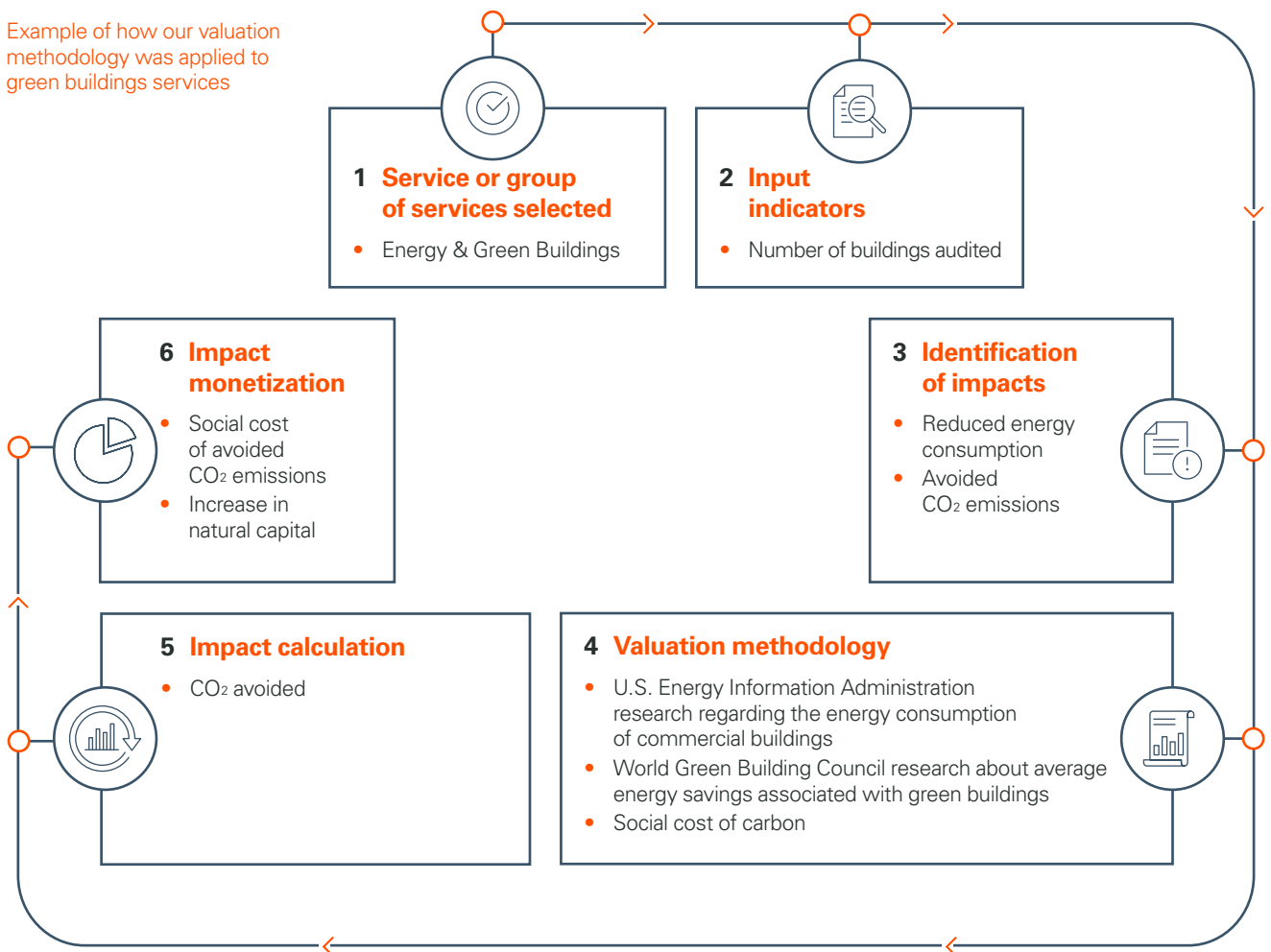
Avoided energy consumption (billion kWh)
+28

Avoided injuries (million)
+14

Avoided water consumption (billion liters)
+68

Avoided CO₂ emissions (million metric tons)
+14

Example of how our valuation methodology was applied to green buildings services



Databank

Compliance and integrity

Integrity is one of our six business principles. Our Code of Integrity acts as a blueprint for our employees, affiliated companies, contractors, subcontractors, joint venture partners and agents.

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 needed. 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.

	2023	2022	2021
Total number of integrity issues reported through integrity helplines ¹	450	374	262
Total number of substantiated breaches of the Code of Integrity received through integrity helplines ¹	89	73	35
Broken down by type of breach:			
Integrity of services	23	23	6
Integrity of financial records	3	3	4
Conflict of interest	8	12	–
Employee relations	20	10	9
Fair competition	–	–	–
Compliance with laws	9	7	2
Gifts and entertainment	–	–	–
Confidentiality	3	2	1
Use of company assets and resources	10	2	6
Environment, health and safety	5	7	–
Bribery and corruption ⁴	6	7	7
Intellectual property	2	–	–
External communication	–	–	–
Insider dealing	–	–	–
Political donations and charitable contributions	–	–	–
Consequences adopted during the reporting year, broken down by type ² :			
Termination	48	38	11
Disciplinary action	48	29	18
Corrective actions (including improvement in processes)	19	12	17
No action possible or needed	4	18	5
Under decision process	1	–	7
Percentage of employees signing the Code of Integrity	100.0%	100.0%	100.0%
Percentage of employees trained on the Code of Integrity ⁵	99.9%	99.9%	99.0%
Percentage of operations analyzed for risks related to corruption	100.0%	100.0%	100.0%
Number and nature of confirmed incidents of corruption identified through corporate helplines ^{1,3}	6	7	7
Public legal cases regarding corruption brought against the organization/employees	–	–	–

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.

2. Consequences adopted during the reporting year. Some of these consequences may refer to breaches confirmed in previous years.

3. Measures taken for these six cases were the following: service or employment contract termination (14) and disciplinary action (1).

4. Breaches of integrity reported as bribery and corruption include also instances of SGS employees accepting improper advantages in the course of their duties (so-called passive corruption).

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

Customer relationship management

How well we manage our customer relationships determines what we are able to achieve as a business, in the long term. That is why we aim to anticipate and respond to customer needs as they arise. We track customer sentiment annually through our global Voice of the Customer (VoC) program. Results are shared with all relevant stakeholders across the organization and corrective actions are developed to increase customer satisfaction.

	2023	2022	2021
Customer satisfaction score (% score)	90.6%	84.5%	88.0%
Group's sales covered by Voice of the Customer surveys (% of total sales)	84%	76%	34%
Countries participating in Voice of the Customer survey (# of countries)	27	27	12
Reponses in Voice of the Customer surveys (# of responses)	26 140	19 000	12 560

Public policy

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.

	2023	2022	2021
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) ¹ (CHF)	909 129	1 121 161	716 652
Other (e.g. spending related to ballot measures or referendums) (CHF)	–	–	–
Total contributions and other spending (CHF)	909 129	1 121 161	716 652
Contribution to industry associations as % of sales (% of sales)	0.01%	0.02%	0.01%

1. The main associations we contributed to in 2023 were: Association of Professional Social Compliance Auditors: CHF 269 154.46; TIC Council: CHF 74 119.43; Energy Institute: CHF 59 811.58; Swissholding: CHF 50 000.

Databank

continued

Sustainable procurement and supply chain

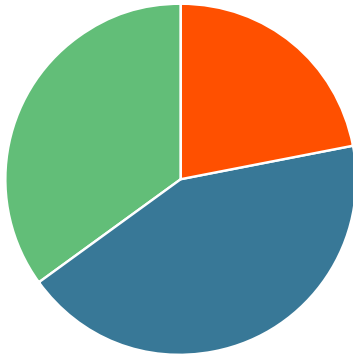
Our supply chain is diverse and covers over 100 countries from large industrial to small developing countries. These suppliers are key stakeholders to SGS and we are committed to engage in an ongoing dialog to reach the highest social, economic and environmental standards.

	2023	2022	2021
Spend analyzed for sustainability risks ¹ (%)	100%	100%	100%
Tier 1 Suppliers analyzed for sustainability risks ² (% of total Tier 1 suppliers)	100%	100%	100%
Number of local suppliers (% of total suppliers)	99%	98%	98%
Number of global suppliers (% of total suppliers)	1%	2%	2%
Spend of local suppliers (% of total spend)	89%	84%	82%
Spend of global suppliers (% of total spend)	11%	16%	18%

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%.

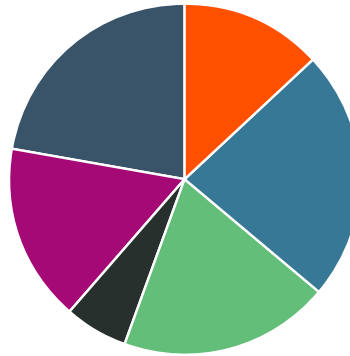
2. Tier 1 suppliers within the scope of the SAQ.

Spend by SGS supra-region



Americas	22%
Europe, Africa and Middle East	43%
Asia Pacific	35%

Spend by SGS category



Capex	13%
External services	23%
Material and supplies	21%
General repairs and maintenance	6%
Travel and vehicles	17%
Other OPEX	20%

Human rights

Our human rights policy clearly sets out our commitment to treat everyone with whom we come into contact with fairness, dignity and respect. It is in line with leading international human rights legislation and principles, and it applies to all those working for SGS or in our supply chains.

	2023	2022	2021
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 proven incidents of discrimination	2	4	–
Number of grievances identified through helplines ² related to human rights ¹	3	4	–
Total number of employees trained on our Human Rights Principles	88 885	79 893	39 137
Percentage of employees trained on our Human Rights Principles	86%	78%	39%
Percentage of employees covered by collective bargaining ³	46%	46%	44%

1. Measures taken for these three cases were the following: termination of employee (1) and disciplinary action (3).

2. 'Helplines' means channels used by employees and external parties to report suspected violations of the Code of Integrity and submitted online, by phone call.

3. 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.

Information security and data privacy

Protection of personal data is key to every part of our business. It is at the heart of our commitment to our clients, our values, our principles, our conduct and our success and is essential to maintaining trust. We are committed to conducting our business in accordance with all relevant data protection and privacy laws of the countries in which we operate and in line with the highest standards of ethical conduct.

	2023	2022	2021
Number of complaints received from outside parties and substantiated by the organization (# of complaints)	–	–	–
Substantiated complaints concerning breaches of data customer policy (# of complaints)	–	–	1
Number of complaints from regulatory bodies (# of complaints)	–	–	–

Workforce breakdown

Our workforce is characterized by diversity in generation, nationality and gender identity.

Type of contract	2023	2022	2021
Number of employees at year end (#)	103 193	101 860	99 374
Permanent workers (% of total employees)	92%	92%	91%
Casual workers ¹ (% of total employees)	8%	8%	9%
Number of FTEs ² at year end (#)	99 589	98 152	96 216

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

2. 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.

Databank

continued

Workforce breakdown continued

Gender, generation and other diversity indicators	2023	2022	2021
Employees by gender (female) (% of total employees)	37.3%	37.0%	36.5%
Employees by gender (male) (% of total employees)	62.7%	63.0%	63.5%
Employees by age – under 30 years old (female) (# of employees by ranges of age)	11 148	10 997	10 162
Employees by age – under 30 years old (male) (# of employees by ranges of age)	14 500	14 248	13 877
Employees by age – 30 to 50 years old (female) (# of employees by ranges of age)	22 759	22 255	21 229
Employees by age – 30 to 50 years old (male) (# of employees by ranges of age)	39 432	39 695	39 672
Employees by age – over 50 years old (female) (# of employees by ranges of age)	4 611	4 394	4 875
Employees by age – over 50 years old (male) (# of employees by ranges of age)	10 743	10 271	9 559
Manager employees (# of manager employees)	8 525	8 490	8 246
Manager by gender (female) (% of managers)	34.3%	33.9%	34.8%
Manager by gender (male) (% of managers)	65.7%	66.1%	65.2%
CEO-3 employees # of CEO-3 employees	1 299	1 235	1 274
CEO-3 by gender (female) – ‘Women in Leadership’ (% of CEO-3 employees)	31.9%	31.1%	29.0%
CEO-3 by gender (male) (% of CEO-3 employees)	68.1%	68.9%	71.0%
Women in management positions in sales-generating functions (% of women)	32.3%	31.8%	34.4%
Women in STEM-related positions (% of women)	34.3%	33.8%	31.1%
Employees from vulnerable groups	2 292	2 285	1 299
With disabilities	906	796	660
Employees with disabilities – female	434	369	290
Employees with disabilities – male	472	427	370
With other vulnerabilities	1 386	1 489	639
Employees with other vulnerabilities – female	578	547	269
Employees with other vulnerabilities – male	808	942	370

Workforce breakdown continued

Nationality	2023
Employees by top five nationalities ¹ (% of share in total workforce)	
Chinese	17.0%
Indian	5.6%
Spanish	4.5%
German	3.7%
Brazilian	3.7%
Management workforce by top five nationalities ¹ (% of share in total workforce)	
Chinese	14.9%
Indian	5.6%
French	4.8%
German	4.6%
Brazilian	4.1%

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

Learning and development

Each year we invest in the upskilling our employees' capabilities in line with our business priorities and growth strategy. We promote self-directed learning, tailor our talent development programs to fit local markets, business needs and employee expectations, and invest in digital tools for training and development.

Regarding performance reviews, we tailor the type of performance review to the job position and category. This includes management by objectives, multidimensional performance appraisal, team-based performance appraisal or agile conversations. We encourage manager positions to deliver ongoing feedback to their teams and we have a formal process for performance reviews once a year.

	2023	2022	2021
Training ratio ¹ (% of total employment cost spent on training)	3.6%	3.2%	2.6%
Training hours per FTE (# of hours per FTE)	61.2	54.7	45.8
Job related training hours per FTE (# of hours per FTE)	48.1	43.3	38.9
Total training hours ² (# million of hours)	6.0	5.3	4.3
Job related training hours (# million of hours)	4.7	4.2	3.6
Performance reviews (% of employees who have received performance reviews out of the total eligible ³)	79%	85%	88%

1. Training and hours spent cost per total employment cost, including safety training hours. On a constant currency basis.

2. Broken down by type of training: Management and leadership development: 2%; Apprentice & trainee training programs: 3%; Technical training: 14%; Non-Technical training: 3%; Operational integrity training: 57%; Compliance training: 17%; Other: 4%

3. 62% of employees were eligible for performance reviews in 2023.

Databank

continued

Employee engagement

We value feedback and encourage employees to voice their opinions via our voluntary annual employee engagement survey. Each year we survey different geographies, and we benchmark ourselves against external norms; local management takes appropriate actions to improve our scores. This year we have implemented a new Employee Voice & Engagement platform. The score is now shown in a scale out of 10.

	2023	2022	2021
Employees invited to participate in the employee engagement survey (# of employees)	25 412	28 569	30 129
Response rate (%)	81%	79%	86%
Engagement index (2023: average score out of 10; 2022 and previous: average score out of 100)	7.6	69	75
Actively engaged employees ¹ (%)	79%	64%	73%
Management support index ² (2023: score out of 10; 2022 and previous: score out of 100)	8.3	72	78

1. Employees that are Promoters and Passives (those that gave 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.'

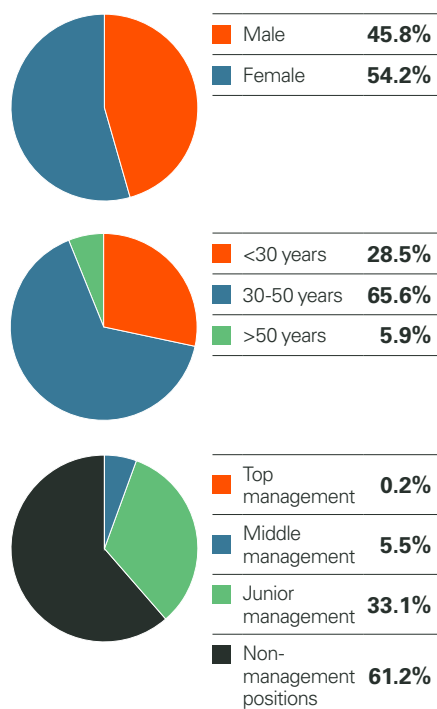
Talent attraction and retention

Our recruitment process is designed to enable us to select creative, innovative people who have passion, potential and integrity. We make our selection based on a combination of candidates' skills, competencies, experience and motivation. Through this approach and targeted talent attraction strategies, we have welcomed 27 288 new hires (internal and external) in 2023.

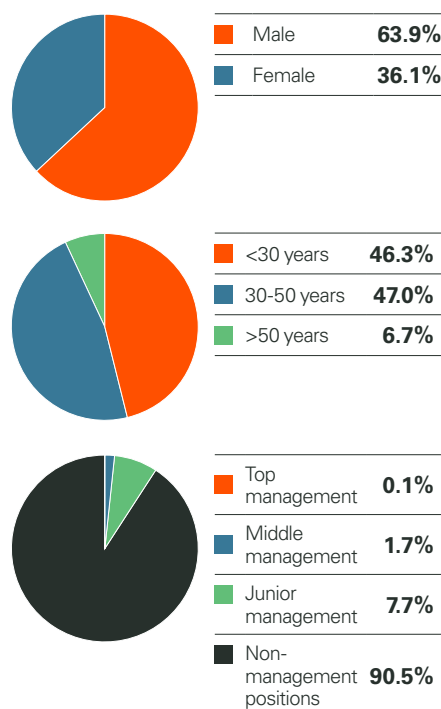
	2023	2022	2021
New hires (# of employees)	27 289	28 430	29 486
Internal new hires (% of total new hires)	16.3%	15.1%	14.8%
New hires (female) (% of internal hires)	45.8%	50.3%	50.3%
New hires (male) (% of internal hires)	54.2%	49.7%	49.7%
External new hires (% of total new hires)	83.7%	84.9%	85.2%
New hires (female) (% of external hires)	36.1%	36.8%	35.2%
New hires (male) (% of external hires)	63.9%	63.2%	64.8%
Voluntary turnover (% of permanent employees)	12.7%	14.8%	14.7%
Total turnover (% of total permanent employees)	18.8%	20.3%	20.5%
Total turnover female (% of total female employees)	18.3%	19.6%	20.1%
Total turnover male (% of total male employees)	19.1%	20.8%	20.7%

Talent attraction and retention continued

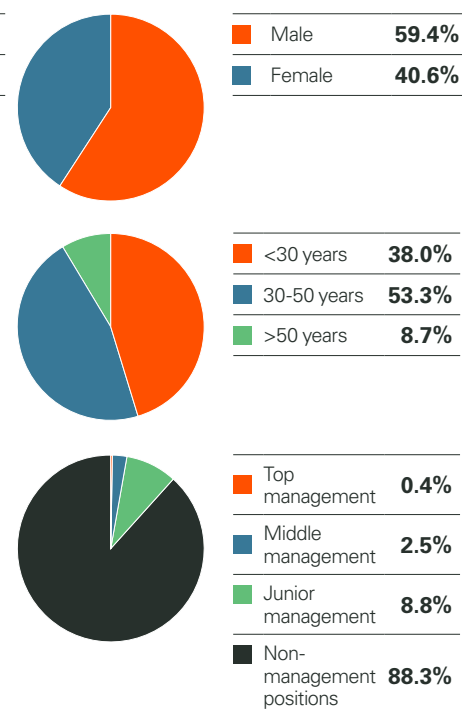
Internal new hires



External new hires



Employees that left on their own will



Remuneration

Our goal is to offer our existing and future talent a competitive compensation package, to attract, engage, motivate and retain them. We systematically assess the competitiveness of our reward practices in all the markets in which we operate.

	2023	2022	2021
Mean gender pay gap ¹ (% of difference between men and women employees)	3.0%	2.4%	3.0%
Median gender pay gap ¹ (% of difference between men and women employees)	-4.7%	-7.3%	-4.7%
Mean bonus gap ¹ (% of difference between men and women employees)	21.4%	21.0%	17.3%
Median bonus gap ¹ (% of difference between men and women employees)	-4.0%	-6.3%	-20.1%
CEO and mean employee compensation ratio ²	31.9	28.5	40.6

1. This data has a coverage of 94.5% 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).

Databank

continued

Operational integrity

Employee health and safety along with environmental protection are a priority. As detailed in our business principles, protecting employees and the environment from harm are fundamental behaviors at SGS. In 2023, we have continued to make progress towards our target and have achieved a further reduction in our incident rates.

	2023	2022	2021
Total Recordable Incident Rate (TRIR) ¹ (occurrences per 200 000)	0.32	0.35	0.37
TRIR variation (% against a 2018 baseline)	-22%	-16%	-9%
Number of recordable incidents ² (# of incidents)	326	346	357
Lost Time Incident Rate (LTIR) ³ (occurrences per 200 000)	0.17	0.19	0.22
LTIR variation (% against a 2018 baseline)	-31%	-25%	-14%
Sites certified to ISO 45001 and/or ISO 14001 standards (number of sites)	644	562	537
Sites dual certified to ISO 45001 and ISO 14001 standards (number of sites)	278	229	224
FTE covered by ISO 45001 standard (number of FTE)	28 222	20 862	12 750
FTE covered by ISO 14001 standard (number of FTE)	26 204	18 195	8 750
FTE covered by ISO 45001 and/or ISO 14001 standards (number of FTE)	54 426	39 057	21 500
Safety training hours (# of hours)	3 423 056	2 937 914	2 692 702
Operational Integrity training per employee (# of hours per FTE)	34.7	30.4	28.9
Total absence rate ⁴ (% of days of sickness absence plus days lost per incidents with lost time per total days worked)	1.91%	2.22%	1.85%
Sickness absence rate (% of days of sickness absence per total days worked)	1.89%	2.20%	1.82%
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%	0.03%

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.

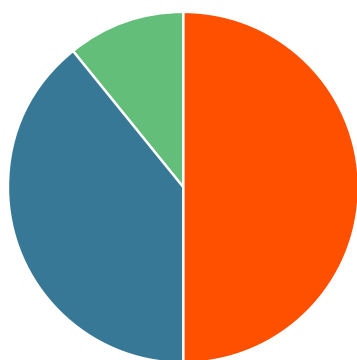
Community donations

We are committed to give back to the communities where we operate, and we do so across three pillars: empowerment, education and environmental sustainability. In doing so, we are helping to tackle global challenges such as poverty, equal opportunities, health, education, climate change and environmental degradation. In 2023, we have almost doubled the number of volunteering hours.

	2023	2022	2021
Community donations ¹ (CHF thousands on constant currency basis)	1 722	1 850	1 384
Community donations variation (% against a 2019 baseline)	22.0%	43.4%	7.2%
Total community projects (# of projects)	595	526	382
Community hours (# of hours dedicated to community)	32 590	18 691	9 284
Community hours variation (% against a 2019 baseline)	89.5%	8.7%	-46.0%

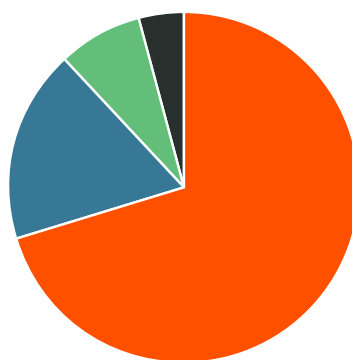
1. Community donations include: cash, donations in kind and volunteering hours.

Donation per type



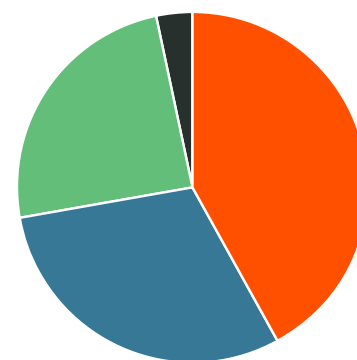
Community donation	53.6%
Occasional charitable donation	40.0%
Philanthropic sponsorship	6.4%

Donation per nature of contribution



Cash contributions	55.5%
Volunteering contributions	29.0%
In-kind contributions	8.3%
Management contributions	7.2%

Donations per pillar



Empowerment	42.1%
Education	30.2%
Environmental sustainability	24.6%
Disaster relief	3.1%

Databank

continued

Climate change – energy consumption

As a sustainability leader that recognizes the threat posed by global climate change, we are setting the benchmark for reduced energy consumption. Through initiatives such as our Energy Efficiency in Buildings (EEB) program, sustainable transport and Green IT, we are actively reducing our own energy consumption at source. We are also moving away from fossil fuel based sources of energy by transitioning to renewable energy.

	2023	2022	2021
Total energy consumption (MWh)	948 152	947 571	927 654
Total energy consumption by use (MWh)			
Vehicle fuels energy	311 551	310 792	300 624
Non-transport fuels energy	140 695	149 182	147 242
Total electricity	495 906	487 597	479 788
Standard electricity ¹	12 794	15 541	15 674
Renewable electricity ²	483 112	472 056	464 116
Total energy production (MWh)			
Non-renewable energy production	–	–	–
Renewable energy production	3 981	2 312	305
Total renewable electricity (% of total electricity consumption)	97%	97%	97%
Energy intensity per sales ³ (MWh/CHF million)	143	155	149
Energy intensity per average FTE ⁴ (MWh/FTE)	9.6	9.8	9.9
Electricity intensity per sales ³ (KWh/CHF million)	74.9	79.6	77.1
Electricity intensity per average FTE ⁴ (MWh/FTE)	5.0	5.0	5.1

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

2. Electricity bought from local renewable sources of production and through Energy Attribute Certificates.

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

4. Being the denominator the average FTEs (see table 'Average number of employees by geographical area' on p. 107). Energy consumption within the organization.

Climate change – energy efficiency in buildings program

The energy used in our offices and laboratories worldwide accounts for 84% of our global energy consumption. It is therefore a key area of focus for us to reduce energy use. In 2023, additional buildings were included in the program and further measures were identified across the network.

	2023	2022	2021
Buildings covered by the EEB program (# of buildings)	722	701	694
Energy consumption from buildings covered by the EEB program (% of total energy consumed by SGS buildings)	84%	80%	83%
Energy conservation measures identified (# of measures identified since beginning)	904	786	708
Vehicle fleet average theoretical emissions (gCO ₂ /km)	126.7	129.2 ¹	134.6

1. 2022 vehicle fleet average theoretical emissions was updated following a fleet reclassification.

Climate change – greenhouse gas (GHG) emissions

We have committed to reducing greenhouse gas emissions through the Science Based Targets initiative (SBTi), which advocates the setting of targets and deadlines in line with climate science in order to future-proof growth. In 2023, we have continued our efforts towards these targets by focusing on our major source of scope 1 and 2 emissions (vehicle emissions) and our scope 3 emissions associated to our supply chain.

	Retrospective			Milestones and target years		
	Base year	Comparative	N	%N / N-1		
	2019	2022	2023	2030	2050	
Scope 1 GHG emissions ¹						
Gross scope 1 GHG emissions (tCO ₂ e)	113 443	108 046	104 760	-3%	61 033	11 344
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%		0%	0%
Scope 2 GHG emissions ²					-	-
Gross location-based scope 2 GHG emissions (tCO ₂ e)	215 752	220 398	225 036	2%	116 075	21 575
Gross market-based scope 2 GHG emissions ³ (tCO ₂ e)	16 758	8 459	7 269	-14%	9 016	1 676
Significant scope 3 GHG emissions					-	-
Total Gross indirect (scope 3) GHG emissions (tCO ₂ e)	786 371	850 621	812 049	-5%	423 067	78 637
1 Purchased goods and services	441 064	525 111	498 086	-5%	237 292	44 106
2 Capital goods	137 633	131 003	127 168	-3%	74 047	13 763
3 Fuel and energy related activities (not included in scope 1 and scope 2)	76 354	87 454	72 932	-17%	41 078	7 635
4 Upstream transportation and distribution	-	-	-		-	-
5 Waste generated in operations	10 531	19 128	19 045	0%	5 666	1 053
6 Business travel	29 647	18 125	23 003	27%	15 950	2 965
7 Employee commuting	91 142	69 800	71 815	3%	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	-	-	-		-	-
Total GHG emissions						
Total GHG emissions (location-based) (tCO ₂ e)	1 115 566	1 179 065	1 141 845	-3%	600 174	111 557
Total GHG emissions (market-based) (tCO ₂ e)	916 572	967 126	924 078	-5%	493 115	91 657
Carbon off-setting credits						
Voluntary carbon-offsetting CO ₂ credits retired ⁴ (CO ₂ e tons)	159 848	116 505	112 029	-4%		
Carbon off-setting credits						
Scope 1+2 intensity per sales market based ^{1,2,3,5} (CO ₂ e tons/CHF million)	21.7	19.0	16.9	-11%		
Scope 1+2 intensity per average FTE market based ^{2,3,6} (CO ₂ e tons/FTE)	1.4	1.2	1.1	-6%		
Scope 3 intensity per sales ⁷ (CO ₂ e tons/CHF million)	131.3	138.8	122.6	-4%		

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

2. District Heating emissions are not included in this figure.

3. 97% of total electricity consumption is linked to purchased electricity bundled with instruments: 66% I-RECs, 29% guarantees of origin, 2% RECs, and 3% other country-specific certificates.

4. 100% of carbon credits retired are linked to carbon reduction projects verified against the Clean Development Mechanism standard.

The total amount of carbon credits purchased during 2023 were cancelled during the year, with no credits pending to be cancelled next year.

0% of carbon credits were issued from projects in the EU and 0% qualify as a corresponding adjustment under Article. 6 of the Paris Agreement.

2019 credits retired correspond to offsetting emissions of scopes 1, 2 and business travel (3.6) while in 2022 and 2023 credits were retired to offset scopes 1 and 2 only.

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. 107).

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

Databank

continued

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.

	2023	2022	2021 ¹
Water purchased (m ³)	2 051 434	1 985 965	1 919 430
Water use/average FTE ² (m ³ /FTE)	20.8	20.5	20.6
Weight of waste generated (metric tons)	70 348	78 560	65 199
Weight of hazardous waste generated (metric tons)	15 020	16 217	13 377*
SGS offices and labs	8 598	10 829	9 710*
Client samples	6 422	5 388	3 667
Weight of non-hazardous waste generated (metric tons)	55 328	62 343	51 822*
SGS offices and labs	29 448	36 558	29 829*
Client samples	25 880	25 785	21 993
Weight of waste recovered (metric tons)	22 616	24 783	20 888
Weight of hazardous waste recovered (metric tons)	5 643	5 107	3 521*
SGS offices and labs	2 792	2 343	2 435*
Client samples	2 851	2 764	1 087
Weight of non-hazardous waste recovered (metric tons)	16 973	19 676	17 366*
SGS offices and labs	8 018	8 943	9 374*
Client samples	8 955	10 733	7 993
Environmental incidents (# of environmental incidents including significant spills)	29	26	45

- 2021 values were updated after a reclassification: 1.3 tons of SGS waste were reclassified from non-hazardous to hazardous waste resulting in a change of the figures marked with an *.
- See table "Average number of employees by geographical area" on p. 107.

2023 Global Reporting Initiative (GRI) content index

SGS has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI standard and disclosure		Reference	Assured quantitative indicators	Assurance
GRI 2: General Disclosures 2021				
2-1	Organizational details	Page 98		AL
2-2	Entities included in the organization's sustainability reporting	Pages 155-157 and 159		AL
2-3	Reporting period, frequency and contact point	Pages 159, 204, and 187-189		AL
2-4	Restatements of information	Page 159		AL
2-5	External assurance	Pages 65, 159 and 187-189		AL
2-6	Activities, value chain and other business relationships	Pages 2, 10-11, 32-33, 44-45, 52, 155, 157, 161, 166 and 202	<ul style="list-style-type: none"> Spend by SGS category¹ Spend by SGS supra-region¹ 	AL
2-7	Employees	Pages 42, 167-168 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. Information not broken down by region as this is considered confidential information.	<ul style="list-style-type: none"> Number of employees at year end (# of employees) Permanent workers (as a % of total employees) Casual workers (as a % of total employees) 	AL
2-9	Governance structure and composition	Pages 50-65		AL
2-10	Nomination and selection of the highest governance body	Page 54 and 58		AL
2-11	Chair of the highest governance body	Page 18, 55 and 60		AL
2-12	Role of the highest governance body in overseeing the management of impacts	Page 59-60		AL
2-13	Delegation of responsibility for managing impacts	Page 18 and 59-60		AL
2-14	Role of the highest governance body in sustainability reporting	Page 18 and 59-60		AL
2-15	Conflicts of interest	Page 58 and 61		AL
2-16	Communication of critical concerns	Page 61, 164 and 203	<ul style="list-style-type: none"> Total number of substantiated breaches of the Code of Integrity received through integrity helplines and broken down by type of breach Total number of integrity issues reported through integrity helplines 	AL
2-17	Collective knowledge of the highest governance body	Pages 18 and 59 The sustainability committee receives regular information about SGS sustainability programs and initiatives. New regulations or requirements are analyzed during the regular meetings to assess their potential impact in 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.		AL
2-18	Evaluation of the performance of the highest governance body	Page 54, 58 and 66		AL
2-19	Remuneration policies	Pages 66-91		AL
2-20	Process to determine remuneration	Pages 66-91		AL
2-21	Annual total compensation ratio	Pages 66-91 and 171 The information is limited only to CEO and mean employee compensation ratio as this is confidential information.	<ul style="list-style-type: none"> CEO and mean employee compensation ratio 	AL
2-22	Statement on sustainable development strategy	Pages 5-7		AL
2-23	Policy commitments	Page 3 and 199		AL

➔ Code of integrity

➔ SGS Code of Conduct for Suppliers

1. Additional information to the GRI requirements.

2023 GRI content index continued

GRI standard and disclosure		Reference	Assured quantitative indicators	Assurance
2-24	Embedding policy commitments	Page 3, 61 and 202		AL
2-25	Processes to remediate negative impacts	Pages 25-31 and 197-203		AL
2-26	Mechanisms for seeking advice and raising concerns	Page 203		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 2023 the SGS Group was not condemned to any significant fines or penalties for non-compliance with any kind of laws and regulations.	– Fines for non-compliance with regulations	AL
2-28	Membership associations	Page 165	– Contributions to trade associations	AL
2-29	Approach to stakeholder engagement	Pages 22-23	– Customer satisfaction score ¹ (as a % score) – Engagement index ¹	AL
2-30	Collective bargaining agreements	Page 167 We respect our employees' right to have collective representation and to enter into collective bargaining agreements where this is accepted by local law.	– Percentage of employees covered by collective bargaining	AL
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Pages 22-24, 159		AL
3-2	List of material topics	Pages 24, 159		AL
3-3	Management of material topics	Pages 24, 159		AL
GRI 201: Economic Performance 2016				
3-3	Management of material topics	Pages 34-37		
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> – Total economic value generated: CHF 6 651 million (Sales: CHF 6 622 million; Financial income: CHF 29 million) – Total economic value distributed: CHF 6 697 million (Salaries and wages: CHF 3 316 million; Subcontractors' expenses: CHF 400 million; Depreciation, amortization and impairment: CHF 545 million; Other operating expenses (including other taxes, community contributions and charitable donations): CHF 1 511 million; Financial expenses: CHF 86 million; Dividends distributed (expected): CHF 634 million; Income taxes CHF 205 million) – Total economic value retained: CHF –46 million 	<ul style="list-style-type: none"> – Total economic value generated – Total economic value distributed – Total economic value retained 	AL
201-2	Financial implications and other risks and opportunities due to climate change	Pages 190-196		
201-3	Defined benefit plan obligations and other retirement plans	Page 124-129		AL
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 2023.		
GRI 202: Market Presence 2016				
3-3	Management of material topics	Page 171		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	SGS is committed to comply with the applicable labor regulations in the countries where we operate. Whenever possible, we improve the minimum wages set by the local legislation. The quantitative information breakdown is unavailable. The deployment of our global HR data management tool is under review. We are currently evaluating alternative reporting options and expect to report in coming years.		

1. Additional information to the GRI requirements.

GRI standard and disclosure		Reference	Assured quantitative indicators	Assurance
GRI 203: Indirect Economic Impacts 2016				
3-3	Management of material topics	Pages 32-33 and 162-163		
203-2	Significant indirect economic impacts	Pages 32-33 and 162-163		AL
GRI 204: Procurement Practices 2016				
3-3	Management of material topics	Pages 44-45		
204-1	Proportion of spending on local suppliers	Page 166 The percentage of global and local suppliers is calculated considering 92% of the global spend. We consider global suppliers those managed by Global Procurement at corporate level and local suppliers those managed by local procurement teams at affiliate/regional level, regardless of where the supplier is based or the number of affiliates where it provides its services/deliver its products.	<ul style="list-style-type: none"> – Number of local suppliers (as a % of total suppliers) – Number of global suppliers (as a % of total suppliers) – Spend of local suppliers (as a % of total spend) – Spend of global suppliers (as a % of total spend) 	AL
GRI 205: Anti-corruption 2016				
3-3	Management of material topics	Pages 42-43		
205-1	Operations assessed for risks related to corruption	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 the results of that assessment resulted in the following risk exposure: <ul style="list-style-type: none"> – Direct operations (as a % of sales): Low 58%; Medium 40%; High 2% – Supply chain (as a % of spend): Low 59%; Medium 40%; High 1% This selected indicator was externally assured by PwC as part of the assurance of the 2022 Integrated Report.		
205-2	Communication and training about anti-corruption policies and procedures	Pages 42-43, 164, 203 Breakdown by gender and employee category is not reported as this is considered confidential information. The calculation is based exclusively on for permanent workers.	– Percentage of employees trained on the Code of Integrity	AL
205-3	Confirmed incidents of corruption and actions taken	Page 164 In 2023, 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	AL
GRI 206: Anti-competitive Behavior 2016				
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 2023, we did not identify any legal actions related to anti-competitive 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 2023.	– 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	AL

2023 GRI content index continued

GRI standard and disclosure		Reference	Assured quantitative indicators	Assurance
GRI 207: Tax 2019				
3-3	Management of material topics	Pages 109-110		
GRI 302: Energy 2016				
3-3	Management of material topics	Pages 46-47		
302-1	Energy consumption within the organization	Pages 46-47, 174 The information reported is limited to the total fuel and the total electricity consumption broken down by renewable and non-renewable electricity. Heating consumption, cooling consumption and steam consumption are not reported as it is not applicable to SGS.	<ul style="list-style-type: none"> - Total energy consumption (MWh) - Total energy consumption by use (MWh) - Vehicle fuels energy (MWh) - Non-transport fuels energy (MWh) - Total electricity (MWh) - Standard electricity (MWh) - Renewable electricity (MWh) - Total renewable electricity (as % of total electricity consumption) 	AL
302-3	Energy intensity	Pages 46-47, 174	<ul style="list-style-type: none"> - Energy intensity per sales (MWh/CHF million) - Energy intensity per FTE (MWh/FTE) 	AL
302-4	Reduction of energy consumption	Page 174 Compared to 2022, our energy consumption has increased by 0.06% in 2023. Variation in the energy consumption is calculated as a gross percentage between the total consumption of energy, within the organization in 2022 and 2023 (not based on SGS energy efficiency initiatives).		AL
GRI 303: Water and Effluents 2018				
3-3	Management of material topics	Not applicable. Given our activity, we are not a company with high water consumption, hence why this is not a material topic for us.		
303-5	Water consumption	Page 176 The information reported is limited to the total water consumption.	<ul style="list-style-type: none"> - Water purchased (m³) 	AL
GRI 304: Biodiversity 2016				
3-3	Management of material topics	Not applicable. Being a service based company, SGS does not have a significant impact on biodiversity.		
GRI 305: Emissions 2016				
3-3	Management of material topics	Pages 46-47 Our base year is 2019 as, given the Covid crisis, we consider it to be the most representative year in terms of business activity.		
305-1	Direct (Scope 1) GHG emissions	Pages 46-47, 175 We are currently improving our refrigerant gases collection system to ensure the accuracy of the data. To date, reliable data about refrigerant consumption is unavailable and therefore they are excluded from the Group's carbon footprint.	<ul style="list-style-type: none"> - Gross scope 1 GHG emissions (tCO₂e) 	AL
305-2	Energy indirect (Scope 2) GHG emissions	Pages 46-47, 175	<ul style="list-style-type: none"> - Gross location-based scope 2 GHG emissions (tCO₂e) - Gross market-based scope 2 GHG emissions³ (tCO₂e) 	AL
305-3	Other indirect (Scope 3) GHG emissions	Pages 46-47, 175	<ul style="list-style-type: none"> - Total Gross indirect (scope 3) GHG emissions (tCO₂e) - Purchased goods and services - Capital goods - Fuel and energy related activities (not included in Scope 1 and Scope 2) - Waste generated in operations - Business travel - Employee commuting 	AL
305-4	GHG emissions intensity	Pages 46-47, 175	<ul style="list-style-type: none"> - Scope 1+2 intensity per sales market based (CO₂e tons/CHF million) - Scope 1+2 intensity per FTE market based (CO₂e tons/FTE) - Scope 3 intensity per sales (CO₂e tons/CHF million) 	AL

GRI standard and disclosure	Reference	Assured quantitative indicators	Assurance
305-5 Reduction of GHG emissions	Pages 46-47, 175 Scopes 1 and 2 absolute GHG emissions have decreased by 14% since 2019. Score 3 absolute GHG emissions have increased by 3.3% since 2019. Variation in GHG emissions is calculated as a gross percentage between the total emissions, within the organization against a 2019 baseline (not based on SGS reduction initiatives).	<ul style="list-style-type: none"> – Scope 1+2 emissions variation (as a % against a 2019 baseline) – Scope 3 emissions variation (as a % against a 2019 baseline) 	AL
GRI 306: Waste 2020			
3-3 Management of material topics	Pages 46-47		
306-3 (2020) Waste generated	Pages 46-47, 176	<ul style="list-style-type: none"> – Weight of waste generated (metric tons) – Weight of hazardous waste generated (metric tons) – Weight of non-hazardous waste generated (metric tons) 	AL
306-3 (2016) Significant spills	Pages 46-47, 176	<ul style="list-style-type: none"> – Environmental incidents (as # of environmental incidents including significant spills) 	AL
306-4 Waste diverted from disposal	Pages 46-47, 176	<ul style="list-style-type: none"> – Weight of waste recovered (metric tons) – Weight of hazardous waste recovered (metric tons) – Non-hazardous waste recovered (metric tons) 	AL
GRI 308: Supplier Environmental Assessment 2016			
3-3 Management of material topics	Pages 44-45		
308-2 Negative environmental impacts in the supply chain and actions taken	Page 166 The information reported is limited to the number of suppliers assessed for environmental impacts. Our most recent risk assessment was performed in 2022. This selected indicator was externally assured by PwC as part of the assurance of the 2022 Integrated Report		
GRI 401: Employment 2016			
3-3 Management of material topics	Pages 42-43		
401-1 New employee hires and employee turnover	Page 170-171 Information not broken down by region.	<ul style="list-style-type: none"> – New hires (# of employees) – Voluntary turnover (as a % of permanent employees) – Total turnover by gender (as a % of total permanent employees) 	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.		
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.		

2023 GRI content index continued

GRI standard and disclosure		Reference	Assured quantitative indicators	Assurance
GRI 402: Labor/Management Relations 2016				
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.		AL
402-1	Minimum notice periods regarding operational changes			AL
GRI 403: Occupational Health and Safety 2018				
3-3	Management of material topics	Pages 42-43		
403-1	Occupational health and safety management system	Pages 42-43, 201		AL
403-2	Hazard identification, risk assessment, and incident investigation	All site managers are expected to perform risk assessments and to 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. Any such instances are reported through our Crystal OI system. Our OI management system defines the criteria to be met to comply with our own requirements and with the local laws and regulations. To ensure compliance, we audit regions and countries centrally, while local OI managers audit our laboratories, offices and facilities. The audit results go into our performance reports, along with incidents and hazards information captured in Crystal.		AL
403-3	Occupational health services	Pages 42-43		AL
403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 42-43		AL
403-5	Worker training on occupational health and safety	Each role at SGS requires specific OI 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 OI management systems and Rules for Life. We also operate a behavior-based safety peer-to-peer observation program.		AL
403-6	Promotion of worker health	Page 201 In line with our culture of care, we promote initiatives to enhance the physical and mental well-being of our employees so as to ensure their fitness for work. This includes the provision of preventative health measures, such as vaccinations, mental and physical health programs focused on awareness, support and resilience.		AL
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 42-43		AL
403-8	Workers covered by an occupational health and safety management system	Page 172 We only report on the number of sites certified and the number of employees covered by certified management systems.	– FTE covered by ISO 45001 standard (number of FTE)	AL
403-9	Work-related injuries	Page 172 2 fatalities occurred in 2023.	– 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

GRI standard and disclosure	Reference	Assured quantitative indicators	Assurance
403-10 Work-related ill health	Page 172 Information not broken down by gender and employee category. Number of fatalities as a result of work-related ill health: 0	– The number of fatalities as a result of work-related ill health	AL
GRI 404: Training and Education 2016			
3-3 Management of material topics	Pages 39-41		
404-1 Average hours of training per year per employee	Page 169 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	AL
404-2 Programs for upgrading employee skills and transition assistance programs	Pages 39-41		AL
404-3 Percentage of employees receiving regular performance and career development reviews	Page 169	– Performance reviews (as a % of employees eligible to performance review)	AL
GRI 405: Diversity and Equal Opportunity 2016			
3-3 Management of material topics	Pages 42-43		
405-1 Diversity of governance bodies and employees	Page 55-57, 62-63, 168 The Board of Directors is composed of 9 members (6 men and 3 women). The Operations' Council is composed of 16 members (14 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 Operations Council by gender, nationality and age	AL
405-2 Ratio of basic salary and remuneration of women to men	Page 171		
GRI 406: Non-discrimination 2016			
3-3 Management of material topics	Pages 42-43, 201		
406-1 Incidents of discrimination and corrective actions taken	Pages 167, 203	– Total number of proven incidents of discrimination	AL
GRI 407: Freedom of Association and Collective Bargaining 2016			
3-3 Management of material topics	Page 167		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 167, 201 Our most recent risk assessment was performed in 2022. This selected indicator was externally assured by PwC as part of the assurance of the 2022 Integrated Report.	– 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	
GRI 408: Child Labor 2016			
3-3 Management of material topics	Page 201		
408-1 Operations and suppliers at significant risk for incidents of child labor	Page 167, 201 Our most recent risk assessment was performed in 2022. This selected indicator was externally assured by PwC as part of the assurance of the 2022 Integrated Report.	– 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	
GRI 409: Forced or Compulsory Labor 2016			
3-3 Management of material topics	Page 201		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 167, 201 Our most recent risk assessment was performed in 2022. This selected indicator was externally assured by PwC as part of the assurance of the 2022 Integrated Report.	– 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	
GRI 413: Local Communities 2016			
3-3 Management of material topics	Pages 44-45		

2023 GRI content index continued

GRI standard and disclosure	Reference	Assured quantitative indicators	Assurance
413-1 Operations with local community engagement, impact assessments, and development programs	Pages 44-45 We have implemented such programs in 53% of our affiliates. "Community investments" reported in previous years is now reported as "Community donations".	<ul style="list-style-type: none"> Community donations (CHF thousands on constant currency basis) Total community projects (# of projects) Community hours (# of hours dedicated to community) 	AL
413-2 Operations with significant actual and potential negative impacts on local communities	Pages 44-45, 162-163		
GRI 414: Supplier Social Assessment 2016			
3-3 Management of material topics	Pages 44-45		
414-2 Negative social impacts in the supply chain and actions taken	Page 166 Our most recent risk assessment was performed in 2022. This selected indicator was externally assured by PwC as part of the assurance of the 2022 Integrated Report.		
GRI 415: Public Policy 2016			
3-3 Management of material topics	Page 165		
415-1 Political contributions	Page 165	<ul style="list-style-type: none"> Contributions to local, regional or national political campaigns, organizations or candidates (CHF) 	AL
GRI 417: Marketing and Labeling 2016			
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 2023, we were not issued with any significant fines or penalties for non-compliance with regulations concerning product and service information and labelling.	<ul style="list-style-type: none"> Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling 	AL
417-3 Incidents of non-compliance concerning marketing communications	In 2023, we were not issued with any significant fines or penalties for non-compliance with regulations concerning marketing communications.	<ul style="list-style-type: none"> Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship 	AL
GRI 418: Customer Privacy 2016			
3-3 Management of material topics	Pages 39-41		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 39-41, 167 The total number of identified leaks, thefts, or losses of customer data is not reported.	<ul style="list-style-type: none"> Number of substantiated complaints concerning breaches of data customer policy Number of complaints from regulatory bodies Number of complaints received from outside parties and substantiated by the organization 	AL

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.

Sustainability disclosure topics and accounting metrics

Topic	Code	Accounting metric	Level of disclosure	Page number(s) and/or URL(s)
Data Security	SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Disclosed	Pages 39-41
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Disclosed	➔ Privacy at SGS ➔ Privacy policy
	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 167
Workforce Diversity & Engagement	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) Executive management, and (2) All other employees	Disclosed	Pages 55-57, 62-63, 168-169
	SV-PS-330a.2	(1) Voluntary, and (2) Involuntary turnover rate for employees	Disclosed	Pages 170-171
	SV-PS-330a.3	Employee engagement as a percentage	Disclosed	Page 170
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	Disclosed	Page 42-43, 164 ➔ Code of integrity ➔ Privacy policy
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Disclosed	In 2023, 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 ¹	Page 167
Employee hours worked; percentage billable	SV-PS-000.B	Not available ²	–

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.

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), Shareholders are invited to approve a report on non-financial matters. The Company publishes an integrated report, which covers a larger scope than is strictly required by legislation. The vote of the shareholders is limited to the contents included in the following table.


Requirement	Sections in the Integrated Report	Page number(s)
Description of the business model	➤ Testing, Inspection and Certification industry overview	Pages 10 and 11
	➤ TIC in focus	Pages 12 and 13
Description of the policies adopted in relation to the relevant matters and measures taken to implement these policies	➤ Natural capital	Pages 46 and 47
	➤ TCFD Report	Pages 190 to 196
Environmental matters	➤ Social and relationship capital	Pages 44 and 45
Social issues	➤ Human capital	Pages 42 and 43
Employee related issues	➤ Human rights report	Pages 197 to 203
	➤ Human capital	Pages 42 and 43
Respect for human rights	➤ Human rights report	Pages 197 to 203
	➤ Human capital	Pages 42 and 43
Combating corruption	➤ Our principal risks	Page 30
	➤ Human capital	Pages 42 and 43
Description of the main risks related to the relevant matters and how the undertaking is dealing with these risks	➤ Our material topics	Page 24
	➤ Risk management	Pages 25 to 27
	➤ Our principal risks	Pages 28 to 31
Main performance indicators	➤ Our progress towards our sustainability ambitions 2030	Pages 160 to 161
	➤ Databank	Pages 164 to 176
References to national, European or international regulations	➤ Our approach to sustainability reporting (External standards)	Page 159
	➤ 2023 GRI content index	Pages 177 to 184
	➤ Sustainable Accounting Standards Board (SASB) framework alignment	Page 185
Coverage of subsidiaries	➤ Our approach to sustainability reporting (Scope and boundaries)	Page 159

Independent practitioner's limited assurance report

on selected 2023 sustainability indicators presented in the non-financial statements section of the 2023 Integrated 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 selected 2023 sustainability indicators (including the GHG statement) of SGS SA and its consolidated subsidiaries ('SGS SA') presented in the non-financial statements section of the Integrated Report ('Report') for the year ended 31 December 2023.

Our limited assurance engagement focused on selected 2023 sustainability indicators as presented in the 2023 GRI Content Index of the Report on pages 177 to 184 as marked with the check mark .

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 2023, accordingly we provide no assurance on other information.

The selected indicators (including statements on greenhouse gases) in the Report were prepared by SGS SA based on the criteria disclosed on page 159 in the section 'Our approach to sustainability reporting' 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 'Our approach to sustainability reporting' 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). We evaluated the selected indicators 2023 against the GRI Standards and the GHG Protocol Standard ('reporting Criteria').

Inherent limitations

The accuracy and completeness of the selected 2023 sustainability indicators (including the GHG statement) in the Report are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the GHG quantification is subject to inherent uncertainty, because of incomplete scientific knowledge used to determine GHG emissions factors and values needed to combine e.g. emissions of different gases. Our assurance report should therefore be read in connection with the reporting Criteria.

Board of Directors' responsibility

The Board of Directors of SGS SA is responsible for the preparation and presentation of the Report (including the GHG statement) in accordance with the reporting Criteria. This responsibility includes the design, implementation, and maintenance of the internal control system related to the preparation and presentation of the 2023 Integrated Report of SGS that is free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the reporting Criteria and adequate record keeping.

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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.

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 selected 2023 sustainability indicators (including the GHG statement) as presented in the 2023 GRI Content Index of the Report on pages 177 to 184 as marked with the check mark . 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. These standards require that we plan and perform this engagement to obtain limited assurance about on whether anything has come to our attention that causes us to believe that the selected 2023 sustainability indicators (including the GHG statement) presented in the 2023 GRI content index of the Report on 177 to 184, as marked with the check mark , were not, in all material aspects, prepared in accordance with the 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) and 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.


Summary of the work performed

Our limited assurance procedures included, among others, the following work:

- Assessment of the section 'Our approach to sustainability reporting' in the Report and the SGS Group Sustainability Manual and observing the application, including the criteria to determine whether they are appropriate when applied in relation to the disclosures and indicators;
- Interviewing SGS representatives at Group and at affiliate level in Brazil, Canada, China, Germany, New Zealand, United Arab Emirates, United States and Taiwan 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 selected disclosures in the Report;
- Inspecting the relevant documentation on a sample basis;
- Performing tests of details on a sample basis as evidence supporting the selected 2023 sustainability indicators concerning completeness, accuracy, adequacy and consistency.


We have not carried out any work on data other than for those selected indicators as defined above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.


Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected 2023 sustainability indicators (including the GHG statement) as presented in the 2023 GRI Content Index of the 2023 Integrated Report of SGS SA for the period ended 31 December 2023 as marked with the check mark  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 the selected 2023 sustainability indicators (including the GHG statement) as presented in the 2023 GRI Content Index of the Report as marked with the check mark  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 selected 2023 sustainability indicators (including the GHG statement) as presented in the 2023 GRI Content Index of the Report as marked with the check mark  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

Maegan Gokarn

Geneva, 21 February 2024

'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 website and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the selected 2023 sustainability indicators or reporting Criteria since they were initially presented on the website.'