



Section: Sustainability Policies

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SGS GREEN BUILDINGS POLICY

CORPORATE SUSTAINABILITY

1. OUR COMMITMENT

The manufacture, design, construction, and operation of the buildings in which we live, and work are responsible for the consumption of significant volumes of natural resources. Green building, or sustainable design, is the practice of increasing the efficiency with which buildings and their users consume energy, water, and materials, while reducing the impacts of buildings on human health and the environment over the entire life cycle of the building.

As a global company, we are concerned about the potential impacts of climate change on the regions and communities in which we operate. Although our industry, relative to others, is not a major emitter of greenhouse gases, our employees, customers and other stakeholders expect SGS to show leadership on climate change, both through our own energy consumption and through helping our customers and suppliers to reduce their emissions.

Energy consumption in SGS laboratories and offices represents more than 60% of SGS's total energy consumption. It comes mainly from electricity and fossil fuels that are used to run equipment and provide heating, cooling and lighting. Consequently, building energy consumption is a major focus for SGS.

Alongside managing our own impacts, we expect our suppliers to achieve sustainable growth whilst managing the impacts of their business, by improving their environmental performance. We also encourage similar improvements further down the supply chain.

We further promote building energy efficiency among our stakeholders through our environmental services, in particular our building services which aim to improve the quality of construction and conformity of buildings to national and international codes and energy standards.

2. SCOPE OF THE POLICY

This policy applies to all offices and laboratories, both leased and owned by SGS. It also applies to offices and laboratories that SGS may obtain through business acquisitions and joint ventures.

3. TARGETS

Aligned with the 1.5°C objective from the Paris Agreement, we have committed to reach net-zero emissions across our entire value chain by 2050. To achieve this objective, we have approved near- and long-term emissions reduction targets with the Science Based Targets initiative (SBTi):

Near-term targets:

- Reduce absolute scope 1 and scope 2 greenhouse gas (GHG) emissions by 46.2% by 2030 (from a 2019 base year).
- Reduce absolute scope 3 GHG emissions by 28% by 2030 (from a 2019 base year).

Long-term target:

- Reduce absolute scope 1, 2 and 3 GHG emissions by 90% by 2050 (from a 2019 base year).

In addition to the above targets, all residual emissions will be neutralized in line with SBTi criteria before reaching net-zero emissions by 2050.

These commitments are included in the SGS global sustainability strategy, i.e., Sustainability Ambitions 2030, which fully align with our business strategy.

The following will enable the fulfillment of our objectives:

- Conducting due diligence on buildings that SGS may obtain through business acquisitions.
- Optimization of office space, increasing utilization and leveraging opportunities for remote work wherever feasible.
- Transitioning to high energy efficiency buildings and expanding our portfolio of green building certifications.
- Conducting energy efficiency audits and implementing savings opportunities.
- Implementing Green Building Guidelines across our affiliates.
- Diversifying energy sources by moving away from fossil fuels to alternatives that are more environmentally friendly.
- Encouraging responsible environmental behavior amongst all SGS employees through education and awareness-raising campaigns.
- Monitoring energy consumption and emissions from our buildings.
- Publishing annual performance data on our energy consumption and our progress against targets.
- Promoting building energy efficiency and disclosure through our involvement in strategic partnerships and initiatives.

4. ROLES AND RESPONSIBILITIES

Corporate Sustainability oversees day to day management of the energy efficiency in buildings strategy, working across the affiliates to implement our Green Building Guidelines globally and support local programs through energy audits, technical notes, best practice-sharing workshops and providing technical expertise.

Our network of facility managers provides a platform for information sharing and advice on common themes linked to energy efficiency in buildings.

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 all of us, at every level within our organisation.

It is the responsibility of every Managing Director to ensure that the Green Buildings policy is implemented and that appropriate resources are allocated to proactively manage energy and resource use in all offices and laboratories owned by SGS.

The Chief Executive Officer of SGS is ultimately responsible for the implementation of this policy.

In the implementation of this policy, we act within the framework of laws and international conventions. We respect and comply with environmental legislation, agreements and safety requirements, and other provisions that set the parameters for our business operations.

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

5. OTHER RELATED DOCUMENTS AND POLICIES

This policy supports the SGS Business Principles, the SGS Sustainability Ambitions 2030 and the SGS Sustainability Policy Statement. In addition, the SGS Supplier Code of Conduct sets out our expectations for suppliers and business partners. This policy should be read in conjunction with other published SGS Sustainability Policies available at www.sgs.com.

6. POLICY REVISION

This policy may be revised from time to time at the discretion of SGS Corporate Sustainability. All updates will be communicated by Corporate Sustainability to Senior and Regional Management.