

We are
reporting with
transparency.

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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 divisions of the SGS Group for the 2022 calendar year. A list of SGS affiliates can be found on pages 187 to 189 of this report. Unless stated otherwise, our reported data scope covers the Group business and targets for the period 1 January to 31 December 2022.

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 how we define our material issues, please see page 42 of this report

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

Under the control approach, we endeavor to 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.

For joint ventures, we will use an equity accounting basis. Where we do not have accurate information for a given KPI we will exclude it from our accounting and reporting. We will indicate this exclusion in the report. As an example, we currently do not account for district heating and refrigerants in our total carbon dioxide (CO₂) emissions.

We disclose our past and present performance over a five-year period in this report. 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.

In such cases, variations in data of less than 5% are generally considered immaterial. However, significant changes to prior year data are disclosed where they first appear in the report.

Data collection process

Robust data gathering is important to set targets and monitor performance. More than 60% of our data is collected locally through centralized software (SOLARIS), then reviewed and consolidated in a centralized manner. The remaining data are gathered directly from global functions like the Global Legal & Compliance, Global Procurement and Global Corporate Communications departments.

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

External standards

We have published sustainability reports at SGS for more than ten years, and since 2015, we have integrated sustainability content into our integrated annual report. We support the principle of integrated reporting, and continue to move towards a fully integrated reporting structure in line with the Integrated Reporting Framework. In 2019, we aligned further to the Framework by using the six capitals it defines as the structure of our integrated annual report.

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. 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.

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.

For carbon emissions-related indicators, we follow the Greenhouse Gas Protocol (GHG Protocol) Corporate Standard (financial control approach).

The London Benchmarking Group is used as a guide to define indicators related to community investment.

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.

In 2021, we appointed PricewaterhouseCoopers SA (PwC) to provide independent assurance of our sustainability performance. PwC's Assurance Report describes the work undertaken and their conclusion for the reporting period to 31 December 2022. Documents relating to independent external assurance in the years prior to 2022 are available in our Reporting Hub section on our website: www.sgs.com/en/our-company/corporate-sustainability/sustainability-at-sgs/reporting-hub.

⊕ Please see 2022 independent assurance report on pages 213 and 214 of this integrated annual report

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.

	2022	2021	2020
Total number of integrity issues reported through integrity helplines ¹	374	262	208
Total number of substantiated breaches of the code of integrity received through integrity helplines ¹	73	35	17
Broken down by type of breach:			
Integrity of services	23	6	3
Integrity of financial records	3	4	1
Conflict of interest	12	–	2
Employee relations	10	9	9
Fair competition	–	–	–
Compliance with laws	7	2	1
Gifts and entertainment	–	–	–
Confidentiality	2	1	–
Use of company assets and resources	2	6	–
Environment, health & safety	7	–	1
Bribery and corruption	7	7	–
Intellectual property	–	–	–
External communication	–	–	–
Insider dealing	–	–	–
Political donations and charitable contributions	–	–	–
Consequences adopted during the reporting year, broken down by type ² :			
Termination	38	11	3
Disciplinary action	29	18	6
Improvement in the processes	12	17	13
No action possible or needed	18	5	–
Under decision process	–	7	8
Percentage of employees signing the code of integrity	100.0%	100.0%	100.0%
Percentage of employees trained on the code of integrity	99.9%	99.0%	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}	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 7 cases were the following: termination of employees (8), disciplinary action (1) and improvement in the processes (1).

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's 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. Customer satisfaction (CSAT) results were slightly lower than prior years due to the expansion of location and type of customers surveyed, but very close to our 2023 target of 85%. Results are shared with all relevant stakeholders across the organization and corrective actions are developed to increase customer satisfaction.

Following a change in the methodology, data of the actual year is now reported.

	2022	2021	2020
Customer satisfaction score (As a % score)	84.5%	88.0%	88.0%
Group's revenue covered by Voice of the Customer surveys (As a % of total revenue)	76.0%	34.0%	48.0%
Countries participating in Voice of the Customer survey (# of countries)	27	12	15
Responses in Voice of the Customer surveys (# of responses)	19 000	12 560	7 990

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 less than 0.01% of our revenue.

	2022	2021	2020
Lobbying, interest representation or similar (CHF)	–	–	–
Contributions to local, regional or national political campaigns/organizations/candidates (CHF)	–	–	–
Trade associations or tax-exempt groups (e.g. think tanks) ¹ (CHF)	1 121 161	716 652	523 622
Other (e.g. spending related to ballot measures or referendums) (CHF)	–	–	–
Total contributions and other spending (CHF)	1 121 161	716 652	523 622
Contribution to industry associations as % of revenue (As % of revenue)	Under 0.01%	Under 0.01%	Under 0.01%

1. The main associations we contributed to in 2022 were: TIC Council: CHF 76 264.05; Energy Institute: CHF 61 870.11; World Travel and Tourism Council: CHF 50 228.75; Swissholding: CHF 50 000; IMD International Institute for Management Development: CHF 50 000.

Databank

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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.

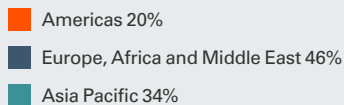
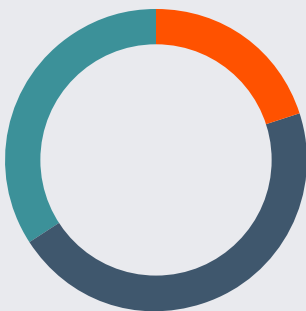
	2022	2021	2020
Spend analyzed for sustainability risks ¹ (As a %)	100.0%	100.0%	100.0%
Tier 1 Suppliers analyzed for sustainability risks ² (As a % of total Tier 1 suppliers)	100.0%	100.0%	100.0%
Number of local suppliers (As a % of total suppliers)	98.0%	98.0%	97.0%
Number of global suppliers (As a % of total suppliers)	2.0%	2.0%	3.0%
Spend of local suppliers (As a % of total spend)	84.0%	82.0%	80.0%
Spend of global suppliers (As a % of total spend)	16.0%	18.0%	20.0%

1. Potential sustainability risks identified in the supply chain (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%.

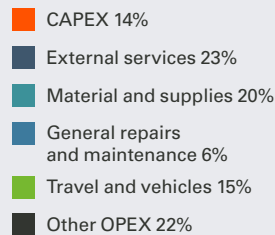
2. Tier 1 suppliers within the scope of the SAQ.

Sustainable procurement and supply chain

Spend by SGS supra-region



Spend by SGS Category



Human rights

Our group 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.

	2022	2021	2020
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 ³	4	–	–
Number of grievances identified through helplines ¹ related to human rights ³	4	–	–
Total number of employees trained on our human rights principles ²	79 893	39 137	36 390
Percentage of employees trained on our human rights principles ²	78.4%	39.4%	39.0%
Percentage of employees covered by collective bargaining ⁴	46%	44%	41%

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.
2. Each year, the human rights training course is launched on December and all employees must have passed it by March. Employees that completed the training offline are not included, which we are working to do next year.
3. Measures taken for these 4 cases were the following: 2 terminations and 2 disciplinary actions.
4. 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.

	2022	2021	2020
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)	–	–	–
Completion rate of data protection and privacy e-learning (As a % of people invited to the e-learning)	0% ¹	99.0%	98.8%

1. In 2022 there has been no global data privacy training for employees. New hires must take the Data Privacy Get Started e-learning course as part of the Shine program.

Workforce breakdown

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

Type of contract	2022	2021	2020
Number of employees (# of employees)	101 860	99 374	93 269
Permanent workers (As a % of total employees)	92%	91%	91%
Casual workers (As a % of total employees)	8%	9%	9%

Databank

continued

Workforce breakdown continued

Gender, generation and other diversity indicators	2022	2021	2020
Employees by gender (female) (As a % of total employees)	37.0%	36.5%	35.5%
Employees by gender (male) (As a % of total employees)	63.0%	63.5%	64.5%
Employees by age – Under 30 years old (female) (# of employees by ranges of age)	10 995	10 162	–
Employees by age – Under 30 years old (male) (# of employees by ranges of age)	14 248	13 877	–
Employees by age – 30 to 50 years old (female) (# of employees by ranges of age)	22 255	21 229	–
Employees by age – 30 to 50 years old (male) (# of employees by ranges of age)	39 695	39 672	–
Employees by age – Over 50 years old (female) (# of employees by ranges of age)	4 394	4 875	–
Employees by age – Over 50 years old (male) (# of employees by ranges of age)	10 271	9 559	–
Manager employees (# of manager employees)	8 490	8 246	8 249
Manager by gender (female) (As a % of managers)	33.9%	34.8%	33.1%
Manager by gender (male) (As a % of managers)	66.1%	65.2%	66.9%
CEO-3 employees # of CEO-3 employees	1 235	1 274	1 211
CEO-3 by gender (female) – ‘Women in Leadership’ (As a % of CEO-3 employees)	31.1%	29.0%	28.0%
CEO-3 by gender (male) (As a % of CEO-3 employees)	68.9%	71.0%	72.0%
Women in management positions in revenue-generating functions (As a % of women)	31.8%	34.4%	
Women in STEM-related positions (As a % of women)	33.8%	31.1%	
Employees from vulnerable groups	2 287	1 299	1 275
With disabilities	795	660	657
Employees with disabilities – Female	369	290	274
Employees with disabilities – Male	426	370	383
With other vulnerabilities	1 489	639	618
Employees with other vulnerabilities – Female	547	269	264
Employees with other vulnerabilities – Male	945	370	354

Nationality	2022	2022	
Employees by top 5 nationalities ¹ (As % of share in total workforce)		Management workforce by top 5 nationalities ¹ (As % of share in total workforce)	
Chinese	17.4%	Chinese	13.5%
Indian	5.4%	Indian	5.3%
Spanish	4.5%	French	5.0%
German	4.0%	German	4.6%
Peruvian	3.7%	Brazilian	4.4%

1. This data covers 96% 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.

	2022	2021	2020
Training ratio ¹ (As a % of total employment cost spent on training)	3.0%	2.6%	2.5%
Training hours per FTE (# of hours per FTE)	54.7	45.8	48.8
Job related training hours per FTE (# of hours per FTE)	43.3	38.9	42.0
Total training hours ² (# million of hours)	5.3	4.3	4.3
Job related training hours (# million of hours)	4.2	3.6	3.7
Performance reviews (As a % of employees eligible to performance review)	85%	88%	86%

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: 4%; Technical training: 16%; Non-Technical training: 2%; Operational integrity training: 55%; Compliance training: 14%; Other: 7%.

Employee engagement

We value feedback and encourage employees to voice their opinions via our voluntary annual employee engagement survey. Our managers then use this input to launch improvement actions with their teams. Each year we survey different geographies, and we benchmark ourselves against external norms; local management takes appropriate actions to improve our scores.

	2022	2021	2020
Employees invited to participate in the employee engagement survey (# of employees)	28 569	30 129	32 262
Response rate (As a %)	79%	86%	74%
Engagement Index (As score out of 100)	69	75	70
Actively engaged employees (As a %)	64%	73%	65%
Manager effectiveness index (As a score out of 100)	72	78	72

Databank

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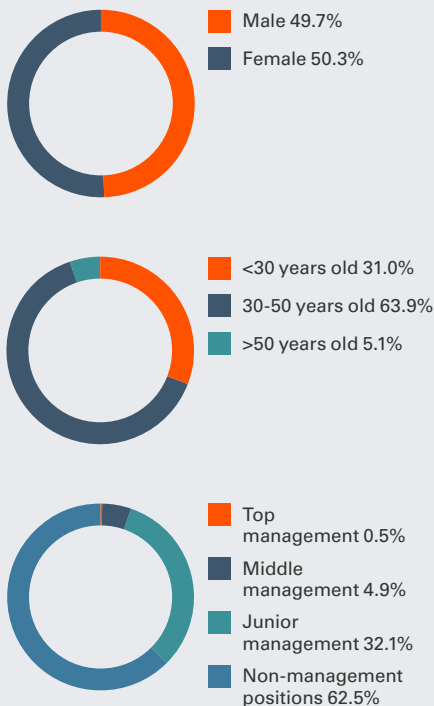
Talent attraction and retention

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 28 430 new hires (internal and external) in 2022.

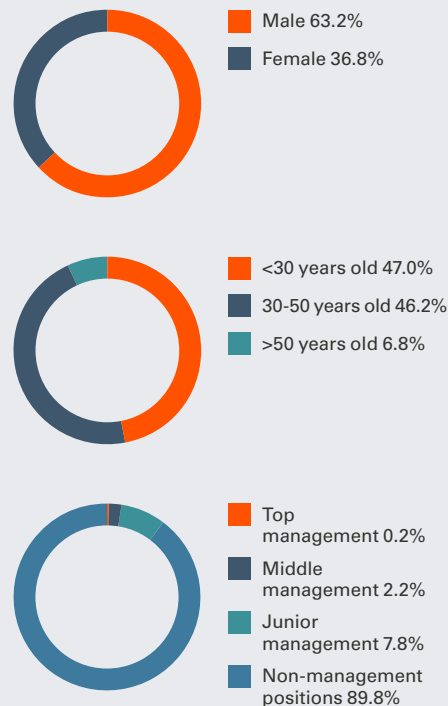
	2022	2021	2020
New hires (# of employees)	28 430	29 486	18 546
Internal new hires (As a % of total new hires)	15.1%	14.8%	19.7%
New hires (female) (As a % of internal hires)	50.3%	50.3%	45.4%
New hires (male) (As a % of internal hires)	49.7%	49.7%	54.6%
External new hires (As a % of total new hires)	84.9%	85.2%	80.3%
New hires (female) (As a % of external hires)	36.8%	35.2%	34.3%
New hires (male) (As a % of external hires)	63.2%	64.8%	65.7%
Voluntary turnover (As a % of permanent employees)	14.8%	14.7%	10.1%
Total turnover (As a % of total permanent employees)	20.3%	20.5%	18.1%
Total turnover female (% of total female)	19.6%	20.1%	16.0%
Total turnover male (% of total male)	20.8%	20.7%	19.3%

Talent attraction and retention during the reporting year

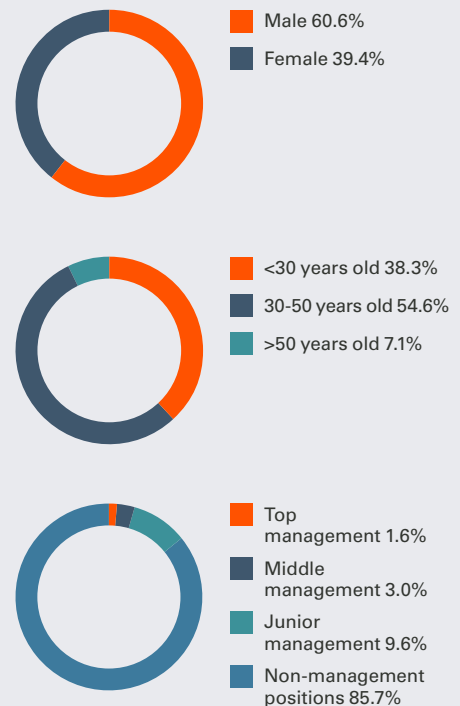
Internal new hires



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.

	2022	2021	2020
Mean Gender Pay Gap ¹ (As % of difference between men and women employees)	2.4%	3.0%	
Median Gender Pay Gap ¹ (As % of difference between men and women employees)	(7.3%)	(4.7%)	
Mean Bonus Gap ¹ (As % of difference between men and women employees)	21.0%	17.3%	
Median Bonus Gap ¹ (As % of difference between men and women employees)	(6.3%)	(20.1%)	
CEO and mean employee compensation ratio ²	28.5	40.6	25.6

1. This data covers 98.1% of all SGS employees.

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).

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 2022, we have continued to make progress towards our target and have achieved a further reduction in our incident rates.

	2022	2021	2020
Total Recordable Incident Rate (TRIR) ¹ (occurrences per 200 000)	0.35	0.37	0.36
TRIR variation (As a % against a 2018 baseline)	(15.9%)	(9.4%)	(13.2%)
Number of recordable incidents ² (# of incidents)	346	357	334
Lost Time Incident frequency Rate (LTIR) ³ (occurrences per 200 000)	0.19	0.22	0.23
LTIR variation (As a % against a 2018 baseline)	(24.9%)	(14.3%)	(8.4%)
Number of near misses ⁴ (# of near misses)	2 180	2 273	1 959
Safety training hours (# of hours)	2 937 914	2 692 702	2 483 305
Operational Integrity training per employee (# of hours per FTE)	30.4	28.9	27.9
Total absence rate ⁵ (As a % of days of sickness absence plus days lost per incidents with lost time per total days worked)	2.22%	1.85%	1.61%
Sickness absence rate (As a % of days of sickness absence per total days worked)	2.20%	1.82%	1.58%
Work-related absence rate (As a % of days of days of lost time and restricted duty due to recordable incidents per total days worked)	0.02%	0.03%	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. Event, situation or physical environment with the potential to cause injury, damage or loss to people, property and the environment, but which was avoided by circumstance.

5. Days of sickness absence and restricted duty per total days worked.

Databank

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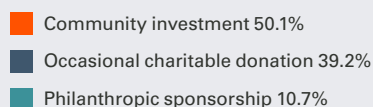
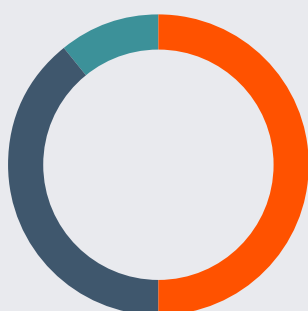
Community investment

We are committed to investing in 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 2022, we have increased our investment in community and doubled the number of volunteering hours.

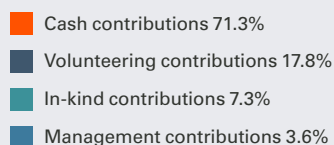
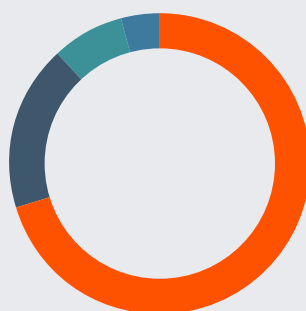
	2022	2021	2020
Investment in community (in cash, in kind and volunteering hours) (CHF thousands on constant currency basis)	1 991	1 384	1 196
Investment in community variation (As a % against a 2019 baseline)	54.3%	7.3%	(7.3%)
Total community projects (# of projects)	526	382	323
Community hours (# of hours dedicated to community)	18 691	9 284	9 151
Community hours variation (As a % against a 2019 baseline)	8.7%	(46.0%)	(46.8%)

Community investment

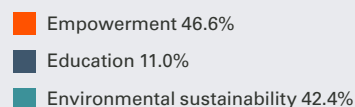
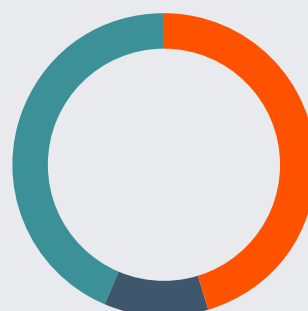
Investment per type



Investment per nature of contribution



Investment per pillar



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.

	2022	2021	2020
Total energy consumption by source (MWh)	947 571	927 625	862 525
Vehicle fuels energy (MWh)	310 792	300 594	288 856
Non-transport fuels energy ⁴ (MWh)	149 182	147 242	132 883
Total electricity (MWh)	487 597	479 788	440 786
Standard electricity ¹ (MWh)	15 541	15 673	19 922
Renewable electricity ² (MWh)	472 056	464 116	420 864
Total renewable electricity (As % of total electricity consumption)	97%	97%	95%
Energy intensity per revenue ³ (MWh/CHF million)	142.7	149.1	158.0
Energy intensity per FTE (MWh/FTE)	9.8	9.9	9.7
Electricity intensity per revenue ³ (KWh/CHF million)	73.4	77.1	80.8
Electricity intensity per FTE (MWh/FTE)	5.0	5.1	4.9

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. Emissions related to District heating are currently not included in this figure.

3. On a constant currency basis.

4. From non renewable sources.

Climate change – energy efficiency in buildings program

The energy used in our offices and laboratories worldwide accounts for 67% of our global energy consumption. It is therefore a key area of focus for us to reduce energy use. In 2022, additional buildings were included in the program and further measures were identified across the network.

	2022	2021	2020
Buildings covered by the EEB program (# of buildings)	701	694	678
Energy consumption from buildings covered by the EEB program (As % of total electricity and non transport fuels consumed by SGS buildings)	80.0%	83.0%	83.0%
Energy conservation measures identified (# of measures identified since beginning)	786	708	471

Databank

continued

Climate change – greenhouse gas 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 2022, we received approval for our 1.5°C and net-zero targets from the SBTi and we will continue 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.

	2022	2021	2020
Total scope 1 + 2 emissions (market-based) ^{2,3} (CO ₂ e tonnes)	116 505	115 303	110 137
Scope 1 emissions from vehicles	77 261	74 491	71 629
Scope 1 emissions from buildings	30 785	30 084	26 644
Scope 2 electricity emissions (market-based) ³	8 459	10 728	11 864
Voluntary carbon-offsetting CO ₂ credits retired ⁴ (CO ₂ e tonnes)	116 504	131 542	122 952
Scope 2 electricity emissions (location-based)	220 398	223 190	207 009
Scope 3 emissions (CO ₂ e tonnes)	850 621	820 776	689 902
Purchased goods and services	525 111	516 742	409 869
Capital goods	131 003	132 908	138 991
Fuel and energy related activities (not included in Scope 1 and Scope 2)	87 454	76 651	71 922
Waste generated in operations	19 128	15 389	13 793
Business travel	18 125	16 239	12 813
Employee commuting	69 800	62 847	42 514
Scope 1 + 2 emissions variation (As a % against a 2019 baseline)	(10.5%)	(11.4%)	(15.4%)
Scope 3 emissions variation (As a % against a 2019 baseline)	8.2%	4.4%	(12.3%)
Scope 1+2 intensity per revenue market-based ^{1,2,3} (CO ₂ e tonnes/CHF million)	17.5	18.5	20.2
Scope 1+2 intensity per FTE market-based ^{2,3} (CO ₂ e tonnes/FTE)	1.2	1.2	1.2
Scope 3 intensity ¹ (CO ₂ e tonnes/CHF million)	128.1	131.9	126.4
Estimated district heating CO ₂ emissions (excluded from scope 2) (CO ₂ e tonnes)	6 867	6 577	5 697
Vehicle fleet average theoretical emissions (gCO ₂ /km)	128.3	134.6	136.2

1. On a constant currency basis.

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

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

4. We invest in verified off-setting projects that directly benefit communities where we have an impact, in 2022 we have off-set 58 303 tCO₂ with Uttarakhand run-of-the river project and 58 303 tCO₂ with Gansu Jinta solar power generation project.

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.

	2022	2021	2020
Water purchased (m ³)	1 985 965	1 919 430	1 715 493
Water use/FTE (m ³ /FTE)	20.5	20.6	19.3
Weight of waste generated (metric tonnes)	78 560	65 199	55 536
Weight of hazardous waste generated (metric tonnes)	16 217	14 688	11 121
SGS offices and labs	10 829	11 020	7 503
Client samples	5 388	3 667	3 618
Weight of non-hazardous waste generated (metric tonnes)	62 343	50 511	44 415
SGS offices and labs	36 558	28 518	24 153
Client samples	25 785	21 993	20 262
Weight of waste recovered (metric tonnes)	24 783	20 888	15 293
Weight of hazardous waste recovered (metric tonnes)	5 107	4 832	2 711
SGS offices and labs	2 343	3 745	1 775
Client samples	2 764	1 087	936
Weight of non-hazardous waste recovered (metric tonnes)	19 676	16 056	12 582
SGS offices and labs	8 943	8 063	5 556
Client samples	10 733	7 993	7 026
Environmental incidents (As # of environmental incidents including significant spills)	26	45	48

2022 GRI content index

SGS has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.

GRI standard and disclosure		Reference	Reported performance	Assurance
GRI 2: General Disclosures 2021				
2-1	Organizational details	Page 130		✓
2-2	Entities included in the organization's sustainability reporting	Pages 187-189		✓
2-3	Reporting period, frequency and contact point	Pages 191, 213-214, 236		✓
2-4	Restatements of information	Page 191		✓
2-5	External assurance	Pages 213-214		✓
2-6	Activities, value chain and other business relationships	Pages 18-21, 72-73, 194	<ul style="list-style-type: none"> – Spend by SGS Category* – Spend by SGS supra-region* – Spend analyzed for sustainability risks (As a %)* – Tier 1 suppliers analyzed for sustainability risks (As a % of total Tier 1 suppliers)* 	✓
2-7	Employees	Pages 195-196 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 (# of employees) – Permanent workers (as a % of total employees) – Casual workers (as a % of total employees) 	✓
2-8	Workers who are not employees	Page 195	<ul style="list-style-type: none"> – Casual workers (as a % of total employees) 	✓
2-9	Governance structure and composition	Pages 86-96		✓
2-10	Nomination and selection of the highest governance body	Page 93		✓
2-11	Chair of the highest governance body	Page 89		✓
2-12	Role of the highest governance body in overseeing the management of impacts	Page 94		✓
2-13	Delegation of responsibility for managing impacts	Page 36 and 94		✓
2-14	Role of the highest governance body in sustainability reporting	Page 36 and 94		✓
2-15	Conflicts of interest	Page 93		✓
2-16	Communication of critical concerns	Pages 192, 234	<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 	✓
2-17	Collective knowledge of the highest governance body	Pages 36 and 93 The newly created sustainability committee receives periodic 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		✓
2-18	Evaluation of the performance of the highest governance body	Page 93		✓
2-19	Remuneration policies	Pages 104-122		✓
2-20	Process to determine remuneration	Pages 104-122		✓

* Additional information to the GRI requirements.

GRI standard and disclosure		Reference	Reported performance	Assurance
2-21	Annual total compensation ratio	Pages 104-123, 199	– CEO and mean employee compensation ratio	✓
2-22	Statement on sustainable development strategy	Pages 8-11		✓
2-23	Policy commitments	Pages 23, 228-235		✓
2-24	Embedding policy commitments	Page 23		✓
2-25	Processes to remediate negative impacts	Pages 46-49 , 228-235		✓
2-26	Mechanisms for seeking advice and raising concerns	Pages 228-235		✓
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 2022 the SGS Group was not condemned to any significant fines or penalties for non-compliance with any kind of laws and regulations		✓
2-28	Membership associations	Page 193		✓
2-29	Approach to stakeholder engagement	Pages 40-41, 193	– Customer satisfaction score (As a % score) – Engagement index*	✓
2-30	Collective bargaining agreements	We respect our employees' right to have collective representation and to enter into collective bargaining agreements where this is accepted by local law Page 195	– Percentage of employees covered by collective bargaining	✓
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Pages 42, 191		✓
3-2	List of material topics	Pages 42, 191 As a result of this year's materiality review, the "corporate governance" and "sustainable supply chain" are now included as key material topics for the company		✓
3-3	Management of material topics	Pages 42, 191		✓
GRI 201: Economic Performance 2016				
3-3	Management of material topics	Pages 52-57		
201-1	Direct economic value generated and distributed	– Total economic value generated: CHF 6 662 Mio (Revenue: CHF 6 642 Mio; Financial and other income: CHF 20 Mio) – Total economic value distributed: CHF 6 666 Mio (Salaries and wages: CHF 3 331 Mio; Subcontractors' expenses: CHF 399 Mio; Depreciation, amortization and impairment: CHF 521 Mio; Other operating expenses: CHF 1 493 Mio (including Other taxes: 37 Mio and Community contributions and charitable donations: CHF 1 Mio); Financial expenses: CHF 71 Mio; Expected dividends due to non-controlling interests and to shareholders as proposed by the Board of Directors: CHF 632 Mio; Income taxes CHF 219 Mio – Total economic value retained: CHF -4 Mio	– Total economic value generated – Total economic value distributed – Total economic value retained	✓
201-2	Financial implications and other risks and opportunities due to climate change	Pages 215-227		✓
201-3	Defined benefit plan obligations and other retirement plans	Page 134 Only qualitative information is disclosed		✓
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 2022		

* Additional information to the GRI requirements.

2022 GRI content index continued

GRI standard and disclosure	Reference	Reported performance	Assurance
GRI 202: Market Presence 2016			
3-3	Management of material topics	Page 199	
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	
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Pages 50-51 and 80-83	
203-2	Significant indirect economic impacts	Pages 50-51 and 80-83	✓
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Pages 72-73	
204-1	Proportion of spending on local suppliers	Pages 187-189, 194 The percentage of global and local suppliers is calculated considering 85% 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)
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	Pages 48, 66	
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. The results of this economic and political risks analysis in 2022 resulted in the following risk exposure: <ul style="list-style-type: none"> – Direct operations (as a % of revenue): Low 58%; Medium 40%; High 2% – Supply chain (as a % of spend): Low 59%; Medium 40%; High 1% 	✓
205-2	Communication and training about anti-corruption policies and procedures	Pages 66-69, 192 Breakdown by gender and employee category is not reported as 99.99% of the employees have been trained on the Code of Integrity	<ul style="list-style-type: none"> – Percentage of employees trained on the Code of Integrity
205-3	Confirmed incidents of corruption and actions taken	Page 192 In 2022, there were no public legal cases regarding corruption brought against the organization or its employees. 2021 confirmed incidents of corruption was restated to reflect the actual number confirmed during the year	<ul style="list-style-type: none"> – Number and nature of confirmed incidents of corruption identified through corporate helplines
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	

GRI standard and disclosure	Reference	Reported performance	Assurance
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2022, 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 2022	– 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	✔
GRI 207: Tax 2019			
3-3 Management of material topics	Pages 141-142		
GRI 302: Energy 2016			
3-3 Management of material topics	Pages 76-77		
302-1 Energy consumption within the organization	Pages 76-77, 201 The information reported is limited to the total fuel and the total electricity consumption broken down by renewable and non-renewable electricity	<ul style="list-style-type: none"> – Total energy consumption by source (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) 	✔
302-3 Energy intensity	Pages 76-77, 201	<ul style="list-style-type: none"> – Energy intensity per revenue (MWh/CHF million) – Energy intensity per FTE (MWh/FTE) 	✔
302-4 Reduction of energy consumption	Page 201 Compared to 2019, our energy consumption has increased by 1.4% in 2022		✔
GRI 303: Water and Effluents 2018			
3-3 Management of material topics	Pages 76-77		
303-1 Interactions with water as a shared resource	Pages 76-77		✔
303-2 Management of water discharge-related impacts	Pages 76-77		✔
303-5 Water consumption	Page 203 The information reported is limited to the total water consumption	– Water purchased (m ³)	✔
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 76-77		
305-1 Direct (Scope 1) GHG emissions	Pages 76-77, 202 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"> – Scope 1 emissions from vehicles – Scope 1 emissions from buildings 	✔
305-2 Energy indirect (Scope 2) GHG emissions	Pages 76-77, 202	<ul style="list-style-type: none"> – Scope 2 Electricity emissions (location-based) – Scope 2 Electricity emissions (market-based) 	✔
305-3 Other indirect (Scope 3) GHG emissions	Pages 76-77, 202	<ul style="list-style-type: none"> – Scope 3 emissions (CO₂e tonnes) – 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 	✔

2022 GRI content index continued

GRI standard and disclosure	Reference	Reported performance	Assurance
305-4 GHG emissions intensity	Pages 76-77, 202	<ul style="list-style-type: none"> – Scope 1+2 intensity per revenue market-based (CO₂e tonnes/CHF million) – Scope 1+2 intensity per FTE market-based (CO₂e tonnes/FTE) – Scope 3 intensity (CO₂e tonnes/CHF million) 	✓
305-5 Reduction of GHG emissions	Pages 76-77, 202	<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) 	✓
GRI 306: Waste 2020			
3-3 Management of material topics	Pages 76-77		
306-1 Waste generation and significant waste-related impacts	Pages 76-77, 203		✓
306-2 Management of significant waste-related impacts	Pages 76-77, 203		✓
306-3 (2020) Waste generated	Pages 203	<ul style="list-style-type: none"> – Weight of waste generated (metric tonnes) – Weight of hazardous waste generated (metric tonnes) – Weight of non-hazardous waste generated (metric tonnes) 	✓
306-3 (2016) Significant spills	Pages 203	<ul style="list-style-type: none"> – Environmental incidents (As # of environmental incidents including significant spills) 	✓
306-4 Waste diverted from disposal	Pages 76-77, 203	<ul style="list-style-type: none"> – Weight of waste recovered (metric tonnes) – Weight of hazardous waste recovered (metric tonnes) – Non-hazardous waste recovered (metric tonnes) 	✓
GRI 308: Supplier Environmental Assessment 2016			
3-3 Management of material topics	Pages 72-73		
308-2 Negative environmental impacts in the supply chain and actions taken	Page 194 The information reported is limited to the number of suppliers assessed for environmental impacts	<ul style="list-style-type: none"> – Tier 1 suppliers analyzed for sustainability risks (as a % of total Tier 1 suppliers). – Spend analyzed for sustainability risks (as a %) 	✓
GRI 401: Employment 2016			
3-3 Management of material topics	Pages 66-69		
401-1 New employee hires and employee turnover	Page 198 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) 	✓
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, in accordance with local market practices		✓
401-3 Parental leave	Many of our affiliates provide paid maternity and paternity leave in excess of legally required minimum. For example, SGS Switzerland offers 16 weeks of maternity leave paid at 100%. SGS Australia offers 8 weeks of paid maternity leave in excess of the local legally required minimums and SGS 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		✓

GRI standard and disclosure	Reference	Reported performance	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		
402-1 Minimum notice periods regarding operational changes			✔
GRI 403: Occupational Health and Safety 2018			
3-3 Management of material topics	Pages 66-69		
403-1 Occupational health and safety management system	Pages 66-69		✔
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		✔
403-3 Occupational health services	Pages 66-69		✔
403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 66-69		✔
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		✔
403-6 Promotion of worker health	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		✔
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 66-69		✔
403-8 Workers covered by an occupational health and safety management system	Page 38 We only report on the number of sites certified and the number of employees covered by certified management systems	<ul style="list-style-type: none"> – Workers covered by an occupational health and safety management system (ISO 45001) – Number of sites with a ISO 45001 	✔
403-9 Work-related injuries	Page 199 No fatalities occurred in 2022	<ul style="list-style-type: none"> – The number of fatalities as a result of work-related injury. – Total Recordable Incident Rate (TRIR) (occurrences per 200 000) – Lost Time Incident frequency 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) 	✔
403-10 Work-related ill health	Page 199 Information not broken down by gender and employee category. No fatalities occurred in 2022	<ul style="list-style-type: none"> – The number of fatalities as a result of work-related ill health 	✔

2022 GRI content index continued

GRI standard and disclosure	Reference	Reported performance	Assurance	
GRI 404: Training and Education 2016				
3-3	Management of material topics	Pages 62-63		
404-1	Average hours of training per year per employee	Page 197, 199 Information not broken down by gender and employee category	<ul style="list-style-type: none"> – Training ratio (As a % of total employment cost spent on training)* – Percentage of employees trained on the Code of Integrity* – Safety training hours* – Completion rate of data protection and privacy e-learning (As a % of people invited to the e-learning)* 	✔
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 62-63	✔	
404-3	Percentage of employees receiving regular performance and career development reviews	Page 197	<ul style="list-style-type: none"> – Performance reviews (As a % of employees eligible to performance review) 	✔
GRI 405: Diversity and Equal Opportunity 2016				
3-3	Management of material topics	Pages 66-69		
405-1	Diversity of governance bodies and employees	Pages 89-98, 196 The Board of Directors is composed by 9 members (6 men and 3 women) The Operations' Council is composed by 17 members (16 men and 1 woman)	<ul style="list-style-type: none"> – Percentage of employees by gender – Percentage of managers by gender – CEO-3 employees by gender (# of CEO-3 employees) – Diversity on the Board and Operations Council by gender, nationality and age 	✔
405-2	Ratio of basic salary and remuneration of women to men	Page 199		
GRI 406: Non-discrimination 2016				
3-3	Management of material topics	Pages 66-69, 228-235		
406-1	Incidents of discrimination and corrective actions taken	Page 195	<ul style="list-style-type: none"> – Total number of proven incidents of discrimination 	✔
GRI 407: Freedom of Association and Collective Bargaining 2016				
3-3	Management of material topics	Pages 228-235		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 194, 228-235	<ul style="list-style-type: none"> – 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	Pages 228-235		
408-1	Operations and suppliers at significant risk for incidents of child labor	Page 194, 228-235	<ul style="list-style-type: none"> – 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	Pages 228-235		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 194, 228-235	<ul style="list-style-type: none"> – 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 	✔

* Additional information to the GRI requirements.

GRI standard and disclosure		Reference	Reported performance	Assurance
GRI 413: Local Communities 2016				
3-3	Management of material topics	Pages 72-73		
413-1	Operations with local community engagement, impact assessments, and development programs	Pages 72-73, 200 We have implemented such programs in 56.3% of our affiliates	<ul style="list-style-type: none"> – Investment in community (CHF thousands on constant currency basis) – Total community projects (# of projects) – Community hours (# of hours dedicated to community) 	✔
413-2	Operations with significant actual and potential negative impacts on local communities	Pages 50-51, 72-73		✔
GRI 414: Supplier Social Assessment 2016				
3-3	Management of material topics	Pages 72-73		
414-2	Negative social impacts in the supply chain and actions taken	Page 194 The information reported is limited to the number of suppliers assessed for social impacts	<ul style="list-style-type: none"> – Tier 1 suppliers analyzed for sustainability risks (as a % of total Tier 1 suppliers). – Spend analyzed for sustainability risks (as a %) 	✔
GRI 415: Public Policy 2016				
3-3	Management of material topics	Page 193		
415-1	Political contributions	Page 193	<ul style="list-style-type: none"> – Contributions to local, regional or national political campaigns/ organizations/candidates (CHF) 	✔
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 2022, 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 	✔
417-3	Incidents of non-compliance concerning marketing communications	In 2022, 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 	✔
GRI 418: Customer Privacy 2016				
3-3	Management of material topics	Pages 62-63		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 62-63, 195 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 	✔

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 & 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 46-48
	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 195
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 89-91, 97-98, 196
	SV-PS-330a.2	(1) Voluntary, and (2) Involuntary turnover rate for employees	Disclosed	Page 198
	SV-PS-330a.3	Employee engagement as a percentage	Disclosed	Page 197
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	Disclosed	Pages 66-69 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 2022, we were not issued with any significant fines or penalties for non-compliance 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 196
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. The employee hours worked are only available at theoretical level. We are working on reporting these figures in future reports.

Independent Limited Assurance Report

on selected 2022 sustainability indicators included in the non-financial performance reporting to the Board of Directors of SGS SA, Geneva

We have been engaged to perform assurance procedures to provide limited assurance on selected 2022 sustainability indicators (including the GHG statement) of SGS SA and its consolidated subsidiaries ("SGS") included in the Integrated Report ("Report") for the year ended 31 December 2022. Our limited assurance engagement focused on selected 2022 sustainability indicators as presented in the 2022 GRI Content Index of the Report of SGS SA on pages 204 to 211 marked with the check mark .

The reporting criteria used by SGS is described in the SGS Basis of Reporting document in the section "2. REPORTING PRINCIPLES AND EXTERNAL STANDARDS" defining those procedures, by which the related sustainability indicators are internally gathered, collated and aggregated. The SGS Basis of Reporting document is based on the GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) and the GHG Protocol Corporate Accounting and Reporting Standard, Corporate Standard, Revised edition, among others. Our evaluation of the selected 2022 sustainability indicators (including the GHG statement) is against applicable GRI-Criteria and the GHG Protocol Corporate Standard (hereafter referred to as the "related GRI-Criteria").

Inherent limitations

The accuracy and completeness of sustainability indicators (including the GHG statement) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with SGS Basis of Reporting document, its definitions and procedures on sustainability reporting therein. Further, the greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

SGS responsibility


The Board of Directors of SGS is responsible for the Report as well as for selection, preparation and presentation of the 2022 sustainability indicators (including the GHG statement) in the Report in accordance with the SGS Basis of Preparation document. This responsibility includes the preparation of the SGS Basis of Reporting document and the design, implementation, and maintenance of related internal control relevant to this reporting process that is free from material misstatement, whether due to fraud or error and the appropriate record keeping.

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 express a limited assurance conclusion on selected 2022 sustainability indicators (including the GHG statement) as presented in the 2022 GRI Content Index of the Report on pages 204 to 211 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 2022 sustainability indicators (including the GHG statement) presented in the 2022 GRI content index are not free from material misstatement evaluated against the related GRI-Criteria.

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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.

A limited assurance engagement undertaken in accordance with ISAE 3000 (revised) and ISAE 3410 (including the GHG statement) involves assessing the suitability in the circumstances of SGS' use of applicable criteria as the basis for the preparation of selected 2022 sustainability indicators (including the GHG statement), assessing the risks of material misstatement of these sustainability indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of these sustainability indicators. A limited assurance engagement 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. The procedures selected depend on the assurance practitioner's judgement.

Summary of the work performed

Our limited assurance procedures included:

- Reviewing the SGS Basis of Reporting document and the SGS Group Sustainability Manual and observing the application
- Interviewing SGS representatives at Group and country level in Thailand, Japan, India, Argentina, Turkey, Vietnam and Cameroon 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 on a sample basis of evidence supporting the selected 2022 sustainability indicators concerning completeness, accuracy, adequacy and consistency

We have not carried out any work on data other than outlined in the scope and subject matter section 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 procedures we performed, nothing has come to our attention that causes us to believe that the selected 2022 sustainability indicators (including the GHG statement) as presented in the 2022 GRI Content Index of the Report marked with the check mark ✓ are not prepared and disclosed in all material respects in accordance with the related GRI-criteria.

Restriction of use 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 2022 sustainability indicators (including the GHG statement) as presented in the 2022 GRI Content Index of the Report 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 SGS Basis of Reporting document, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the selected 2022 sustainability indicators (including the GHG statement) as presented in the 2022 GRI Content Index of the Report 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, 22 February 2023

"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 reported sustainability indicators or criteria since they were initially presented on the website."

