

# ENABLING A BETTER, SAFER AND MORE INTERCONNECTED WORLD



# We are SGS

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We are recognized as the global benchmark for quality and integrity. Our 96,000 employees operate a network of 2,600 offices and laboratories, working together to enable a better, safer and more interconnected world. Wherever you are, whatever your industry, our experts worldwide provide specialized solutions to make your business faster, simpler and more efficient.

## OUR PURPOSE

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Our purpose is to enable a better, safer and more interconnected world.

How do we do this?

We enable a better world by helping businesses everywhere to work efficiently, to deliver with quality, and to trade with integrity and trust.

We enable a safer world by ensuring that your car is safe to drive, that the environment you work in is secure and clean, and that the food you eat is safe.

We enable a more interconnected world by, for example, helping new technology to reach consumers quickly and affordably, by ensuring the security of IT systems and data, and by using AI and the Internet of Things to help develop smart cities.

## OUR VALUE TO SOCIETY

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Through our integrated leadership approach, we strive to become an increasingly sustainable company, maximizing the positive impact we have. We add more than just financial value to society. All our stakeholders (employees and suppliers, investors, customers, governments and industries, consumers, and communities and society) are the ultimate beneficiaries. In order to measure our success, we are developing an innovative impact valuation model to quantify our value to society.

“We are committed to delivering sustainable value to society. Ensuring that our supply chain and direct operations have a positive impact beyond the traditional financial benefits is an integral part of our success and leadership.”

**FRANKIE NG**  
CHIEF EXECUTIVE OFFICER

## OUR HISTORY

Established in 1878, SGS transformed grain trading in Europe by offering innovative agricultural inspection services.

From those early beginnings, we steadily grew in size and scope as our agricultural inspection services spread around the world.

During the mid-20th century, we began to diversify and started offering inspection, testing and verification services across a variety of sectors, including industrial, minerals, oil, gas, and chemicals.

In 1981, SGS was listed on the Swiss Stock Exchange and forged an unrivaled reputation as the industry leader in finding solutions to the complex challenges faced every day by organizations.

Today, we provide worldwide, independent services that make a difference to people's lives. Our training and consultancy services complement our core business of testing, inspection and certification which are delivered across all industries.

Through our unique global network, we deliver independent results tailored to the precise needs of each industry or sector. Our customers trust in our expertise, experience and resources to support them in achieving outstanding performance in everything they do.

Our continued focus on innovative ways to deliver business benefits enables us to help our customers improve quality, safety, efficiency, productivity and speed to market while reducing risk and building trust in sustainable operations.



# The benefits we deliver

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## **QUALITY**

Our customers rely on our independent third-party inspection, testing and auditing solutions to ensure products, services and processes comply with the latest quality standards. Our global network of state-of-the-art facilities provides information to certify and verify quality worldwide.

## **PRODUCTIVITY**

Our training and outsourcing solutions ensure productivity keeps pace with developments in our customers' organizations. In the short term, we offer the knowledge of our world-class productivity experts. In the long term, we deliver focused training to develop specialist skills in our customers' workforce.

## **TRUST**

Our global reputation for independence and integrity enables us to build trust wherever needed. We provide transparent and unbiased inspection, testing, verification and certification solutions so our customers can give assurance in their products, processes, systems and services.

## **SAFETY**

We help organizations develop effective health and safety systems to protect employees, generate consumer confidence and enhance trust in business operations. We support our customers in adhering to best practices and complying with local, national and international regulations.

## **EFFICIENCY**

Our tailored business solutions help our customers implement processes and systems that make business operations faster, simpler and more efficient. We deliver unrivaled efficiency results from our local experts, who draw on the global experience of the entire SGS network.

## **SUSTAINABILITY**

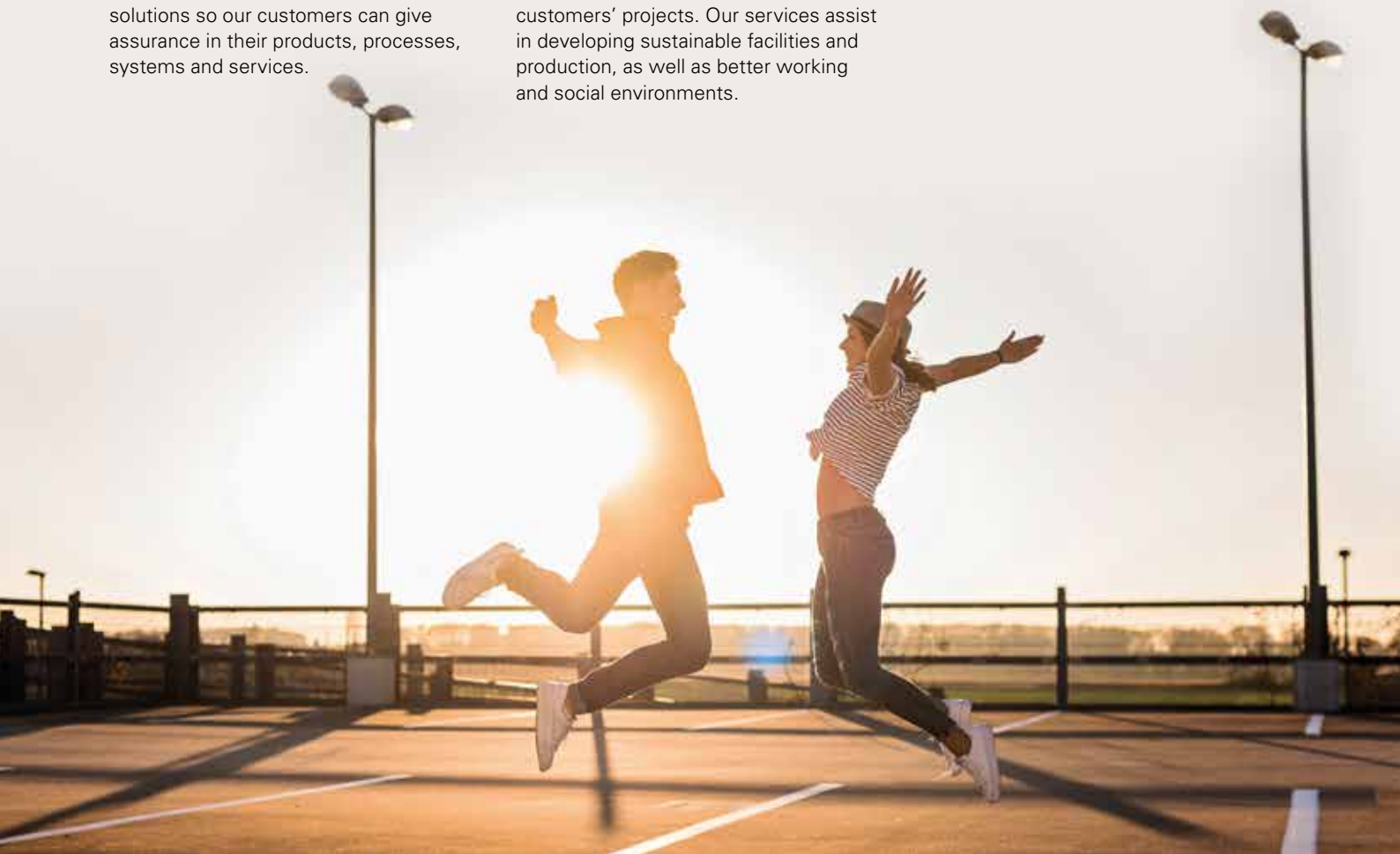
We help our customers take ownership of building a more responsible and sustainable future. We encourage environmental responsibility and reduce the risk of corruption in our customers' projects. Our services assist in developing sustainable facilities and production, as well as better working and social environments.

## **REDUCED RISK**

We provide our customers with independent and impartial services that enable them to identify, manage and reduce risk. Our experts deliver risk management solutions, drawing on our testing and inspection capabilities, to verify that risk prevention measures are in place. We assist with the compliance of international risk management standards across a wide range of industries.

## **SPEED TO MARKET**

Compliance with the requirements of target markets is key to increasing speed to market. Our consultancy, testing and certification services help our customers overcome the complex challenges of understanding and meeting market demands anywhere in the world, whatever the industry or sector.





# Our Focus Areas

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The SGS focus areas are strategically aligned with global megatrends affecting society today. Each focus area develops and maintains world-class expertise to support the evolving needs of our customers. Due to our capabilities we are able to provide solutions to the challenges they face across the globe.

## CONNECTIVITY & PRODUCTS

*Enabling better, safer products and services in a more connected world.*

As the world becomes more connected, brands, manufacturers, retailers and governments must ensure the safety, quality and regulatory conformity of their products and services. In addition, the growth of e-commerce, and the emergence of new technologies, such as 5G, Internet of Things and Artificial Intelligence, brings the challenge of more accessible, yet secure, connectivity.

We provide the world's most comprehensive range of inspection, testing, certification and advisory services, powered by leading technology and digital tools. Our global network of experts supports you at every stage – from design, production and regulatory compliance to the import and export of goods.

Our innovative solutions help you to deliver safe, accessible, high-quality products and services in stores and online, ensure secure connectivity, reduce risk, and build consumer trust.

## HEALTH & NUTRITION

*Enabling a better quality of life by assuring the quality, safety and sustainability of the food we eat and healthcare products we use.*

The health, wellness and nutrition industries are converging, responding to consumer demands for healthier lifestyles and wellbeing. As a result, there is an increased focus on the quality, safety, sustainability, authenticity and efficacy of food, healthcare and wellness products.

We provide the world's most comprehensive range of integrated inspection, testing, certification and advisory services, powered by the latest technology and digital tools. Our global network of experts helps you to meet increasingly complex regulations and standards in the markets you operate in.

Our services enable you to move quickly and safely through the product development cycle, ensuring efficiency, compliance, productivity and innovation throughout the supply chain. This helps you to protect your brand and build consumer trust and loyalty.



## **INDUSTRIES & ENVIRONMENT**

*Enabling safer, more sustainable and environmentally friendly infrastructure, transportation and industries.*

As your organization transitions towards sustainable forms of energy and growing environmental responsibilities, you need to bridge the gap between current business practices and meeting the global requirements for a better future.

We provide the world's most comprehensive range of integrated inspection, testing, certification and advisory services, powered by the latest technology and digital tools. Our global network of experts helps you to navigate a wide range of new standards, regulations and corporate responsibilities.

Our innovative solutions enable you to ensure the integrity, safety and reliability of your activities, equipment and operations, while helping you take more sustainable approaches to infrastructure, transportation and business operations. This helps you to protect workers and the environment, generate customer confidence, enhance brand reputation, manage risk and increase business efficiency.

## **NATURAL RESOURCES**

*Enabling the sustainable management and efficient use of natural resources.*

Natural resources provide the essential building blocks of economic development that are pivotal to everyday life. The agriculture, oil, gas and minerals sectors are evolving rapidly, with an increased focus on sustainability, changing market demands, and environmental, social and corporate governance (ESG).

We provide the world's most comprehensive range of integrated inspection, testing, certification and advisory services, powered by the latest technology and digital tools.

Our global network of experts and dedicated laboratories provide essential market intelligence and metallurgy, consulting and logistics services to help you reduce risk, ensure traceability, and trade with integrity and trust.

Our solutions enable you to become more environmentally responsible and ensure compliance and innovation throughout the supply chain, while enhancing productivity, safety, quality and sustainability.

## **DIGITAL & INNOVATION**

*Enabling safer, fairer and more secure access to the digital environment.*

In the drive towards digital transformation, organizations are exploring innovative new technologies that will help them adapt to a new market reality, where customers demand relevant, secure content on any device, anytime, anywhere.

We provide the world's most comprehensive range of integrated inspection, testing, certification and advisory services, powered by the latest technology and digital tools. Our global network of digital innovation centers helps you to understand and harness the latest trends in cybersecurity, Internet of Things and eCommerce.

Our innovative solutions enable you to identify and validate new innovations, products, services and business models to build consumer trust and operate more efficiently and securely.

## **KNOWLEDGE**

*Enabling sustainable growth by enhancing knowledge, skills and processes.*

In an increasingly globalized economy, organizations must keep up to date with complex regulatory obligations and best practices to reduce legal, financial and reputational risks.

We provide the world's most comprehensive range of certification and business enhancement solutions, powered by the latest technology and digital tools. Our global network of specialists provides the knowledge and expertise to help you comply with local and international standards, and ensure your people have the skills, training and professional development to help your business thrive.

Our innovative solutions enable you to manage risk across supply chains and deliver operational efficiency, cost savings and sustainability, while increasing your value to society.

## **SUSTAINABILITY**

*Enabling your organization to become more sustainable, safe and efficient.*

Organizations of all sizes face a growing social and regulatory focus on climate, natural resources, health and wellness, and responsible consumption. As a result, an active commitment to sustainability is expected to be at the center of your organization's value proposition and integrated into all operational and financial business models.

We provide the world's most comprehensive range of inspection, testing, certification and consulting services, powered by the latest technology and digital tools. Aligned with the UN Sustainable Development Goals (SDGs) and Principles for Responsible Investment, our end-to-end sustainability solutions help you to redefine your sustainability journey.

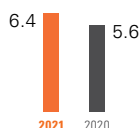
Our innovative services enable you to implement more efficient processes, address risks and stakeholder concerns, and accomplish your sustainability goals.

# 2021 financial highlights

## REVENUE

CHF 6.4 BN

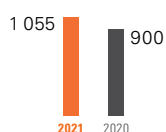
+14.2%<sup>1</sup>  
+8.9% organic\*



## ADJUSTED OPERATING INCOME\*

CHF 1 055 MIO

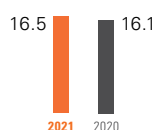
+16.8%<sup>1</sup>



## ADJUSTED OPERATING INCOME MARGIN\*

16.5%

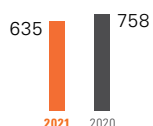
+0.4pp<sup>1,2</sup>



## FREE CASH FLOW\*

CHF 635 MIO

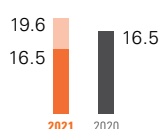
(16.2)%



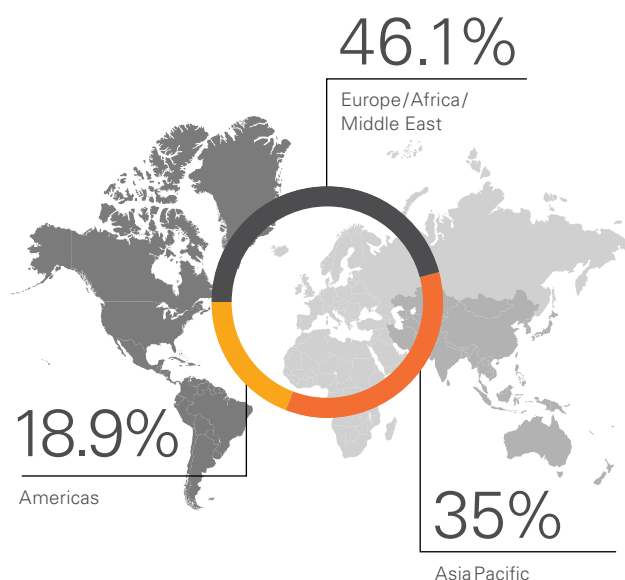
## RETURN ON INVESTED CAPITAL\*

19.6%

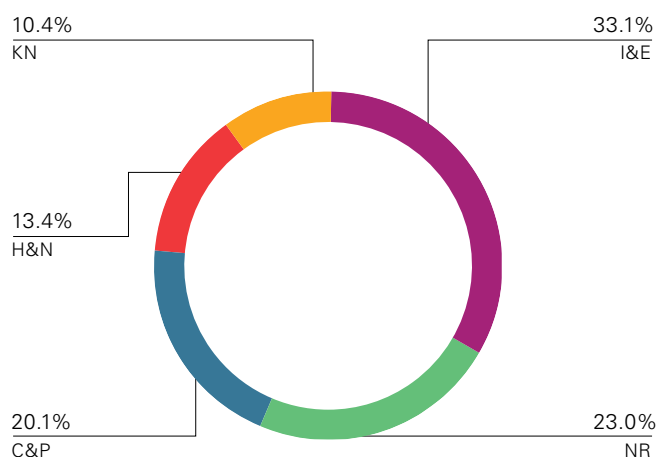
+3.1pp<sup>2</sup>



## REVENUE BY REGION



## REVENUE BY DIVISION



1. Constant currency (CCY)\*

2. Percentage points

\* Alternative Performance Measures (APM), refer to the '2021 Full Year APM' document.

## BUSINESS PRINCIPLES

SGS' Business Principles are the cornerstone on which all of our activity rests. They are held to be fundamental, overarching beliefs and behaviors that guide our decisions and allow us to embody the SGS brand in everything we do.



### INTEGRITY



### RESPECT



### HEALTH, SAFETY & ENVIRONMENT



### QUALITY AND PROFESSIONALISM



### LEADERSHIP



### SUSTAINABILITY

## SUSTAINABILITY ACHIEVEMENTS



SGS received a rating of AAA in the Morgan Stanley Capital International's (MSCI) Environment Social Governance assessment for 2020.



SGS was rated by Sustainalytics as "low risk" of experiencing material financial impacts from ESG factors for 2020.



We received a Platinum Rating award from EcoVadis and were placed in the top 1% of the evaluated companies.



SGS has been rated as PRIME by ISS ESG Corporate Rating for its excellence in management of environmental, social and governance aspects.

### OUR VALUE TO SOCIETY **CHF 6579MIO\***

Ensuring we make better decisions, for our business and society.

*\*From our direct operations and supply chain activities in 2019*

Find out more about Sustainability at SGS

<http://www.sgs.com/en/our-company/corporate-sustainability/sustainability-at-sgs>



For the seventh consecutive year, we received the Gold Class award in SAM's Sustainability Yearbook for our excellent sustainability performance.



We rank first in the Professional Services industry in 2020 Corporate Sustainability Assessment.



We were awarded an A- score on the CDP 2020 Assessment. SGS maintained its status as a carbon neutral company since 2014.



We were included in the FTSE4Good Index for the third time.

## CARBON NEUTRAL

SGS maintained its status as a carbon neutral company

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WHEN YOU NEED TO BE SURE

