

SGS Australia Modern Slavery Statement 2021

This Modern Slavery Statement is a joint statement on behalf of SGS Australia Pty Ltd and the Australian related entities mentioned below (“SGS Reporting Entities”) for the financial year ending 31 December 2021

- SGS Australia Pty Ltd (ACN 000 964 278)
- SGS Scientific Services Pty Ltd (ACN 008 736 221); and
- SGS Systems and Services Certification Pty Ltd (ACN 060 156 014)

This is our third Modern Slavery Statement. It sets out what SGS Australia did in 2021 to ensure that slavery and human trafficking did not take place in our supply chains or in any part of our business. It also sets out the SGS Group’s actions and our current plans.

In order to prepare this joint Modern Slavery Statement, each of the SGS Reporting Entities were engaged and the entities they own or control were consulted (collectively referred to as “**SGS Australia**”). All SGS Australia entities are subject to SGS Australia policies and systems and are also part of the wider SGS Group arrangements. The contents of this Modern Slavery Statement are, accordingly, applicable to all SGS Australia entities.

GROUP STRUCTURE, OPERATIONS AND SUPPLY CHAIN

SGS is the world’s leading inspection, verification, testing and certification company. With more than 96,000 employees, SGS operates a network of more than 2,600 offices and laboratories in more than 125 countries, helping to ensure quality and integrity of products and systems.

SGS SA is the ultimate parent company of SGS Australia and the SGS Group.

SGS draws on the services of global, regional, and national suppliers. As a responsible major purchaser, SGS ensure that goods and services are sourced sustainably and that our suppliers respect human rights. Our Procurement Policy details the key principles, criteria and guidelines for all contracting activity and supplier selection across the Group. It also defines supplier requirements associated with quality, value, efficiency, and human rights. SGS Australia’s supply chain is quite diverse and geographically dispersed, and through structured sourcing processes, we select the best option for SGS while continuing to support local suppliers that meet our business and sustainability requirements. Over 75% of our annual spend goes on regional and local suppliers, which demonstrates our dedication to supporting the communities in which we operate.

The SGS Group has recently published its SGS 2021 Sustainability Report, which reports on the environmental and societal impacts of our business activities using our Value to Society (V2S) model. Likewise, our [Sustainability Ambitions 2030](#) set human rights goals that enable us to create value where we operate. Indeed, by 2023 we aim to:

- Achieve 30% women at CEO-3
- Reduce our Total Recordable Incident Rate by 20% and Lost Time Incident Rate by 10%

- HSE certify the main operational sites (integrated ISO 45001 and ISO 14001 certification)
- Continue performing annual risk assessments on human right across the Group
- Keep developing our human rights due diligence program to avoid violations across our operations
- Train 100% of our employees on our human rights principles annually
- Ensure that at least 50% of our expenditure is with suppliers who have agreed with our Code of Conduct or committed to comparable standards within their own policy
- Ensure that 100% of the selected SGS strategic suppliers have completed our Sustainability Self-Assessment Questionnaire

By 2030 we aim to:

- Strive towards an equitable representation of genders at CEO-3
- Reduce our Total Recordable Incident Rate by 30% and Lost Time Incident Rate by 20%
- HSE certify the main operational sites (integrated ISO 45001 and ISO 14001 certification)
- Continue performing annual risk assessments on human right across the Group
- Keep developing our human rights due diligence program to avoid violations across our operations
- Train 100% of our employees on our human rights principles annually
- Ensure that at least 90% of our expenditure is with suppliers who have agreed with our Code of Conduct or committed to comparable standards within their own policy

Lastly, a new Human Rights Taskforce was created, with the purpose of coordinating our global approach to human rights, including the actions to prevent, mitigate and remediate any human right adverse impact present in our value chain. The Taskforce is comprised of high-ranking representatives from seven different functions that play a role in the company's approach to human rights and steered by Corporate Sustainability.

MODERN SLAVERY RISKS IDENTIFICATION

Through the SGS Group's Risk Management and Governance, Risk and Compliance framework, we are integrating sustainability risks directly into our management process. With this mechanism, the different business lines, functions, and affiliates can identify and assess potential sustainability risks from both our direct operations and our supply chain and report the corresponding mitigation actions associated with them.

In parallel, we run a desk annual macro risk assessment of potential sustainability risks in the countries where we operate. This macro risk assessment provides an objective double check of the risk evaluations made by the different business lines, functions, and affiliates.

Through this process, we have assessed the risks of modern slavery for SGS Australia, both in our operations and in our supply chain, and including forced and bonded labour, human trafficking, descent-based slavery, servitude, and child slavery. The assessment concluded that the residual risk (which considers our mitigation programs described in this statement) is very low.

MODERN SLAVERY AVOIDANCE AND RISK MANAGEMENT MECHANISMS

Human Rights Policy

SGS SA's Human Rights Committee, formed in early 2017 and chaired by the Chief Executive Officer, is ultimately responsible for and oversees the implementation of our human rights commitments across the Group. It has implemented a publicly available [Human Rights Policy](#), which mandates SGS affiliates to protect and respect human rights, including whilst selecting and managing employees, suppliers and business partners.

Our Code of Integrity – our employees and representatives

For many years the entire SGS Group has operated under a publicly available [Code of Integrity](#) applicable to all employees, consultants, joint-venture partners, agents, subcontractors and anyone acting on behalf of, or representing, SGS. This Code contains a clear prohibition on child labour and forced labour, breach of which will result in disciplinary proceedings or termination of contracts.

All new employees are trained in the Code of Integrity upon joining SGS and all existing employees and contractors undertake annual refresher courses.

Our Supplier Code of Conduct

SGS procures various goods including equipment, consumables, property and utilities for the provision of our services. We also purchase services through sub-contractors, temporary/agency staff, recruitment agencies and various professional advisors and other services such as facilities management services.

SGS has a [Supplier Code of Conduct](#) that is publicly available and sets out SGS's requirement that all suppliers and their suppliers operate a zero-tolerance approach to modern slavery and that non-compliance can result in the termination of our relationship with any supplier. SGS Australia continues to require acceptance and compliance to our Supplier Code of Conduct as part of the engagement and onboarding of any Suppliers to our supply base.

Our Supplier Due Diligence Process

The SGS Group Procurement and Quality functions evaluate our supplier base utilising a detailed self-assessment questionnaire to obtain information from new and certain existing suppliers to enable us to give each an ethical risk rating. This rating dictates how often we will review that supplier and the depth of the review required. Working with the SGS Group in the assessment of the questionnaires there were no violations identified in 2021.

Our Training

SGS runs an annual Integrity training, which addresses many areas of ethics, trust and human rights and restates the mechanisms by which one can report concerns. It includes topics such as child labour, forced labour, freedom of association and discrimination, working hours, and health and safety. The training is conducted by eLearning and is mandatory to all employees.

In addition, in December 2021, SGS launched a global e-learning on human rights, which has been translated into 19 languages. The training is mandatory for all SGS employees and covers the human rights issues present in our Human Rights Policy, as well as all the whistleblowing channels available for employees.

Integrity Helpline

For many years SGS SA has had an established Integrity Helpline available to employees and suppliers to enable confidential and anonymous reporting of possible legal and policy violations without recrimination. Reports can also be made directly to the Compliance function in Switzerland or Australia. Details are contained in the Code of Integrity, the Human Rights Policy, the Supplier Code of Conduct, on our internal and external websites and in our integrity training. We remind our staff and suppliers of the Helpline by which they can report issues involving modern slavery and we highlight the recommended means of escalating perceived issues.

Remediation

We put mitigation and remediation actions in place whenever a breach of our Code of Integrity is identified through our Integrity Helpline. In addition, we work with high risk suppliers identified through our supplier assessment processes, to develop mitigation and remediation actions.

EFFECTIVENESS OF OUR MECHANISMS

SGS Australia did not detect any violations of the Modern Slavery Act within our supply chain or business in 2021. We shall continue to review our operations and supply chain and report on the progress of all modern slavery avoidance initiatives in our Modern Slavery Statement next year.

Further, the SGS Group is committed to the transparent reporting of all our human rights commitments and performance through our Annual Report and our Corporate Sustainability Report.

OUTLOOK

SGS plans to further enhance its human rights due diligence. To that end, the company will continue to identify, prevent and mitigate human rights risks through its company risk management framework.

Likewise, the Human Rights Taskforce will continue working together with the Group on identifying and implementing additional mitigation actions where needed.

Furthermore, the company will continue to annually update its human rights training, and will work on further promoting the utilisation of the Integrity Helpline and other reporting channels for human rights violations.

APPROVAL

This Statement is made pursuant to the Modern Slavery Act 2018 (Cth) and has been approved by the Board of Directors of SGS Australia.

A handwritten signature in black ink, appearing to read 'S. Morris'.

Sally-Anne Morris, General Manager Finance

On behalf of the Board

30th May 2022