2025 Integrated Report

When you need **to be sure**

Phosphorus Analysis, Sweden

When you need **to be sure**

Who we are

SGS is the world's leading Testing, Inspection and Certification company. We operate a network of over 2,500 laboratories and business facilities across 115 countries, supported by a team of over 100,000 dedicated professionals. With more than 145 years of service excellence, we combine the precision and accuracy that define Swiss companies to help organizations achieve the highest standards of quality, compliance and sustainability.

Our brand promise – when you need to be sure – underscores our commitment to trust, integrity and reliability, enabling businesses to thrive with confidence. We proudly deliver our expert services through the SGS name and a portfolio of trusted specialized brands, including Applied Technical Services, Brightsight, Bluesign and Nutrasource.

What we do

We provide essential services that ensure quality, safety and compliance:

Testing demonstrates that products and materials meet health, safety and regulatory requirements.

Inspection assesses quantity and quality to help businesses comply with regulations.

Certification confirms that products, services, processes and systems meet international and local standards.

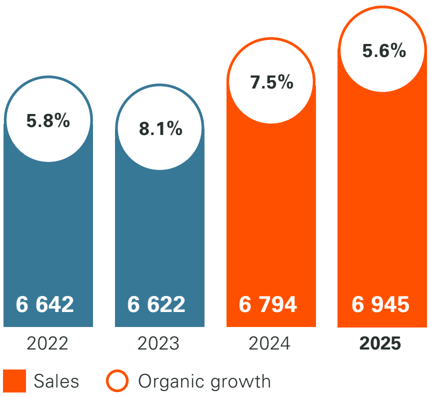
Soil Sample Collection for Analysis, Portugal

Record 2025 financial performance
Pillars of Strategy 27 fully implemented

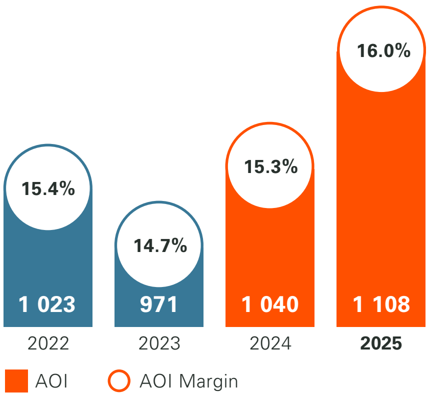
We delivered record sales, adjusted operating income, and free cash flow in 2025, proving the strength of our strategy. These results firmly position us to achieve our 2027 ambitions.

2025 Financial KPIs

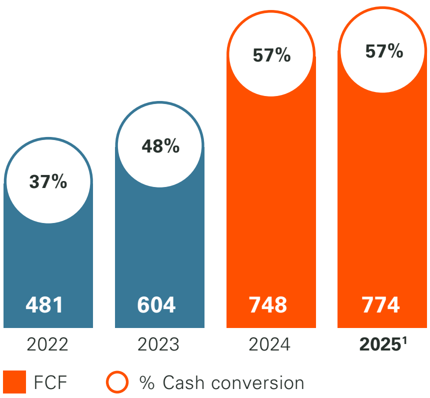
Sales
CHF million



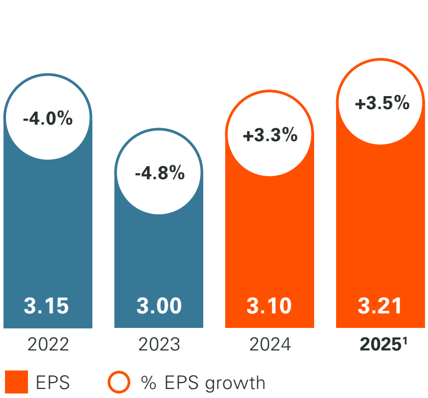
Adjusted Operating Income (AOI)
CHF million



Free Cash Flow (FCF)
CHF million



Earnings Per Share (EPS)
CHF



2025 Non-financial KPIs

Responsible business
92%

customer satisfaction score
91% in 2024

Education
7.7M hours

to employees, clients & communities
7.4M hours in 2024

People
32.5%

leadership positions held by women
32% in 2024

Environment
-16.1%

scope 3 emission reduction
vs. 2019

1. Before HQ disposal.

In this report

Watch our video to learn more about our 2025 results at https://www.sgs.com/en/integrated-report

3M LinkedIn followers
Leader in the **TIC industry**

Connect with us today

IMPACT NOW

for sustainability

With ever-increasing concerns about climate change, human rights, effective governance and economic stability, coupled with new regulations, legislation and consumer demands, sustainability must be front and center of every organization.

When you need **to be sure**

CHF 1Bn
in sales by 2027

CHF 800M
in 2025
proforma sales[1]

1. Including full scope of acquisitions to date.

IMPACT NOW TRANSFORMS TECHNICAL AND SCIENTIFIC EXPERTISE INTO PRACTICAL PATHWAYS FOR SUSTAINABLE DEVELOPMENT, HELPING ORGANIZATIONS DELIVER REAL RESULTS, RIGHT NOW.

Our focus pillars

Climate
Clarify and accomplish your climate goals with SGS support.

Nature
Protect and encourage the lands and seas to flourish with SGS solutions.

Circularity
Embrace a circular economy to eliminate waste and protect the planet with SGS expertise.

ESG Assurance
Achieve your environmental, social and governance goals with SGS ESG expertise.

In just 12 months, IMPACT NOW has:

- Helped brands like BLK & Bold reduce their carbon footprint
- Been approved as a validation and verification body by Isometic and Verra, which means clients can trust the integrity of their carbon credits with our verification services

- Won a major European Commission contract to assess soil health across the EU
- Signed, with the Panamá government, a contract for forest management certification (FSC) as a way to ensure that there is careful and long-term stewardship of native forests

- Increased our delivery of ISCC PLUS services to over 300 clients who want to demonstrate their efforts for circularity
- Grown demand for our Life cycle assessment (LCA) and Environmental Product Declaration (EPD) certification from key industries like construction and textiles

- Become a key global consulting partner of EcoVadis, now offering not only training, but advisory and enhanced auditing services
- Delivered ESG assurance and non-financial reporting for BorsodChem

SGS DIGITAL TRUST

A global framework that strengthens and consolidates our services into a structured and consistent approach to help customers navigate today's complex digital trust landscape with confidence.

Built on our proven expertise, SGS DIGITAL TRUST: Across technologies, services and organizations enables customers to build, demonstrate and sustain trust across the digital ecosystem.

When you need **to be sure**

CHF
350M
in sales by 2027

CASE STUDY

CertX Leads RobustifAI for Trustworthy GenAI

CertX was selected as the primary assessment provider for the EU's EUR 7.3 million RobustifAI project. The three-year initiative brings together 18 partners across Europe, Switzerland and India to address Generative AI reliability challenges such as bias and hallucinations by creating robust, human-centric design methodologies. Focusing on foundation models in human cyber-physical systems, RobustifAI will test solutions in automotive, robotics and cybersecurity. CertX applies decades of digital trust expertise to ensure technical, operational and user robustness, supporting the EU's vision of socially beneficial AI and global leadership in sustainable innovation.

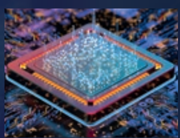
CHF 260M
in 2025
proforma sales[1]

1. Including full scope of acquisitions to date.

THROUGH OUR STRONG BRANDS AND ACQUISITIONS, SGS HELPS ORGANIZATIONS BUILD, DEMONSTRATE, AND SUSTAIN TRUST ACROSS AI, CONNECTED TECHNOLOGIES, AND COMPLEX INFRASTRUCTURES. SGS IS YOUR TRUSTED PARTNER IN THE DIGITAL ECOSYSTEM.

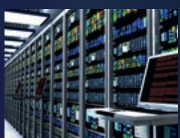
Our focus pillars

The full digital trust landscape



Connected Products & Technologies

Services include product cybersecurity evaluation and certification, functional safety, and wireless and RF testing.



Digital Services & Infrastructure

Services include operational technology cyber safety, cloud security services, and data center and AI infrastructure protections.

Data & Artificial Intelligence

Services include AI management system certification, data quality management audit for AI and AI and machine learning conformity assessments.

Organizations & People

Services include digital trust assurance, information security and cybersecurity services covering key global standards, from ISO/IEC 27001 (information security, cybersecurity and privacy protection) and ISO/IEC 27701 (privacy information) to Digital Trust Label Certification and our Infosec Essentials and digital trust training.

Letter from the Chair of the Board, Calvin Grieder

A point of reference in a changing world

Calvin Grieder
Chair of the Board of Directors

SGS continues to grow and lead in a highly fragmented Testing, Inspection and Certification (TIC) market, where our global reach and trusted expertise set us apart. Our scale across 115 countries, combined with our depth and independence, enables customers to act with confidence in moments of complexity. When organizations face uncertainty, they turn to SGS. I am proud of the progress we have made since the launch of the Strategy 27 acceleration program. We have strengthened our position as the world's leading Testing, Inspection and Certification company. We reinforced SGS's governance, internal controls and compensation frameworks. The progress we delivered in 2025 is a testament to the strength of Strategy 27: Accelerating growth, building trust.

2025 was marked by uncertainty and rapid change, from unprecedented tariffs to renewed geopolitical tensions and persistent supply chain disruption. Yet SGS advanced with discipline and clarity, supporting our clients as they navigated this shifting landscape. I would like to begin by thanking our colleagues around the world for their professionalism and commitment.

Growing consumer awareness

This year saw rising consumer demand for transparency, ethical sourcing and verifiable credentials. From water safety to food origins, consumers expect proof of responsible practices. Clients likewise seek verified sustainability claims and transparent value chains, where SGS provides trusted, independent assurance.

Meanwhile, rapid AI adoption is reshaping risk landscapes and driving demand for digital assurance. SGS is building leadership, highlighted by delivering the world's first AI-safety certification for the automotive sector, aligned with the new international framework. This milestone demonstrates how we help organizations embed safe, transparent AI practices as they embrace emerging technologies.

Strengthening governance and Board leadership

The Board focused on strengthening governance, succession planning and ensuring strategic continuity. We welcomed Géraldine Picaud and Patrick Kron, adding international experience and industry insight. Géraldine's election reinforces collaboration between the Executive Committee and Board as we advance Strategy 27 and drive cultural transformation toward growth, agility and financial strength.

We also relocated our headquarters to Baar, Switzerland, creating a more efficient, collaborative environment aligned with Strategy 27. Our Committees strengthened risk oversight across financial, operational, and sustainability areas, underscoring our commitment to transparency and responsible value creation.

Supporting Strategy 27 and long-term growth

The Board remained closely engaged in the execution of Strategy 27, which provides clear directions for strengthening performance, driving growth and reinforcing our financial, service and sustainability profile. We actively supported the acquisition strategy in adding a series of targeted bolt-on acquisitions designed to expand service capabilities and strengthen market positions. The announcement of the acquisition of ATS was an important step toward strengthening our position in the US and driving our ambitions forward. The Board also ensured that executive pay incentives were closely tied to the strategic priorities, reinforcing accountability for growth and operational excellence. We maintained vigilant oversight of both financial metrics and non-financial ratings to safeguard long-term resilience and stakeholder trust. All in all, we are proud to say that we are ahead of plan to reach our targets of Strategy 27.

Looking ahead with confidence

I feel very fortunate to have been a part of this great company for the past seven years, and to have had the opportunity to work alongside such exceptional people. While I will be leaving SGS soon, I am confident that the Company is in excellent hands. With Gilbert Ghostine to be proposed as the new Chair of the Board of Directors and Géraldine Picaud as CEO, SGS is being led into the future by a strong and highly experienced team.

I would like to thank our employees, the Executive Committee, our shareholders and partners for their continued trust and support over the years. Guided by our brand promise – when you need to be sure – SGS will continue to accelerate growth, build trust and create long-term sustainable value.

Letter from the CEO, Géraldine Picaud

Record 2025 financial results

Pillars of Strategy 27 fully implemented

Géraldine Picaud
Chief Executive Officer

The pillars of Strategy 27 are now fully implemented across SGS. All actions are in place and the strategy is firmly embedded in how we run the Group, creating the momentum to deliver our 2027 objectives. This foundation has already translated into an exceptional year for SGS. We achieved record sales, adjusted operating income and free cash flow. Digital Trust and Sustainability services delivered strong, double-digit organic growth, and the acquisition of Applied Technical Services (ATS) marked a major step toward our ambition to at least double North America sales by 2027. At the same time, we continued to strengthen our financial and ESG profile, reinforcing the foundations for sustained performance.

Strengthening a high-performance culture with Strategy 27

I am proud of how SGS continued to deliver for our clients, our people and our stakeholders in another year marked by volatility and rapid change. Industries around the world faced shifting regulations, supply chain pressures and an accelerating wave of digital and sustainability demands. Through it all, our teams stayed focused, responsive and deeply committed to providing trust to our clients.

SGS has always been strongest in complex moments. Our global scale, across 115 countries, gives us the reach to support clients wherever they operate, while our business model allows us to adapt quickly to changing conditions. Combined with our 148-year legacy of excellence, these qualities reinforce our position as the global leader in Testing, Inspection and Certification (TIC) and give us a clear advantage to thrive in volatile markets.

Advancing growth across priority areas

Sustainability services remained a powerful driver of performance, delivering strong double-digit organic growth in 2025. Our IMPACT NOW for sustainability program was a key contributor to this performance. Even as the United States reduced federal sustainability regulation, voluntary demand for trusted sustainability assurance continued to rise. More companies are recognizing that strong environmental performance builds credibility, strengthens reputation and creates long-term value. A good example is our contract with the European Commission's Joint Research Centre and LUCAS Soils Survey.

Through this project, we are analyzing over 35 000 soil samples from across the EU to establish a baseline for key properties, including organic carbon, biodiversity, and pollution risks, to enable effective long-term monitoring and restoration efforts. This demonstrates how science-driven solutions can support climate and environmental action.

Digital Trust services also advanced significantly in 2025, delivering strong double-digit organic growth. We launched the SGS DIGITAL TRUST framework, bringing together our capabilities across connected products & technologies, digital services & infrastructure, data & artificial intelligence, and organizations & people. Supported by our global network of cyber labs and more than 500 experts, the framework gives customers a structured way to navigate increasingly complex digital risks with confidence.

Our acquisition program gained speed as well. We completed 19 acquisitions during the year, strengthening our capabilities in high-growth segments, further enhancing the group's portfolio and strengthening its margin potential.

Deepening our presence in North America

North America remains a key strategic priority. The region is undergoing a major structural shift of re-industrialization driving sustained demand for trusted Testing, Inspection and Certification services.

A major milestone this year was the acquisition of ATS, a leading US testing, inspection, calibration and forensics solutions provider with more than 2 000 professionals and 85 advanced facilities serving regulated and high-growth sectors. ATS significantly strengthens our US footprint, enhances our technical depth and expands our reach across attractive end-markets.

Importantly, the acquisition fulfils close to 80% of our objective to at least double North America sales by 2027, compared to 2023, underscoring the region's strategic significance and the momentum behind Strategy 27.

Together, these developments position SGS for strong, long-term growth as North America continues its industrial transformation.

Letter from CEO continued

"2025 was another year of strong execution for SGS. All key actions required to deliver Strategy 27 are now in place, with the impact reflected in record sales, profitability and cash generation."

Building performance, agility and alignment

Strengthening people, performance and agility, one of the core priorities of Strategy 27, remained a key focus in 2025. We embedded a clearer performance culture across the organization, supported by our CHF 150 million efficiency program, which is simplifying structures, improving procurement and driving productivity gains across the Group.

We continued to advance our organizational evolution. We welcomed Damien Rousseau and Fred Yang to the Executive Committee, further strengthening our leadership team. In May, we launched the SGS Business School – Executing Strategy 27. This initiative is designed to empower our senior leaders to accelerate growth and build trust, exploring themes of accountability, performance and challenging the status quo. We also relocated our headquarters to Baar, Switzerland. Our new headquarters provide a more efficient, collaborative and business-friendly environment for our teams.

Our values came to life beyond SGS as well. In 2025, we became the main sponsor of the Swiss rowing team 44west, who won the World's Toughest Row across the Atlantic ocean. Their challenge – demanding trust, teamwork, performance and environmental commitment – reflects the qualities that define SGS's business culture. In addition, through IMPACT NOW for Sustainability and their collaboration with rrreefs, we are helping restore marine biodiversity by rebuilding the coral reef. It is a powerful example of how performance and purpose reinforce one another, and a meaningful source of inspiration for our teams.

Strengthening our financial and ESG profile

We are fully on track toward our 2027 financial and sustainability targets. In 2025, we continued to deliver high growth expanding by 7.3% in constant currency. Organic growth contributed 5.6%, supplemented by 1.7% from scope effect. Adjusted operating income margin on sales of 16% improved by 70 basis points in reported terms, supported by our operating leverage and the successful execution of our operational efficiency plan. The strong profitable growth translated into excellent free cash flow generation of CHF 774 million[1].

At the same time, customer satisfaction remains a focus area of our strategy, and this year we achieved a score of 92%, marking a strong improvement and confirming progress toward our non-financial targets. This performance reinforces trust and reliability, driving retention and long-term sustainable growth in highly regulated markets. Our continued leadership in major ESG ratings reflects our long-standing culture of responsibility, integrity and long-term value creation.

Our role in a changing world

The megatrends shaping the TIC industry continue to intensify – from sustainability and digital transformation to supply chain migration, regulatory complexity and the rapid growth of Artificial Intelligence. These long-term structural drivers align directly with our strengths. Scale matters. It enables global reach, technical excellence and the ability to support customers across entire value chains. As the world's leading TIC company, we will continue consolidating the market where we can create the greatest positive impact.

Above all, we will continue relying on the expertise and dedication of our teams. Their judgement, commitment and passion ensure that trust remains at the center of every SGS service, whether we are helping secure digital ecosystems, strengthen food safety, advance climate goals or support responsible industry growth.

A sincere thank you

A sincere thank you to our more than 100,000 colleagues around the world and to the many new colleagues who joined us this year as part of our growth journey. Your professionalism, resilience and commitment make everything we achieved this year possible.

As we move forward, we will continue to accelerate Strategy 27. With clear priorities and a talented team, we are well positioned to achieve our 2027 objectives and deliver lasting value for all stakeholders.

1. Before HQ disposal.

Meet the leadership team

At SGS, our leadership team brings together diverse expertise, global experience and a shared commitment to excellence. Guided by integrity and innovation, they set the strategic direction that drives sustainable growth and long-term value for all stakeholders.

1 **Teymur Abasov**
Head of Eastern Europe, Middle East & Africa

2 **Malcolm Reid**
Head of Europe

3 **Derick Govender**
Head of North America

4 **Steven Du**
Head of Asia Pacific

5 **Martin Oesch**
Chief Legal Officer

6 **Marta Vlatchkova**
Chief Financial Officer

7 **Egidijus Jokubauskas**
Head of Industries & Environment and Natural Resources

8 **Géraldine Picaud**
Chief Executive Officer

9 **Charles Ly Wa Hoi***
Head of Connectivity & Products and Health & Nutrition

10 **Damien Rousseau**
Head of Business Assurance

11 **David Plaza**
Chief Information Officer

12 **James Roberts**
Chief People Officer

13 **Rafael Navazo**
Head of Latin America

* Until 31 December 2025. Succeeded by Fred Yang.

Our year in review

Pillars of Strategy 27 Fully implemented in 2025

2025

Q1 organic growth of 5.6%

7 acquisitions closed

Aster Global
Stella Operazioni Doganali S.R.L.
RTI
Carpedia Results Not Reports
Hidro Mares
imo Everything Metallurgy
AWA Umwelt GmbH

March

Successful scrip dividend

63.3% uptake shows strong support in Strategy 27.

May

Senior leaders meeting

Ensuring strategic alignment, fostering collaboration and driving the Company's vision and direction.

June

SGS Business School rolled out

All senior leaders participated in a tailored training in collaboration with Ivey Business School.

H1 sales organic growth of 5.3%

3 acquisitions closed in Q2

streamlinecontrol
H2Safety
EFBE Prüftechnik

July

Agreement to acquire ATS in North America

Marking a major milestone in SGS's ambition to more than double sales.

The acquisition was successfully completed in January 2026.

September

Global Sustainability Awards 2025

Best ESG Program.

Record 2025 financial results

CHF 6 945M
Sales

CHF 1 108M
Adjusted Operating Income

CHF 774M
Free Cash Flow[1]

1. Before HQ disposal.

September

Proud sponsor of 44west rowing team

Sharing values of trust, teamwork, performance and sustainability.

Credit: World's Toughest Row

In January 2026, 44west won the World's Toughest Row, an unsupported 4 800 km race across the Atlantic ocean.

October

Launch of SGS Digital Trust framework

A global framework uniting our digital trust services into one structured and consistent offering.

Q3 organic growth of 6.0%

5 acquisitions closed in Q3

Walsh

MPR SERVICES

Fulcrum Robotics

SGS GEOSOL

ECOLOSS

November

New headquarters in Baar, Switzerland

Combining our various corporate offices in Switzerland under one roof and in a central, business-friendly location.

December

Women in business

Géraldine Picaud, named 'Woman of the Year 2025' by WOMEN IN BUSINESS.

FY 2025 sales organic growth of 5.6%

4 acquisitions closed in Q4

QUALITEST

sami

ASC

TRES60

2026

Business overview

2025: A year in action

By combining local knowledge with international scale, we deliver unmatched support to our clients – wherever and whenever needed.

Our end markets

We serve a broad range of major industries, providing world-class expertise to support the evolving needs of our customers. Thanks to our capabilities, we provide innovative solutions to address complex challenges across the globe. Our chosen markets are guided by our ability to be the most competitive and to consistently deliver unequalled expertise.

Testing and Inspection

Industries & Environment
- Environment
- Safety
- Project & Advisory
- Industrial Testing

Natural Resources
- Minerals
- Agriculture
- Oil, Gas, Chemicals

Connectivity & Products
- Connectivity
- Softlines
- Hardlines
- Government Services

Health & Nutrition
- Food
- Pharma
- Cosmetics

Certification

Business Assurance
- Certification
- ESG
- Consulting
- Training

North America

Marcus Maguire
Chief Executive Officer of ATS

“By acquiring ATS, SGS is not only integrating elite technical capabilities and a service-first ethos but also strengthening leadership in North America through their complimentary portfolio.”

13% of total SGS sales

192 locations

5 975 employees

Latin America

Dayane Franca
Commercial Leader, Hidromares

“The acquisition of Hidromares has significantly expanded our reach and service portfolio in the port segment, offering continuous oceanographic monitoring integrated with specialized environmental analyses accredited by ISO 17025.”

9% of total SGS sales

230 locations

17 162 employees

When you need to be sure

Europe

Mohammed Renu
Digital Trust Assurance

"The certification of Brookcourt Solutions as one of the UK's first ISO/IEC 42001 AI Management Systems certificates reinforces responsible AI governance, enhances digital trust and helps set new standards in cybersecurity."

33% of total SGS sales

921 locations

22 163 employees

Eastern Europe, Middle East & Africa

Meera Krishnadas
Food Safety Auditor, Health & Nutrition

"Through advanced testing and worldwide audits, we help airlines elevate food safety and Halal assurance across their global catering networks, ensuring consumer health and trust."

11% of total SGS sales

560 locations

17 088 employees

Asia Pacific

Walter Zheng
Connectivity & Products

"AI-driven thermal runaway testing helps accelerate battery safety certifications addressing the need for internationally accredited safety testing providing safer energy storage solutions."

34% of total SGS sales

553 locations

40 416 employees

Another year of excellent performance

Pillars of Strategy 27 fully implemented

Automated Extraction of Soil Samples for Environmental Analysis, Netherlands

2027 Financial targets	2025 Achievements

Sales Growth

+5-7%

organic growth annually
+ 1-2% acquisitive growth

+5.6%

Adjusted Operating Income

Margin on sales

Improvement of at least

1.5

percentage points

by 2027 vs. 2023 baseline

+1.3 percentage points

Free Cash Flow

After leases and interests

>50%

cash conversion[1] by 2027

57%

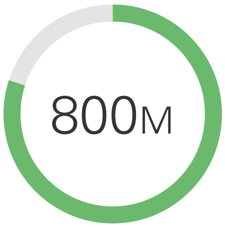
1. Free cash flow before HQ disposal/(Adjusted EBITDA – leases).

2025 marked a decisive acceleration of Strategy 27, with key milestones achieved ahead of schedule. Momentum is building across the organization as we prepare for the next phase to be unveiled at our **Capital Markets Event** which will be planned before the end of year**.** We are setting the course, expanding growth, advancing global trust and redefining the future of our industry.

2027 Financial targets	2025 Proforma[1]

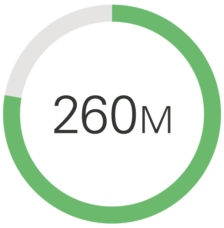
Sustainability Services

At least
CHF 1.0Bn
sales from IMPACT NOW



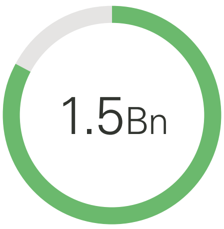
Digital Trust Services

At least
CHF 350M
sales from SGS DIGITAL TRUST



Doubling North America Sales

USD 1.8Bn
sales in North America



1. Including full scope of acquisitions to date.

Environmental Chemistry Analysis, Spain

Strategy 27 continued

Harnessing the trends that define the future

As a global leader with a strong presence across every region, we are positioned to capture major opportunities. Four megatrends provide the foundation for the choices we make and the markets we prioritize. Building on this insight, Strategy 27 translates them into a clear plan of action, accelerating our growth and strengthening our competitive advantage worldwide.

The four TIC industry megatrends

Powerful sustainability transition

Rising demand from ESG regulation and societal expectations.

We enable companies to meet rising consumer expectations by verifying that their products and services meet rigorous sustainability standards, reduce environmental impact, uphold ethical practices, and actively accelerate the global energy transition.

Innovation in digital capabilities & new technologies

Growth is accelerating as digital trust, automation and emerging technologies reshape services and unlock new opportunities.

We help businesses protect their data with robust cybersecurity measures and ensure their AI powered services remain transparent, safe, and compliant as technology evolves.

Nearshoring of supply chains

New opportunities from growing domestic demand and supply chain proximity.

We support companies as they relocate production and sourcing closer to key markets, helping them strengthen resilience, reduce exposure to global disruptions, optimize supply chain performance, and comply with local safety and quality regulations.

Increasing regulation & public awareness

Expanded legislation and growing expectations around health, safety and well-being are fueling structural demand for independent assurance.

We empower consumers and businesses by ensuring products and services are safe, consistently reliable, and backed by transparent information that validate advertised claims.

Strategy 27 at a glance

1 Growth

2 People, performance and agility

3 Strong financial and ESG profile

Accelerating growth, building trust

1 Growth

We are unlocking opportunities across four industry megatrends: the sustainability transition, digital acceleration, supply chain realignment and an increasingly regulated environment.

Priorities

- Sustainability transition
- Digital acceleration
- Portfolio focus

2 People, performance and agility

Our strength lies in our unique network of highly qualified professionals. By creating the right environment, mindset and organization, we enable our people to perform at their best. We foster accountability and performance across the Group.

Priorities

- Accountability, performance and cash flow culture
- Digital acceleration
- Corporate simplification

3 Strong financial and ESG profile

We are focused on value creation through targeted drivers that deliver sustainable performance and attractive returns for shareholders.

Priorities

- Financial targets
- Capital allocation
- Corporate sustainability targets

Strategy 27 continued

1. Growth

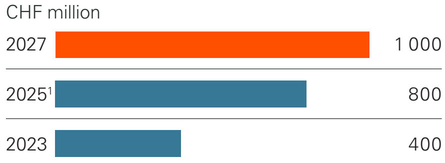
Sustainability transition

2027 TARGET

At least

CHF 600 million

in incremental sales vs. 2023 baseline



1. Including full scope of acquisitions to date.

Sustainability is in our DNA. We deliver deep expertise across the globe and complete life cycle support, from advisory to implementation, providing services organized around four major pillars. Our sustainability impact services and solutions enable you to pinpoint exactly what you need to make your impact now.

Climate – reducing greenhouse gas (GHG) emissions and the energy transition towards net-zero.

Nature – managing environmental risk, including contamination (PFAS, microplastics, etc.), to curb biodiversity loss and ecosystem damage.

Circularity – reducing plastic pollution and enabling circularity through sustainable design, material optimization, recyclability and effective waste management.

ESG assurance – aligning skills and strategy with regulatory and corporate objectives requirements to ensure accountability, accuracy and consistency in ESG disclosures.

Water Sampling and Monitoring, Peru

CASE STUDY

Driving measurable climate impact with BLK & Bold

As part of our IMPACT NOW for sustainability program, we partnered with BLK & Bold Specialty Beverages, the largest independently owned social-impact coffee brand in the US, to help turn purpose into measurable climate action. Through our North American team, we supported carbon footprint measurement, GHG training and decarbonization planning – demonstrating that small businesses can lead on climate change.

Their journey is captured in our four-part video series, BLK & Bold's Journey to Climate Action, which earned a W3 Gold Award for its storytelling and impact. Now being scaled globally under the IMPACT NOW initiative, the campaign shows how collaboration, data and purpose can drive meaningful, measurable change.

1. Growth

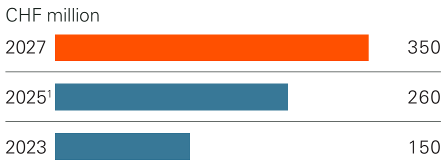
Digital acceleration

2027 TARGET

At least

CHF 200 million

in incremental sales vs. 2023 baseline



1. Including full scope of acquisitions to date.

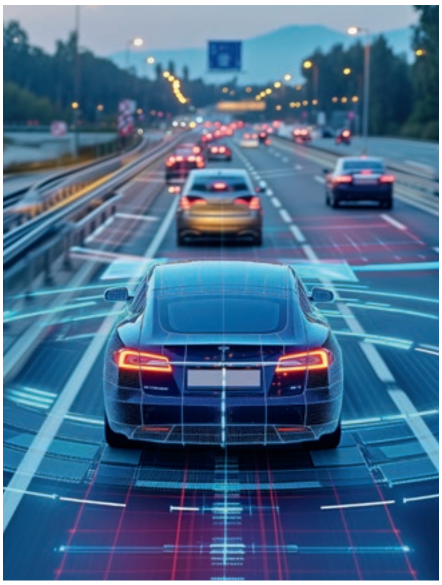
With rapid digital growth and widespread adoption of new technologies, our focus is on building trust through rigorous digital and data integrity services. Our new Digital Trust framework provides the tools our clients need through four distinct pillars.

Connected Products & Technologies – managing multifaceted risks, from secure design and verification to certification and market readiness.

Digital Services & Infrastructure – providing independent validation, testing and assurance for securing OT/IT environments.

Data & Artificial Intelligence – combining global expertise and the pioneering capabilities in AI conformity to help clients establish trust in their AI and data ecosystems.

Organizations & People – offering a comprehensive portfolio that enables organizations to establish and demonstrate digital trust.



CASE STUDY

Strengthening digital trust through our CertX collaboration with NVIDIA

We strengthened our digital trust capabilities through a collaboration between our digital assurance brand, CertX, and the NVIDIA Halos AI Systems Inspection Lab – the first facility of its kind accredited by the ANSI National Accreditation Board. This partnership advances the safety of AI-powered autonomous vehicles by integrating functional safety, cybersecurity and AI assurance.

By joining the NVIDIA Halos ecosystem, we contribute our expertise in digital assurance, cybersecurity and safety certification to help verify and build trust in next-generation AI systems. This collaboration supports our Strategy 27 objective to expand the digital trust business, targeting CHF 200 million in additional revenue by 2027 compared to 2023.

Strategy 27 continued

1. Growth

Portfolio focus

We continue to strategically rebalance our global footprint to unlock high-growth markets and maximize long-term value creation. This proactive approach ensures that we are positioned where demand is strongest to deliver sustainable growth and value to our clients, stakeholders and communities.

19
bolt-on acquisitions closed

5
in early 2026

Expanding our global presence

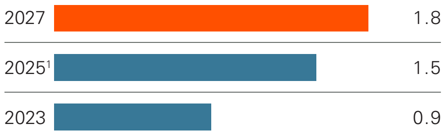
2025 Acquisitions

2027 TARGET

Doubling sales in North America to

USD 1.8 billion

USD billion



1. Including full scope of acquisitions to date.

Hot Tensile Testing, USA

Doubling sales in North America

SGS acquired Applied Technical Services (ATS) in January 2026 following the initial announcement of the agreed transaction in July 2025. ATS is a leading provider of specialized testing, inspection, calibration and forensics solutions in North America. This acquisition represents a significant step toward our ambition to more than double sales in the region by 2027 compared to 2023.

With close to 60 years of history, ATS is a resilient and diversified pure US player with a strong brand and service culture. It delivers solutions and services in regulated and high-growth end-markets such as manufacturing, aerospace & defense, power generation & distribution, and insurance. Powered by a team of 2 100 skilled professionals and a network of 85 state-of-the-art facilities strategically located across the United States, ATS serves a large base of blue-chip clients across a broad range of industries.

The complementarity of our service offerings and customer base opens significant opportunities for cross-selling. This transaction accelerates the execution of Strategy 27 by strengthening our presence in North America. ATS brings exceptional teams with strong integrity, deep expertise and a customer-focused culture. By joining forces in the US, we will drive sustainable growth, create synergies and deliver lasting value for our shareholders.

Applied Technical Services

85
US locations

2 100
employees

16 000
clients

80%
repeat customers

Wind Speed Anemometer Calibration, USA

Strategy 27 continued

2. People, performance and agility

2025 TARGET

CHF 150 million
organizational efficiencies

CHF 150 million
savings run rate reached at the end of 2025

We are a people business built on a unique network of highly qualified professionals. By fostering the right mindset and structure, we drive performance, accountability, and a lean operating model. In 2025, we achieved several key targets, demonstrating strong execution.

SGS Business School

Proud sponsors of 44west: Winners of World's Toughest Row
Credit: World's Toughest Row

Targets achieved ahead of plan

- HQ relocation completed; CHF 100 million Lean Operating Model fully executed
- Cash discipline and accountability implemented
- AOI margin already at 16%; further procurement savings to be accounted for in 2026

3. Strong financial and ESG profile

2027 TARGET

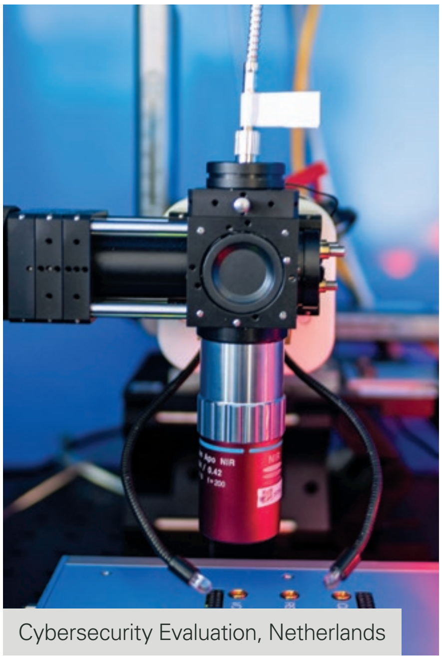
> 50%
cash conversion[1]

57%
cash conversion in 2025

1. Free cash flow before headquarters disposal/(Adjusted EBITDA – leases).

We have defined a strong financial and ESG profile with clear targets and disciplined cash allocation to foster greater trust among investors and other stakeholders.

Cybersecurity Evaluation, Netherlands


Cybersecurity Evaluation, Netherlands

Further improvement delivered

- ✓ Leverage at 1.7x
- ✓ Attractive dividend maintained
- ✓ Continued excellence across ESG criteria

How we create value

Business model

Turning expertise into impact

Megatrends

1 **Powerful sustainability transition**

2 **Innovation in digital capabilities & new technologies**

Resources

People

102 804

dedicated team members

Network of experts

>75%

of workforce with high professional expertise

Laboratories and business facilities

2 456

laboratories and business facilities

Capex

CHF246M

driving operational efficiencies and sustainable growth across network

Energy consumption

97%

renewable electricity

Number of suppliers

>40 000

trusted business partners around the world

When you need **to be sure**

Testing
Lab-based

- Customer need – testing of compliance, quality and safety
- Process – sampling and analysis
- Outcome – test report, post-analysis review
- Value – reduced risk, shorter time to market

Inspection
Lab-based and people-based

- Customer need – inspection of quantity, quality and compliance
- Process – physical or remote site inspection
- Outcome – inspection report, post-analysis review
- Value – meet regulatory requirements across different regions and markets

Certification
People-based

- Customer need – certification to standard
- Process – audit and technical review
- Outcome – issuance of certification documents, ongoing surveillance
- Value – ensures services, systems, process or products meet national or international standards

Our business principles

Integrity

Health & Safety

Stakeholders

Investors | Suppliers | Employees | Subcontractors

3 Nearshoring of supply chains

4 Increasing regulation & public awareness

SGS is the point of reference

- Gold standard solutions provider
- 148 years of history
- Largest number of accreditations
- Largest network for restricted substance testing
- Unique global network to capture supply chain migration
- Leading provider of digital trust services

Respect | Quality & professionalism | Sustainability | Leadership

Value created in 2025

Sales growth

5.6%

organic growth

Sales from sustainability and digital trust services

CHF1 060M

in 2025 proforma sales[1]

Customer satisfaction

92%

ensuring an excellent quality of service

Training hours

7.7M

to employees, clients and communities

Spend on goods and services

CHF2.3Bn

driving laboratory and operating facility enhancements

Reduction in Scope 3 emissions

-16.1%

vs. 2019

1. Including full scope of acquisitions to date.

UN Sustainability Development Goals impacted

Customers | Consumers | Communities | Society

How we create value

End markets

A balanced business mix for sustainable growth

Our business mix is strategically crafted to harness the powerful momentum of today's defining megatrends, driving growth and resilience in a rapidly evolving world.

Testing and Inspection

Industries & Environment	We empower organizations to enhance safety, sustainability and operational efficiency by ensuring the integrity and reliability of equipment and processes. As industries transition toward greener practices, our solutions help organizations create a more sustainable future.
Natural Resources	Our global network of trusted, independent experts provides essential services to the agricultural, mining, oil, gas and chemical sectors, enabling organizations to reduce risks, make informed decisions and advance sustainability goals across their supply chains.
Connectivity & Products	We work with brands, manufacturers, retailers and governments to strengthen the performance, quality, safety, security and sustainability of their products and services. Throughout the supply chain, our expertise helps ensure that consumer products are reliable, trusted and ready to compete in today's global marketplace.
Health & Nutrition	We assure quality, safety and sustainability across the food, pharma and cosmetic industries – supporting our customers in meeting rigorous global standards and enhancing quality of life for consumers worldwide.

Certification

Business Assurance	We have the global expertise and knowledge, and the people, processes and tools to help organizations improve their results, manage risk, comply with regulatory changes, adopt best practice and meet increasingly stringent sustainability and digital trust requirements.

Industries & Environment

Testing and Inspection

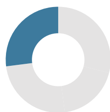
Contribution to overall sales (%)

33%

Facilitating the sustainable energy transition through expert testing, inspection, certification and advisory services.

Our Industries & Environment business drives the sustainable energy transition by offering comprehensive testing, inspection, certification and advisory services, including industrial assurance solutions. Supporting Strategy 27, we are driving sustainability, helping clients adapt to supply chain developments, meet environmental, social and governance (ESG) requirements and comply with evolving regulations. Our innovative services enable our clients to enhance worker and environmental safety, manage operational risks, improve efficiency and strengthen their reputations through decarbonization efforts.

Split of Industries & Environment 2025 sales

End market		Regional focus	Organic growth ambition
Environment		Europe North America	High single-digit
Safety		Europe North America Asia Pacific	Mid single-digit
Project		EEMEA Europe Asia Pacific	Mid to high single-digit
Industrial Testing		Europe North America Asia Pacific	Mid single-digit

Capital allocation priority

CASE STUDY

Airborne eDNA: Revolutionizing Biodiversity Intelligence

SGS is redefining biodiversity assessment with patented airborne eDNA technology. Developed at our Global Biosciences Center in Lisbon, this innovation captures genetic material carried in the air – unlocking a new frontier for ecosystem monitoring. Our drone, vehicle, handheld and backpack samplers process thousands of liters of air per minute. Combined with advanced metagenomics, we turn invisible particles in the air into actionable biodiversity insights – fast, non-invasive and at unprecedented scale.

Already deployed across Europe, our airborne eDNA systems have identified more than 1 000 species for clients in energy, agriculture, forestry and conservation. This innovation supports organizations as they work to meet sustainability targets, comply with emerging nature-related regulations and strengthen ecosystem management.

Airborne eDNA Assessment, Portugal

How we create value
Business portfolio continued

Natural Resources

Testing and Inspection

Contribution to overall sales (%)

24%

Enhancing resource sustainability, safety and productivity through innovative inspection, testing and consultancy services.

Our Natural Resources business provides comprehensive testing, inspection and consulting services across minerals, energy, chemicals and agriculture sectors. In line with Strategy 27, we are focused on enhancing supply chain resilience, supporting informed trade decisions and compliance with sustainability goals. Leveraging advanced technologies like AI, blockchain and robotization, we support clients through laboratory outsourcing, commodities logistics, geochemistry, metallurgy, consulting and market intelligence. Our services help our clients reduce risk, enhance productivity, promote sustainable sourcing practices, and meet quality, safety and environmental standards.

Split of Natural Resources 2025 sales

End market		Regional focus	Organic growth ambition
Minerals		North America Asia Pacific Latin America	Mid to high single-digit
Agriculture		Europe North America	Mid single-digit
Oil, Gas, Chemicals (OGC)		North America EEMEA Latin America	Mid single-digit

Capital allocation priority

CASE STUDY

Advancing carbon removal and critical mineral recovery

We are supporting Exterra Carbon Solutions, a mineral processing technology developer building a scalable process to sustainably extract products from serpentine tailings and which can be adapted to projects across copper, lithium, nickel and other critical minerals. In Canada, we are delivering bench-scale, pilot-plant, and demonstration-plant programs to validate and optimize Exterra's process, which integrates carbon sequestration with the extraction of nickel, cobalt, magnesium and silicate minerals.

This collaboration delivers dual value: reducing environmental footprint through on-site regeneration of reagents, while enabling recovery of critical minerals for the energy transition. By placing innovation at the core of process development, SGS is helping Exterra de-risk its technology, attract investment and accelerate its path toward industrial-scale deployment.

High-Precision Mineral Testing, Canada

Connectivity & Products

Testing and Inspection

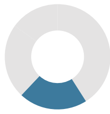
Contribution to overall sales (%)

19%

Driving innovation, safety, performance and secure connectivity through comprehensive testing and certification services.

Our Connectivity & Products business provides a wide range of testing and certification services that simplify regulatory demands, minimize risk and accelerate market access. Supporting clients across industries including automotive, electronics, cybersecurity, hard goods and softlines, we help ensure that products meet the highest standards of safety, performance and regulatory compliance. By leveraging the latest technologies, we drive innovation while maintaining consumer trust in an increasingly connected world. Aligned with Strategy 27, our services reflect our commitment to leadership in cybersecurity and sustainable product development.

Split of Connectivity & Products 2025 sales

End market		Regional focus	Organic growth ambition
Connectivity		Asia Pacific Europe North America	High single-digit
Softlines		Asia Pacific Europe	Mid to high single-digit
Hardlines		Asia Pacific Europe	Mid single-digit
Government Services		North America Asia Pacific	Mid single-digit

Capital allocation priority

CASE STUDY

Achieving a world-first in deep brain stimulator testing

We achieved a major milestone in active implantable medical device (AIMD) testing by supporting Shanghai MED in bringing the first deep brain stimulator (DBS) system to full compliance with ISO 14708-1/-3. The project required proving the safety, reliability and long-term performance of every sub-component, while ensuring compliance with evolving MDR regulations.

Through a fast-turn, customized testing program, we developed bespoke test fixtures and body phantoms, applied a full AIMD testing portfolio and utilized a Qualified Testing Location (QTL) model to optimize resources. The collaboration validated SGS as a trusted global partner in AIMD safety and performance testing, opening new opportunities and setting a benchmark for future neurological implant assessments.

Deep Brain Stimulator (DBS) System Compliance

How we create value
Business portfolio continued

Health & Nutrition

Testing and Inspection

Contribution to overall sales (%)

13%

Supporting the global demand for safe, high-quality food, pharmaceutical and cosmetic products through integrated testing, inspection, certification and advisory services.

Our Health & Nutrition business offers advanced analytical testing, inspection, certification and advisory services to ensure the safety, quality and sustainability of food, pharmaceutical and cosmetic products. Focused on Strategy 27, we aim to lead by expanding our portfolio of innovative testing, clinical research and sustainability services. Our solutions help clients to navigate complex regulations, accelerate product development, and strengthen consumer trust, ensuring their products meet the highest global standards for safety, authenticity and efficacy.

Split of Health & Nutrition 2025 sales

End market		Regional focus	Organic growth ambition
Food		Europe North America Latin America Asia Pacific	Mid to high single-digit
Pharma		Europe North America	Mid single-digit
Cosmetics & Hygiene		Europe North America	Mid single-digit

Capital allocation priority

CASE STUDY

Unveiling breakthrough technology in skin barrier testing

We developed a unique non-invasive imaging technology that measures skin water loss, a direct marker of skin barrier health and visually maps the quality of the skin water barrier. This breakthrough enables cosmetic brands to substantiate claims such as "protects the skin" or "repairs the skin barrier" with clear, scientific evidence.

Our Health & Nutrition specialists adapted the method from an existing hydration measurement device, transforming it into a rapid, visual and non-invasive testing tool that easily integrates into clinical study protocols. Following successful proof-of-concept studies, we officially launched this innovation at Cosmetic 360, the leading global trade show for fragrance and cosmetics, in Paris in October 2025.

Skin Barrier Testing, Germany

Business Assurance

Certification

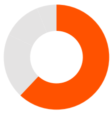
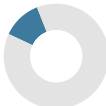
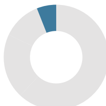
Contribution to overall sales (%)

11%

Helping organizations to thrive by improving performance, managing risk and embedding sustainability and digital trust best practice in daily operations.

Our Business Assurance provides certification and business enhancement solutions that help organizations comply with global standards and regulatory changes, manage risk and achieve sustainability targets. To reach our Strategy 27 goals, we are expanding our service portfolio – from digital trust (cybersecurity and AI) to end-to-end sustainability services, including carbon emissions measurement and ESG disclosures. Together with our knowledge, our people and our processes, we help clients to achieve, certify and confidently communicate their advancements in quality and sustainability, ensuring secure, resilient and responsible operations across industries.

Split of Business Assurance 2025 sales

End market		Regional focus	Organic growth ambition
Certification		Worldwide	Double digit
ESG		Asia Pacific Europe North America	Double digit
Consulting		Europe North America	High single-digit
Training		Asia Pacific Europe North America	High single-digit

Capital allocation priority

CASE STUDY

Building sustainable food practices with The PLEDGE on Food Waste certification

We launched The PLEDGE on Food Waste – a global certification program designed for food service providers to reduce waste, improve operational performance and reinforce sustainability commitments. This service aligns with UN Sustainable Development Goal 12.3 to halve food waste at retail and consumer levels by 2030.

As an accredited certification body, we offer pre-audit gap assessments, tailored onboarding and certification audits that integrate with existing food safety and hygiene systems. Through IMPACT NOW, this initiative expands our sustainability portfolio and empowers clients in hospitality, catering and institutional kitchens to turn environmental ambition into measurable action.

Food Waste Management Audit, UK

Corporate Sustainability

Making a positive, long-lasting impact

We are constantly looking for ways to make Corporate Sustainability part of everything we do. In 2025, we worked on several initiatives that further strengthened our commitments and embedded sustainability even deeper across our organization. Some of the key achievements in 2025 were:

Environment

- Net-Zero Transition Plan in progress with baseline emissions refined and accuracy of Scope 3 emissions improved
- New Corporate Sustainability: Beyond the Fundamentals course to create awareness
- Continued the deployment of Spot the Orange Dot campaign, focused on Scope 3 emissions and how employees can contribute

Social

- SGS Business School rolled out
- New edition of SGS Academy for the Community to provide training to individuals with limited access to education
- Commitment to the UN Global Compact maintained by joining the Business and Human Rights Accelerator and the Human Rights Due Diligence Peer Learning & Networking Group

Governance

- Integration of the double materiality process and the risk management process, in line with our CSRD alignment process
- New Sustainability Supplier Engagement Program to support our suppliers' decarbonization efforts
- New Anti-Corruption and Conflicts of Interest Policy
- Expansion and optimization of the customer satisfaction program

Knowledge without barriers

In a world where opportunity often depends on access, we believe that knowledge should be open to all. Through SGS Academy for the Community, we deliver free, in-person training to disadvantaged groups, helping them gain practical skills in areas such as industry best practices, technical standards and regulatory compliance.

Complementing this, our free educational webinars open the door to thousands worldwide, offering insights on ISO standards, sustainability and emerging trends. These sessions connect experts with learners, fostering understanding and capability across sectors.

By sharing our expertise, we empower communities and stakeholders to build capacity, create opportunities, enhance skills and drive progress together.

In 2025, more than

100 000 hours

of specialized training were delivered **free of charge**.

ESG progress & recognition

With more than 100,000 employees, operations worldwide, an extensive supply chain and services spanning all sectors, we remain determined to make a positive, lasting impact. Ambitious medium-term targets have been set, fully aligned with Strategy 27.

2027 Non-financial targets	2025 Achievements
Responsible business 93% customer satisfaction score by 2027	92%
People At least 1/3 of leadership positions held by women by 2027	32.5%
Education 7M hours of training per year to employees, clients and communities by 2027	7.7M hours
Environment Scope 3 Material progress to reduce our emissions by 28%	-16.1% vs 2019

ESG ratings

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Member of the DJSI World and Europe for the 12th year in a row. Achieved a leadership position in the Professional Services Industry category in S&P Assessment (CSA)
CDP Discloser 2025 A-	A- rating, Leadership position in CDP's highly technical climate change management assessment
SILVER | Top 15% ecovadis Sustainability Rating AUG 2025	Ecovadis silver medal, awarded to the top 15% of evaluated companies

ESG recognitions

World's Most Sustainable Companies	Ranked in top 30 for second year in a row on the TIME's list of World's Most Sustainable Companies
Sustainability AWARDS 2025	Global Sustainability Awards 2025: Best ESG Program
Reuters Events	Shortlisted in the Reuters reporting awards

Corporate governance

Biosafety Testing, UK

This Corporate Governance report informs shareholders, prospective investors and other stakeholders on SGS's policies in matters of corporate governance, such as the structure of the Group, shareholders' rights, the composition, roles and duties of the Board of Directors and its committees and the management, and internal controls and audits.

This report has been prepared in compliance with the Swiss Exchange (SIX) Directive on Information Relating to Corporate Governance of 2 December 2025 (in force since 1 January 2026) and the Swiss Code of Best Practice for Corporate Governance.

The SGS Corporate Governance framework aims to achieve an efficient allocation of resources and clear mechanisms for setting strategies and targets, in order to maximize and protect shareholder value. SGS strives to attain this goal by defining clear and efficient decision-making processes, fostering a climate of performance and accountability among managers and employees alike and aligning employees' remuneration with the long-term interests of shareholders.

1. Group structure and shareholders

1.1. Group structure

1.1.1. Operational group structure

SGS SA, registered in Baar (CH), also referred to as the 'Company,' controls directly or indirectly all entities worldwide belonging to the SGS Group, which provides independent testing, inspection and certification services.

The shares of SGS SA are listed on the SIX Swiss Exchange (Swiss Security Number: 249745; ISIN: CH1256740924).

The Group consists of two divisions: Testing and Inspection (divided into five regions) and Certification (Business Assurance):

- Testing and Inspection
  - Asia Pacific
  - Eastern Europe, Middle East and Africa
  - Europe
  - Latin America
  - North America
- Certification
  - Business Assurance

Two business lines provide support on business development and global accounts to the P&L owners:

- Business lines
  - Industries & Environment and Natural Resources
  - Connectivity & Products and Health & Nutrition
- Functions
  - Finance
  - Human Resources
  - Legal & Compliance
  - Information Technology

1.1.2. Listed companies in the Group

None of the companies under the direct or indirect control of SGS SA have listed shares on any stock exchange.

1.1.3. Non-listed companies in the Group

The material legal entities consolidated within the Group are listed on pages 153 to 154 of the annual report, with details of the share capital, the percentage of shares controlled directly or indirectly by SGS SA and the registered office or principal place of business. The disclosure of significant subsidiaries is limited to entities whose contribution to the Group consolidated financial statements in 2025 represent at least 0.5% of consolidated sales or 1% of consolidated assets as well as the material direct subsidiaries of SGS SA.

This definition of materiality excludes other non-operative entities used solely for the detention of assets.

Details of acquisitions and disposals made by the SGS Group during 2025 are provided in note 10 of the consolidated financial statements included on page 109 of this annual report.

1.2. Significant shareholders

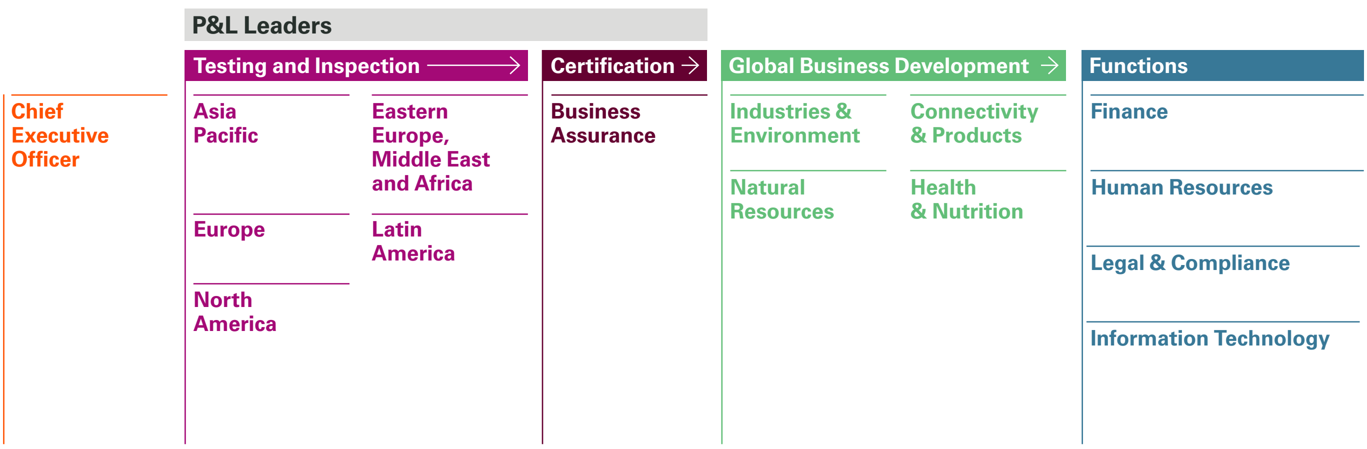
The shareholders owning more than 3% of the Company's share capital as at 31 December 2025, or at the date of their last notification as per Article 120, al. 1 of the Financial Market Infrastructure Act (FinMIA), were Groupe Bruxelles Lambert (acting directly and through Serena SARL, FINPAR IX and FINPAR X), with 14.34% (December 2024: 19.13%) of the share capital and voting rights of the Company, UBS Fund Management (Switzerland) AG, with 6.32% (December 2024: 6.32%), BlackRock Inc., with 5.21% (December 2024: 5.21%) and Swisscanto Fondsleitung AG, with 3.01% (December 2024: below 3%).

During 2025, the Company has published regularly on the electronic platform of the Disclosure Office of the SIX Swiss Exchange Ltd all disclosure notifications received from shareholders of transactions subject to the disclosure obligations of Article 120, al. 1 of FinMIA, and published a total of eight reports regarding the composition of its significant shareholders.

1.3. Cross-shareholdings

Neither SGS SA nor its direct and indirect subsidiaries have any cross-shareholding in any other entity, whether publicly traded or privately held.

A group structure to serve clients locally and globally



2. Capital structure

2.1. Issued share capital

The share capital of SGS SA amounts to CHF 7 791 091 as of 31 December 2025 and comprises 194 777 282 fully paid-in, registered shares of a par value of CHF 0.04. On 31 December 2025, SGS SA held 1 654 005 treasury shares (2024: 609 870) representing 0.849% of the share capital of the Company (December 2024: 0.32%).

2.2. Conditional share capital

SGS SA has conditionally increased its share capital by a nominal amount of CHF 1 100 000 divided into 27 500 000 registered shares with a par value of CHF 0.04 each. This conditional share capital increase is intended to obtain the shares necessary to meet the Company's obligations with respect to employee equity-based remuneration plans and option or conversion rights of convertible bonds or similar equity-linked instruments that the Board is authorized to issue. If increased by the maximum amount of the conditional share capital, the existing share capital of 194 777 282 shares would increase by approximately 14.1% to 222 277 282 shares. The conditional capital is not limited in time.

The right to subscribe to such conditional capital is reserved to beneficiaries of employee share option plans and holders of convertible bonds or similar debt instruments and therefore excludes shareholders' preferential rights of subscription. The Board is authorized to determine the timing and conditions of such issues, provided that they reflect prevailing market conditions.

The term of exercise of the options or conversion rights may not exceed 10 years from the date of issuance of the equity-linked instruments.

Until 23 March 2023, the Company had an authorized share capital of CHF 500 000 which was not renewed beyond this term.

2.3. Changes in capital

In 2025, the share capital of the Company was increased to create dividend shares for distribution of the share dividend to eligible shareholders. In 2025, the shareholders approved an increase of the share capital by creation of 5 274 023 shares (corresponding to 2.7% of the share capital).

In 2024, the shareholders approved an increase of the share capital by creation of 4 964 934 shares (corresponding to 2.6% of the share capital) as well as a reduction of the share capital by cancellation of 2 837 475 shares (corresponding to 1.5% of the share capital). In 2023, the nominal value of the registered shares of the Company was divided by a factor of 25; consequently, the number of shares in issue was multiplied by 25, while the share capital remained unchanged. No other changes in the share capital of the Company have been made in the course of the last three years.

2.4. Shares and participation certificates

All shares, other than treasury shares held by SGS SA, have equal rights to the dividends declared by the Company and have equal voting rights. Treasury shares owned directly or indirectly by the Company do not earn dividends. The Company has not issued any participation certificates (bons de participation/Partizipationsscheine) and no preferential rights have been granted to any shareholder.

2.5. Dividend-right certificates

The Company has not issued any dividend-right certificates.

2.6. Limitations on transferability and admissibility of nominee registrations

SGS SA does not limit the transferability of its shares. The registration of shares held by nominees is not permitted by the Company's articles of association, except by special resolution of the Board of Directors. By decision of the Board, the Company's shares can be registered in the name of a nominee acting in a fiduciary capacity for an undisclosed principal, provided, however, that shares registered in the names of nominees or fiduciaries may not exercise voting rights above a limit of 5% of the aggregate share capital of the Company.

2.7. Convertible bonds and warrants/options

No convertible bonds have been issued by the Company or by any entity under its direct or indirect control. In 2025, options have been issued by the Company to the Executive Committee (see details on page 80 of the Remuneration report).

3. Board of Directors

3.1. Members of the Board of Directors

This section presents the members of the Board of Directors of the Company with their functions in the Group, their professional backgrounds and all their material positions held outside the Group in governing and supervisory boards, management and consultancy functions, official tenures and political commitments, both in Switzerland and abroad.

The Board of Directors is the highest governing body within the Group. It is the ultimate decision-making authority except for those decisions reserved by law for the Annual General Meeting.

The Board of Directors has set out criteria for the selection of new Directors and has conducted a search which results in periodic changes to the composition of the Board of Directors. The aim of this exercise is to ensure that the Board is continuously in a position to provide leadership, strategic oversight and guidance, and contribute to setting ambitious targets for the Group and meeting long-term value creation objectives.

The competencies sought by the Group for its Board of Directors include experience of senior executive leadership in international businesses, strategic planning, finance, technology and innovation.

When selecting candidates for the Board of Directors, the Company has due regard to the experience, professional qualifications, areas of expertise, age, gender and national background as well as leadership style, so that at all times, the Board and its committees have the required skills.

At the Annual Shareholders Meeting of March 2025, Géraldine Picaud and Patrick Kron were elected as new members of the Board of Directors. Jens Riedl did not stand for re-election. All other members were re-elected for a term of office of one year.

Biographical information on former members of the Board of Directors is available in the Corporate Governance reports of prior years.

The members of the Board of Directors as at 31 December 2025 were as follows:

Board member key industry experience:

	Industrials	Consumer discretionary	Consumer staples	Healthcare	Financials	Digital Tech; Cyber & AI	Communication services
Calvin Grieder	✓		✓			✓	✓
Sami Atiya	✓			✓		✓	
Phyllis Ka Yan Cheung		✓					✓
Ian Gallienne		✓			✓		
Tobias Hartmann		✓				✓	
Patrick Kron	✓				✓		
Géraldine Picaud	✓	✓			✓		
Kory Sorenson					✓		
Janet Vergis		✓		✓			

Calvin Grieder

Nationality: Swiss
Year of birth: 1955
Appointment: March 2019

Function in SGS

- Chair: Board of Directors
- Chair: Nomination Committee
- Sustainability Committee

Key experience

- Automation and control technology
- Food processing
- Risk management
- System engineering and services
- Telecom and digital services

Professional history

- 2001-2016: Bühler, CEO
- 1999-2000: Swisscom
- 1994-1998: SIG
- 1991-1994: Mikron
- 1984-1990: Bürkert
- 1980-1983: Georg Fischer

Education

- Master of Science in Process Engineering, ETH Zurich
- Advanced Management Program (AMP), Harvard University

Other activities and functions

- Givaudan* (CH), Chairman of the Board
- Bühler Group (CH), Chairman of the Board
- Carivel7 AG (CH), Owner
- Eraneos Group (CH), Chairman of the Board
- Avenir Suisse (CH), Member of the Board of Trustees
- Advisory Board ETH – Department of Mechanical & Process Engineering (CH)

Sami Atiya

Nationality: German
Year of birth: 1964
Appointment: March 2020

Function in SGS

- Board of Directors
- Nomination Committee
- Chair: Remuneration Committee

Key experience

- Robotics
- Automation
- Medical technology
- Risk management
- Software and logistics
- Transportation

Professional history

- 2016-present: ABB Ltd, President Robotics & Discrete Automation
- 1997-2014: Siemens Group
- 1995-1997: Harald Balzer & Partner
- 1994-1995: Robert Bosch – Blaupunkt
- 1988-1993: Fraunhofer Institute Karlsruhe Institute of Technology

Education

- Master of Business Administration (MBA), Massachusetts Institute of Technology (MIT), USA
- Master's degree in electrical engineering and automation, Karlsruhe Institute of Technology, Germany
- PhD in Electrical Engineering (Robotics, Artificial Intelligence and Sensors), University of Wuppertal/Karlsruhe Institute for Technology, Germany

Other activities and functions

- PSA International Singapore, Member of the AI Council

Phyllis Ka Yan Cheung

Nationality: Chinese
Year of birth: 1970
Appointment: March 2022

Function in SGS

- Board of Directors
- Sustainability Committee

Key experience

- Change management
- Digital and data-driven organization
- Enterprise-level risk management
- Growth in Asian markets
- Retail and consumption
- Talent and workforce management

Professional history

- 2015-present: McDonald's China, CEO
- 2012-2014: McDonald's Singapore and Malaysia
- 2000-2011: McDonald's China
- 1998-2000: Leo Burnett
- 1997-1998: Momentum Strategy Consultant
- 1992-1997: Saatchi & Saatchi, J. Walter Thompson

Education

- Bachelor of Arts, The University of Hong Kong, China
- Executive MBA, The Chinese University of Hong Kong, China

Other activities and functions

- Fellow, Aspen China Fellowship (CN)
- Member, Aspen Global Leadership Network (CN)

* Listed company.

Ian Gallienne

Nationality: French, Belgian
Year of birth: 1971
Appointment: March 2013

Function in SGS

- Board of Directors
- Nomination Committee (until March 2025)

Key experience

- Consumer/retail management strategy
- Finance
- M&A
- Risk management

Professional history

- 2012-May 2025: Groupe Bruxelles Lambert, CEO
- 2005-2012: Ergon Capital Partners
- 1998-2005: Rhône Capital LLC

Education

- MBA from INSEAD, France

Other activities and functions

- adidas* (DE), Member of the Supervisory Board
- Imerys* (FR), Member of the Board, Chairman of the Strategic Committee
- Pernod Ricard* (FR), Member of the Board, Member of the Strategic Committee, Member of the Remuneration Committee
- Carpar SA (BE), Member of the Board
- Compagnie Nationale à Portefeuille SA (BE), Member of the Board
- Financière De La Sambre SA (BE), Member of the Board
- Société Civile du Château Cheval Blanc (FR), Member of the Board
- FG Bros (BE), Chairman of the Board
- Groupe Bruxelles Lambert (BE), Chairman of the Board

Tobias Hartmann

Nationality: German, American
Year of birth: 1972
Appointment: March 2020

Function in SGS

- Board of Directors
- Audit Committee

Key experience

- Cybersecurity
- eCommerce and marketplaces
- IT
- Logistics and operations
- Retail
- Risk management
- Technology

Professional history

- 2018-2025: Scout24 SE, CEO
- 2017-2018: HelloFresh SE
- 2011-2015: eBay Enterprise (part of eBay Inc.)

Education

- MBA, Clark University, USA
- Bachelor of Arts (BA), Clark University, USA

Other activities and functions

- Chrono24 (DE), Chairman of the Advisory Board

Patrick Kron

Nationality: French
Year of birth: 1953
Appointment: March 2025

Function in SGS

- Board of Directors
- Remuneration Committee
- Nomination Committee

Key experience

- Strategy
- General management
- M&A
- Board governance
- Risk management

Professional history

- 2016-2024: Truffle Capital, President
- 2003-2016: Alstom
- 1998-2002: Imerys
- 1993-1997: Pechiney Group

Education

- Ecole Polytechnique, France
- Paris Ecole des Mines, France

Other activities and functions

- Imerys* (FR), Chair of the Board of Directors
- Sanofi* (FR), Member of the Board of Directors (until April 2026)
- Viohalco* (BE), Member of the Board of Directors
- Segula Technologies (FR), Member of the Supervisory Board

* Listed company.

Géraldine Picaud

Nationality: French
Year of birth: 1970
Appointment: March 2025

Function in SGS

- Board of Directors
- Chief Executive Officer

Key experience

- Strategy
- Business transformation
- General management
- Finance
- M&A
- Risk management
- IT and digitalization
- Procurement
- Audit and control

Professional history

- 2023-present: SGS, CEO
- 2018-2023: Holcim, Group Chief Financial Officer and member of the Executive Committee
- 2011-2018: Essilor International, Group Chief Financial Officer and member of the Executive Committee

Education

- MBA from Ecole Supérieure de Commerce de Reims, France

Other activities and functions

- Danone* (FR), Member of the Board of Directors and Chair of the Audit Committee
- Conseillère du Commerce Extérieur de la France (CCEF)

Kory Sorenson

Nationality: British
Year of birth: 1968
Appointment: March 2019

Function in SGS

- Board of Directors
- Remuneration Committee
- Chair: Audit Committee
- Chair: Sustainability Committee

Key experience

- Audit and control
- Capital markets
- Financial risk management
- Governance
- M&A
- Remuneration

Professional history

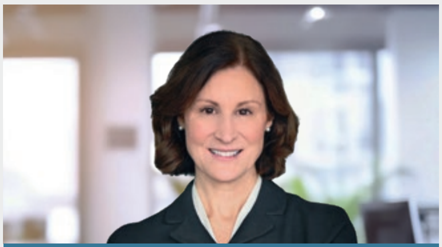
- 2005-2010: Barclays Capital, Managing Director
- 2001-2005: Credit Suisse
- 1998-2001: Lehman Brothers
- 1997-1998: Morgan Stanley
- 1995-1997: Commerz Financial Products
- 1992-1995: Total SA

Education

- DESS in corporate finance and the international capital markets, l'Institut d'études politiques de Paris, France
- Master's in applied economics, University of Paris-Dauphine, France
- Bachelor's in econometrics and political science, American University, USA
- Harvard Executive Education, Making Boards More Effective
- INSEAD, Leading from the Chair
- Stanford Graduate School of Business Leadership Programme
- Oxford Artificial Intelligence Programme
- Professional certificate IBM Cybersecurity Fundamentals

Other activities and functions

- Pernod Ricard* (FR), Member of the Board and Chair of the Remuneration Committee, Member of the Audit Committee
- Bank Gutmann (AU), privately owned, Member of the Supervisory Board
- AA Limited, Jersey (UK), Member of the Board and Chair of Audit and Risk Committee
- Premium Credit Limited (UK), Member of the Board and Chair of Audit and Risk Committee



Janet Vergis

Nationality: American
Year of birth: 1964
Appointment: March 2021

Function in SGS

- Board of Directors
- Audit Committee
- Nomination Committee

Key experience

- Healthcare (pharmaceuticals, biotechnology and device)
- US leadership across large, complex and heavily regulated businesses
- R&D background
- Board governance
- CPG knowledge
- M&A
- Strategy

Professional history

- 2013-2019: various private equity firms
- 2010-2012: OraPharma, Inc.
- 1988-2009: Johnson & Johnson

Education

- Bachelor of Science in Biology, Pennsylvania State University, USA
- Master of Science in Physiology, Pennsylvania State University, USA

Other activities and functions

- Teva Pharmaceutical Industries* (USA), Member of the Board, Chair of Compliance Committee Member of the Human Resources/Compensation Committee, Member of the Nominating and Governance Committee
- Dentsply Sirona* (USA), Member of the Board, Chair of the Science & Technology Committee, Member of the Compensation Committee
- Church and Dwight Company* (USA), Member of the Board, Chair of the Nomination and Governance Committee, Member of the Compensation and Human Capital Committee, Member of the Executive Committee

* Listed company.

The Board of Directors considers the following criteria to assess the independence of its members:

1. The Director must not have been employed by the Company in an executive capacity within the last five years
2. No family member of the Director is employed or was employed during the past three years by the Group in any management capacity
3. Neither the Director nor a family member are receiving any material payments from the Group other than board remuneration approved by the Annual General Meeting
4. The Director is not acting (and must not be affiliated with a company that is acting in material manner) as an advisor or consultant to the Company or a member of the Company's Executive Committee
5. The Director must not be affiliated with a significant customer or supplier of the Company
6. The Director must have no professional services contract(s) with the Company or a member of the Company's Executive Committee
7. The Director must not be affiliated with a not-for-profit entity that receives significant contributions from the Company
8. The Director must not have been a partner or employee of the Company's external auditor during the past three years
9. The Director must not have any other conflict of interest that the Board determines to mean they cannot be considered independent
10. Any Director who has served for more than 12 consecutive terms is no longer considered as independent

The Board of Directors has concluded that its members are independent on the basis of these criteria, with the exception of Ian Gallienne (being a representative of a significant shareholder owning more than 10% of the shares of the Company) and Géraldine Picaud (acting CEO).

Except for Géraldine Picaud, none of the members of the Board of Directors exercise or have exercised an executive role or operational management tasks for the Company or any entity of the Group. None has any significant business connection with the Company or the Group.

The remuneration of the members of the Board of Directors is detailed in the Remuneration report. The Chair of the Board, jointly with members of the Board of Directors, assesses periodically the performance of the Board as a whole, of its committees and of each of its individual members.

On the basis of this periodic assessment, changes to the composition of the Board membership are regularly proposed to the Company's Annual General Meeting.

This periodic performance evaluation is designed to ensure that the Board is always in a position to provide an effective oversight and leadership role to the Group.

3.2. Other activities and vested interests

Other activities and vested interests of the members of the Board of Directors are indicated in Section 3.1.

3.3. Limits on external mandates

The Company's articles of association limit the number of mandates permissible to members of the Board.

These rules limit the number of mandates that members of the Board can accept to no more than 10 mandates as members of the top governing or administrative body in entities outside the Group, of which a maximum of five as member of the top governing or administrative body of listed companies. Mandates assumed at the request of a controlling entity do not count towards the maxima defined in the articles of association.

In addition, the articles of association limit to 10, the permissible participations in boards of association, foundations and other non-profit organizations.

All members of the Board have confirmed compliance with these rules.

3.4. Elections and terms of office

The articles of association of SGS SA provide that each member of the Board of Directors, and among them the Chair of the Board of Directors and the members of the Remuneration Committee, is elected annually by the shareholders for a period ending at the next Annual General Meeting. Each member of the Board of Directors is individually elected. There is no limit to the number of terms a Director may serve. The initial date of appointment of each member of the Board is indicated in Section 3.1.

3.5. Internal organizational structure

The duties of the Board of Directors and its committees are defined in the Company's articles of association and in its internal regulations, which are reviewed periodically. They set out all matters for which a decision by the Board of Directors is required.

In addition to the decisions required by Swiss Company law, the Board of Directors approves the Group's key business policies, investments, acquisitions, disposals and commitments in excess of delegated limits.

3.5.1. Allocation of tasks within the Board of Directors

The Chair of the Board of Directors is elected by the Annual General Meeting. He or she plans and chairs the board meetings, defines the agenda of the meetings and conducts the deliberations of the Board of Directors. All members of the Board of Directors participate in deliberations of the Board and participate equally in its decisions.

Within the limits permitted by law or by the articles of association, the Board of Directors can decide to delegate certain of its tasks to standing or ad-hoc committees. With the exception of the members of the Remuneration Committee, who are elected by the shareholders, the members of the committees are appointed by the Board of Directors.

3.5.2. Committee composition

The following chart describes the committees and their membership as at 31 December 2025:

	Remuneration	Audit	Sustainability	Nomination
Calvin Grieder			Member	Chair
Sami Atiya	Chair			Member
Phyllis Ka Yan Cheung			Member	
Ian Gallienne	Member			Member
Tobias Hartmann		Member		
Patrick Kron	Member			Member
Géraldine Picaud				
Kory Sorenson	Member	Chair	Chair	
Janet Vergis		Member		Member

Chair Member

The Chair of the Board of Directors attends the meetings of the Remuneration and Audit Committee with a consultative vote. He chairs the Nomination Committee and is a member of the Sustainability Committee. Each committee acts within terms of reference established by the Board of Directors and set out in the internal regulations of the Company. The minutes of the committee meetings are available to all Directors.

Remuneration Committee

Members of the Remuneration Committee are elected individually by the Annual General Meeting, with the Chair of the Committee designated among them by the Board of Directors. The Remuneration Committee is focused on matters of executive remuneration. The Remuneration Committee acts in part in an advisory capacity to the Board of Directors, and in part as a decision-making body on matters that the Board of Directors has delegated to the Committee. The Committee advises the Board of Directors on matters regarding the remuneration of the members of the Board of Directors and the Executive Committee, and on general policies relating to remuneration applicable to the Group. The Committee defines the conditions of share-based remuneration plans and other variable compensation plans, issued from time to time by the Company. The Committee reviews and approves the contractual terms of the employment of the Chief Executive Officer and the other members of the Executive Committee. The Committee reviews regularly, at least once a year, the compensation of each member of the Executive Committee. The Committee oversees the preparation of the SGS Remuneration report.

Audit Committee

The Audit Committee supports the Board of Directors in discharging its duties in relation to financial reporting covering non-financial matters, risks, compliance and internal controls. Such duties include consideration of the appropriateness of accounting policies, the adequacy of internal controls, risk management and legal and regulatory compliance. It exercises oversight over the major risks identified by the Board of Directors. The Audit Committee is also responsible for the supervision of the internal and external auditors of the Group, each of which provides regular reports to the Committee on findings arising from their work. The Committee reports regularly to the Board of Directors on its findings.

Sustainability Committee

The Sustainability Committee plays an important role in supporting the Company to develop its sustainability plans and act accordingly and it assists the Board of Directors in fulfilling its responsibilities with respect to the impact of the Group activities on the environment and the communities in which it operates. The Committee also provides support and advice in the development of new sustainability services directed to customers.

The Committee oversees sustainability-related issues that may affect the Group and its customers, including reputational and non-financial risks.

Nomination Committee

The Nomination Committee assists the Board in the succession planning and selection and nomination of candidates for positions to the Board of Directors and the Executive Committee of the Group.

The Board of Directors and its committees hold physical meetings as well as meetings by video conference. The table below does not make any distinction between physical and remote meetings of the Board of Directors and its committees.

Meetings of	Annual frequency	Average duration
Board of Directors	5 times	4 hours
Remuneration Committee	3 times	2 hours
Audit Committee	4 times	2 hours
Sustainability Committee	4 times	2 hours
Nomination Committee	3 times	2 hours

Attendance at board and committee meetings

The Board of Directors expects its members to attend and participate actively in its meetings and the meetings of its committees and has set a minimum target of attendance at 75% of meetings. The chart below summarizes the attendance by each Board member in 2025 at the meetings of the Board and the respective standing committees.

Member	Board meetings	Remuneration	Audit	Sustainability	Nomination
Calvin Grieder	5/5			4/4	3/3
Sami Atiya	5/5	3/3			3/3
Phyllis Ka Yan Cheung	5/5			4/4	
Ian Gallienne[1]	5/5	1/1			0/1
Tobias Hartmann	5/5		4/4		
Kory Sorenson	5/5	3/3	4/4	4/4	
Janet Vergis	5/5		4/4		3/3
Patrick Kron[2]	3/3	2/2			2/2
Géraldine Picaud[2]	3/3				
Jens Riedl[3]	2/2				

1. Ian Gallienne was excused from the Nomination Committee on 25 March 2025.
2. Elected to the Board in March 2025.
3. Did not stand for re-election in 2025.

3.5.3. Working methods of the Board and its committees

The Board of Directors and each committee hold regularly scheduled meetings with additional meetings convened as and when required, either in person or by video conference. The Board of Directors and the committees may pass resolutions by written consent. Each board member has the right to request that a meeting be held or that an item for discussion and decision be included in the agenda of a meeting.

Board and committee members receive supporting documentation in advance of the meetings and are entitled to request further information from management in order to assist them to prepare for the meetings.

The Board of Directors and each of the committees can request the attendance of members of the management of the Group. They are also authorized to retain external professional advisors to assist them in matters within their sphere of responsibility.

For resolutions to be adopted, a majority vote of the members of the Board of Directors or committee is required, with the Chair having the casting vote.

The Board of Directors and its committees convene as often as required. In principle, the Board of Directors meets at least four times a year, i.e. once every quarter. The Board committees meet at least two times a year.

3.6. Areas of responsibility

The Board of Directors is responsible for the ultimate direction of the Group. The Board discharges all duties and responsibilities that are attributed to it by law. In particular, the Board:

- Leads and oversees the conduct, management and supervision of the Group
- Determines the organization of the Group
- Assesses risks facing the business and reviews risk management and mitigation policies
- Appoints and removes the Group's Chief Executive Officer and other members of the Executive Committee
- Defines the Group's accounting and control principles
- Decides on major acquisitions, investments and disposals
- Approves the Group's strategy, financial statements and annual budgets
- Prepares the General Meetings of Shareholders and implements shareholders' resolutions
- Notifies the judicial authorities in the event of insolvency of the Company, as required by Swiss law

Save as provided for in the Company's internal regulations or otherwise mandated by law or by the Company's articles of association, the management of the Group is delegated to the Chief Executive Officer, assisted in this task by the Executive Committee. The Chief Executive Officer exercises the executive authority and assumes global management responsibility of the Group. In the event of uncertainty on a particular issue regarding the separation of responsibility between the Board of Directors and management, the final decision is taken by the Chair of the Board.

The Chair of the Board is regularly informed of the activities of the Executive Committee by the Chief Executive Officer, the Chief Financial Officer and the Chief Legal Officer.

The Executive Committee is chaired by the Chief Executive Officer and consists of those individuals entrusted with the operational management of the Group's activities.

The composition, role and organization of the Executive Committee are detailed in Section 4.

3.7. Information and control instruments vis-à-vis the management

3.7.1. Responsibility of the Board

The Board of Directors has ultimate responsibility for the system of internal controls established and maintained by the Group and for periodically reviewing its effectiveness. Internal controls are intended to provide reasonable assurance against financial misstatement and/or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information and compliance with relevant legislation, regulation and industry practice.

3.7.2. Governance framework

The Group has an established governance framework, which is designed to oversee its operations and assist the Company in achieving its objectives. The main principles of this framework include the definition of the role of the Board and its committees, an organizational structure with documented Group delegated authorities from the Board to management, and procedures for the approval of major investments, acquisitions and other capital allocations.

The Chief Executive Officer and the Chief Legal Officer attend all meetings of the Board of Directors and its committees. The Chief Financial Officer attends the meetings of the Board of Directors and the Audit Committee.

The Chief People Officer attends the meetings of the Remuneration Committee and Nomination Committee.

The other members of the Executive Committee and further members of the management only participate in the Board and committee meetings by invitation. The Board and each of its committees meet from time to time in private sessions, outside of the presence of management.

3.7.3. Information to the Board

The Board of Directors is regularly updated about the operational and financial results of the Group through monthly management reports detailing the performance of the Group and its business lines.

During each Board meeting, the Chief Executive Officer and the Chief Financial Officer present a report on the operations and financial results, with an analysis of deviations from prior year and from current financial targets.

During Board meetings, the Board is updated on important issues facing the Group.

During Board meetings or committee meetings, Board members can request any information concerning the Group. The Board periodically reviews and monitors past acquisitions and large investments as well as the implementation of related group strategies.

The Group has a dedicated Internal Audit function reporting to the Chair of the Audit Committee, which assesses the effectiveness and appropriateness of the Group's internal controls and risk management. The Audit Committee approves the annual audit plan of Internal Audit, receives its reports and deliberates on audit findings. It is also updated on the implementation of corrective actions identified by Internal Audit.

3.7.4. Ethics and Compliance

The Group has a Compliance & Business Ethics function, headed by the Chief Legal Officer, who reports to the Audit Committee and the Board of Directors and has direct access to the Chair of the Board.

The Compliance & Business Ethics function is responsible for upholding the Company's Business Principles, Code of Integrity and other relevant policies and procedures governing compliant and ethical business conduct. It ensures the implementation of the compliance management system with the goal of ensuring that the highest standards of integrity are applied across the Group's activities worldwide in accordance with international best practices.

The Audit Committee is informed on a regular basis about violations of compliance standards and the implementation of corrective actions. It supports the Board in ensuring compliance with legal and regulatory requirements. Its responsibilities include reviewing any instances of fraud, whether material or not, involving management or employees with significant roles in the Group's internal controls as well as major litigation and or material legal matters involving the Company or the Group.

Both the Board and Executive Committee members have a deep understanding of the SGS Compliance framework and are fully committed to conducting and promoting SGS's business in a lawful, ethical and sustainable manner. The Chief Legal Officer and the Head of Compliance & Business Ethics bring extensive experience and expertise in business ethics and compliance to support this governance framework.

3.7.5. Risk assessment

The Board conducts on a yearly basis an assessment of the risks facing the Group. This process is conducted with the active participation and input of management and the Group Risk Committee. Once identified, risks are assessed according to their likelihood, potential impact and mitigation.

The Board deliberates on the adequacy of measures in place to mitigate and manage risks and assigns responsibility to designated managers for implementation of such measures. As part of this process, the ownership of and accountability for identified risks are approved by the Board.

The risks identified and monitored by the Board fall broadly into three categories: first, environment risk, which includes circumstances outside the Group's direct sphere of influence, such as competition and economic or political landscape; second, process risks that include risks linked to the operations of the business, the management of the Group and the integrity of its reputation in the marketplace; and third, risks associated with information and decision making.

For each of the risk categories and within these categories, for each significant risk identified, the Board deliberates on proposed mitigation, risk avoidance or risk transfer measures and approves action plans designed to control such risks.

4. Executive Committee

The management of the Group is entrusted to the Chief Executive Officer and the Executive Committee.

The Executive Committee is composed of 13 members:

- The Chief Executive Officer
- Six P&L leaders responsible for the five regions of the Testing & Inspection division and the Certification division
- Two heads of global business development
- Four members responsible for global functions

Géraldine Picaud
Chief Executive Officer

Nationality: French
Year of birth: 1970
Joined SGS: 2023

Education
- Master of Business Administration

Previous responsibilities
- 2018-2023: Holcim, Group Chief Financial Officer and member of the Executive Committee
- 2011-2018: Essilor International, Group Chief Financial Officer and member of the Executive Committee

Other activities and vested interests
- Member of the Board of Directors and Chair of the Audit Committee of Danone SA, France

1. Steven Du
Head of Asia Pacific

Nationality: Chinese
Year of birth: 1972
Joined SGS: 1999

Education
- MSc Logistics & Supply Chain Management

Previous responsibilities
- 2021-2024: SGS, COO of North-East Asia Pacific
- 2019-2021: SGS, Managing Director of Mainland China and Hong Kong SAR

2. Malcolm Reid
Head of Europe

Nationality: British
Year of birth: 1963
Joined SGS: 1987

Education
- BSc Chemistry

Previous responsibilities
- 2015-2024: SGS, COO of South-East Asia Pacific
- 2012-2015: SGS, EVP of Consumer Testing Services

3. Teymur Abasov
Head of Eastern Europe, Middle East and Africa

Nationality: Azerbaijani
Year of birth: 1972
Joined SGS: 1994

Education
- Master's Degree in Electrical Engineering

Previous responsibilities
- 2007-2024: SGS, COO of Eastern Europe & Middle East
- 2006-2007: SGS, Managing Director

4. Rafael Navazo
Head of Latin America

Nationality: Spanish
Year of birth: 1977
Joined SGS: 2024

Education
- MSc in Management
- Mining Engineer degree

Previous responsibilities
- 2020-2024: Vesuvius, Vice President of EMEA Flow Control
- 2016-2019: Imerys, GM and VP of EMEA & Asia Filtration division

5. Derick Govender
Head of North America

Nationality: South African
Year of birth: 1970
Joined SGS: 2002

Education
- Analytical Chemistry and Management Degrees

Previous responsibilities
- 2020-2024: SGS, EVP of Natural Resources
- 2015-2020: SGS, EVP of Minerals Services

6. Damien Rousseau
Head of Business Assurance

Nationality: French
Year of birth: 1973
Joined SGS: 2024

Education
- Master's degree in Finance and Management

Previous responsibilities
- 2024-2025: SGS, Head of Central and Eastern Europe & SGS Digital Ventures
- 2020-2024: Holcim, Head of Eastern Europe

7. Egidijus Jokubauskas
Head of Industries & Environment and Natural Resources

Nationality: Lithuanian
Year of birth: 1971
Joined SGS: 2006

Education
- Master's degree in Marine Transport Technologies
- Engineering degree in Marine Power Installations

Previous responsibilities
- 2021-2024: SGS, VP of Mineral Commodities
- 2015-2021: SGS, VP of Energy Minerals

8. Fred Yang
Head of Connectivity & Products
(As of 1 January 2026)

Nationality: American
Year of birth: 1975
Joined SGS: 2023

Education
- Bachelor degree in Telecommunication

Previous responsibilities
- 2023-2025 SGS, Global Head of Connectivity
- 2019-2023 Eurofins, VP of Global wireless/ VP of APAC E&E

9. David Plaza
Chief Information Officer

Nationality: Spanish
Year of birth: 1975
Joined SGS: 2020

Education
- IT Engineer – graduated in Sport Science

Previous responsibilities
- 2018-2020: Adecco Group, Regional IT Head South Europe & EEMENA
- 2012-2018: Adecco Group, SVP IT

10. James Roberts
Chief People Officer

Nationality: British
Year of birth: 1971
Joined SGS: 2024

Education
- MSc in Organisation Development
- BA in Business Studies

Previous responsibilities
- 2017-2024: Holcim UK, HR Director
- 2008-2016: Alstom Power/GE (Switzerland), VP HR of Energy Services

11. Marta Vlatchkova
Chief Financial Officer

Nationality: French/Bulgarian
Year of birth: 1977
Joined SGS: 2024

Education
- Master's degree in Finance
- Bachelor's degree in International Economic Relations

Previous responsibilities
- 2023-2024: Sandoz, Chief Accounting Officer
- 2018-2023: Holcim, Head of Group Accounting, Reporting and Financial Planning & Analysis

12. Martin Oesch
Chief Legal Officer

Nationality: Swiss
Year of birth: 1973
Joined SGS: 2024

Education
- Master's degree in law
- Master of Laws degree (LLM)

Previous responsibilities
- 2016-2024: Barry Callebaut, Switzerland, Group General Counsel & Corporate Secretary
- 2014-2015: Barry Callebaut, Switzerland, Head Legal & Compliance of EMEA

Other activities and vested interests
- Member of the Board of Directors of Cocoa Horizons Foundation

During 2025, Jeffrey McDonald, Head of Business Assurance; and Charles Ly Wa Hoi, Head of Connectivity & Products and Health & Nutrition left the Executive Committee and the Company. Biographical information on former members of the Executive Committee may be found in prior years' Corporate Governance reports at www.sgs.com/en/investors/reports.

4.1. Limits on external mandates

The articles of association of the Company limit the number of mandates permissible to members of the Executive Committee, to no more than four mandates as members of the top governing or administrative body of legal entities outside the Group, of which a maximum of one as members of the top governing or administrative body of listed legal entities. Mandates assumed at the request of a controlling entity do not count towards the maxima defined in the articles of association.

In addition, the articles of association set limits to participations in boards of association and other not-for-profit organizations to no more than 10 such memberships.

4.2. Management contracts

The Company is not party to any management contract delegating management tasks to companies.

5. Compensation, shareholdings and loans

5.1. Content and method of determining the compensation and the shareholding programs

The Group's overriding compensation policies are defined by the Board of Directors. The objectives of these policies are twofold: 1) to attract and retain the best talent available in the industry, and 2) to motivate employees and managers to create and protect value for shareholders by generating long-term sustainable financial achievements.

In line with these principles, Board members are entitled to a fixed fee, which takes into account their level of responsibility. Members of the Executive Committee receive a fixed remuneration and are entitled to a performance-related annual bonus and a Long-Term Incentive Plan.

The Annual General Meeting approves the compensation payable to the Board and the Executive Committee. The rules on the vote on pay applicable in the Group are explained below.

The ultimate responsibility for defining remuneration policies and deciding on all matters relating to remuneration rests with the Board of Directors, subject to decisions that require binding resolutions of the Annual General Meeting. The Board of Directors is assisted in its work by the Remuneration Committee, whose members are elected by the Annual General Meeting.

5.2. Rules on approbation by the Annual Shareholders' Meeting of executive pay

5.2.1. Rules on performance-related pay and allocation of equity-linked instruments

The Company's articles of association define the principles of the variable remuneration and the allocation of shares or equity-linked instruments to the members of the Executive Committee. Please refer to the Remuneration report, pages 68 to 74 for a description of the Company's rules in the matter.

In the event of changes in composition of the Executive Committee occurring after the approval by the Annual General Meeting of the remuneration of the executive team, the Board is authorized to increase up to a maximum of 40% the amount authorized by the shareholders for that purpose.

5.2.2. Rules on loans, credit facilities and post-employment benefits

Loans granted to members of the governing bodies of the Company may not exceed one year of remuneration and must be granted at market conditions. As at 31 December 2025 (same as at 31 December 2024), no loan or advance has been granted by the Group to members of the Executive Committee.

5.2.3. Rules on vote on pay

See Section 3. 'Remuneration governance' in the Remuneration report – page 64.

6. Shareholders' participation rights

All registered shareholders are informed of the half year and full year results upon the publication of such results by the Company. They can request a copy of the Company's annual report and are personally invited to attend the Annual General Meeting. The Company's annual report and press releases are publicly available on its website.

6.1. Voting rights and representation restrictions

All registered shareholders can attend the General Meetings of Shareholders and exercise their right to vote. A shareholder may also elect to grant a power of attorney to an independent proxy appointed by the Company and elected in advance by the General Meeting of Shareholders or to any other representative holding a written power of attorney.

There are no voting restrictions, subject to the exclusion of nominee shareholders representing undisclosed principals, as detailed in Section 2.6.

6.1.1. Rules on instructions to the independent proxy and electronic participation in the Annual Shareholders' Meeting

Shareholders can provide general or specific voting instructions on all matters on the agenda of the General Meeting of Shareholders to the independent proxy, who is elected by the General Meeting of Shareholders.

These instructions can be issued in written form or by electronic transmission.

Electronic voting of resolutions is authorized by the articles of association, within the guidelines set by the Board of Directors.

6.2. Statutory quorums

The General Meeting of Shareholders can validly deliberate regardless of the number of shares represented at the meeting. Resolutions are adopted by the absolute majority of votes cast unless Swiss Company law mandates a special majority.

6.3. Convocation of General Meetings of Shareholders

The rules regarding the convocation of General Meetings of Shareholders are in accordance with Swiss Company law.

6.4. Inclusion of items on the agenda

The agenda of the Annual General Meeting is issued by the Board of Directors. Shareholders representing at least 0.5% of the Company's share capital may request the inclusion of an item on the agenda of the Annual General Meeting, provided that such a request reaches the Company at least 40 days prior to the meeting.

6.5. Registration in the share register

The Company maintains a share register for registered shares. The share register is closed approximately one week prior to the date of the Annual General Meeting of shareholders (the exact date is communicated in the invitation to the Annual General Meeting).

7. Change of control and defense measures

No restriction on changes of control is included in the Company's articles of association.

7.1. Duty to make an offer

In the absence of any specific rules in the Company's articles of association, any investor or group of investors acquiring more than 33.3% of the shares and voting rights of the Company has the duty to make a public offer in compliance with the applicable Swiss takeover rules.

7.2. Clauses on change of control

There are no general plans or standard agreements offering specific protection to members of the Board of Directors or Executive Committee, or other employees of the Group in the event of a change of control, subject to the standard rules regarding termination of employment. However, long-term incentive plans issued by the Company may include rules allowing acceleration of vesting of benefits in the event of a change of control.

8. Auditors

8.1. Duration of the mandate and term of office of the lead auditor

PwC was elected as auditors of the Company and the SGS Group. The auditors of the Company are subject to re-election at the Annual General Meeting every year. PwC took up office in 2021 in relation to the 2021 financial statements and has audited the Company's and Group's 2025 financial statements.

The Company requires the lead auditor to be changed at the latest after completion of seven annual audit cycles, in line with Swiss law.

The Audit Committee reviews annually the desirability to renew the annual mandate of its external auditors before proposing to the Board and the Annual General Meeting the re-election of the auditors.

8.2. Audit fees

Total fees of PwC related to the audit of the Company's and the Group's 2025 financial statements amounted to CHF 5.3 million (2024: CHF 5.7 million).

8.3. Additional fees

In addition, PwC other professional services fees amounted to CHF 0.9 million in 2025 (2024: CHF 1.0 million).

These are mainly composed of tax compliance services and other assurance services.

8.4. Information instruments pertaining to the external audit

The Audit Committee evaluates the external auditors on behalf of the Board of Directors and conducts assessments of the audit services provided to the Group during its regular meetings.

The Audit Chair meets with the auditors at least four times per year, including in private sessions without the presence of management; in 2025, the Audit Chair met four times with the external auditors.

The Committee considers and approves the proposed audit plan, assesses the auditors performance, and approves the audit fees based on the work required.

The Audit Committee reviews significant financial statement risk areas, including key audit matters in the statutory auditor's report, and evaluates audit effectiveness under Swiss law, the auditors' understanding of the Group, and how significant internal control and financial reporting issues are identified, reported and resolved.

The Committee also reviews coordination with component auditors and the timeliness and relevance of statutory audit and management letters.

It prioritizes auditor independence and the absence of conflicts of interest, reviews non-audit services, and applies a restrictive non-audit services policy (excluding most tax advisory services and M&A-related services) with a prior-approval process above defined thresholds.

Audit fees are approved based on a negotiated budget reflecting audit complexity, Group structure, internal controls, and auditor responsibilities, and auditors report findings during Committee meetings and in written reports to the Board of Directors.

9. Information policy

The policy of the Group is to provide individual and institutional investors, directly or through financial analysts, business journalists, investment consultants (financial community) and employees with financial and business information in a consistent, broad, timely and transparent manner.

SGS is committed to the highest standards of transparency, consistency and fairness in its communications with the financial community. The Group website provides a comprehensive Investor Relations section where all financial reports, presentations and regulatory disclosures are made available promptly. SGS engages regularly with shareholders and analysts through results presentations, webcasts, roadshows, conferences and one-on-one meetings. All communications comply with applicable regulations, ensuring the simultaneous release of material information and equal treatment of all market participants. The Group publishes consolidated full year audited results, half year unaudited results and quarterly unaudited sales updates in print and online formats. The annual report is published in English and is available upon order from the Group's website. The current list of publication dates is available on the Group's website.

The Group acknowledges the directives on the independence of financial research issued by the Swiss Bankers Association. In addition, the Group complies with rules regarding information and reporting of the Federal Act on stock exchange and securities trading, and the ordinance on stock exchanges and securities trading. The address of SGS's main registered office and contact details by phone and email can be found on page 196 of this report.

10. Non-trading periods

Members of the Board of Directors and the Executive Committee as well as other employees having access to material non-public information are banned from trading in SGS shares and other financial instruments issued by SGS during the non-trading periods preceding publication of yearly, half yearly and quarterly results.

These periods are set between 31 December until and including the date of publication of the full year results and respectively, between 31 March, 30 June and 30 September until and including the date of the publication of the half year results and quarterly sales updates.

In addition to these regular non-trading periods, the Company may impose additional trading bans from time to time, prior to the release of material non-public information, such as major acquisitions or disposals, or trading updates.

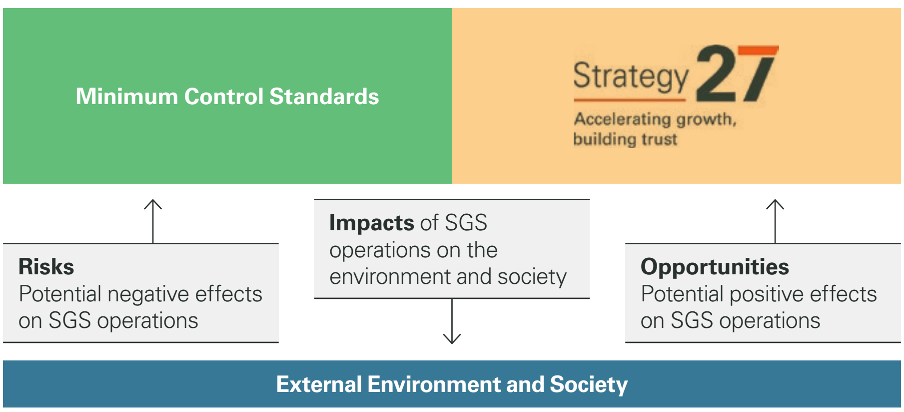
11. Integrated framework for managing risks, opportunities and impacts

11.1. Introduction

Embracing the spirit of European simplification initiatives, in 2025, SGS successfully implemented an integrated management framework, streamlining the previously separate and overlapping processes of Enterprise Risk Management and Double Materiality Assessment, bringing focus and reducing unnecessary workload for the business. This integrated approach eliminates functional silos, strengthens first-line ownership and fosters collaboration across Countries, Regions and the Group.

A unified assessment campaign now organizes risks, opportunities and impacts by topic, under the oversight of dedicated subject matter experts. Strategic actions and internal controls are deployed as mitigation measures to address identified risks and negative impacts. Risks are associated with Minimum Control Standards (SGS Group's internal control framework, refer to Section 12) where relevant. By maintaining continuous management oversight of key risks, controls, and actions, SGS ensures secure execution of its business strategy.

Integrated framework for managing risk, opportunity and impacts



The framework of Risks, Opportunities and Impacts are defined and organized as per the following categories and topics:

	Topic	# of Risks	Risk Management	Main business opportunities	Main impacts to environment and society
01 **Legal & Compliance**	Compliance & ethics	5	🟢	• Opportunities to engage with regulatory developments for new markets or services and to build trust through responsible conduct and transparency	• Impacts of our integrity programs and business ethics culture on our stakeholders
	Data privacy	2	🟢		
	Legal affairs	3	🟢		
	Investor relations	1	🟢		
	Fair competition	1	🟢		
02 **Business Operation**	Economy and business model	4	🟠	• Opportunities to adapt our business models to meet the demands of our clients	• Impacts of our services and operations on our stakeholders, in the areas of regulatory compliance, sustainability performance and business continuity
	Customer satisfaction	2	🟠		
	Industry evolution	2	🟠		
	Pricing	1	🟢		
	Supply chain	2	🟢		
	Operational performance	2	🟢		
03 **Technology, Digital and IT**	Technology & digital innovation	4	🟠	• Opportunities to deliver digital trust services, data solutions and software solutions	• Impacts of our information security measures on the protection third-party data
	Information security	6	🟢		
	IT capacity & infrastructure	3	🟢		
04 **Environment**	Climate & sustainability transition	1	🟢🟠	• Opportunities to deliver sustainability services to our clients related to environment	• Impacts of our climate change policies and actions on stakeholders and society
	Pollution	2	🟢		
	Animal welfare	1	🟢		
05 **Social**	Anti-discrimination	1	🟢	• Opportunity to deliver sustainable services related to human rights compliance	• Impacts of our policies and management of workplace discrimination, health and safety, modern slavery, human rights and labor practices on our supply chain and our workforce
	Health & safety	2	🟢		
	Talent management and working conditions	3	🟢		
	Modern slavery	1	🟢		
	Security	2	🟢		
06 **Finance**	Expenditures	3	🟢		
	Financial accounting/reporting	1	🟢		
	Foreign exchange	1	🟢		
	Insurance	1	🟢		
	Solvability & liquidity	2	🟢		
	Taxation	7	🟢		

Risks managed through:
🟠 Strategy 🟢 Minimum Control Standards (MCS)

Beyond fulfilling reporting requirements, this topic-based approach allows for a comprehensive exploration of each issue and the definition of integrated actions.

MCS are essential for managing risks tied to regulatory compliance, transactional efficiency and information reliability, while strategic actions are taken to address risks stemming from economic, industrial and operational factors.

In 2025, dedicated training sessions on the integrated risk management framework, assessment methodology, key risk areas and internal controls were conducted across SGS globally. The entire assessment and action plan tracking process is enabled by an integrated IT platform that supports risk management and internal controls.

11.2. Governance

The Board of Directors, through the Audit Committee, provides oversight of the SGS Risk Management and Internal Control processes. The Audit Committee's mandate includes supervising Compliance and Risk Management activities, as well as reviewing management and internal audit reports on the effectiveness of the Internal Control process and the performance of the Risk Management framework. The Sustainability Committee is responsible for overseeing the identification and assessment of the Group's sustainability-related impacts, risks and opportunities, as well as the actions taken to address them.

The Executive Committee holds ultimate responsibility for identifying Company impacts, risks and opportunities and embedding these considerations into all strategic decisions and key business planning processes.

The Risk Committee, which reports to the Executive Committee and Audit Committee, convenes at least three times a year. Its primary responsibilities include supervising the impacts, risks and opportunities assessment and Internal Control processes and monitoring the activities of the assurance functions (as outlined under the second line of defense).

The Risk Committee is composed of the Chief Financial Officer, Chief Legal Officer, Chief People Officer, Chief Information Officer, a Head of a Region and a Head of a Business Line along with representatives from Risk Management and Internal Control, Group Compliance, Sustainability and the Head of Internal Audit.

The organizational structure, supporting the effective implementation of the Risk Management and Internal Control processes, is built on the '**three lines of defense**' model:

There is a strong collaboration between Risk Management, Internal Control and Internal Audit functions. This increased transparency and information sharing further reinforces assurance and oversight by the Audit Committee and the Board.

11.3. Assessment method and process

The Group assesses risks, opportunities and impacts starting with a bottom-up approach, which consists of local identification and implementation of mitigation actions and plans. Assessments performed by countries and business lines are first consolidated at the Group level and reviewed by Group subject matter experts, who then conduct 'top-down' assessments from a Group perspective.

Final assessments results are reviewed and endorsed by the Risk Committee, Executive Committee, Audit committee and Board of Directors.

Assessment of risks and opportunities

Risk reflects potential negative financial or reputational impacts of an uncertain event on SGS, while opportunity represents potential positive effects.

This applies the 'Financial materiality' assessment for the purpose of Double Materiality Assessment. Both are assessed based on magnitude and likelihood. Magnitude includes financial materiality, evaluating impacts on SGS's financial position, performance, or cash flows and non-financial materiality, which covers reputational and other qualitative effects.

Risk appetite

Risk appetite is defined with the aim of supporting the achievement of business growth while maintaining the highest standards of quality and compliance and equally considering sustainability and societal impacts. We have zero tolerance for breaches of regulatory requirements, a low tolerance for operational errors and for inadequate competency management and a medium appetite in the areas where risk-taking supports operational improvement and growth. The Risk Committee reviews and monitors risk appetite adherence. Group Risk owners are responsible for managing risks within appetite levels.

Risk tolerance limits are established using a standardized risk score. If the residual risk score, after applying remediation and mitigation measures, exceeds the defined risk tolerance threshold, additional actions must be identified and implemented to address the gap.

Assessment of impacts

Impact refers to the positive or negative effects, actual or potential, that a Company's activities have on people, the environment and society. Impact materiality considers the effects SGS may have on the environment or society, based on:

- Nature: positive or negative
- Type: actual or potential
- Scale: magnitude of the impacts
- Scope: extent of the impact
- Remediability: degree to which a negative impact can be remediated
- Probability: for potential impacts only
- Value chain position: where in the value chain the impact occurs

Our assessment process is tailored to accommodate the size and profile of all affiliates, ensuring the framework's global applicability and the active involvement of key and relevant markets and businesses.

Risk appetite level	Definition
Zero tolerance	No acceptance of risk under any circumstances. Strictly prohibited due to legal, ethical, or reputational implications. Applies to areas such as bribery, fraud, human rights violations, or regulatory non-compliance.
Low	Only minimal risk is accepted. Risks must be clearly justified, well understood and rightly controlled. Applies to areas affecting brand reputation, customer trust, or operational stability.
Medium	Moderate level of risk is acceptable where benefits are compelling and risks are mitigated through effective controls. Applied in areas where calculated risk-taking supports operational improvement and growth.
High	A significant level of risk is accepted in the pursuit of strategic opportunities, innovation, or growth, provided mitigation measures are in place and the risks are actively monitored. Requires leadership oversight.
Very high	Willingness to accept substantial risk exposure where the potential for transformative value or long-term strategic advantage is high. Reserved for bold initiatives required executive and board-level scrutiny.

11.4. Integrating risk management into leadership, services and rewards

Regular risk management education for all non-executive directors

In 2025, we held a dedicated training session with all Board members to present our new integrated risk management framework, which holistically connects risk, impact and opportunity with the Company's strategic objectives, mitigation actions and internal control mechanisms.

The framework also clarifies the governance structure, emphasizing the distinct roles and responsibilities of the Board of Directors, the Audit Committee and the Sustainability Committee in overseeing risk management.

During this engagement, we updated the Board of Directors on our risk methodology, presented the 2025 risk assessment outcomes and actively sought the board's input to ensure alignment and strategic relevance.

To deepen the dialogue, we conducted topical deep-dive sessions on selected risk areas and explored emerging risks that may influence the Company's future resilience and performance.

These periodic educational initiatives reflect our commitment to equipping non-executive Board members with the necessary insights and tools to effectively fulfill their oversight responsibilities.

Incorporation of risk criteria in the development of products and services

SGS services are founded on strict compliance with regulations and standards. *Integrity of services* is considered a key risk due to the nature of our business. To manage this risk, SGS applies a multi-layered approach that includes quality control, technical governance, internal controls, training and clear accountability at both Group and Country levels.

Other key risks are the *decrease in service demand and the reduced agility due to insufficient market and customer focus*. To mitigate these risks, we have realigned our management structure to focus on local customers for locally managed operations and global key account management for globally driven businesses, enhancing customer proximity and improving sales forecast accuracy and proactivity. In addition, we preserve a global footprint for strategic activities, enabling laboratory backup and cross-country collaboration. We are also expanding Global Business Services to enhance operational excellence and reduce turnaround time.

SGS's internal control framework is fully linked to Risk Management. The Minimum Control Standards serve as the baseline for mandatory compliance across the Group and covers the main business processes, including the development and delivery of services. Examples of control standards linked to these processes are pricing, jobs and sales orders and customer creditworthiness.

Financial incentives which incorporate risk management metrics

Some of the KPIs used in the variable remuneration of the Executive Committee are linked to risk factors. Some examples are shown in the table below:

Risk factor	Remuneration element	Description/objective
Risk of decrease in service demand/economy Risk of crisis or structural industry decline Risk of reduced agility due to insufficient market and customer focus Risk of inefficient performance management	Organic sales growth and profit margin short-term incentive KPIs	The goal is to drive performance excellence by aligning incentives with the achievement of annual operating goals and long-term strategic priorities
Risk of corruption Risk of violation of integrity of services	Malus and claw back policies	The goal is to maintain the maximum standards of integrity. The Company may forfeit unvested equity compensation or reclaim the value of any variable incentives paid, in cash or shares, in case of serious violation of the SGS internal regulations and/or Code of Integrity
Risk of hazards and injuries affecting health and safety in the workplace Risk of workplace discrimination Risk of physical impact derived from climate-related risks	Long-term incentive ESG metrics: Lost Time Incident Rate (LTIR), % of women in leadership positions, GHG emissions	The goal is to support the Company's ongoing commitment to advancing ESG initiatives as part of its long-term strategy; align the interests of our leadership with our long-term sustainability goals

11.5. Risk, opportunity and impact assessment outcomes

In 2025, SGS's assessment confirmed significant opportunities and positive impacts across four key megatrends (see Management report page 16): powerful sustainability transition, innovation in digital capabilities & new technologies, nearshoring of supply chains and increasing regulation and public awareness.

Our assessment result shows that we create substantially positive impacts by delivering services that support the sustainability transition, digital evolution, compliance, business ethics, human rights, trust and supply chain resilience, areas that also present strong business opportunities for SGS. This alignment affirms the robustness of our strategy 2027.

Due to the nature of our services, the negative impacts on the environment are limited and are controlled through our operating procedures.

While inherent risks have risen in areas such as cybersecurity, data protection and physical security, these have been effectively mitigated through targeted measures. Technology disruption continues to challenge traditional laboratory and audit models, while simultaneously unlocking new opportunities in digital trust, software and data-driven solutions. The assessment also emphasized the importance of continuing strengthening internal controls to address the risks related to service integrity, corruption and sanctions compliance.

To determine the material topics based on the double-materiality methodology, the following ratings were considered:

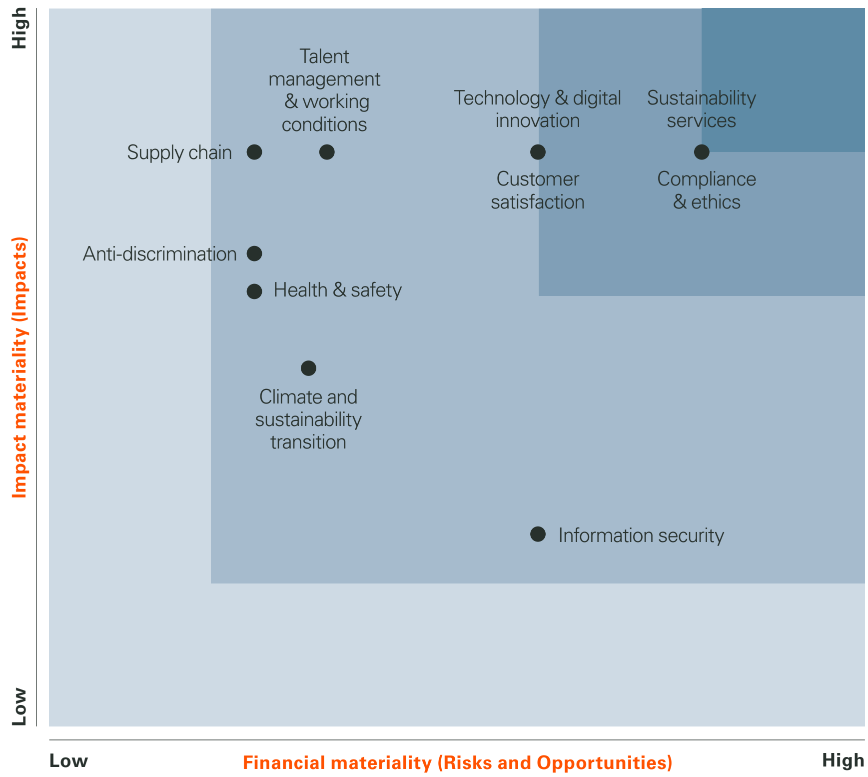
- Gross risk rating
- Opportunity rating
- Impact rating

The maximum score of each of these three components was assigned to each of the topics in which the impacts, risks and opportunities were grouped:

- Compliance & ethics
- Economy and business model (including sustainability services)
- Supply chain
- Customer satisfaction
- Information security
- Technology and digital innovation
- Climate and sustainability transition
- Talent management & working conditions
- Health and safety
- Anti-discrimination

The results can be represented in the following double-materiality matrix:

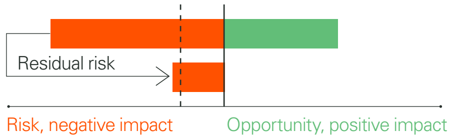
Double materiality matrix

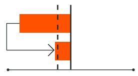
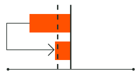
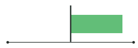
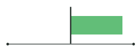
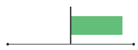
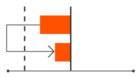


The table shows the risks, opportunities and impacts for all the material topics assessed based on the double-materiality methodology.

Risks are evaluated at both Gross and Residual levels, represented by the two bars in the diagram. In accordance with regulatory requirements, opportunities and impacts are assessed exclusively at the Gross level.

Legend



Topic	Explanation	Rating
Legal & Compliance		
Compliance and ethics		
Risk of sanctions violation	**Risk profile and appetite management:** As a globally operating Company, SGS must adhere to a wide range of international regulations, including the constantly evolving sanctions regimes. A breach of those could result in severe legal, financial and reputational consequences. Violations could also lead to exclusion from key markets or partnerships and in extreme cases by being sanctioned by countries and criminal liability. **Mitigation:** Comprehensive set of prevention and detection measures comprising global policy, training, counterparty screening and sanction advisory desk.	
Risk of corruption	**Risk profile and appetite management:** SGS is firmly committed to preventing bribery and corruption, fully aware of the serious financial, legal and reputational consequences associated with such misconduct. SGS has zero tolerance on public corruption. **Mitigation:** SGS maintains a robust compliance framework supported by comprehensive policies and processes on Third-Party Due Diligence, Anti-Corruption and Conflicts of Interest. This framework is reinforced by preventive actions to ensure a strong culture of integrity anchored in our Code of Integrity and sustained through systematic, recurring training for all employees. Adequate processes have been implemented to ensure detection of such risk exposures. Oversight is ensured by a dedicated Compliance Committee.	
Opportunity to develop new market or services for regulatory compliance	SGS actively monitors evolving regulatory frameworks worldwide. Increasing complexity in compliance requirements, such as sustainability reporting, data privacy, product safety and ESG standards, creates demand for specialized testing, inspection and certification services. By anticipating regulatory trends and collaborating with authorities and industry bodies, SGS can design innovative solutions that help clients meet new obligations efficiently.	
Opportunity to build trust through responsible conduct and transparency	By consistently demonstrating ethical practices, clear communication and accountability, SGS strengthens relationships with customers, suppliers, regulators, employees and society. This commitment enables us to differentiate in competitive markets, attract and retain clients who prioritize integrity and foster collaborative partnerships across the value chain.	
Impact of our integrity programs and business ethics culture on our stakeholders	Our integrity programs and ethics culture strengthen trust across all stakeholders. For customers and suppliers, they ensure transparent, impartial services and responsible business practices. For regulators, they demonstrate proactive compliance and reliability. For employees, they foster accountability and a safe environment to act ethically. For society, they help protect consumers and the environment from risks linked to non-compliance. Through training, monitoring and governance, these programs reinforce confidence and create sustainable value.	
Business Operation		
Economy and business model		
Risk of decrease in service demand/economy	**Risk profile and appetite management:** SGS recognizes that the dynamic nature of market demand, influenced by economic fluctuations and evolving customer expectations, presents risks to revenue generation. Rising geopolitical conflicts and trade tensions, which are disrupting supply chains and trade routes. SGS is committed to proactively managing this risk through a balanced approach. The organization is prepared to accept a moderate level of exposure while implementing strategic measures to mitigate the impact. **Mitigation:** SGS addresses this risk by diversifying and strengthening its service portfolio, including the launch of IMPACT NOW to capitalize on the growing sustainability megatrend, the continued development of digital trust services targeting high-growth sectors and the expansion of its presence in North America and Europe through both organic growth and acquisitions.	

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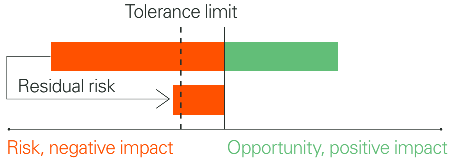
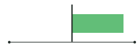
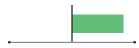
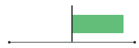
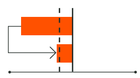
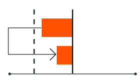
Legend

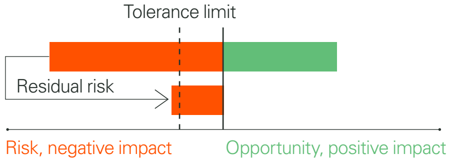


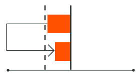
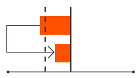
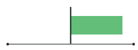
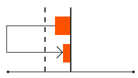
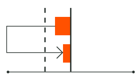
Topic	Explanation	Rating
Impact of our sustainability services on customers' sustainability performance	Our services can significantly improve the sustainability performance of our clients and support them in their decarbonization efforts.	
Opportunity to deliver sustainability services to our clients	Expanding into new markets with our sustainability services offering, whether geographical or sectorial, represents a significant financial upside for SGS. The global transition to low-carbon and sustainable practices is opening emerging demand in areas as well as in newly regulated sectors. Similarly, as regulatory frameworks and market expectations around decarbonization intensify, demand for low emission goods and services is accelerating. SGS, as a global provider of testing, inspection and certification, can play a pivotal enabling role.	
Supply chain		
Opportunity to deliver responsible supply chain services	Opportunity to help customers in a wide range of services to improve their human rights and labor practices.	
Impact of our supply chain management on supplier sustainability performance	This impact refers to how SGS sustainable supply chain management programs and policies may have a direct impulse on our suppliers internal sustainability-related projects, programs, initiatives and commitments.	
Impact on human rights and labor practices on the supply chain	Our sustainability approach requests our suppliers to align to SGS standards defined to promote responsible business practices. This is managed through: SGS Supplier Code of Conduct, Sustainability criteria integrated on Requests for Proposal and the Sustainability Supplier Self-Assessment Questionnaire.	
Customer satisfaction		
Risk of violation of integrity of services	**Risk profile and appetite management:** compliance with service standards are fundamental to maintaining trust and recognition. This risk applies to all SGS activities. A violation of service integrity can lead to loss of accreditation, client trust, market access, particularly in regulated sectors, and possible negative impacts on the final users, the society or the environment. SGS does not tolerate any breach of service integrity, given its potential to undermine stakeholder confidence, regulatory standing, and its value to society. **Mitigation:** SGS applies a multi-layered approach combining quality control, technical governance, internal controls and training, with clear accountability at Group and Country levels. This approach is supported by a comprehensive quality management system encompassing policies, standards and audits and strong cross-functional collaboration among Business, Internal Control, Compliance, Security and Audit teams.	
Impact of our services in the regulatory compliance of our customers	Our services can have a positive impact in the regulatory compliance of our customers, including better performance and increased efficiency. This, in turn, has an effect on customer satisfaction.	
Security		
Risk of business disruption due to criminality, civil disorder and armed conflicts	**Risk profile and appetite management:** risks include local protests, terrorism, warfare and social consequences of natural disasters such as looting. These events can endanger employee safety, disrupt transport and in severe cases, force site closures. The risk appetite is established by assessing the likelihood and severity of such events in key operational regions, focusing on the capacity to mitigate and respond effectively. **Mitigation:** SGS strengthens resilience by increasing awareness among Country Managing Directors through business continuity initiatives, implementing remote work options for activities that do not require on-site presence and enhancing physical and procedural security measures to protect premises.	

The table shows the risks, opportunities and impacts for all the material topics assessed based on the double-materiality methodology.

Risks are evaluated at both Gross and Residual levels, represented by the two bars in the diagram. In accordance with regulatory requirements, opportunities and impacts are assessed exclusively at the Gross level.

Legend



Topic	Explanation	Rating
Technology, Digital and IT		
Information security		
Risk of cyberattacks	**Risk profile and appetite management:** SGS recognizes cyberattacks as a high-risk threat with potentially significant financial, operational, reputational and legal consequences, such as loss or compromise of sensitive data, interruption of critical operations, financial losses and erosion of customer confidence and brand reputation. It may also result in regulatory non-compliance or legal exposure. Given the critical importance of protecting corporate and customer data and ensuring regulatory compliance, SGS maintains a very low appetite for cyber risk. The Company prioritizes preventive and proactive measures to minimize the likelihood and impact of any cyber incident that could disrupt operations, compromise data integrity, or damage stakeholder trust. **Mitigation:** SGS continuously strengthens its cybersecurity posture through multi-layered defenses, including next-generation firewalls, identity and access management, endpoint protection and intrusion detection systems. The Company maintains 24/7 global monitoring via its Security Operations Center (SOC) and Digital Forensics & Incident Response (DFIR) services. Regular vulnerability management, threat intelligence integration, employee awareness programs and incident response simulations support a culture of continuous improvement and resilience.	
Impact of our services on the protection of third-party data and regulatory compliance of our customers	Our services can impact positively on our clients' regulatory compliance and the protection of third-party data and information.	
Technology and digital innovation		
Risk of technology disruption (Emerging risk)	**Risk profile and appetite management:** The accelerating convergence of technologies such as Generative AI, IoT, quantum computing, digital twins and advanced connectivity is reshaping the landscape of Testing, Inspection and Certification (TIC). This digitalization megatrend presents long-term risks to SGS's traditional service models, while also opening new opportunities in digital assurance. **Mitigation:** Building on established alliances with research institutes, tech leaders, and startups to drive innovation and align solutions with evolving customer needs and market demands.	
Opportunity to deliver digital trust services, software and data solutions	Technology disruption challenges traditional lab and audit models, while creating strong opportunities in digital trust, software and data solutions, notably in business sectors where SGS has deep involvement and legacy strength. Delivering digital services to our clients remains a priority supported by Strategy 27 and our digital trust services portfolio.	
Environment		
Climate and sustainability transition		
Risk of reduced demand for services affected by new regulations on climate	**Risk profile and appetite management:** Climate regulations are unlikely to disrupt our markets quickly. Moreover, SGS plays a key role as an enabler of the ecological transition, supporting customers in overcoming climate-related challenges. **Mitigation:** This positioning not only mitigates the risk but also creates significant business opportunities for SGS by offering solutions aligned with sustainability and regulatory compliance.	
Risk of increased transition costs	**Risk profile and appetite management:** This risk involves an increase in the cost of accessing financing driven by a decline in SGS's ESG reputation among investors, NGOs, rating agencies and other stakeholders. It does not result in a direct loss of revenue but leads to higher financing expenses due to negative perceptions. **Mitigation:** Improving ESG performance, enhancing transparency in reporting and engaging with key stakeholders. This positions us as a sustainability leader across key ratings and indices. This credibility strengthens our standing with investors and financial institutions, helps protect our reputation and reduces the likelihood of increased financing costs.	

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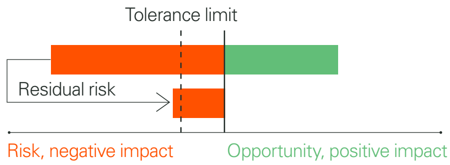
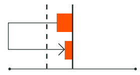
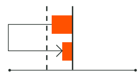
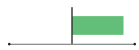
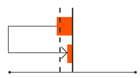
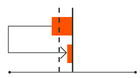
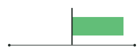
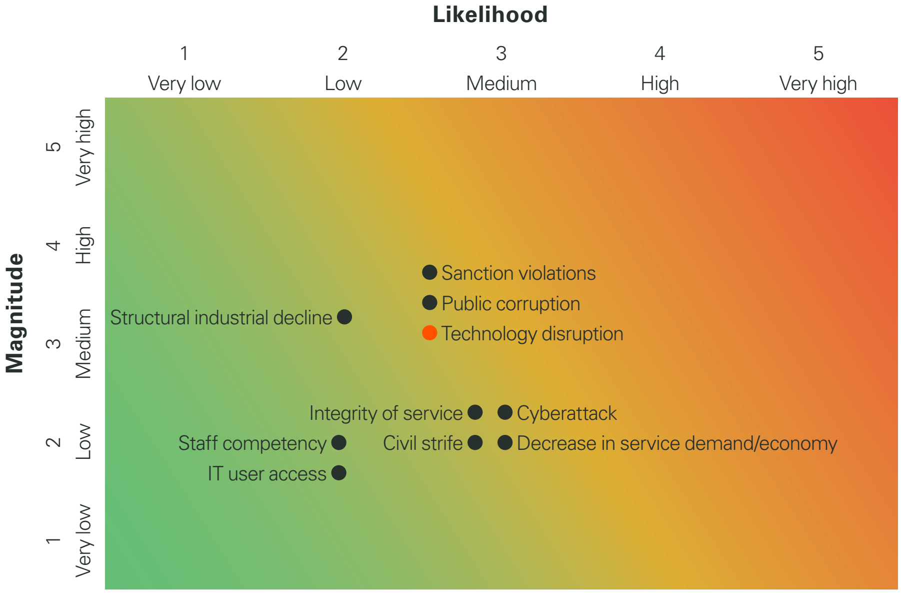


Topic	Explanation	Rating
Risk of not meeting stakeholders' expectations in terms of climate positioning or non-compliance with climate requirements	**Risk profile and appetite management:** This risk refers to the possibility that SGS may lose business opportunities because some clients choose not to contract with the Company, perceiving that its climate positioning does not meet their expectations or is not compliant with technical and documentary climate requirements. **Mitigation:** We closely monitor evolving client requirements, particularly climate-related technical and documentary criteria, to ensure full alignment. This proactive approach, combined with strong ratings performance, enables us to maintain and grow our business by reinforcing trust and credibility with current and prospective clients.	
Impact of our climate change policies and actions on stakeholders and society	Our climate change policies and programs can have a positive impact on our stakeholders and are mainly driven by our Net-Zero Transition Plan.	
Social		
Talent management and working conditions		
Risk of lack of qualified and competent employees	**Risk profile and appetite management:** Shortages of skilled and qualified employees pose a risk to customer delivery, satisfaction and growth. Furthermore, an increase in employee turnover could lead to a loss of skills, expertise and key personnel. It could also affect the reputation of the Company as employer of reference and increase recruitment costs. We address this through strategic hiring, internal development and continuous learning to ensure our workforce remains capable and future-ready. **Mitigation:** Local skill development, regional workforce planning and clear KPIs to track attrition and skill gaps. Global and regional talent acquisition teams support proactive hiring. Leadership and succession programs further strengthen critical talent pipelines.	
Impact of our training and skills development practices on our employees	Our training and skills development practices can have a significant positive impact on employees, affecting their performance, well-being and career trajectory.	
Impact of human rights and labor practices on our workforce	Appropriate human rights and labor practices policies and programs can have a positive impact in employee engagement and well-being.	
Health and safety		
Risk of hazards and injuries affecting health and safety in the workplace	**Risk profile and appetite management:** An inadequate health and safety (H&S) management that could create hazardous working conditions and environment for our employees and contractors. **Mitigation:** H&S Management System and focus H&S programs are enforced at the different SGS levels to control/prevent H&S risks and protect SGS employees and contractors.	
Risk of inappropriate workplace and/or working conditions	**Risk profile and appetite management:** Inappropriate workplaces and/or working conditions, such as equipment, buildings, tools or ventilations could generate accidents or occupational illnesses. **Mitigation:** H&S Management System and focus H&S programs are enforced at the different SGS levels to control/prevent H&S risks and protect SGS employees and contractors.	
Impact of H&S policies and management systems on SGS employees	Appropriate health and safety policies, as well as the implementation of structured management systems may have a positive impact on the protection and overall working conditions of individuals employed at SGS sites. It encompasses efforts to prevent workplace accidents and illnesses, promote a culture of safety, ensure compliance with legal and regulatory standards and continuously improve safety performance.	
Anti-discrimination		
Impact of modern slavery and discrimination on our employees	Adequate policies to guarantee the absence of modern slavery and discrimination within our direct operations can have a positive impact on our employees well-being. Modern slavery includes forced labor, human trafficking, child labor and other exploitative practices that violate fundamental human rights of our employees. Workplace discrimination can be based age, sexual orientation, gender identity, racial and ethnic origin, nationality or social origin, disability or any other protected characteristic.	

11.6. Heatmap of top 10 residual risks



Risk key:
● Established ● Emerging

11.7. Emerging risks

Country and Group assessors apply the same structured approach to identify and monitor emerging risks, alongside established risks. By embedding emerging risks into our risk management process, we enable early identification, focused mitigation and continuous adjustment to changes in our operating environment, ensuring our assessments remain accurate and responsive.

Technological disruption and the digitalization megatrend:

The accelerating convergence of technologies such as Generative AI, IoT, quantum computing, digital twins and advanced connectivity is reshaping the landscape of the Testing, Inspection and Certification industry. This digitalization megatrend presents long-term risks to SGS's traditional service models, while also opening new opportunities in digital assurance.

- Effect of the risk on SGS
  - Digital twins and real-time monitoring platforms are enabling continuous, virtual simulations and live oversight, reducing reliance on physical testing and periodic audits
  - The rise of phygital systems – blending physical and digital environments – signals a shift toward continuous assurance, with platforms potentially replacing traditional audit cycles
  - Generative and Agentic AI are facilitating real-time compliance workflows, automating evidence collection, analysis and reporting, which may reduce demand for SGS's certification and audit services
  - The growing need for multi-dimensional trust in digital systems (cybersecurity, privacy, fairness) is driving demand for new assurance models beyond the traditional TIC scope
- Mitigating actions
  - SGS is strengthening innovation partnerships with research institutes, technology leaders and startups to co-develop solutions that align with evolving customer needs. These collaborations are key to driving forward-thinking service offerings and ensuring relevance in a rapidly changing market
  - SGS is investing in hybrid service models that integrate both physical and digital capabilities, including advanced technologies such as digital twins and live trust dashboards. Agile teams across the organization are empowered to explore and validate emerging technologies, fostering a culture of innovation and continuous learning
  - To further advance its leadership in digital trust, SGS is developing digital assurance platforms and embedding IoT capabilities to deliver real-time, data-driven evaluations. Through these strategic actions, SGS positions itself to meet the regulatory and operational demands of increasingly digital ecosystems, while remaining close to customers and stakeholders

Regulatory evolution in cybersecurity and AI governance:

The regulatory landscape is tightening, with new frameworks such as NIS2 (Network and Information Security Directive 2) and the EU AI Act (European Union Artificial Intelligence Act) introducing stricter compliance requirements for organizations operating in digital and technology-driven environments:

- Effect of the risk on SGS
  - Increase operational complexity and compliance costs
  - Require enhanced incident response and cross-border reporting capabilities
  - Impact the pace and scope of AI-driven innovation
- Mitigating actions
  - SGS is establishing a dedicated compliance task force to monitor and address emerging regulatory requirements, ensuring the organization remains proactive and well-prepared in a rapidly evolving legal landscape.
  - To maintain alignment with prevailing and new regulations, SGS conducts periodic gap analyses, enabling timely updates to policies, procedures and controls. The Company is also strengthening its compliance training programs, ensuring that all relevant stakeholders are equipped with the knowledge and tools needed to uphold regulatory standards
  - In addition, SGS actively engages with legal experts and industry bodies to stay informed of upcoming regulatory developments and best practices.

11.8. Internal audit on integrated risk management

Following an independent review of our risk management processes, conducted jointly by an external audit firm and our internal audit team, we have successfully implemented all recommended actions. Emphasis was placed on enhancing risk oversight and improving the tracking of action plans. These improvements have reinforced our governance framework and further embedded accountability and transparency into our risk management practices.

The integrated risk management framework undergoes regular evaluation by Group Internal Audit, which includes an independent assessment of the annual process and the implementation of key risk mitigation measures across the Countries.

12. Internal control

SGS's internal control framework is built on Minimum Control Standards (MCS) which establish the key process anchor points, address business risks and clearly define the responsibilities of operating companies and business units across all countries. These standards are equally defined at Group level. Clear guidance and consequence management are in place for situations where these standards are not fully met. The MCS are managed and independently reviewed by our Risk Management and Internal Control department, in collaboration with internal control champions and business process owners across our global operations.

The SGS internal control system is designed to provide the Board of Directors and management with reasonable assurance regarding the reliability of financial reporting, compliance with laws and regulations and the effectiveness and efficiency of processes. Every SGS employee plays a vital role in supporting the internal control system to ensure the successful implementation and ongoing effectiveness of internal controls.

12.1. Internal control environment

SGS is committed to establishing an effective internal control system at all levels of responsibility and fostering a culture of strong internal controls, supported by the active engagement of the Board of Directors and management.

Ongoing training is provided throughout the Company. The MCS serve as the baseline for mandatory compliance across the Group and are the primary reference for the SGS corporate governance framework. The following key documents are integral to the MCS and support the internal control environment:

- The Group Delegated Authorities, which define approval authorities and thresholds within the Group
- The Code of Integrity, which offers guidance and examples to assist employees in navigating challenging situations

12.2. Minimum Control Standards

The MCS encompass the following core business processes, extending beyond controls related to financial reporting:

Corporate Governance and Compliance

Compliance with the Code of Integrity and reporting, third-party due diligence, insider trading and management transactions, sanctions compliance, insurance programs, security risk management, litigation and disputes, personal data protection and delegation of authority.

Internal Control Over Financial Reporting

Financial controls cover accounting and reporting, management of assets and inventory, revenue and procurement processes, tax compliance, treasury operations, pensions and segregation of duties.

Information Technology

User access management, identity management, network security, training and awareness, incident management, vulnerability management and data backup, storage and restoration processes.

Human Resources

Recruitment, onboarding and employment management, HR master data management, payroll management and employee offboarding.

Sustainability

Sustainability reporting and human rights.

Operations

Health and safety, business continuity, integrity of services delivered and climate mitigation and adaptation.

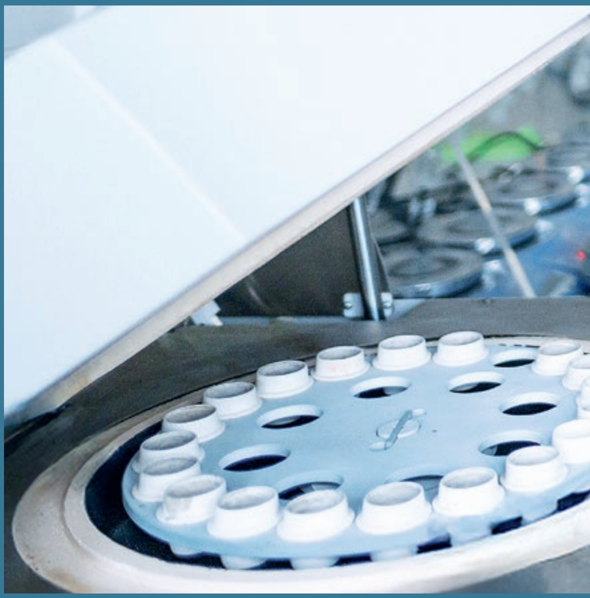
12.3. Internal control monitoring throughout the Group

The Group is dedicated to upholding high standards of internal control documentation, assessment, testing and monitoring of performance. These activities are implemented at both the Country and Group level and include:

- A comprehensive outline of mandatory controls as defined in the Group's MCS
- Control tests to assess their design and operational effectiveness, with clear guidance and testing methodology provided by Risk Management and Internal Control department
- Management assessments of control effectiveness by considering the latest status of control activities, self-testing results and when applicable, observations from Group oversight and assurance functions including Group Internal Audit
- Continuous management oversight of key risks, controls and actions, with regular and formal updates to the Group
- An annual internal certification process to confirm management's responsibility, at Country, Regional and Group level, for the quality of internal controls and financial reporting

The implementation of action plans identified through the activities outlined above, as well as through internal and external audits, are closely monitored by the relevant Senior Management. The results of these procedures are presented to the Audit Committee.

Remuneration report



Food Analysis, Germany

The SGS Remuneration report provides an overview of the SGS remuneration principles and policies and the related governance framework. The report also includes details on the remuneration of the Board of Directors and of the Executive Committee related to the 2025 financial year. The SGS Remuneration report has been prepared in compliance with the Code of Obligations, the Swiss Exchange (SIX) Directive on Information relating to Corporate Governance, the Swiss Code of Best Practice for Corporate Governance of economiesuisse and according to the articles of association of SGS SA.

1. Introduction by the Remuneration Committee

A year of strategic transformation

On behalf of the Remuneration Committee, I am pleased to present the SGS Remuneration report for the year ended in December 2025.

As the global market leader in testing, inspection and certification, providing innovative services to their customers, SGS aims to be the employer of choice. This is supported by the Company's remuneration framework that is designed to attract, motivate and retain the best talent needed to ensure our success and growth globally while providing excellent returns to you, our shareholders.

Over the past two years, SGS has delivered outstanding business results, and is successfully executing Strategy 27. Building on this momentum, the Board has undertaken a comprehensive reflection on how to further strengthen the engagement and retention of the Executive Committee.

As part of this effort, the Board has initiated a review of the Company's Long-Term Incentive (LTI) plan in order to ensure that it continues to reflect the Group's performance, while being aligned with market realities and motivating our leaders to deliver sustainable value creation. In this context, the Board decided to make two main amendments to the LTI: first of all, a one-off grant of performance stock options (PSOs) in 2025 based on the Group's return on invested capital (ROIC) over a four-year period and secondly, a refinement of the performance conditions for the performance share units (PSUs) in 2025 and 2026.

Regarding the exceptional grant of PSOs, the Board's decision reflects its intention to reinforce the engagement and long-term commitment of the Executive Committee members during a pivotal phase of the Group's expansion. SGS is entering an accelerated growth trajectory, supported by a series of strategic acquisitions, including ATS, our most significant acquisition in recent years. Ensuring strong alignment between senior leadership and the long-term value creation expected from these transformative initiatives is essential. The exceptional grant is therefore designed to strengthen retention, ensure continuity in the execution of our growth strategy, and underline the Board's confidence in the Executive Committee's ability to deliver on the Group's ambitions.

The PSOs are subject to a ROIC performance condition over a four-year period, as it is absolutely critical for the Group to focus on a disciplined allocation of its capital.

Regarding the refinement of performance conditions of the PSUs, two new non-financial KPIs have been introduced in 2025, reflecting our strategic priorities: customer satisfaction and employee engagement. Further, as of 2026, ROIC will be included in the PSU plan, as it is deemed a critical KPI for the Company. This results in a very balanced performance measurement in the LTI between financial performance (earnings per share (EPS) growth and ROIC), shareholder returns (relative total shareholder returns (rTSR)) and ESG metrics, (with GHG emissions and the engagement of our customers and employees).

Detailed descriptions of the short-term and long-term incentive plan structures can be found in Sections 5.5. and 5.6. of this report.

On the following pages, you will find detailed information about our remuneration principles and policies, and the remuneration awarded to the Board of Directors and the Executive Committee related to the financial year 2025.

We have made significant strides in enhancing the clarity and transparency of this report. We trust that it will serve as a valuable resource for understanding and evaluating the Group's reward policies and strategies.

I look forward to your support on the 2025 Annual Remuneration report at the AGM.

Sami Atiya
Chair of the Remuneration Committee

2. Remuneration at a glance

Board of Directors: summary of current remuneration system

In order to compensate their activities and responsibilities as the highest governing body of the Group and to guarantee their independence in exercising their supervisory duties towards the executive management, members of the Board of Directors receive a fixed remuneration only in the form of cash and restricted shares.

Annual mandate remuneration (CHF thousand, gross):

		Board retainer			Audit Committee fee	Remuneration Committee fee	Nomination Committee fee	Sustainability Committee fee
Board Chair	Cash	500	Committee Chair	Cash	70	40	–	40
	Restricted shares	165		Restricted shares	–	–	–	–
	Total	665		Total	70	40	–	40
Board member	Cash	150	Committee member	Cash	50	30	30	30
	Restricted shares	50		Restricted shares	–	–	–	–
	Total	200		Total	50	30	30	30

Board members are required to accumulate during their tenure a number of shares equivalent in value to two years of annual Board retainer.

Board of Directors: remuneration AGM 2025 to AGM 2026

The remuneration awarded to the Board of Directors for the mandate AGM 2025 to AGM 2026 was within the limits approved by the shareholders at the AGM 2025:

(CHF thousand, gross)	Approved amount	Actual amount
AGM 2025 to AGM 2026	2 700	2 495

Executive Committee: summary of current remuneration system

In order to attract and retain top industry talent, drive performance excellence and foster long-term value creation, Executive Committee members receive a fixed remuneration, and a variable remuneration linked to short-term and long-term results.

Remuneration element	Purpose	Vehicle
Base salary	Pay for the position	Cash
Benefits	Protect against risks, cover retirement	Contributions
Short-Term Incentive (STI)	Drive and reward annual performance excellence	Cash, Restricted shares
Long-Term Incentive (LTI)	Drive and reward long-term performance excellence, align with shareholders' interests, retain key talents	Performance Share Units (PSUs) Performance Stock Options (PSOs) exceptional grant in 2025

Members of the Executive Committee are required to accumulate, within five years of appointment, a number of shares equivalent in value to three times the annual base salary for the CEO and two times the annual base salary for the other members of the Executive Committee.

Executive Committee: remuneration 2025

(CHF thousand, gross)	Fixed remuneration 2025	STI 2025 pay-out	LTI 2025 grant	Total 2025 granted	LTI 2023-2025 vesting	Total 2025 realized
CEO	1 393	2 962	3 428	7 783	–	4 355
Other ExCo	5 954	5 021	5 926	16 901	1 375	12 350

The fixed remuneration (base salary and benefits) awarded to the Executive Committee members in 2025 was within the limits approved by the shareholders at the AGM 2024:

(CHF thousand, gross)	Approved amount	Actual amount
Year 2025	10 500	7 347

The short-term pay-out for the financial year 2025 was 215.4% of target for the CEO and, on average, 134.7% of target for the other members of the Executive committee. The total payout, CHF 7 983 thousand, is submitted to the approval of the shareholders at the AGM 2026.

The long-term incentive 2025 grant was within the limits approved by the shareholders at the AGM 2025:

(CHF thousand, gross)	Approved amount[1]	Actual amount[1]
Year 2025	12 956	11 866

1. Fair Value of the PSUs and PSOs at grant, according to IFRS2, multiplied by the maximum possible vesting level according to the plan rules (150% for PSUs, 100% for PSOs).

The vesting level of the long-term incentive 2023, related to the performance period 2023-2025, granted in 2023 and vesting on March 1, 2026, is 30% of the target; 14 817 shares will be allocated to the Executive Committee members with an estimated value of CHF 1 375 thousand.

3. Remuneration governance

The general principles of remuneration of the members of the Board of Directors and the members of the Executive Committee are defined in the articles of association (Art. 28, Art. 29, Art. 30, Art. 31 and Art. 32).

The maximum aggregate amounts of remuneration of the members of the Board of Directors and of the Executive Committee are subject to a binding vote at the AGM. In addition, the Remuneration report is subject to a consultative vote at the AGM. Here below the details of the AGM voting structure:

- Consultative vote on the Remuneration report
- Binding vote on the prospective maximum remuneration amount of the Board of Directors until the next Annual General Meeting
- Binding vote on the prospective maximum fixed remuneration amount of the Executive Committee members for the next fiscal year
- Binding vote on the retrospective short-term variable remuneration amount of the Executive Committee members for the previous fiscal year
- Binding vote on the prospective maximum value of the grants awarded under the Long-Term Incentive plan to the Executive Committee members for the next fiscal year

The table below summarizes the votes of the Annual General Meeting on remuneration matters in the last five years.

(% of votes for)	**2025**	2024	2023	2022	2021
Consultative vote on the Remuneration report	**88.24**	95.53	95.41	83.94	92.70
Binding vote on the prospective maximum remuneration amount of the Board of Directors	**98.74**	99.06	98.10	97.81	95.51
Binding vote on the prospective maximum fixed remuneration amount of the Executive Committee members	**98.72**	98.14	95.34	96.11	94.37
Binding vote on the retrospective short-term variable remuneration amount of the Executive Committee members	**91.74**	97.68	98.16	97.02	96.95
Binding vote on the value of the grants awarded under the Long-Term Incentive plan to the Executive Committee members[1]	**91.60**	97.74 90.90	96.08	96.88	96.40

1. Until 2023, the AGM voted on the current-year Long-Term Incentive; the AGM 2024 voted on both the 2024 (current year) and 2025 (following year) Long-Term Incentive; effective 2025, the AGM votes only on the following year Long-Term Incentive.

Within the limits approved at the AGM, the Board of Directors is responsible for determining the remuneration of the Board Chair and the Directors. It also decides on the remuneration and terms of employment of the CEO. In addition, the Board of Directors defines general executive remuneration policies, including the implementation and terms and conditions of Long-Term Incentive plans, as well as the financial targets relevant to any incentive plan.

The Board of Directors is assisted in its work by a Remuneration Committee ('the Committee'), which consists of non-executive Directors. The Committee acts in part in an advisory capacity to the Board of Directors, and in part as a decision-making body on matters that the Board of Directors has delegated to the Committee. The Committee reviews regularly, at least once a year, the compensation of each member of the Executive Committee (including the CEO) and decides on all matters relating to the remuneration of these executives.

When reviewing and deciding on executive remuneration policies, the Committee and the Board of Directors have access to the Group Human Resources team and may use third-party consultants that specialize in compensation matters. In 2025, neither the Committee nor the Board of Directors had recourse to such external advisors.

The following chart summarizes the authorization levels for the main decisions relating to the compensation of the Board of Directors and the Executive Committee members.

Subject matter	CEO	Remuneration Committee	Board of Directors	Annual General Meeting
Aggregate remuneration amount of the Board of Directors			Recommendation	Binding vote
Individual remuneration of the members of the Board of Directors including the Chair of the Board		Recommendation	Approval	
Aggregate fixed remuneration amount of the Executive Committee			Recommendation	Binding vote
Aggregate short-term variable remuneration amount of the Executive Committee			Recommendation	Binding vote
Setting of annual financial targets for short-term variable remuneration of Executive Committee members	Recommendation	Approval		
Establishment of Long-Term Incentive plans		Recommendation	Approval	
Setting of multi-year financial and non-financial targets for long-term variable remuneration of Executive Committee members	Recommendation	Approval		
Aggregate value of the grants awarded under the Long-Term Incentive plan to Executive Committee members			Recommendation	Binding vote
Individual remuneration of the CEO		Approval		
Individual remuneration of the Executive Committee members	Recommendation	Approval		
Remuneration report		Recommendation	Approval	Consultative vote

Recommendation Approval Binding vote Consultative vote

The following Directors served on the Committee during their mandate from Annual General Meeting 2025 to 2026:

- Sami Atiya (Chair)
- Patrick Kron
- Kory Sorenson

In 2025, the Committee met three times and handled several matters pertaining to remuneration outside scheduled meetings. The Chair of the Remuneration Committee reports to the Board of Directors after each meeting on the activities of the Committee. The minutes of the Committee meetings are available to the members of the Board of Directors. Generally, the Chair of the Board attends the meetings of the Committee, except when matters pertaining to his own compensation are being discussed.

The CEO, selected members of the Executive Committee, the Chief People Officer and the Global Head of Reward may be asked to attend the meetings in an advisory capacity. They do not attend the meeting when their own compensation or performance are being discussed.

In line with its anti-discrimination and dignity at work policy, SGS is committed to promoting equal opportunity for all employees and an environment in which all members of the workplace treat all individuals both in the workplace and in other work-related settings at all times with dignity, consideration and respect.

All employment-related decisions, including compensation, benefits and promotions, will be solely made on the basis of an individual's qualifications, performance and behavior or other legitimate business considerations. SGS does not tolerate any discriminatory practices, in particular based on age, civil partnership, disability, ethnicity, family status, gender, gender identity, ideological views, marital status, nationality, political affiliation, pregnancy, religion, sexual orientation, social origin or any other status that is protected as a matter of local law.

4. Remuneration policy for the Board of Directors

Members of the Board of Directors are appointed by the Annual General Meeting for a period of one year until the date of the next ordinary AGM. Their remuneration follows the following principles and structure:

Objectives

The remuneration of the members of the Board of Directors is defined with two main objectives:

- To **compensate their activities and responsibilities as the highest governing body** of the Group and their participation in the committees established within the Board of Directors
- To **guarantee their independence** in exercising their supervisory duties towards the executive management

Method of determination of remuneration levels

In determining the amounts of the compensation elements, the Board of Directors considers the prevailing practices of the Swiss publicly traded companies belonging to the Swiss Market Index (SMI) or Swiss Market Index Mid (SMIM) indexes, with market capitalization of similar size (-50%/+100%), and not belonging to the capital markets, insurance and pharmaceuticals sectors:

EMS-Chemie	Geberit	Kuehne+Nagel	Lindt+Spruengli
Logitech	Schindler	Sika	Sonova
Straumann	Swatch	Swisscom	VAT Group

Remuneration elements

Fixed remuneration only:

- Annual Board retainer
- Committee fees (Board Chair not eligible)

Part of the remuneration of the Board Chair may be paid in the form of a representation fee (per agreement with tax authorities).
Board members are not entitled to variable remuneration, benefit plans of the Company or any termination/severance agreements.
The remuneration of the members of the Board of Directors is subject to employer social charges according to Swiss legislation.

Remuneration vehicles

75% of the annual Board retainer and Committee fees are settled in cash and paid in two installments (June and December).

25% of the annual Board retainer is settled in shares restricted for three years, which are allocated after the AGM during which the Board member is elected. The number of restricted shares is determined by dividing the value of 25% of the annual Board retainer by the average closing share price during the 20-day period following the payment of the dividends after the AGM. Restricted shares may not be sold, donated, pledged, or otherwise disposed of to third parties during the three-year restriction period. In case of change of control or liquidation, or in case a member of the Board ceases to exercise their mandate following death or permanent disability, the restriction period of the shares lapses. The shares remain restricted in all other instances.

Remuneration levels

CHF thousand (gross)		Board retainer			Audit Committee fee	Remuneration Committee fee	Nomination Committee fee	Sustainability Committee fee
Board Chair	Cash	500	Committee Chair	Cash	70	40	–	40
	Restricted shares	165		Restricted shares	–	–	–	–
	Total	665		Total	70	40	–	40
Board member	Cash	150	Committee member	Cash	50	30	30	30
	Restricted shares	50		Restricted shares	–	–	–	–
	Total	200		Total	50	30	30	30

Share Ownership Guidelines (SOG)

Board members are required to accumulate during their tenure a number of shares equivalent in value to two years of annual Board retainer.

5. Remuneration policy for the Executive Committee

5.1. General principles

The Company's remuneration policy applicable to the Executive Committee members is defined by the Board of Directors in support of Strategy 27: accelerating growth, building trust – and its three strategic priorities: growth; people, performance and agility; strong financial and ESG profile.

Objectives

The remuneration policy for members of the Executive Committee is designed to achieve three key objectives:

- **Attract and retain top industry talent** by offering competitive and fair compensation packages
- **Drive performance excellence** by aligning incentives with the achievement of annual operating goals and long-term strategic priorities
- **Foster long-term value creation** by encouraging sustainable outcomes that benefit shareholders and contribute positively to society

Method of determination of remuneration levels (peer group)

SGS is a global Company, operating in a broad range of sectors; the determination of the remuneration levels of the Executive Committee members must consider both global and local practices. We periodically compare our compensation practices with those of other similar global organizations:

- Main competitors in testing, inspection and certification industry

ALS	Bureau Veritas	Eurofins	Intertek
UL Solutions			

- The Swiss listed companies belonging to the Swiss Leader Index (SLI), not belonging to the capital markets, insurance and pharmaceuticals sectors, of comparable size (-50%/+100% in terms of sales):

Alcon	Givaudan	Lindt+Spruengli	Logitech
Lonza	Schindler	Sika	Sonova
Swatch	Swisscom		

The elements of executive remuneration benchmarked include annual base salary and benefits, short-term and long-term incentives. Since half of our Executive Committee members are based outside Switzerland, we use information published by reputable data providers, including Mercer and Willis Towers Watson, related to both the Swiss market and the other markets where the Executive Committee members are based.

As a reference point, SGS targets the median compensation level of the peer group.

Remuneration elements and vehicles

The members of the Executive Committee receive a fixed remuneration. and a variable remuneration linked to short-term and long-term results:

- The fixed remuneration includes an annual base salary and benefits
- The variable remuneration consists of a short-term incentive and a long-term incentive

Element	Purpose	Drivers	Performance measures	Vehicle
Base salary	Pay for position	Skillset and experience, market benchmark	–	Cash
Benefits	Protect against risks, cover retirement	Market practices	–	Contributions
Short-term incentive	Drive and reward annual performance excellence	Annual Financial, Health and Safety, and individual performance	Organic sales growth, adjusted operating income margin, free cash flow (group, region and business); lost time incident rate (group, region); leadership multiplier	50% cash 50% restricted shares
Long-term incentive	Drive and reward long-term performance excellence; align with shareholders' interests	Three-year financial and ESG[1] performance	rTSR[2] Group EPS[3] growth ESG[1] metrics	Performance share units (PSUs)

1. ESG: environmental, social and governance.
2. rTSR: relative total shareholder return.
3. EPS: earnings per share.

Employment contracts of the Executive Committee members have no fixed term and can be terminated at any time by either party, provided a notice period of six months is respected. For the CEO, the notice period is 12 months. The executive contracts do not provide for any severance payments (beyond the minimum legally required in the country of employment) and are subject to applicable legislation in the country of employment. They include non-competition provisions in the countries where such provisions are enforceable.

The remuneration of the members of the Executive Committee is subject to employer social charges, according to the legislation in force in their country of employment.

Share Ownership Guidelines (SOG)

Members of the Executive Committee are required to own at least a certain multiple of their annual base salary in SGS shares, as follows:

- CEO: three times the annual base salary
- Other members of the Executive Committee: two times the annual base salary

Executive Committee members have five years to comply with the SOG requirements; until the obligation is met, restrictions to sell shares allocated through short-term incentive plan settlements and upon the vesting of long-term incentive plans will apply, with the exception of transactions made to cover income tax liabilities.

In the event of a substantial drop in the share price, the Board of Directors has the discretion to modify the SOG.

The determination of equity amounts against the SOG is defined to include vested shares allocated under the short-term and long-term incentive plans and other shares that are owned by the Executive Committee member directly or indirectly (by closely related persons).

The Remuneration Committee reviews compliance with the SOG on an annual basis.

5.2. Remuneration mix

The part of remuneration at risk (short-term incentive and long-term incentive) for the CEO represents, at target, 73% of her total remuneration. The part of remuneration settled in equity instruments (restricted shares, PSUs and PSOs) represents, at target, 59% of her total remuneration.

For the other members of the Executive Committee, the part or remuneration at risk represents, on average, 64% of their total remuneration. The part of remuneration settled in equity instruments represents, on average, 50% of their total remuneration.

The part of the fixed remuneration linked to benefits is not considered in this analysis.

The charts below show the remuneration mix for the CEO and the other members of the Executive Committee in three cases: at minimum (both short-term and long-term incentives at zero pay-out), at target (both short-term and long-term incentives at 100% pay-out) and at maximum (both short-term and long-term incentives at maximum pay-out).

Remuneration mix for the CEO and other Executive Committee members in three cases (%)

5.3. Fixed remuneration: annual base salary

The base salaries of the CEO and each Executive Committee member are reviewed annually based on market data for similar positions in those companies and geographies against which the Group benchmarks itself. In addition to individual performance and contribution, business performance and results, the deciding body considers the scope and complexity of the areas of responsibility of the position, and skillsets and experience required to perform the job.

5.4. Fixed remuneration: benefits

Benefits include the employer's contributions to pension plans, the employer's contributions to insurances for health, life, disability and other risks, allowances and benefits in kind. They are awarded in accordance with prevailing practices in the country of employment of the members of the Executive Committee.

Swiss-based Executive Committee members participate, on the same basis as other Swiss employees of the Group, in the Company's pension scheme.

5.5. Short-term variable remuneration

The CEO and the other members of the Executive Committee are eligible to a performance-related annual incentive plan (the 'short-term incentive'). The short-term incentive is designed to reward the CEO and the other members of the Executive Committee for:

- The annual financial performance of the Group and its businesses
- The health and safety of the Group's employees
- The individual performance and leadership in support of Strategy 27

The short-term incentive plan is reviewed annually to ensure its alignment with the Group's business strategy.

As of 2025, the lost time incident rate (LTIR) was moved from the LTI into the STI to ensure a stronger line-of-sight on health and safety, through an annual goal setting and performance measurement.

Incentive opportunity

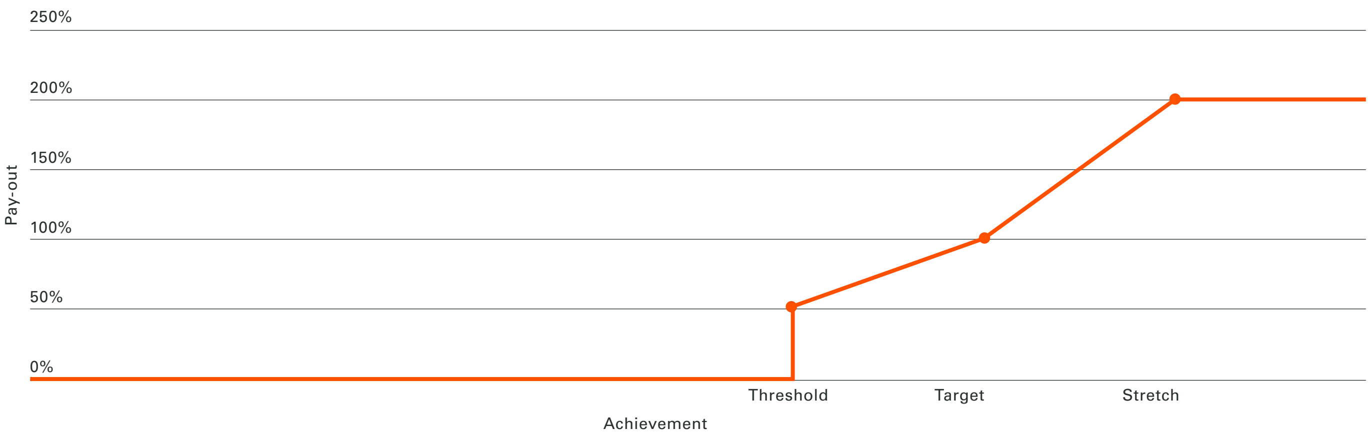
	CEO	Other Executive Committee members
Target incentive opportunity	110% of base salary	60%–80% of base salary
Maximum incentive opportunity	275% of base salary	150%–200% of base salary

Performance objectives

		Growth	Profitability	Cash generation	Health and safety
Purpose		Measure the Company's ability to grow organically	Measure the Company's operational profitability	Measure the Company's ability to generate cash	Measure the Company's ability to protect the health and safety of its employees
Definition		Organic sales growth vs. prior year (Group, Regions, Business)	Adjusted Operating Income margin on sales (Group, Regions, Business)	Free Cash Flow before restructuring (Group, Regions)	Lost time Incident Rate (Group, Regions)
Weighting	CEO, Corporate Functions	30% Group	33% Group	30% Group	7% Group
	Heads of Regions	25% Region	18% Group 25% Region	25% Region	7% Region
	Head of Business Assurance	40% Business Assurance	13% Group 40% Business Assurance	–	7% Group
	Heads of Business Development	50% business	23% Group	20% Group	7% Group
2025 targets (Group)	Threshold	4.75%	15.2%	CHF 603 million	0.91
	Target	5.5%	15.5%	CHF 643 million	0.88
	Stretch	6.25%	15.8%	CHF 683 million	0.85

Pay-out formula

Pay-out is based on the Company performance against threshold, target, stretch pre-defined achievement levels.



Leadership multiplier

Members of the Executive Committee are rewarded primarily based on the financial and Health & Safety performance of their businesses through the Group's short-term incentive. A leadership multiplier adjusts this outcome to reflect delivery in line with Strategy 27. The leadership multiplier operates as a subsequent adjustment and does not replace financial or Health & Safety performance measures. First, each executive's incentive outcome is calculated based solely on the achievement of agreed financial and Health & Safety KPIs, establishing the base payout. Second, each executive's individual leadership performance is assessed against three strategic pillars defining execution of Strategy 27:

- Growth — Strategic Execution and Sustainable Growth: Deliver profitable growth through innovation, sustainability, digital acceleration and focused commercial execution. Strengthen organic performance and pursue value-accretive M&A in priority segments. Build competitive advantage through differentiation and targeted market leadership
- People, Performance and Agility — Leadership and Talent Development: Build an agile and accountable organization with strong leadership and empowered talent, supported by a performance-driven culture. Strengthen organizational structures and establish a robust pipeline of successors to secure our future leadership capability
- Strong Financial Profile — Operational and Organizational Performance to drive cash generation: Strengthen financial resilience through operational performance, operating leverage, disciplined capital allocation, cost efficiency and measurable sustainability outcomes. Focus on cash generation and optimization of organizational performance

The outcome of this assessment is expressed as a multiplier between 70% and 125% and is applied to the incentive outcome based on financial and Health & Safety KPIs. A score below 100 percent reduces the payout, a score of 100 percent leaves it unchanged, and a score above 100 percent increases it for Strategy 27. We believe this helps to align our leadership team on the execution of Strategy 27 and further strengthen our performance culture.

The assessment of the CEO is conducted at year end by the Board of Directors, while the assessment of the other members of the Executive Committee is conducted by the CEO and approved by the Remuneration Committee.

Settlement vehicles

Once the final incentive amount is determined, it is settled 50% in cash and 50% in restricted shares, to strengthen the link between the compensation of executives and the interests of shareholders.

The cash component is paid and the restricted shares are allocated after the shareholders' approval at the AGM of the following year.

The number of restricted shares to be allocated is determined by dividing 50% of the final incentive amount by the average closing share price during the 20-day period following the payment of the dividends after the AGM. They are restricted for a period of three years during which they may not be sold, donated, pledged, or otherwise disposed of to third parties.

The Group does not issue new shares to be allocated to employees for equity-based compensation plans, but uses treasury shares instead, acquired through share buyback programs. Detailed information on the overhang and burn rate are disclosed in note 27 of the consolidated financial statements.

Clawback provisions

A clawback policy applies to any variable remuneration awarded to the members of the Executive Committee. Under this policy, the Company may reclaim the value of any variable incentives paid, in cash or shares, in the following cases:

- Any fraud, negligence or intentional misconduct was a significant contributing factor to the Company having to restate all or a portion of its financial statements

A serious violation of the SGS internal regulations and/or code of integrity

- Any violation of law within the scope of employment at the Company

Provisions in case of termination of employment

In case of termination of employment during the financial year, 'bad' leavers (voluntary resignation, termination for cause) lose their award, while 'good' leavers (all other termination reasons) receive it on a pro-rata basis for their time of employment during the year. The table below details the rules applicable to the award in the different cases of termination of employment during the financial year and between the end of the financial year and the next AGM.

	Last day of employment before 31 December				Last day of employment between 31 December and AGM			
Termination reason	**Incentive opportunity (target incentive)**	**Incentive pay-out**	**Payment date**	**Payment vehicle**	**Incentive opportunity (target incentive)**	**Incentive pay-out**	**Payment date**	**Payment vehicle**
Termination for cause	Zero	Zero	–	–	Zero	Zero	–	–
Resignation	Zero	Zero	–	–	Full	Based on actual performance	After AGM approval	100% cash
Death or disability	Pro-rated on calendar days	Based on estimated performance	Shortly after the termination date	100% cash	Full	Based on actual performance	Shortly after the termination date	100% cash
Change in control or liquidation	Pro-rated on calendar days	Based on actual performance	After AGM approval	100% cash	Full	Based on actual performance	After AGM approval	100% cash
Retirement, termination not for cause	Pro-rated on calendar days	Based on actual performance	After AGM approval	100% cash	Full	Based on actual performance	After AGM approval	100% cash

5.6. Long-term variable remuneration

The CEO and the other members of the Executive Committee are eligible to receive a performance-related long-term incentive (the 'long-term incentive'). The long-term incentive is designed to:

- Motivate the leadership team to achieve the long-term objectives of the Group
- Align their remuneration with the interests of shareholders

The long-term incentive plan is reviewed annually to ensure its alignment with the Group's business strategy.

For the 2025-2027 performance period, changes in the long-term incentive plan were implemented, to further strengthen the focus on long-term value creation in support of Strategy 27: Accelerating growth, building trust.

The long-term incentive consists of grant of PSUs; in 2025, the Company implemented an exceptional grant of PSOs, awarded in two tranches, one in June and one in December.

The Board's decision to implement an exceptional grant of PSOs reflects its intention to reinforce the engagement and long-term commitment of the Executive Committee members during a pivotal phase of the Group's expansion. SGS is entering an accelerated growth trajectory, supported by a series of strategic acquisitions, including ATS, our most significant acquisition in recent years. Ensuring strong alignment between senior leadership and the long-term value creation expected from these transformative initiatives is essential.
The exceptional grant is therefore designed to strengthen retention, ensure continuity in the execution of our growth strategy, and underline the Board's confidence in the Executive Committee's ability to deliver on the Group's ambitions.

PSUs grant

The PSUs granted under the long-term incentive vest after a performance period of three years, conditionally upon the achievement of pre-defined performance objectives and subject to continuity of employment of the beneficiaries during the vesting period; at vesting, shares are allocated to the participants according to the performance achievements. The maximum vesting opportunity of PSUs is 150% of the initial grant.

Incentive opportunity

	CEO	Other Executive Committee members
Target incentive opportunity	167% of base salary	100% of base salary
Maximum incentive opportunity	250% of base salary	150% of base salary

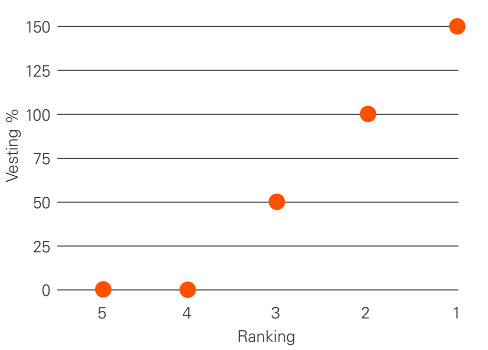
Performance objectives

	rTSR vs. TIC main competitors and vs. SLI companies	Earnings Per Share (EPS) growth	ESG metrics
Performance period	3 years: 2025-2027		
Purpose	Measure the Company's ability to outperform its four main competitors (ALS, Bureau Veritas, Eurofins, Intertek) and the 30 largest and most liquid securities in the Swiss equity market	Measure the Company's ability to grow profitably and sustainably	Support the Company's ongoing commitment to advancing ESG initiatives as part of its long-term strategy; align the interests of our leadership with our long-term sustainability goals
Definition	TSR: (ending stock price – beginning stock price) + sum of all dividends distributed during the three-year performance period	Average year-over-year growth of the adjusted basic EPS during the three-year performance period (excluding the dilutive effect of the scrip dividends)	Employee engagement score Customer satisfaction Environment protection: GHG emissions (each metric accounting for one-third of the weighting)
Weighting	20% (TIC) + 20% (SLI)	40%	20%

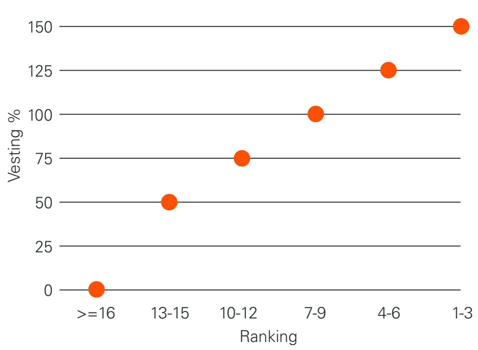
Performance objectives continued

	rTSR vs. TIC main competitors and vs. SLI companies	Earnings Per Share (EPS) growth	ESG metrics
Vesting formula			
	Vesting is based on the ranking of SGS against the peer groups. It is 0% below median, 50% at median, 100% at upper quartile, 150% at top ranking	Vesting is based on the Company performance against threshold, target, stretch pre-defined achievement levels	Vesting is based on the Company's performance against pre-defined achievement levels for the three metrics (ESG scorecard)

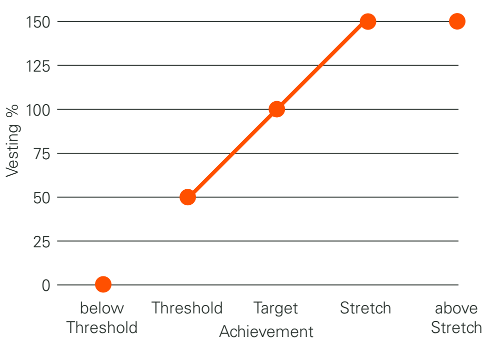
Relative TSR vs TIC companies



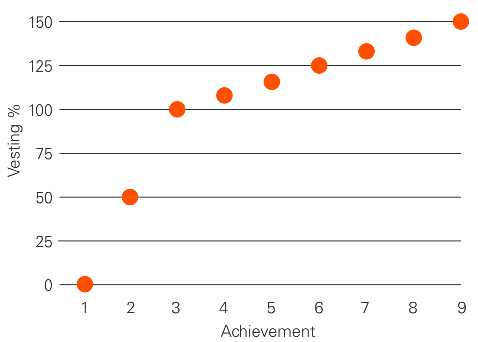
Relative TSR vs SLI companies



EPS growth



ESG metrics



Maximum vesting level	150%
Vesting and holding period	Three-year cliff vesting No further holding period

Malus and clawback provisions

A malus and clawback policy applies to any long-term incentive grant awarded to the members of the Executive Committee. Under this policy, the Company may forfeit any unvested equity compensation and/or reclaim the value of any vested equity compensation granted under a long-term incentive plan, in the following cases:

- Any fraud, negligence or intentional misconduct was a significant contributing factor to the Company having to restate all or a portion of its financial statements
- A serious violation of the SGS internal regulations and/or code of Integrity
- Any violation of law within the scope of employment at the Company

Provisions in case of termination of employment

In case of termination of employment, the following provisions apply:

Termination reason	Vesting rule	Vesting time	Vesting level
Retirement or Disability	Vesting on a pro-rata basis	At regular vesting date	Based on actual performance
Death	Accelerated vesting on a pro-rata basis	Immediate	Based on an estimation of performance by the Board of Directors
Corporate transaction or liquidation	Accelerated vesting on a pro-rata basis (unless assumed or replaced by the successor)	Immediate	Target (100%)
Resignation	Forfeiture	–	–
Cause	Forfeiture	–	–
Company initiated	Forfeiture[1]	–	–

1. In case of Company-initiated termination not for cause, if the termination date occurs during the last 12 months of the vesting period, and subject to the Board of Directors approval, PSUs unvested at the termination date may vest on a pro-rata basis.

Exceptional PSOs grant

The PSOs exceptionally granted in 2025 vest after a performance period of four years (2025-2028), conditionally upon the achievement of a pre-defined performance objective, and subject to continuity of employment of the beneficiaries during the vesting period; they can be exercised during a four-year exercise period following vesting, for a total maturity period of eight years. The maximum vesting opportunity of PSOs is 100% of the initial grant. The PSOs were granted in two tranches, one in June and one in December, to maximize the retention power of the award. The exercise price of the two tranches were set as the closing price of the SGS share the day preceding the grant date.

Incentive opportunity

	CEO	Other Executive Committee members
Maximum incentive opportunity	150% of base salary	60% of base salary
Exercise price	Tranche 1 (June): CHF 85.78 Tranche 2 (December): CHF 86.80	

Performance objective

	Return on Invested Capital (ROIC)
Performance period	4 years: 2025-2028
Purpose	Measure the Company's ability to generate returns from invested capital
Definition	ROIC at year-end 2028, adjusted for changes in scope between 2025 and 2028. It is defined as: +/- Net operating profit/loss after tax (NOPAT)/Average invested capital (Average invested capital = invested capital at beginning of year + invested capital at year end, sum divided by 2). In case of material changes in the scope during the year, average invested capital is adjusted pro rata temporis.
Weighting	100%

Vesting formula

Vesting is based on the Company performance against threshold, target, stretch pre-defined achievement levels.

Maximum vesting level	100%
Vesting, holding and exercise period	Four-year cliff vesting No further holding period Four-year exercise period

Malus and clawback provisions

A malus and clawback policy applies to any long-term incentive grant awarded to the members of the Executive Committee. Under this policy, the Company may forfeit any unvested equity compensation and/or reclaim the value of any vested equity compensation granted under a long-term incentive plan, in the following cases:

- Any fraud, negligence or intentional misconduct was a significant contributing factor to the Company having to restate all or a portion of its financial statements
- A serious violation of the SGS internal regulations and/or code of Integrity
- Any violation of law within the scope of employment at the Company

Provisions in case of termination of employment

In case of termination of employment, the following provisions apply:

Termination reason	Vesting rule	Vesting time	Vesting level	Exercise period
Retirement or Disability	Vesting on a pro-rata basis	At regular vesting date	Based on actual performance	6 months after vesting or termination date
Death	Accelerated vesting on a pro-rata basis	Immediate	Target (50%)	6 months after vesting or termination date
Corporate transaction or liquidation	Accelerated vesting on a pro-rata basis (unless assumed or replaced by the successor)	Immediate	Target (50%)	Immediate automatic
Resignation	Forfeiture	–	–	–
Cause	Forfeiture	–	–	–
Company initiated	Forfeiture[1]	–	–	–

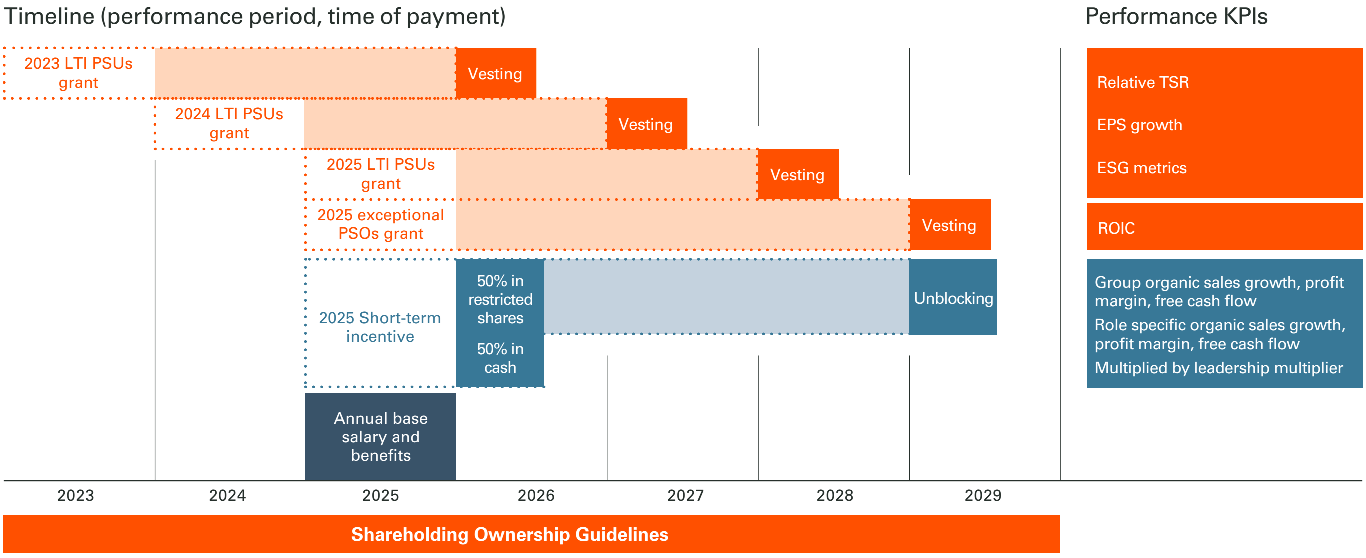
1. Unless otherwise determined by the Board in its sole discretion and on a case-by-case basis.

5.7. Timeline of remuneration

The following chart outlines the timeline of payment of each remuneration element that was earned in 2025:

- The annual base salary is paid during 2025
- The cash portion of the short-term incentive is paid shortly after the 2026 AGM
- The share portion of the short-term incentive is allocated in Q2 2026 and will be unblocked in Q2 2029
- The PSUs granted under the long-term incentive in 2023 were earned over the performance period from 2023 to 2025, and will vest, subject to performance conditions and continuity of employment, on 1 March 2026; shares will be allocated to the participants in Q1 2026
- The PSUs granted under the long-term incentive in 2025 will be earned over the performance period from 2025 to 2027 and will vest, subject to performance conditions and continuity of employment, in Q1 2028
- The PSOs granted under the long-term incentive in 2025 will be earned over the performance period from 2025 to 2028 and will vest, subject to performance condition and continuity of employment, in Q1 2029

Timeline of remuneration



6. Remuneration awarded to the Board of Directors

6.1. AGM vote on remuneration

The table below summarizes the vote of the AGM 2025 on the remuneration of the members of the Board of Directors for the mandate AGM 2025 to AGM 2026.

AGM	Remuneration element	Vote type	Period	Approved amount CHF thousand	Actual amount CHF thousand
2025	Aggregate total remuneration	Prospective	AGM 2025 to AGM 2026	2 700	2 495

The actual remuneration for the mandate AGM 2025 to AGM 2026 was within the approved amount.

The table below summarizes the proposed amount for the vote at the 2026 AGM.

AGM	Remuneration element	Vote type	Period	Proposed amount CHF thousand
2026	Aggregate total remuneration	Prospective	AGM 2026 to AGM 2027	2 700

6.2. Details of remuneration (audited)

Remuneration awarded for the mandate AGM 2025 to AGM 2026

The table below details the remuneration elements and the settlement vehicle of the Directors for the mandate Annual General Meeting 2025 to 2026.

(CHF thousand, gross)	Board chair retainer	Board member retainer	Audit Committee membership	Remuneration Committee membership	Nomination Committee membership	Sustainability Committee membership	Total remuneration	To be settled in cash	To be settled in restricted shares[2]
Calvin Grieder	665	–	–	–	–	–	665	500	165
Sami Atiya	–	200	–	40	30	–	270	220	50
Phyllis Ka Yan Cheung	–	200	–	–	–	30	230	180	50
Ian Gallienne	–	200	–	–	–	–	200	150	50
Tobias Hartmann	–	200	50	–	–	–	250	200	50
Patrick Kron	–	200	–	30	30	–	260	210	50
Géraldine Picaud[1]	–	–	–	–	–	–	–	–	–
Kory Sorenson	–	200	70	30	–	40	340	290	50
Janet Vergis	–	200	50	–	30	–	280	230	50
Total	**665**	**1 400**	**170**	**100**	**90**	**70**	**2 495**	**1 980**	**515**

1. G. Picaud, the CEO of the Group, was elected as a Director at the AGM 2025; she will not receive any additional remuneration for this mandate.
2. Restricted shares were granted during financial year 2025.

The table below details the remuneration elements and the settlement vehicle of the Directors for the mandate Annual General Meeting 2024 to 2025.

(CHF thousand, gross)	Board chair retainer	Board member retainer	Audit Committee membership	Remuneration Committee membership	Nomination Committee membership	Sustainability Committee membership	Total remuneration	To be settled in cash	To be settled in restricted shares[1]
Calvin Grieder	665	–	–	–	–	–	665	500	165
Sami Atiya	–	200	–	40	30	–	270	220	50
Phyllis Ka Yan Cheung	–	200	–	–	–	30	230	180	50
Ian Gallienne	–	200	–	30	30	–	260	210	50
Tobias Hartmann	–	200	50	–	–	–	250	200	50
Jens Riedl	–	200	–	–	–	–	200	150	50
Kory Sorenson	–	200	70	30	–	30	330	280	50
Janet Vergis	–	200	50	–	15	–	265	215	50
Total	**665**	**1 400**	**170**	**100**	**75**	**60**	**2 470**	**1 955**	**515**

1. Restricted shares were granted during financial year 2024.

Remuneration awarded for the financial year 2025

The following table details the remuneration elements granted to each of the Directors for their tenure in financial year 2025. It includes both pro-rata temporis elements of remuneration for the mandate AGM 2024 to AGM 2025 and pro-rata temporis elements of remuneration for the mandate AGM 2025 to AGM 2026. The remuneration of the Board of Directors is subject to employer social charges according to Swiss legislation.

(CHF thousand, gross)	Board retainer	Representation fees	Committee fees	Total remuneration	Cash	Restricted shares value[4]	Restricted shares NB	Employer social charges
Calvin Grieder	665	–	–	665	500	165	1 966	17
Sami Atiya	200	–	70	270	220	50	595	22
Phyllis Ka Yan Cheung	200	–	30	230	180	50	595	19
Ian Gallienne	200	–	14	214	164	50	595	17
Tobias Hartmann	200	–	50	250	200	50	595	–
Patrick Kron[1]	165	–	46	211	161	50	595	14
Géraldine Picaud[2]	–	–	–	–	–	–	–	–
Jens Riedl[3]	35	–	–	35	35	–	–	3
Kory Sorenson	200	–	138	338	288	50	595	27
Janet Vergis	200	–	80	280	230	50	595	22
Total	**2 065**	–	**428**	**2 493**	**1 978**	**515**	**6 131**	**141**

1. As of the AGM 2025.
2. G. Picaud, the CEO of the Group, was elected as a Director at the AGM 2025; she will not receive any additional remuneration for this mandate.
3. Until the AGM 2025.
4. Based on the average closing share price of the 20 trading days preceding the grant date.

The following table details the remuneration elements granted to each of the Directors for their tenure in fiscal year 2024. It includes both pro-rata temporis elements of remuneration for the mandate AGM 2023 to 2024 and pro-rata temporis elements of remuneration for the mandate AGM 2024 to 2025.

(CHF thousand, gross)	Board retainer	Representation fees	Committee fees	Total remuneration	Cash	Restricted shares value[2]	Restricted shares NB	Employer social charges
Calvin Grieder	668	–	–	668	503	165	2 000	11
Sami Atiya	201	–	70	271	221	50	606	23
Phyllis Ka Yan Cheung	201	–	30	231	181	50	606	19
Ian Gallienne	201	–	60	261	211	50	606	22
Tobias Hartmann	201	–	50	251	201	50	606	–
Shelby R. du Pasquier[1]	36	–	–	36	36	–	–	3
Jens Riedl	201	–	–	201	151	50	606	17
Kory Sorenson	201	–	131	332	282	50	606	27
Janet Vergis	201	–	58	259	209	50	606	22
Total	**2 111**	–	**399**	**2 510**	**1 995**	**515**	**6 242**	**144**

1. Until the AGM 2024.
2. Based on the average closing share price of the 20 trading days preceding the grant date.

The overall remuneration paid to the Board of Directors in 2025 is in line with the overall remuneration paid in 2024. The remuneration system for the Board of Directors did not change compared to previous year.

6.3. Other compensation, loans and credit facilities (audited)

In 2025, no other payment was made to any member or former member of the Board of Directors (unchanged from prior year).

As at 31 December 2025, no loan, credit or outstanding advance was due to the Group from members or former members of the Board of Directors or related parties (unchanged from prior year).

6.4. Shares and options held (audited)

The following table shows the shares held by members of the Board of Directors as at 31 December 2025:

Name	Restricted shares	Shares	Total shares
C. Grieder	5 969	13 019	18 988
S. Atiya	1 808	2 819	4 627
P. Cheung	1 808	595	2 403
I. Gallienne	1 808	500	2 308
T. Hartmann	1 808	475	2 283
P. Kron	595	1 000	1 595
G. Picaud	15 798	968	16 766
K. Sorenson	1 808	2 907	4 715
J. Vergis	1 808	595	2 403

No options were held by members of the Board of Directors as at 31 December 2025.

The following table shows the shares held by members of the Board of Directors as at 31 December 2024:

Name	Restricted shares	Shares	Total shares
C. Grieder	5 628	11 084	16 712
S. Atiya	1 688	2 344	4 032
P. Cheung	1 688	44	1 732
I. Gallienne	1 688	25	1 713
T. Hartmann	1 688	–	1 688
J. Riedl	1 213	25	1 238
K. Sorenson	2 913	1 033	3 946
J. Vergis	1 688	44	1 732

No options were held by members of the Board of Directors as at 31 December 2024.

6.5. Gender representation (audited)

The following table shows the gender representation at the Board of Directors for the mandate from AGM 2025 to AGM 2026 and for the previous mandate.

	Female		Male	
Period	Number	%	Number	%
AGM 2025 to AGM 2026	4	44.4%	5	55.6%
AGM 2024 to AGM 2025	3	37.5%	5	62.5%

6.6. Other activities (audited)

The functions of the members of the Board of Directors in other undertakings in 2025 are detailed in the table below.

Name	Undertaking	Function exercised
C. Grieder	Givaudan SA	Chair of the Board
	Bühler Group AG	Chair of the Board
	Eranoes Group AG	Chair of the Board
	Carivel7 AG	Owner
	Avenir Suisse	Member of the Board of Trustees
	ETH Zurich – Department of Mechanical & Process Engineering	Member of the Advisory Board
S. Atiya	PSA international Singapore	Member of the AI Council
Ph. Cheung	McDonald's China	CEO
	Aspen China Fellowship	Fellow
	Aspen Global Leadership Network	Member
I. Gallienne	Groupe Bruxelles Lambert	Chairman of the Board, CEO
	adidas	Director
	Imerys	Member of the Board, Chairman of the Strategic Committee
	Pernod Ricard SA	Member of the Board, Member of the Strategic Committee, Member of the Remuneration Committee
	Carpar SA	Member of the Board
	Compagnie Nationale à Portefeuille SA	Member of the Board
	Financière De La Sambre SA	Member of the Board
	Société Civile du Château Cheval Blanc	Member of the Board
	FG Bros	Chairman of the Board
T. Hartmann	Scout24 SE	CEO (until February 2025)
	Chrono24	Chairman of the Advisory Board
P. Kron	Imerys	Chair of the Board of Directors
	Sanofi	Member of the Board of Directors
	Viohalco	Member of the Board of Directors
	Segula Technologies	Member of the Supervisory Board
G. Picaud	Danone SA	Independent Director and Chair of the Audit Committee
	Conseillers du Commerce Extérieur de la France (CCEF)	Member of the Committee
K. Sorenson	Pernod Ricard SA	Member of the Board and Chair of the Remuneration Committee, Member of the Audit Committee
	Bank Gutmann	Member of the Supervisory Board
	AA Limited	Member of the Board and Chair of Audit and Risk Committee
	Premium Credit Limited	Member of the Board and Chair of Audit and Risk Committee
J. Vergis	Teva Pharmaceutical Industries	Member of the Board, Chair of Compliance Committee and Member of the Human Resources/Compensation Committee
	Dentsply Sirona	Member of the Board, Chair of the Science & Technology Committee
	Church and Dwight Company	Member of the Board, Chair of the Governance Committee, and Member of the Compensation and Human Capital Committee

The functions of the members of the Board of Directors in other undertakings in 2024 are detailed in the table below.

Name	Undertaking	Function exercised
C. Grieder	Givaudan SA	Chair of the Board
	Bühler Group AG	Chair of the Board
	Eranoes Group AG	Chair of the Board
	Carivel7 AG	Owner
	Avenir Suisse	Member of the Board of Trustees
	ETH Zurich – Department of Mechanical & Process Engineering	Member of the Advisory Board
S. Atiya	ABB Ltd	Member of the Group Executive Committee and President of ABB's Robotic & Discrete Automation business
Ph. Cheung	McDonald's China	CEO
	Aspen China Fellowship	Fellow
	Aspen Global Leadership Network	Member
I. Gallienne	Groupe Bruxelles Lambert	CEO
	adidas	Vice Chairman of the Supervisory Board, Member of the General Committee
	Imerys	Member of the Board, Chairman of the Strategic Committee and Member of the Compensation Committee, Member of the Remuneration Committee
	Pernod Ricard SA	Member of the Board, Member of the Strategic Committee and Member of the Remuneration Committee
	Carpar SA	Member of the Board
	Compagnie Nationale à Portefeuille SA	Member of the Board
	Financière De La Sambre SA	Member of the Board
	Société Civile du Château Cheval Blanc	Member of the Board
T. Hartmann	Scout24 SE	CEO
P. Kron	Imerys	Chair of the Board of Directors
	Sanofi	Member of the Board of Directors
	Viohalco	Member of the Board of Directors
	Segula Technologies	Member of the Supervisory Board
G. Picaud	Danone SA	Non-Exective Director
	Conseillers du Commerce Extérieur de la France (CCEF)	Member of the Committee
K. Sorenson	Pernod Ricard SA	Member of the Board and Chair of the Remuneration Committee, Member of the Audit Committee
	Bank Gutmann	Member of the Supervisory Board
	Comgest	Chair of the Board of Partners
	AA Limited	Member of the Board and Chair of Audit and Risk Committee
	Premium Credit Limited	Member of the Board and Chair of Audit and Risk Committee
J. Vergis	Teva Pharmaceutical Industries	Member of the Board, Chair of Compliance Committee and Member of the Human Resources/Compensation Committee
	Dentsply Sirona	Member of the Board, Chair of the Science & Technology Committee
	Church and Dwight Company	Member of the Board, Chair of the Governance Committee, and Member of the Compensation and Human Capital Committee

7. Remuneration awarded to the Executive Committee

This section sets out the remuneration that was paid to the Executive Committee as a whole and to the CEO in 2025. All amounts disclosed in this section include the short-term incentive cash amount and restricted shares that will be granted in April 2026 with respect to performance in 2025 (disclosure according to the accrual principle).

7.1. AGM votes on remuneration

The table below summarizes the votes of the AGM 2025 and of the AGM 2024 pertinent to financial year 2025 and 2026 on the remuneration of the members of the Executive Committee.

AGM	Remuneration element	Vote type	Period	Approved amount CHF thousand	Actual amount CHF thousand
2024	Aggregate fixed remuneration	Prospective	Financial year 2025	10 500	7 347
2025	Aggregate short-term variable remuneration	Retrospective	Financial year 2024 (paid after the 2025 AGM)	10 933	10 933
2024	Aggregate long-term variable remuneration[1]	Prospective	Financial year 2025	12 956	11 866
2025	Aggregate long-term variable remuneration[1]	Prospective	Financial year 2026	13 000	Will be reported in the 2026 Remuneration report
2025	Aggregate fixed remuneration	Prospective	Financial year 2026	10 500	Will be reported in the 2026 Remuneration report

1. Fair Value at grant of the long-term incentive vehicles multiplied by their maximum possible vesting level under the plan rules.

The actual remuneration in 2025 was within the approved amounts, and the statutory additional amount was not made use of accordingly.

The table below summarizes the proposed amounts for the votes at the 2026 AGM.

AGM	Remuneration element	Vote type	Period	Proposed amount CHF thousand
2026	Aggregate short-term variable remuneration	Retrospective	Financial year 2025 (paid after the 2026 AGM)	7 983
2026	Aggregate long-term variable remuneration[1]	Prospective	Financial year 2027	13 000
2026	Aggregate fixed remuneration	Prospective	Financial year 2027	10 500

1. Fair Value at grant of the long-term inventive vehicles multiplied by their maximum possible vesting level under the plan rules.

7.2. Total remuneration (audited)

The tables below present all components of the remuneration earned in 2025 and 2024 by the Executive Committee and the CEO. The employer social charges are reported separately in the last column of the table.

Total remuneration 2025

(CHF thousand, gross)	Total fixed remuneration	Total short-term variable remuneration	Total remuneration before LTI	Total long-term variable remuneration	Total remuneration	Employer social charges
Executive Committee (including CEO)[1]						
Cash (including allowances)	6 469	4 104	10 573	–	10 573	–
Contributions and benefits in kind	878	–	878	–	878	1 386
Equity	–	3 879	3 879	9 354	13 233	–
Total	**7 347**	**7 983**	**15 330**	**9 354**	**24 684**	**1 386**
Chief Executive Officer						
Cash (including allowances)	1 270	1 481	2 751	–	2 751	–
Contributions and benefits in kind	123	–	123	–	123	308
Equity	–	1 481	1 481	3 428	4 909	–
Total	**1 393**	**2 962**	**4 355**	**3 428**	**7 783**	**308**

1. 14 FTE (full-time equivalent).

Total remuneration 2024

(CHF thousand, gross)	Total fixed remuneration	Total short-term variable remuneration	Total remuneration before LTI	Total long-term variable remuneration	Total remuneration	Employer social charges
Executive Committee (including CEO)[1]						
Cash (including allowances)	9 078	7 364	16 442	–	16 442	
Contributions and benefits in kind	1 066	–	1 066	–	1 066	1 813
Equity	–	3 569	3 569	6 853	10 422	–
Total	**10 144**	**10 933**	**21 077**	**6 853**	**27 930**	**1 813**
Chief Executive Officer						
Cash (including allowances)	1 283	1 386	2 669		2 669	–
Contributions and benefits in kind	110	–	110		110	114
Equity	–	1 386	1 386	2 083	3 469	–
Total	**1 393**	**2 772**	**4 165**	**2 083**	**6 248**	**114**

1. 16 FTE (full-time equivalent).

7.3. Fixed remuneration (audited)

The table below summarizes the fixed remuneration paid to the Executive Committee and the Chief Executive Officer in 2025.

(CHF thousand, gross)	**Base salary**	**Other cash allowances**	**Contributions to pension plans**	**Other contributions and benefits in kind**	**Total fixed remuneration**
Executive Committee (including CEO)					
Cash (including allowances)	6 066	403	–	–	6 469
Contributions and benefits in kind	–	–	640	238	878
Equity	–	–	–	–	–
Total	**6 066**	**403**	**640**	**238**	**7 347**
Chief Executive Officer					
Cash (including allowances)	1 250	20	–	–	1 270
Contributions and benefits in kind	–	–	119	4	123
Equity	–	–	–	–	–
Total	**1 250**	**20**	**119**	**4**	**1 393**

The table below summarizes the fixed remuneration paid to the Executive Committee and the CEO in 2024.

(CHF thousand, gross)	Base salary	Other cash allowances	Contributions to pension plans	Other contributions and benefits in kind	Total fixed remuneration
Executive Committee (including CEO)					
Cash (including allowances)	7 930	1 148	–	–	9 078
Contributions and benefits in kind	–	–	762	304	1 066
Equity	–	–	–	–	–
Total	**7 930**	**1 148**	**762**	**304**	**10 144**
Chief Executive Officer					
Cash (including allowances)	1 190	93	–	–	1 283
Contributions and benefits in kind	–	–	106	4	110
Equity	–	–	–	–	–
Total	**1 190**	**93**	**106**	**4**	**1 393**

7.4. Short-term variable remuneration (audited)

The short-term variable remuneration of the members of the Executive Committee is determined by the achievement of financial targets and by their leadership multiplier. In 2025, the achievement of financial targets at group level, in the businesses and in the regions ranges from 36.9% to 175.8% (2024: 62.9% to 174.3%). The chart below summarizes the 2025 performance achievements against targets for the financial objectives (sales, profit margin, free cash flow) used in the short-term incentive.

2025 performance achievements against targets

	Threshold	Target	Stretch	
Organic sales growth				The 2025 Group organic sales growth was 5.6% compared with a target of 5.5%, which corresponds to a pay-out factor of 107.8%. The regional and business organic sales growth was mixed, with two regions above stretch (200% pay-out factor), one business between target and stretch, one business between threshold and target, and three regions and one business below threshold (0% pay-out factor).
Group				
Regions and businesses				
Adjusted operating income margin				The 2025 Group AOI margin was 16.0% compared with a target of 15.5%, which corresponds to a pay-out factor of 200%. The regional and business local contribution/business profit margin was between target and stretch for two regions, between threshold and target for three regions, and below threshold for one business (0% pay-out factor).
Group				
Regions and businesses				
Free cash flow				The 2025 Group free cash flow (excluding the net proceeds from the disposal of the Geneva HQ building and the impact of restructuring expenses paid in 2025) was CHF 811 million, compared with a target of CHF 643 million, which corresponds to a pay-out factor of 200%. The regional free cash flow was above threshold for three regions (200% pay-out factor), and between threshold and target for two regions.
Group				
Regions				
Lost Time Incident Rate*				The 2025 Group Lost Time Incident Rate was 0.77 compared with a target of 0.88, which corresponds to a pay-out factor of 200%. The regional Lost Time Incident Rate was above stretch for three regions (200% pay-out factor), between threshold and target for one region, and below threshold for one region (0% pay-out factor).
Group				
Regions				

* Number of lost time incident divided by the number of worked hours, multiplied by one million.

The overall short-term incentive pay-out amounts to 215.4% of the target incentive opportunity for the CEO (2024: 233%) and ranges from 40.0% to 226.8% of the target incentive opportunity for the other members of the Executive Committee (2024: 97.1% to 192.2%). For the purpose of the short-term incentive, targets and performance achievement are measured at constant currency exchange rates. The table below details the 2025 short-term incentive for the CEO.

CEO 2025 STI pay-out

	Group financial KPIs				Pay-out
KPI description Metric	**Organic sales growth (%)**	**Adjusted operating income margin on sales (%)**	**Free cash flow[1] (CHF million)**	**Lost time Incident Rate**	
Threshold	4.8%	15.2%	603	0.91	
Target	5.5%	15.5%	643	0.88	
Stretch	6.3%	15.8%	683	0.85	
Actual	5.6%	16.0%	811	0.77	
Pay-out %	107.8%	200.0%	200.0%	200.0%	
Weight	30%	33%	30%	7%	
Financial KPIs pay-out %					172.3%
Leadership multiplier					125%
Total pay-out %					215.4%
Pay-out (CHF thousand, gross)					2 962

1. Excluding the impact of CHF -66.5 million net proceed from the disposal of the Geneva HQ building, and CHF 36.1 million restructuring expenses paid in 2025.

The table below details the 2024 short-term incentive for the CEO.

CEO 2024 STI pay-out

KPI description Metric	Group financial KPIs Organic sales growth (%)	Adjusted operating income margin on sales (%)	Free cash flow* (CHF million)	Pay-out
Threshold	4.5%	14.7%	561	
Target	6.1%	15.0%	611	
Stretch	6.7%	15.5%	661	
Actual	7.5%	15.3%	792	
Pay-out %	200.0%	161.1%	200.0%	
Weight	30%	35%	35%	
Financial KPIs pay-out %				186.4%
Leadership multiplier				125.0%
Total pay-out %				233.0%
Pay-out (CHF thousand, gross)				2 772

* Excluding the impact of CHF 44 million restructuring expenses paid in 2024.

In settlement of the equity portion of the short-term incentive 2025, SGS restricted shares will be allocated to the members of the Executive Committee in Q2 2026, after the approval of the total short-term incentive amount by the AGM (in Q2 2025, 42 539 restricted shares were granted in settlement of the equity portion of the short-term incentive 2024). The number of restricted shares to be allocated is calculated by dividing the equity portion of the short-term incentive by the average closing price of the share during a 20-trading day period following the payment of the dividends after the AGM, rounded up to the nearest integer, and are restricted for a period of three years.

The table below summarizes the short-term variable remuneration awarded to the Executive Committee and the CEO for the 2025 financial year, and its comparison with the incentive opportunity.

(CHF thousand, gross)	**Minimum**	**Target**	**Maximum**	**Actual short-term variable remuneration**
Executive Committee (including CEO)				
Cash (including allowances)	–	2 710	6 775	4 104
Contributions and benefits in kind	–	–	–	–
Equity	–	2 309	5 773	3 879
Total	**–**	**5 019**	**12 548**	**7 983**
Chief Executive Officer				
Cash (including allowances)	–	688	1 720	1 481
Contributions and benefits in kind	–	–	–	–
Equity	–	688	1 720	1 481
Total	**–**	**1 376**	**3 440**	**2 962**

The total short-term remuneration amount will be submitted for approval to the AGM of 2026, and the settlement for both the cash and the equity part will be implemented shortly after.

The table below summarizes the short-term variable remuneration awarded to the Executive Committee and the CEO for the 2024 financial year, and its comparison with the incentive opportunity.

(CHF thousand, gross)	Minimum	Target	Maximum	Actual short-term variable remuneration
Executive Committee (including CEO)				
Cash (including allowances)	–	4 500	11 250	7 364
Contributions and benefits in kind	–	–	–	–
Equity	–	1 995	4 988	3 569
Total	**–**	**6 495**	**16 238**	**10 933**
Chief Executive Officer				
Cash (including allowances)	–	595	1 488	1 386
Contributions and benefits in kind	–	–	–	–
Equity	–	595	1 488	1 386
Total	**–**	**1 190**	**2 976**	**2 772**

The total 2024 short-term remuneration amount was approved by the AGM of 2025, and the settlement for both the cash and the equity part were implemented shortly after.

The increase in short-term variable remuneration compared to 2024 reflects the higher pay-out achieved against the financial targets in 2025 compared to 2024.

7.5. Long-term variable remuneration

7.5.1. 2025 long-term incentive grant (audited)

In 2025, the Group implemented a long-term incentive plan for the performance period 2025-2027. Under the long-term incentive plan 2025, a total of 85 968 PSUs were granted to the members of the Executive Committee; this includes 26 577 PSUs granted to the CEO.

The Group implemented also an exceptional grant of performance stock options, awarded in two tranches; a total of 447 782 PSOs were granted to the members of the Executive committee; this includes 206 654 PSOs granted to the CEO.

The PSUs awarded under the long-term incentive 2025 vest after the three-year performance period 2025-2027, in early 2028, subject to the performance conditions (rTSR, EPS growth, ESG metrics; see Section 5.6 of this report for detailed explanations on the performance conditions) and to continuity of employment of the beneficiaries during the vesting period.

The PSOs exceptionally awarded in 2025 vest after the four-year performance period 2025-2028 (the first tranche in Q1 2029, the second tranche in Q3 2029), subject to the performance condition ROIC (see Section 5.6 of this report for detailed explanations on the performance condition) and to continuity of employment of the beneficiaries during the vesting period.

In 2024, the Group implemented a long-term incentive plan for the performance period 2024-2026. Under the long-term incentive plan 2024, a total of 82 831 PSUs were granted to the members of the Executive Committee; this includes 25 183 PSUs granted to the CEO.

The table below summarizes the value of the long-term variable remuneration awarded to the Executive Committee and the CEO in 2025.

	Number of PSUs granted	Number of PSOs granted	Total value of the grant[1] (CHF thousand)
Executive Committee (including CEO)			
Cash (including allowances)	–	–	–
Contributions and benefits in kind	–	–	–
Equity	85 968	477 782	9 354
Total	**85 968**	**477 782**	**9 354**
Chief Executive Officer			
Cash (including allowances)	–	–	–
Contributions and benefits in kind	–	–	–
Equity	26 577	206 654	3 428
Total	**26 577**	**206 654**	**3 428**

1. The value of the grant for the equity component is disclosed based upon the Fair Value at the time of the grant, in accordance with IFRS 2 principles. Until 2024, the Group disclosed the value of the equity component based on the average closing price of the share during the 20 trading days preceding the grant date. If that principle is applied on the 2025 grant, the value of the grant would be CHF 11 070 thousands to the Executive Committee, including 3 958 thousands to the CEO.

The table below summarizes the value of the long-term variable remuneration awarded to the Executive Committee and the CEO in 2024.

	Number of PSUs granted	Total value of the grant[1] (CHF thousand)
Executive Committee (including CEO)		
Cash (including allowances)	–	–
Contributions and benefits in kind	–	–
Equity	82 831	6 853
Total	**82 831**	**6 853**
Chief Executive Officer		
Cash (including allowances)	–	–
Contributions and benefits in kind	–	–
Equity	25 183	2 083
Total	**25 183**	**2 083**

1. The value of the grant for the equity part is defined as the number of PSUs granted multiplied by the average closing price of the share during a 20-trading-day period preceding the grant date.

7.5.2. Vesting of the 2023 long-term incentive plan

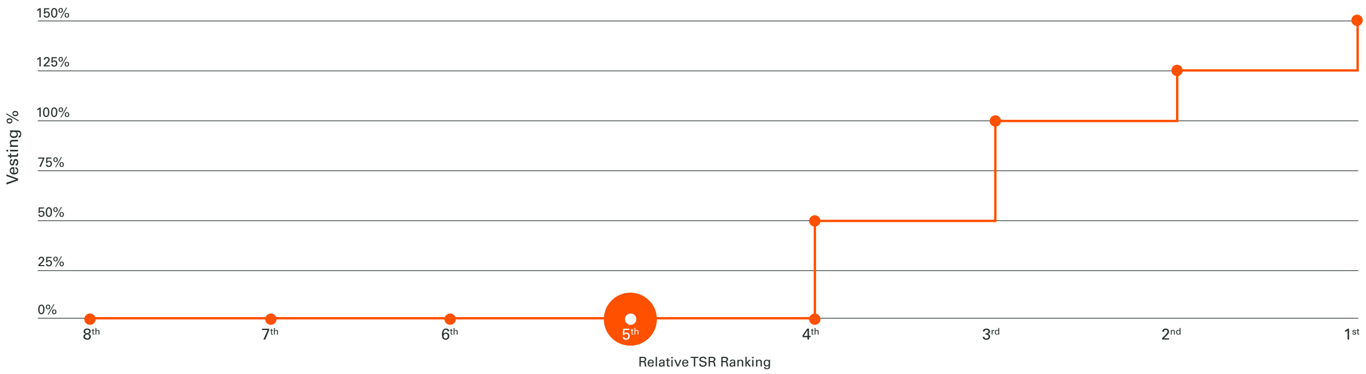
On 1 March 2026, the 2023-2025 PSUs long-term incentive plan will vest, according to its performance conditions:

- 80% rTSR of SGS against seven listed competitors of the TIC sector (ALS, Applus+, Bureau veritas, Eurofins, Intertek, Mistras, Team)
- 20% ESG metrics (Women in leadership, LTIR, CO_2 emissions intensity)

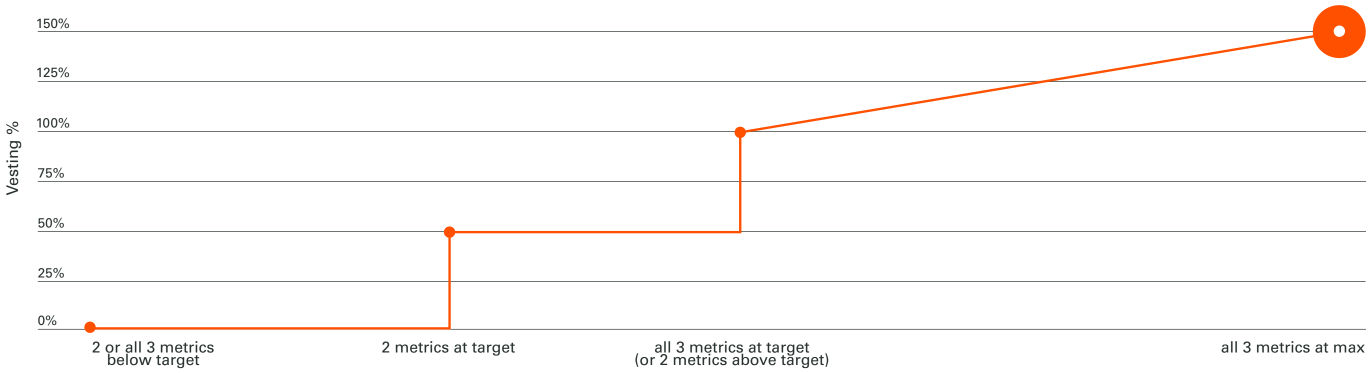
The assessment of the performance conditions has been performed by the Board of Directors, based on the recommendation of the Remuneration Committee.

The charts below show the achievements on rTSR and ESG metrics.

Relative TSR



ESG metrics



The table below presents the details of the vesting.

		Weight	Vesting level
rTSR		80%	0%
ESG metrics	GHG emissions	20%	150%
	LTIR		
	Women in leadership		
Total		**100%**	**30%**

The table below details the vesting of the 2023-2025 PSUs long-term incentive plan for the Executive Committee.

	Number of PSUs granted in 2023	Value at grant[1] (CHF thousand)	Number of PSUs outstanding at vesting date[1]	Number of shares allocated	Value at vesting[2] (CHF thousand)
Executive Committee (including CEO)					
Cash (including allowances)	–	–	–	–	–
Contributions and benefits in kind	–	–	–	–	–
Equity	107 513	8 932	49 376	14 817	1 375
Total	**107 513**	**8 932**	**49 376**	**14 817**	**1 375**
Chief Executive Officer[3]					
Cash (including allowances)	–	–	–	–	–
Contributions and benefits in kind	–	–	–	–	–
Equity	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**

1. Based on the average closing share price of the 20 trading days preceding the grant date.
2. The value at vesting will be based on the share price at the vesting date March 1, 2026. The value shown in the table above is an estimation based on the share price on January 31, 2026.
3. The CEO was not present at the time of the 2023 grant and therefore did not receive any grant of PSUs.

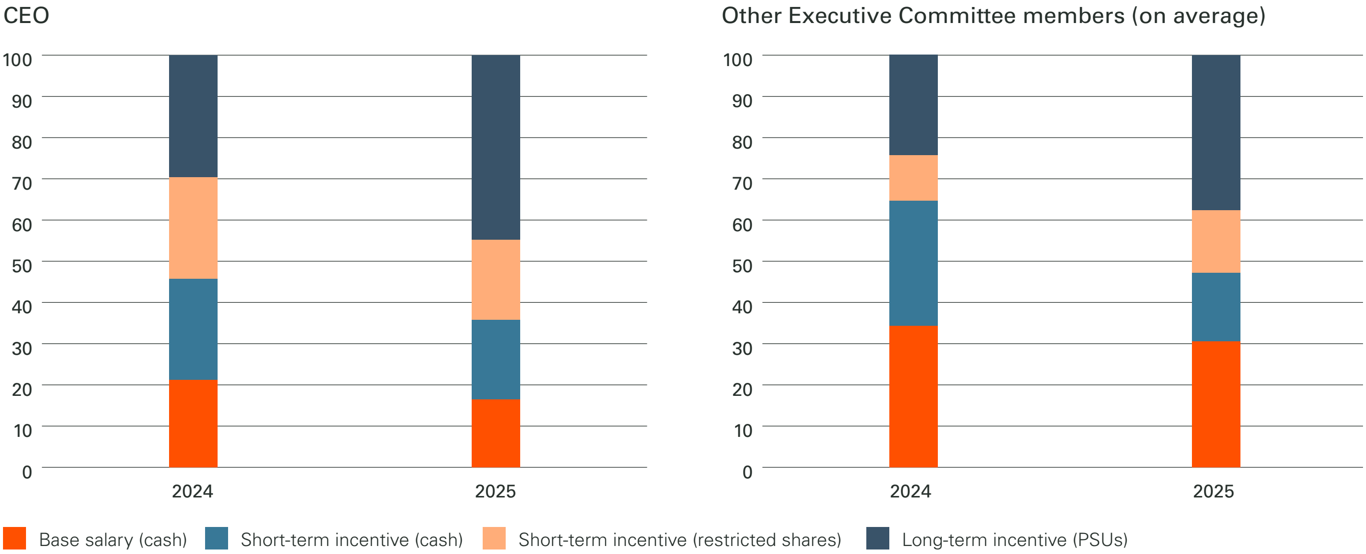
7.6. Remuneration mix (audited)

In 2025, the part of remuneration at risk (short-term incentive and long-term incentive) for the CEO represents 84% of the total remuneration (2024: 80%); the part of remuneration settled in equity instruments (restricted shares and PSUs) represents 64% of the total remuneration (2024: 57%). For the other members of the Executive Committee, the part of remuneration at risk represents, on average, 69% of the total remuneration (2024: 65%); the part of remuneration settled in equity instruments represents, on average, 53% of the total remuneration (2024: 36%).

The part of the fixed remuneration linked to benefits is not considered in this analysis.

The charts below show the remuneration mix for the CEO and for the other members of the Executive Committee in 2025 and 2024.

Remuneration mix of the CEO and other Executive Committee members (%)



7.7. Other compensation, loans and credit facilities (audited)

No severance payments were made in 2025 to members of the Executive Committee (2024: severance payment for a total amount of CHF 1 278 000 to two members of the Executive Committee, according to the legislation in force in their country of employment). As at 31 December 2025, no loan, credit or outstanding advance was due to the Group from members or former members of the Executive Committee or related parties (unchanged from prior year).

7.8. Shares and options held (audited)

The following table shows the shares and restricted shares held by Executive Committee members as at 31 December 2025:

Name	Corporate responsibility	Restricted shares	Shares	Total shares
G. Picaud[1]	Chief Executive Officer	15 798	968	16 766
T. Abasov	Head of Eastern Europe, Middle East & Africa	5 387	25 094	30 481
S. Du	Head of Asia Pacific	7 180	5 780	12 960
D. Govender	Head of North America	4 151	16 952	21 103
E. Jokubauskas	Head of Industries & Environment and Natural Resources	1 215	2 901	4 116
C. Ly Wa Hoi	Head of Connectivity & Products and Health & Nutrition	4 018	10 558	14 576
R. Navazo	Head of Latin America	1 159	–	1 159
M. Oesch	Chief Legal Officer	1 601	–	1 601
D. Plaza	Chief Information Officer	601	243	844
M. Reid	Head of Europe	4 682	44 752	49 434
J. Roberts	Chief People Officer	212	–	212
D. Rousseau	Head of Business Assurance	–	–	–
M. Vlatchkova	Chief Financial Officer	2 564	–	2 564

The following table shows the shares and restricted shares held by Executive Committee members as at 31 December 2024:

Name	Corporate responsibility	Restricted shares	Shares	Total shares
G. Picaud[1]	Chief Executive Officer	192	920	1 112
T. Abasov	Head of Eastern Europe, Middle East & Africa	5 001	22 964	27 965
S. Du	Head of Asia Pacific	4 211	3 668	7 879
D. Govender	Head of North America	4 653	13 651	18 304
E. Jokubauskas	Head of Industries & Environment and Natural Resources	–	2 504	2 504
C. Ly Wa Hoi	Head of Connectivity & Products and Health & Nutrition	3 982	7 644	11 626
J. McDonald	Head of Business Assurance	5 356	10 023	15 379
R. Navazo	Head of Latin America	–	–	–
M. Oesch	Chief Legal Officer	–	–	–
D. Plaza	Chief Information Officer	–	–	–
M. Reid	Head of Europe	4 590	40 416	45 006
J. Roberts	Chief People Officer	–	–	–
M. Vlatchkova	Chief Financial Officer	–	–	–

1. Reported also in section 6.4 of this report, as G. Picaud is also member of the Board of Directors.

No options were held by Executive Committee members as at 31 December 2024.

7.9. Gender representation (audited)

The following table shows the gender representation at the Executive Committee as at 31 December 2025 and 31 December 2024.

	Female		Male	
Period	**Number**	**%**	**Number**	**%**
31 December 2025	2	15.4%	11	84.6%
31 December 2024	2	15.4%	11	84.6%

7.10. Other activities (audited)

The functions of the members of the Executive Committee in other undertakings in 2025 are disclosed in the table below.

Name	Undertaking	Function exercised
G. Picaud	Danone SA	Member of the Board of Directors and Chair of the Audit Committee
	Conseillers du Commerce Extérieur de la France (CCEF)	Member of the Committee
T. Abasov	–	–
S. Du	–	–
D. Govender	–	–
E. Jokubauskas	–	–
C. Ly Wa Hoi	–	–
R. Navazo	–	–
M. Oesch	Cocoa Horizons Foundation	Member of the Board of Directors
D. Plaza	–	–
M. Reid	–	–
J. Roberts	–	–
D. Rousseau		
M. Vlatchkova	–	–

The functions of the members of the former senior management in other undertakings in 2024 are detailed in the table below.

Name	Undertaking	Function exercised
G. Picaud	Danone SA	Non-Executive Director
	Conseillers du Commerce Extérieur de la France (CCEF)	Member of the Committee
T. Abasov	–	–
S. Du	–	–
D. Govender	–	–
E. Jokubauskas	–	–
C. Ly Wa Hoi	–	–
J. McDonald	–	–
R. Navazo	–	–
M. Oesch	Cocoa Horizons Foundation	Member of the Board of Directors
D. Plaza	–	–
M. Reid	–	–
J. Roberts	–	–
M. Vlatchkova	–	–

Report of the statutory auditor to the General Meeting of SGS SA, Baar

Opinion

We have audited the remuneration report of SGS SA (the Company) for the year ended 31 December 2025. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' in sections 6 and 7 (pages 75 to 87) of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying remuneration report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

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Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers SA

Guillaume Nayet Licensed audit expert Auditor in charge	Louise Rolland Licensed audit expert

Geneva, 10 February 2026

Financial statements

Environmental Chemical Analysis, China

1. Financial and business highlights

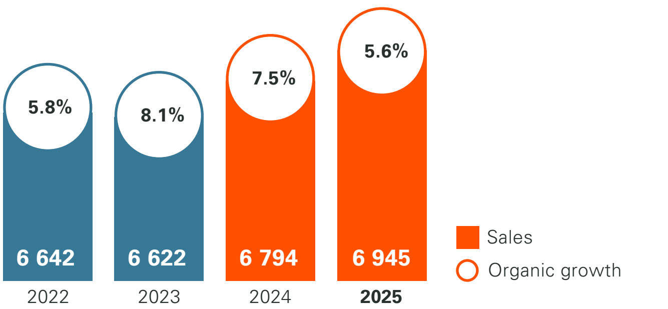
Financial review

(CHF million)	2025	2024	Change in %	Change in organic %
Sales	**6 945**	**6 794**	**2.2**	**5.6**
Adjusted Operating income	**1 108**	**1 040**	**6.5**	**10.4**
Adjusted operating income margin	16.0%	15.3%		
Operating income (EBIT)	**1 014**	**904**	**12.2**	
Operating income margin	14.6%	13.3%		
Profit attributable to equity holders of SGS SA	**668**	**581**	**15.0**	
Basic EPS (CHF)	**3.48**	**3.10**	**12.3**	
Basic EPS before HQ disposal (CHF)	**3.21**	**3.10**	**3.5**	
Free Cash Flow before HQ disposal	**774**	**748**	**3.5**	
Return on invested capital	**24%**	**24%**		
Net debt	**2 566**	**2 670**		

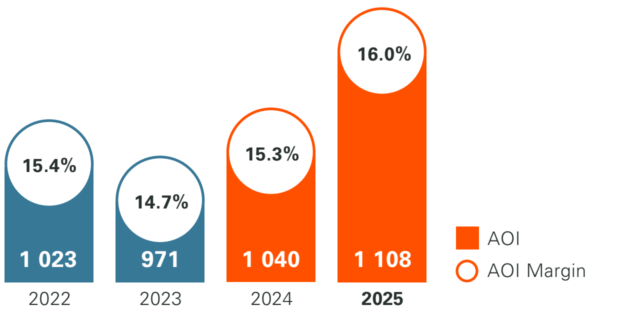
Alternative performance measures used in this report are defined on pages 157 to 161.

- Record **Sales** of CHF 6 945 million in 2025, up 2.2% compared to prior year. A strong organic growth of 5.6% and 1.7% contribution from acquisitions more than offset the adverse foreign exchange effect of -5.1%.
- Record **Adjusted Operating Income** of CHF 1 108 million, an increase of 6.5% compared to prior year. The Adjusted operating income margin on sales improved by 70 basis points, to 16.0%. This excellent progression was supported by the full execution of the CHF 150 million efficiency plans announced in early 2024.
- **Profit attributable to equity holders** amounted to CHF 668 million, an increase of 15.0%, driven by the improvement in Adjusted operating income and the gain on disposal of the Geneva headquarters building.
- Record **Free Cash Flow before HQ disposal** of CHF 774 million, an increase of CHF 26 million compared to 2024. This was primarily the result of stronger Adjusted operating income, leading to an excellent cash conversion of 57%, in line with 2024.
- **Net debt** as of 31 December 2025 amounted to CHF 2 566 million including lease liabilities, a decrease of CHF 104 million compared to December 2024. It led to a reduction in leverage, from 1.8x to 1.7x.

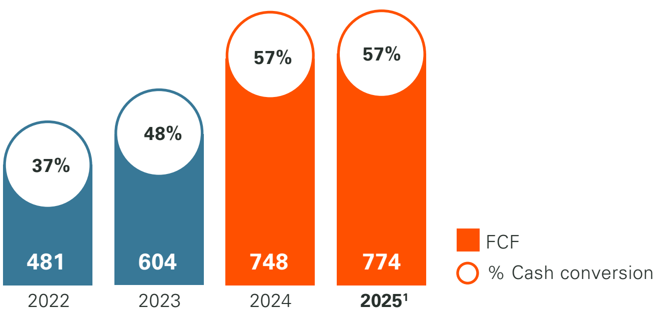
Sales
CHF million



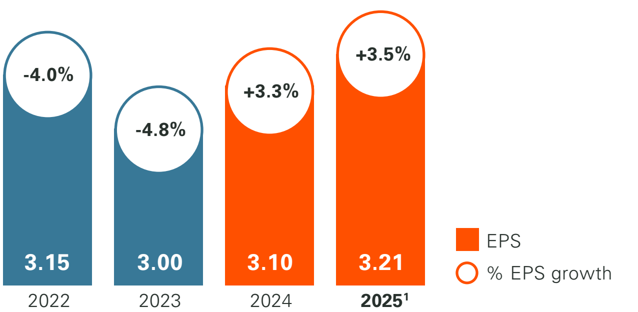
Adjusted operating income (AOI)
CHF million



Free Cash Flow (FCF)
CHF million



Earnings per share (EPS)
CHF



1. Before HQ disposal.

Business highlights – Testing & Inspection

Industries & Environment

Strong growth driven by Safety and Inspection

Of group sales

33%

Indoor Air Quality Testing, China

(CHF million)	2025	2024
Sales	**2 295**	**2 214**
Total change	3.7%	
of which organic	**6.5%**	
of which scope	2.1%	
of which FX	–4.9%	
Adjusted operating income	300	267
Adjusted operating income margin	**13.1%**	**12.1%**

- Continued strong momentum in **Safety**, with double-digit organic growth driven by strong demand in the Americas and EEMEA
- **Inspection & Supervision** delivered strong organic growth supported by new project wins and robust execution in Latin America and Asia Pacific
- Strong performance in **Industrial Testing** in all regions supported by calibration and construction materials testing, partly offset by completion of low-margin contracts
- Solid organic growth in **Environment**, with sustained momentum in field monitoring and sustainability-related services

Natural Resources

A solid year driven by metallurgy activities

Of group sales

24%

Chemical Analysis, Peru

(CHF million)	2025	2024
Sales	**1 636**	**1 655**
Total change	–1.1%	
of which organic	**3.4%**	
of which scope	1.0%	
of which FX	–5.5%	
Adjusted operating income	223	238
Adjusted operating income margin	**13.6%**	**14.4%**

- **Minerals** delivered solid growth led by trade services in Europe, Latin America and Asia Pacific
- Double-digit growth in metallurgical testing driven by gold, copper and critical minerals
- **Oil, Gas and Chemicals** achieved solid growth reflecting sustained client activity and resilient demand in Asia Pacific and Latin America
- **Agriculture** grew moderately, underpinned by strong activity in the Americas, while Europe remained soft

Business highlights – Testing & Inspection continued

Connectivity & Products

Positive momentum across all segments

Of group sales

19%

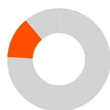
Playground Safety Testing and Inspection, USA

(CHF million)	**2025**	2024
Sales	**1 352**	**1 329**
Total change	1.7%	
of which organic	**6.4%**	
of which scope	1.0%	
of which FX	–5.7%	
Adjusted operating income	308	287
Adjusted operating income margin	**22.8%**	**21.6%**

- Strong organic growth in **Connectivity**, led by product safety, continued EV momentum in Asia Pacific and wireless demand in North America
- Excellent organic growth in **Hardlines** benefiting from high demand for home appliances and supply chain shifting opportunities in Southeast Asia
- Strong organic growth in **Softlines** driven by performance testing in athleisure & wellness products and high demand for eco-friendly products
- Solid organic growth in **Government services**, led by anti-fraud and conformity assessment services

Health & Nutrition

Strong performance driven by Food



Of group sales

13%

Food Safety Testing, UK

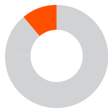
(CHF million)	**2025**	2024
Sales	**882**	**835**
Total change	5.6%	
of which organic	**7.3%**	
of which scope	1.6%	
of which FX	–3.3%	
Adjusted operating income	124	95
Adjusted operating income margin	**14.1%**	**11.4%**

- Double-digit organic growth in **Food** driven by strong demand for contaminants, safety testing and advisory services
- Continued strong double-digit growth in nutraceutical and dietary supplements, underpinned by sustained demand for product certification
- Solid growth in **Pharma** led by clinical research in Europe and improving pipeline in the US, partly offset by softer drug development activity
- Solid organic growth in **Cosmetics & Personal Care** partly impacted by mid-year tariffs, followed by recovery in Q4

Business highlights – Certification

Business Assurance

Growth led by Sustainability and Digital Trust



Of group sales

11%

On-Site Compliance Review, Netherlands

(CHF million)	**2025**	2024
Sales	**780**	**761**
Total change	2.5%	
of which organic	**4.2%**	
of which scope	3.0%	
of which FX	–4.7%	
Adjusted operating income	153	153
Adjusted operating income margin	**19.6%**	**20.1%**

- Continued double-digit growth in **Sustainability**, driven by strong demand for greenhouse gas emissions verification and supply chain audits
- **Food** and **Medical Devices** certification maintained double-digit growth, mainly driven by tightening regulatory requirements
- Strong double-digit growth in **Digital Trust** led by information security certification and robust performance of recently acquired businesses
- **Quality management systems** was impacted by a high comparable from a post-certification year. **Consulting** also remained soft

2. SGS Group consolidated financial statements

Consolidated income statement

For the years ended 31 December

(CHF million)	Notes	2025	2024
Sales	4	**6 945**	**6 794**
Salaries and wages		–3 443	–3 427
Subcontractors' expenses		–424	–414
Depreciation, amortization and impairment	11 to 14	–485	–476
Loss on business divestments	10	–22	–
Gain on HQ disposal	11	60	–
Other operating expenses	5	–1 617	–1 573
Operating income	3	**1 014**	**904**
Financial income	6	37	34
Financial expenses	7	–91	–94
Share of profit of associates and joint ventures		2	3
Profit before taxes		**962**	**847**
Taxes	8	–245	–222
Profit for the period		**717**	**625**
Profit attributable to:			
Equity holders of SGS SA		668	581
Non-controlling interests		49	44
Basic earnings per share (in CHF)	9	**3.48**	**3.10**
Diluted earnings per share (in CHF)	9	**3.46**	**3.09**

Consolidated statement of comprehensive income

For the years ended 31 December

(CHF million)	Notes	2025	2024
Actuarial gains/(losses) on defined benefit plans	23	3	–3
Income tax on actuarial gains	8	1	2
Items that will not be subsequently reclassified to income statement		**4**	**–1**
Losses on cash flow hedges		–5	–
Foreign currency translation differences on foreign operations		–204	12
Reclassification adjustment upon disposal of foreign operations	10	33	–
Items that are or may be subsequently reclassified to income statement		**–176**	**12**
Other comprehensive (loss)/income for the period		**–172**	**11**
Profit for the period		717	625
Total comprehensive income for the period		**545**	**636**
Attributable to:			
Equity holders of SGS SA		503	590
Non-controlling interests		42	46

Consolidated statement of financial position

At 31 December

(CHF million)	Notes	**2025**	2024
Assets			
Non-current assets			
Property, plant and equipment	11	792	837
Right-of-use assets	12	543	548
Goodwill	13	1 894	1 783
Other intangible assets	14	319	304
Investments in joint ventures, associates and other companies		6	19
Deferred tax assets	8	194	213
Other non-current assets	15	200	199
Total non-current assets		**3 948**	**3 903**
Current assets			
Assets classified as held for sale		7	17
Inventories		55	55
Unbilled sales and work in progress	4	269	247
Trade receivables	16	980	991
Other receivables and prepayments	17	207	217
Current tax assets		86	109
Marketable securities		1	–
Cash and cash equivalents	18	2 330	1 210
Total current assets		**3 935**	**2 846**
Total assets		**7 883**	**6 749**

Equity and liabilities			
Capital and reserves			
Share capital	21	8	8
Reserves		1 034	844
Treasury shares	21	–141	–55
Equity attributable to equity holders of SGS SA		**901**	**797**
Non-controlling interests		94	80
Total equity		**995**	**877**
Non-current liabilities			
Loans and other financial liabilities	22	3 505	2 700
Lease liabilities	12	403	409
Deferred tax liabilities	8	71	73
Defined benefit obligations	23	65	64
Provisions	24	115	101
Total non-current liabilities		**4 159**	**3 347**
Current liabilities			
Trade and other payables	25	600	624
Contract liabilities	4	262	261
Current tax liabilities		167	186
Loans and other financial liabilities	22	832	612
Lease liabilities	12	157	159
Provisions	24	77	72
Other creditors and accruals	26	634	611
Total current liabilities		**2 729**	**2 525**
Total liabilities		**6 888**	**5 872**
Total equity and liabilities		**7 883**	**6 749**

Consolidated statement of cash flows

For the years ended 31 December

(CHF million)	Notes	2025	2024
Profit for the period		717	625
Non-cash and non-operating items	19.1	757	799
Decrease in working capital	19.2	1	28
Taxes paid		–252	–228
Cash flow from operating activities		**1 223**	**1 224**
Purchase of property, plant and equipment and other intangible assets	11/14	–255	–251
Proceeds from disposals of property, plant and equipment and other intangible assets		5	12
Purchase of asset held for sale		–6	–
Proceeds from HQ disposal		80	–
Acquisition of businesses	10	–181	–193
Proceeds from disposal of businesses	10	13	–
Cash paid on other non-current assets		–4	–3
Proceeds received from investments in joint ventures, associates and other companies		1	1
Interest received		38	37
(Investment)/Proceeds from marketable securities		–1	4
Cash flow used in investing activities		**–310**	**–393**
Dividends paid to equity holders of SGS SA		–222	–207
Dividends paid to non-controlling interests		–50	–40
Transaction with non-controlling interests	19.3	–6	–
Cash paid on treasury shares	21	–100	–50
Proceeds from corporate bonds	19.3	1 430	–
Repayment of corporate bonds	19.3	–375	–250
Interest paid		–75	–98
Payment of lease liabilities	19.3	–175	–176
Proceeds from borrowings	19.3	–	7
Repayment of borrowings	19.3	–138	–380
Cash flow from/(used in) financing activities		**289**	**–1 194**
Effects of exchange rate changes on cash and cash equivalents		–82	4
Increase/(decrease) in cash and cash equivalents		**1 120**	**–359**
Cash and cash equivalents at beginning of year		**1 210**	**1 569**
Increase/(decrease) in cash and cash equivalents		1 120	–359
Cash and cash equivalents at end of year	18	**2 330**	**1 210**

Consolidated statement of changes in equity

For the years ended 31 December

(CHF million)	Notes	Share capital	Treasury shares	Share-based payment reserve	Translation reserve	Cumulative (losses)/ gains on defined benefit plans net of tax	Cash flow hedge reserve	Retained earnings and Group reserves	Attributable to: Equity holders of SGS SA	Non-controlling interests	Total equity
Balance at 1 January 2024		**7**	**–271**	**164**	**–1 716**	**–163**	**–**	**2 438**	**459**	**69**	**528**
Profit for the period		–	–	–	–	–	–	581	581	44	625
Other comprehensive income for the period		–	–	–	10	–1	–	–	9	2	11
Total comprehensive income for the period		**–**	**–**	**–**	**10**	**–1**	**–**	**581**	**590**	**46**	**636**
Dividends distributed	21	–	–	–	–	–	–	–590	–590	–40	–630
Scrip effect on dividend distributed	21	1	–	–	–	–	–	383	384	–	384
Share-based payments	27	–	–	19	–	–	–	–	19	–	19
Movement in non-controlling interests		–	–	–	–	–	–	–18	–18	5	–13
Cancellation of treasury shares	21	–	250	–	–	–	–	–250	–	–	–
Movement in treasury shares	21	–	–34	–34	–	–	–	21	–47	–	–47
Balance at 31 December 2024		**8**	**–55**	**149**	**–1 706**	**–164**	**–**	**2 565**	**797**	**80**	**877**
Balance at 1 January 2025		**8**	**–55**	**149**	**–1 706**	**–164**	**–**	**2 565**	**797**	**80**	**877**
Profit for the period		–	–	–	–	–	–	668	668	49	717
Other comprehensive income for the period		–	–	–	–164	4	–5	–	–165	–7	–172
Total comprehensive income for the period		**–**	**–**	**–**	**–164**	**4**	**–5**	**668**	**503**	**42**	**545**
Dividends distributed	21	–	–	–	–	–	–	–604	–604	–50	–654
Scrip effect on dividend distributed	21	–	–	–	–	–	–	382	382	–	382
Share-based payments	27	–	–	14	–	–	–	–	14	–	14
Movement in non-controlling interests	19.3	–	–	–	–	–	–	–95	–95	22	–73
Movement in treasury shares	21	–	–86	–14	–	–	–	4	–96	–	–96
Balance at 31 December 2025		**8**	**–141**	**149**	**–1 870**	**–160**	**–5**	**2 920**	**901**	**94**	**995**

Notes to consolidated financial statements

1. Activities of the Group

SGS SA and its subsidiaries ('the Group') operate around the world under the name SGS. Since November 2025, the Group head office is located in Baar, Switzerland (2024: Geneva, Switzerland).

As the world's leading Testing, Inspection and Certification (TIC) company, SGS provides services that ensure quality, safety and compliance. Testing demonstrates that products and materials meet health, safety and regulatory requirements. Inspection assesses quantity and quality to help businesses comply with regulations. Certification confirms that products, services, processes and systems meet international and local standards.

2. Material accounting policies and exchange rates

Basis of preparation of the financial statements

The consolidated financial statements of the Group are stated in millions of Swiss Francs (CHF million). They are prepared from the financial statements of the individual companies within the Group with all significant companies having a year end of 31 December 2025.

The consolidated financial statements comply with the accounting and reporting requirements of the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Swiss law. The financial statements are prepared on an accruals basis and under the historical cost convention, modified as required for the revaluation of certain financial instruments.

There are no accounting pronouncements which have become effective from 1 January 2025 that have a significant impact on the Group's consolidated financial statements.

IFRS 18, issued by the IASB in April 2024, replaces IAS 1 Presentation of Financial Statements. IFRS 18 will not affect the recognition or measurement of items in the financial statements, but it might change what an entity reports as its "operating profit or loss", due to the classification of certain income and expense items between the five categories of the consolidated income statement. It might also change what an entity reports as operating activities, investing activities and financing activities within the statement of cash flows, due to the change in classification of certain cash flow items between these three categories of the cash flows statement.

The consolidated statement of cash flows presentation will change. It will start with operating income instead of net income, and certain cash flows are expected to be reclassified among the operating, investing, and financing activities categories. The Group is currently finalizing its assessment of the impact of adopting IFRS 18, which will be effective January 1, 2027.

The other new and amended IFRS Accounting Standards and Interpretations issued by the IASB but not yet effective are not expected to have a material impact on the Group's consolidated financial statements. The Group does not intend to early adopt these standards.

Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Group. Control is achieved when the Group:

- Has power over the investee
- Is exposed, or has the right, to variable return from its involvement with the investee; and
- Has the ability to use its power to affect its return

The Company reassesses whether or not the Group controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The principal operating companies of the Group are listed on pages 155 to 156.

Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Initially they are measured at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Transactions eliminated in consolidation

All intra-group balances and transactions, and any unrealized gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign companies

The assets and liabilities of each of the Group's companies are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The income statement of foreign entities is translated into the Group's reporting currency (Swiss francs) at the average exchange rates for the year, and the statement of financial position is translated at the exchange rates prevailing on 31 December.

Translation differences resulting from the application of this method are recognized in other comprehensive income and accumulated in the translation reserve. They are reclassified to profit or loss upon loss of control. Average exchange rates are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

Goodwill arising on the acquisition of a foreign entity is recorded in the relevant foreign currency and is translated using the end of period exchange rate.

In countries with limited foreign currency availability and where several exchange rates are available, the Group has applied the rate at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date.

Sales recognition

IFRS 15 Revenue from Contracts with Customers establishes a five-step model to account for sales arising from contracts with customers. Under IFRS 15, sales are recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to a customer. The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group recognizes sales based on two main models: services transferred at a point in time and services transferred over time:

- The majority of SGS' sales are transferred at a point in time and recognized upon completion of performance obligations and measured according to the transaction price agreed in the contract. Once services are rendered, e.g. a report issued, the customer is invoiced and payment is due
- Services transferred over time mainly concern long-term contracts, where sales are recognized based on the measure of progress. When the Group has a right to consideration from a customer at the amount corresponding directly to the customer's value of the performance completed to date, the Group recognizes sales in the amount to which it has a right to invoice. In all other situations, the measure of progress is either based on observable output methods (usually the number of tests or inspections performed) or based on input methods such as the time incurred to date relative to the total expected hours

to the satisfaction of the performance obligation. These invoices are usually issued per contractually agreed installments and prices. Payments are due upon invoicing

Segment information

In line with Strategy 27: Accelerating growth, building trust, the Group report two operating segments: Testing & Inspection and Certification. This reporting reflects the way the Group chief operating decision maker (i.e. the Executive Committee) reviews the operating results and allocates resources.

All segment sales reported are from external customers. Segment sales and operating income are attributed to countries based on the location in which the services are invoiced.

Capital additions represent the total cost incurred to acquire land, buildings and equipment as well as other intangible assets.

Goodwill

In the case of business combinations, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value. The difference between the consideration transferred and the fair value of net assets acquired is classified as goodwill.

Goodwill arising from business combinations is measured at cost less any accumulated impairment losses. The goodwill is allocated to a cash-generating unit or a group of cash-generating units (CGUs), that are expected to benefit, among others, from the synergies of the business combination.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected amounts recognized at that date.

On disposal of part or all of a business that was previously acquired, and which gave rise to the recording of acquisition goodwill, the relevant amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill acquired as part of business combinations is tested for possible impairment annually and whenever events or changes in circumstances indicate their value may not be fully recoverable.

For the purpose of impairment testing, the Group has adopted a uniform method for assessing goodwill recognized under the acquisition method of accounting. These assets are allocated to a cash generating unit or a group of cash generating units (CGU) which are expected to benefit from the business combination. The recoverable amount of a CGU or group of CGUs is determined through a value-in-use calculation.

If the value-in-use of the CGU or group of CGUs is less than the carrying amount of its net operating assets, then a fair value less costs to sell valuation is also performed with the recoverable amount of the CGU or the group of CGUs being the higher of its value-in-use and the fair value less costs to sell.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates, operating margins and expected changes to selling prices or direct costs during the period. Pre-tax discount rates used are based on the Group's weighted average cost of capital, adjusted for specific risks associated with the CGU's or group of CGUs' cash flow projections. The growth rates are based on industry growth forecasts.

Expected changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

For all CGUs or groups of CGUs, a value-in-use calculation is performed using cash flow projections covering the next five years and including a terminal growth assumption. These cash flow projections take into account the most recent financial results and outlook approved by management.

If the recoverable amount of the CGU or of the group of CGUs is less than the carrying amount of the unit's net operating assets, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Even if the initial accounting for an intangible asset acquired in the reporting period is only provisional, this asset is tested for impairment in the year of acquisition.

Property, plant and equipment

Land is stated at historical cost and is not depreciated. Buildings and equipment are stated at historical cost less accumulated depreciation. Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in the related item of property and equipment. All other expenditures are expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Buildings 12-40 years
- Machinery and equipment 5-10 years
- Other tangible assets 5-10 years

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. They are adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date, less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The Group elected to use the practical expedient to account for each lease component and any non-lease components as a single lease component. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In the case that the implicit rate cannot be readily determined, the Group uses an incremental borrowing rate considering the country and the lease duration. The rate is estimated by the combination of the reference rate, the financing spread and any asset-specific adjustment when required.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interests and reduced for the lease payments made. Subsequently, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The Group applies the short-term lease and low-value recognition exemptions. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

The Group determines the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, for some of its leases, to lease the assets for additional terms. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Other intangible assets

Intangible assets, including software, licenses, trademarks and customer relationships are capitalized and amortized on a straight-line basis over their estimated useful lives, normally not exceeding 20 years. The following useful lives are used in the calculation of amortization:

- Trademarks 5-20 years
- Customer relationships 4-20 years
- Computer software 3-5 years

Other intangible assets acquired as part of an acquisition of a business are capitalized separately from goodwill if their fair value can be measured reliably. Internally generated intangible assets are recognized if the asset created can be identified, it is probable that future economic benefits will be generated from it, the related development costs can be measured reliably and sufficient financial resources are available to complete the development. These assets are amortized on a straight-line basis over their useful lives, which usually do not exceed five years. All other development costs are expensed as incurred.

Impairment of assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication of impairment. If indications of impairment are present, the assets are tested for impairment. If impaired, the carrying value of the asset is reduced to its recoverable value. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount of an asset is the greater of the fair value less cost of sale and its value-in-use. In assessing its value-in-use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset.

Reversal of impairment losses

Where an impairment loss on assets other than goodwill subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. A reversal of an impairment loss is recognized as income immediately.

Trade receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any non-collectible amounts. An expected credit loss allowance is made in compliance with the simplified approach using a provision matrix (expected credit loss model). This provision matrix has been developed to reflect the country risk, the credit risk profile, as well as available forward looking and historical data. The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred such as:

- Significant financial difficulty of the customer; or
- It is becoming probable that the customer will enter bankruptcy or other financial reorganization

Unbilled sales and work in progress

Unbilled sales are recognized for services completed but not yet invoiced and are valued at net selling price.

Work in progress is recognized for the partially finished performance of obligations under a contract. The measure of progress is either based on observable output methods or based on input methods. A margin is recognized based on actual costs incurred, provided that the project is expected to be profitable once completed. Similarly to receivables, an allowance for unbilled sales and work in progress is made in compliance with the simplified approach using a provision matrix (expected credit loss model).

Cash and cash equivalents

Cash and cash equivalents include cash and deposits held with banks, with an original maturity of three months or less, and are subject to an insignificant risk of changes in value. Bank overdrafts are included within current loans.

Derivative financial instruments and hedging

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognized at fair value and subsequently remeasured at fair value through the income statement (FVTPL). The fair value of forward exchange contracts is determined with reference to market prices at the balance sheet date.

Corporate bonds

The corporate bonds issued by the Group are measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

The Group may use financial instruments to economically hedge interest rate risks relating to its corporate bonds. The changes in fair value of financial instruments is recognized in the income statement.

Liabilities related to put options granted to holders of non-controlling interests

Written put options in favor of holders of non-controlling interests give rise to the recognition of a financial liability at the present value of the expected redemption amount. The redemption amount is determined by management's best estimate of the cash outflow required to settle the obligation on exercise of the option, discounted by the Group's cost of debt. The financial liability is initially recorded with the corresponding entry within equity and in the absence of specific guidance in IFRS, subsequent changes in the valuation of the liability shall be recognized directly in equity attributable to owners, including the unwinding of the discount.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking the hedge transactions. At the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective.

Cash flow hedges

The effective portion of changes in the fair value of cross currency swaps that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss related to the ineffective or undesignated portion is recognized immediately in profit or loss, presented in the financial expenses line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to income statement in the period when the hedged item is recognized to income statement.

The change in fair value of the currency basis spread of cross currency swaps is separately accounted for as cost of hedging, recognized in other comprehensive income and accumulated in a separate component of equity.

Fair value measurement

Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from the quoted price in active markets
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques as they cannot be derived from publicly available information. The assumptions and inputs used in the model take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market-based transactions often do not exist. External valuers are involved for valuation for material assets and liabilities

Capital management

Capital comprises equity attributable to equity holders, loans and other financial liabilities, lease liabilities and cash and cash equivalents.

The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence, and to sustain the future development of the business. The Board recommends the level of dividends to be distributed to ordinary shareholders on an annual basis. The Group maintains sufficient liquidity at the Group and subsidiary level to meet its working capital requirements, fund capital purchases and small and medium-sized acquisitions.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements.

Earnings per share

Basic earnings per share are calculated by dividing the Group's profit by the weighted average number of shares outstanding during the year, excluding treasury shares. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all potential dilutive shares. Group profit is also adjusted to reflect the after-tax impact of conversion.

Treasury shares

Treasury shares are intended to be used to cover the Group's employee equity participation plan and as consideration for business combinations.

Treasury shares are reported as a deduction to equity. The difference between the original cost of treasury shares and the proceeds of subsequent sale or the share-based payment reserve is recorded as movements in retained earnings.

Employee benefits

Pension plans

The Group maintains several defined benefit and defined contribution pension plans in accordance with local conditions and practices in the countries in which it operates. Defined benefit pension plans are based on an employee's years of service and remuneration earned during a predetermined period. Contributions to these plans are normally paid into funds which are managed independently of the Group, except in rare cases where there is no legal obligation to fund.

In such cases, the liability is recorded in the Group's consolidated statement of financial position.

The Group's obligations towards defined benefit pension plans are determined by independent actuaries using the projected unit credit method. Remeasurement gains and losses are immediately recognized in the consolidated statement of financial position with the corresponding movement being recorded in the consolidated statement of comprehensive income.

Past service costs are immediately recognized as an expense. Net interest expense is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan. Payments to defined contribution plans are recognized as an expense in the income statement as incurred.

Post-employment plans other than pensions

The Group operates some non-pension post-employment defined benefit schemes, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Equity compensation plans

The Group provides additional benefits to certain senior executives and employees through equity compensation plans. An expense is recognized in the income statement for shares and equity-linked instruments granted to senior executives and employees under these plans.

Provisions

The Group records provisions when: it has an obligation, legal or constructive, to satisfy a claim; it is probable that an outflow of Group resources will be required to satisfy the obligation; and a reliable estimate of the amount can be made.

In the case of litigation and claims relating to services rendered, the amount that is ultimately recorded is the result of a complex process of assessment of a number of variables, and relies on management's informed judgment about the circumstances surrounding the past provision of services. It also relies on expert legal advice and actuarial assessments.

Changes in provisions are reflected in the income statement in the period in which the change occurs.

Contract liabilities

Contract liabilities arise upon advance payments from clients and issuance of upfront invoices.

Restructuring costs

The Group recognizes costs of restructuring against operating income in the period in which management has committed to a formal plan, the costs of which can be reliably estimated, and has raised a valid expectation in those affected that the plan will be implemented and the related costs incurred. Where appropriate, restructuring costs include impairment charges arising from the implementation of the formal plan.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group, including withholding taxes payable on the transfer of income from Group companies and tax adjustments from prior years. Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity or other comprehensive income, in which case the related income tax effect is recognized in equity or other comprehensive income. Provisions of income and withholding taxes that could arise on the remittance of subsidiary retained earnings are only made where there is a current intention to remit such earnings. Other taxes not based on income, such as property taxes and capital taxes, are included within operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences that arise between the tax base of an asset or liability and the carrying values in the consolidated financial statements except for non-tax-deductible goodwill and for those differences related to investments in subsidiaries where their reversal will not take place in the foreseeable future. Deferred income tax assets relating to the carry-forward of unused tax losses and tax credits are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

Current income tax assets and liabilities are offset where there is a legally enforceable right to offset. Deferred tax assets and liabilities are determined based on enacted or substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Significant accounting estimates and judgments

Use of estimates

The key assumptions concerning the future, and other key sources of estimation, at the balance sheet date that may have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Business combinations

In a business combination, the determination of the fair value of the identifiable assets acquired, particularly intangibles, and liabilities assumed, requires estimations which are based on all available information and in some cases on assumptions with respect to the timing and amount of future sales and expenses. The purchase price is allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The excess is reported as goodwill. As a result, the purchase price allocation impacts reported assets and liabilities, future net earnings due to the impact on future depreciation and amortization expense and impairment charges. The purchase price allocation is subject to a maximum adjustment period of 12 months, in conformity with IFRS 3.

Expected credit losses

Trade receivables, unbilled sales and work in progress are presented net of expected credit loss allowance. These allowances for potential uncollected amounts are estimated in compliance with the simplified approach using a provision matrix (expected credit loss model), which has been developed to reflect the country risk, the credit risk profile, as well as available historical data. In addition, an allowance is estimated based on individual client analysis when collection is no longer probable.

Impairment of goodwill

The key assumptions underlying the value-in-use include the expected future cash flows from the CGU or group of CGUs; the discount rate and the terminal growth rate.

Estimations of employee post-employment benefits obligations

The Group maintains several defined benefit pension plans in accordance with local conditions and practices in the countries in which it operates. The related obligations recognized in the statement of financial position represent the present value of the defined benefit obligations calculated annually by independent actuaries. These actuarial valuations include assumptions such as discount rates, salary progression rates and mortality rates. These actuarial assumptions vary according to the local prevailing economic and social conditions.

Income taxes

Uncertain tax treatments

The Group is subject to income taxes in numerous jurisdictions and there are many transactions and calculations for which the ultimate tax determination is uncertain.

In assessing how an uncertain tax treatment may affect the determination of the taxable profit (tax loss), the Group assumes that a taxation authority will examine amounts and have full knowledge of all related information.

If the Group concludes it is not probable that a taxation authority will accept a particular tax treatment, the Group reflects the effect of each uncertainty in determining the taxable profit (tax loss) by using one of the following methods:

- The single most likely amount
- The sum of probability-weighted amount in a range of possible outcomes

The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due, including estimated interest and penalties where appropriate. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Recoverability of tax losses

The Group recognizes deferred tax assets for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the timing and extent of reversal of relevant taxable temporary differences and based on management estimate of income and expenses pertaining to the underlying subsidiary or tax group.

If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for individual subsidiaries and tax groups in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are reversed when the probability of future taxable profits improves.

Legal and warranty claims on services rendered

The Group is subject to litigation and other claims. Management bases its judgment on the circumstances relating to each specific event, internal and external legal advice, knowledge of the industries and markets, prevailing commercial terms and legal precedent, and evaluation of applicable insurance cover where appropriate. The process of estimation is complex, dealing with uncertainty, requiring the use of informed estimates, actuarial assessment, evaluation of the insurance cover where appropriate and the judgment of management. The timing of cash outflows from pending litigation and claims is uncertain since it depends, in the majority of cases, on the outcome of administrative and legal proceedings. The Group's legal and warranty claims are reviewed, at a minimum, on a quarterly basis by a cross-functional representation of management. Any changes in these estimates are reflected in the income statement in the period in which the estimates change.

Judgments

In the process of applying the entity's accounting policies described above, management has made the following judgment that has a significant effect on the amounts recognized in the financial statements:

Whether the Group is reasonably certain to exercise an extension option in connection with lease contracts.

Exchange rates

The most significant currencies for the Group were translated at the following exchange rates into Swiss Francs:

			Statement of financial position period-end rates		Income statement period average rates	
			2025	2024	**2025**	2024
Australia	AUD	100	52.95	56.24	53.53	58.10
Canada	CAD	100	57.62	62.63	59.43	64.29
Chile	CLP	100	0.09	0.09	0.09	0.09
China	CNY	100	11.28	12.36	11.56	12.23
Eurozone	EUR	100	92.85	94.03	93.69	95.26
Korea	KRW	100	0.05	0.06	0.06	0.06
Peru	PEN	100	23.42	24.06	23.28	23.47
United Kingdom	GBP	100	106.55	113.45	109.42	112.49
Taiwan	TWD	100	2.51	2.75	2.67	2.74
USA	USD	100	78.85	90.19	83.11	88.04

3. Segment information

Description of segments and principal activities

The information presented is disclosed by operating segment and focuses on sales, operating income, depreciation and amortization, capital expenditures, and salaries and wages because these are the performance measures used by the Group chief operating decision maker (i.e. the Executive Committee) to assess segment performance.

Sales and operating income by segment

2025

(CHF million)	**Sales**	**Adjusted operating income**[1]	**Amortization and impairment of acquired intangibles**	**Restructuring costs**	**Loss on business divestments**	**Transaction and integration costs**	**Other non-recurring items**	**Operating income by segment**
Testing & Inspection	6 165	955	–31	–43	–22	–15	22	866
Certification	780	153	–8	–2	–	–2	7	148
Total	**6 945**	**1 108**	**–39**	**–45**	**–22**	**–17**	**29**	**1 014**

2024

(CHF million)	Sales	Adjusted operating income[1]	Amortization and impairment of acquired intangibles	Restructuring costs	Transaction and integration costs	Other non-recurring items	Operating income by segment
Testing & Inspection	6 033	887	–28	–75	–11	–12	761
Certification	761	153	–2	–7	–1	–	143
Total	**6 794**	**1 040**	**–30**	**–82**	**–12**	**–12**	**904**

Other disclosure by segment

	2025			2024		
(CHF million)	**Salaries & wages**	**Depreciation, amortization and impairment**	**Capital addition**	Salaries & wages	Depreciation, amortization and impairment	Capital addition
Testing & Inspection	3 070	461	250	3 063	459	246
Certification	373	24	5	364	17	5
Total	**3 443**	**485**	**255**	**3 427**	**476**	**251**

Disclosure by business lines

Services delivered by the Group across its two operating segments continue to be organized by business lines, reflecting their end-markets.

The Testing & Inspection operating segment includes the following business lines:

- Industries & Environment (I&E): end-markets include Environment, Safety, Project & Advisory and Industrial Testing.
- Natural Resources (NR): end-markets include Minerals, Agriculture and Oil, Gas, Chemicals (OGC).
- Connectivity & Products (C&P): end-markets include Connectivity, Softlines, Hardlines and Government Services.
- Health & Nutrition (H&N): end-markets include Food, Pharma and Cosmetics

The Certification operating segment is one business line: Business Assurance (BA). End-markets include Certification, ESG, Consulting and Training.

	2025			2024[1]		
(CHF million)	**Sales**	**Adjusted operating income**	**Adjusted operating income margin**	Sales	Adjusted operating income	Adjusted operating income margin
Industries & Environment	2 295	300	13.1%	2 214	267	12.1%
Natural Resources	1 636	223	13.6%	1 655	238	14.4%
Connectivity & Products	1 352	308	22.8%	1 329	287	21.6%
Health & Nutrition	882	124	14.1%	835	95	11.4%
Total Testing & Inspection	**6 165**	**955**	**15.5%**	**6 033**	**887**	**14.7%**
Certification – Business Assurance	**780**	**153**	**19.6%**	**761**	**153**	**20.1%**
Total	**6 945**	**1 108**	**16.0%**	**6 794**	**1 040**	**15.3%**

1. Following minor changes of classification of certain activities between business lines, the 2024 figures have been restated to ensure comparability with 2025.

Sales from external customers by geographical area

(CHF million)	**2025**	**%**	2024	%
Asia Pacific	2 368	34	2 324	34
Europe	2 291	33	2 231	33
North America	848	13	827	12
Eastern Europe, Middle East and Africa	788	11	808	12
Latin America	650	9	604	9
Total	**6 945**	**100**	**6 794**	**100**

Sales in Switzerland from external customers for 2025 amounted to CHF 166 million (2024: CHF 161 million). Sales from external customers in China exceed 10% of the Group sales in 2025 and 2024.

Major customer information

In 2025 and 2024, no external customer represented 5% or more of the Group's total sales.

Specific non-current assets by geographical area

Specific non-current assets directly attributable to geographical segment mainly include property, land and equipment, right-of-use assets, goodwill and other intangible assets:

(CHF million)	**2025**	**%**	2024	%
Asia Pacific	587	16	596	17
Europe	1 876	52	1 890	53
North America	749	21	755	21
Eastern Europe, Middle East and Africa	114	3	137	4
Latin America	279	8	169	5
Total specific non-current assets	**3 605**	**100**	**3 547**	**100**

Specific non-current assets in Switzerland for 2025 amounted to CHF 147 million (2024: CHF 150 million). No country represented more than 20% of non-current assets in either 2025 or 2024.

Reconciliation with total non-current assets

(CHF million)	2025	2024
Specific non-current assets as above	3 605	3 547
Deferred tax assets	194	213
Retirement benefit assets	145	138
Non-current loans to third parties	4	5
Total	**3 948**	**3 903**

Average number of Full Time Equivalents (FTEs) by geographical area

(Average number of FTEs)	2025	2024
Asia Pacific	39 485	38 230
Europe	21 936	21 823
North America	5 845	5 699
Eastern Europe, Middle East and Africa	17 527	17 984
Latin America	16 302	15 446
Total	**101 095**	**99 182**
Number of FTEs at year end	102 804	99 483

4. Sales from contracts with customers

Group's sales from contracts with customers by timing of recognition

	2025		2024	
(CHF million)	Services transferred at a point in time	Services transferred over time	Services transferred at a point in time	Services transferred over time
Testing & Inspection	80%	20%	80%	20%
Certification	94%	6%	93%	7%
Total	**82%**	**18%**	**82%**	**18%**

Assets and liabilities related to contracts with customers

(CHF million)	2025	2024
Unbilled sales and work in progress	269	247
Trade receivables	980	991
Contract liabilities	262	261

Sales evolution, timing and project maturity are the main factors impacting assets and liabilities related to contracts with customers. In 2025, SGS has recognized sales of CHF 161 million related to contract liabilities at 31 December 2024. In 2024, the sales recognized from contract liabilities at 31 December 2023 amounted to CHF 178 million. Sales recognized from performance obligations satisfied in previous periods were immaterial in 2025 and 2024.

The remaining performance obligations (unsatisfied or partially satisfied) expected to be recognized for long-term contracts amount to CHF 1 342 million at 31 December 2025 (31 December 2024: CHF 1 356 million), of which CHF 749 million are expected to be recognized in sales within one year (31 December 2024: CHF 675 million), CHF 359 million between one year and two years (31 December 2024: CHF 380 million) and CHF 234 million after the next two years (31 December 2024: CHF 301 million).

As at 31 December 2025, the Group has unbilled sales and work in progress of CHF 269 million (2024: CHF 247 million) which is net of an allowance for expected credit losses of CHF 36 million (2024: CHF 36 million).

SGS is applying the practical expedient IFRS 15.121 and does not disclose unsatisfied or partially unsatisfied performance obligations from contracts with an original duration of one year or less, or where SGS may recognize sales from the satisfaction of the performance obligation in accordance with IFRS 15.B16. This paragraph permits as a practical expedient to exclude contracts where SGS has a right to payment for performance completed to date.

Assets recognized from costs to fulfill a contract in 2025 and 2024 were not significant, while amortization and impairment losses were nil.

5. Other operating expenses

(CHF million)	**2025**	2024[1]
Consumables, repairs and maintenance	553	547
Travel costs	327	329
Rental expense, insurance, utilities and sundry supplies	158	153
External consultancy fees	129	135
IT expenses	134	136
Communication costs	34	42
Taxes – non income related	32	38
Allowance for expected credit losses	10	22
Gain on disposal of property, plant and equipment	–4	–2
Remeasurement gain on step acquisition	–34	–
Miscellaneous operating expenses	278	173
Total	**1 617**	**1 573**

1. Certain comparative figures for 2024 have been reclassified to ensure consistency with the current-year presentation; these reclassifications had no impact on total amounts.

6. Financial income

(CHF million)	**2025**	2024
Interest income	34	27
Foreign exchange gains/(losses)	–	3
Other financial income	3	4
Total	**37**	**34**

7. Financial expenses

(CHF million)	**2025**	2024
Interest expense	76	73
Fair value losses on derivatives	9	18
Other financial expenses	6	3
Total	**91**	**94**

8. Taxes

Major components of tax expense

(CHF million)	**2025**	2024
Current taxes	256	255
Deferred tax (credit) relating to the origination and reversal of temporary differences	–11	–33
Total	**245**	**222**

The Group has operations in various countries that have different tax laws and rates. Consequently, the effective tax rate on consolidated income varies from year to year. A reconciliation between the reported income tax expense and the amount that would arise using the weighted average statutory tax rate of the Group is as follows:

Reconciliation of tax expense

(CHF million)	**2025**		2024	
Profit before taxes	962		847	
Tax at statutory rates applicable to the profits earned in the country concerned	**185**	**19%**	**163**	**19%**
Tax effect of non-deductible or non-taxable items	12		10	
Tax effect on losses not currently treated as being recoverable in future years	17		17	
Tax effect on losses previously considered irrecoverable, now expected to be recoverable	–12		–1	
Non-creditable foreign withholding taxes	46		43	
Minimum taxes	4		5	
Prior period adjustments	–13		–4	
Rate changes	–		1	
Other[1]	6		–12	
Tax charge	**245**	**25%**	**222**	**26%**

1. Other includes the tax impact of internal legal reorganizations.

Deferred tax after netting

(CHF million)	**2025**	2024
Deferred tax assets	194	213
Deferred tax liabilities	–71	–73
Total	**123**	**140**

Components of deferred tax balances

	2025		2024	
(CHF million)	**Assets**	**Liabilities**	Assets	Liabilities
Right of use assets	–	108	–	114
Fixed assets	44	7	46	6
Trade receivable, unbilled sales and work in progress	26	15	23	10
Defined benefit obligation	1	14	7	24
Provisions and other[2]	153	27	145	16
Lease liabilities	112	–	117	–
Intangible assets	1	78	3	71
Tax losses carried forward	35	–	40	–
Deferred taxes	**372**	**249**	**381**	**241**

2. Other includes the tax impact of internal legal reorganizations.

Net change in deferred tax assets

(CHF million)	Total
Net deferred tax asset at 1 January 2024	**112**
Acquisition of subsidiaries	–5
Credited to the income statement	33
Credited to other comprehensive income	2
Exchange differences and other	–2
Net deferred tax asset at 31 December 2024	**140**
Acquisition of subsidiaries	–13
Credited to the income statement	11
Credited to other comprehensive income	1
Exchange differences and other	–16
Net deferred tax asset at 31 December 2025	**123**

Unrecognized tax losses

(CHF million)	**2025**	2024
Expiring in the next 3 years	43	37
Expiring in 4-10 years	23	26
Available without limitation	259	269
Total unrecognized tax losses	**325**	**332**

At 31 December 2025, the unrecognized deferred tax assets amount to CHF 80 million (2024: CHF 84 million).

At 31 December 2025, the retained earnings of subsidiaries and foreign incorporated joint ventures consolidated by the Group include approximately CHF 2 330 million (2024: CHF 2 190 million) of undistributed earnings that may be subject to tax if remitted to the parent company.

Pillar Two

The Group is subject to income taxes in numerous jurisdictions and monitors developments which could affect the Group's tax liability. In particular, the Organisation for Economic Co-operation and Development (OECD) published the Global Anti-Base Erosion Model Rules (Pillar Two). The Pillar Two model framework introduced a global minimum tax rate concept of 15%, which is achieved through a system of top-up taxes in jurisdictions where tax rate would be lower.

The legislation was previously enacted in certain jurisdictions where the Group operates and is effective since 1 January 2024.

At 31 December 2025, current tax expense from Pillar Two legislation included less than CHF 1 million of top-up tax (2024: less than CHF 1 million).

In accordance with IAS 12 requirements, the Group applied the mandatory exception from accounting for deferred tax arising from Pillar Two.

9. Earnings per share and dividend per share

Basic earnings per share are calculated as follows:

	2025	2024
Profit attributable to equity holders of SGS SA (CHF million)	668	581
Weighted average number of shares (million)	192	188
Basic earnings per share (CHF)	**3.48**	**3.10**

Diluted earnings per share are calculated as basic earnings per share except that the weighted average number of shares only includes the dilutive effect of the Group's equity compensation plans detailed in note 28. For the year ended 31 December 2025, the Group calculated 1 059 156 dilutive potential shares (2024: 523 052):

	2025	2024
Profit attributable to equity holders of SGS SA (CHF million)	668	581
Diluted weighted average number of shares (million)	193	188
Diluted earnings per share (CHF)	**3.46**	**3.09**

The SGS Board of Directors will recommend to the Annual General Meeting (to be held on 26 March 2026) the approval of an optional scrip dividend of CHF 3.20 per share (2024: optional scrip dividend of CHF 3.20 per share).

10. Acquisitions and divestments

Acquisitions 2025

In 2025, the Group completed the following significant business combinations for a total purchase price of CHF 282 million.

- 100% of Aster Global Environmental Solutions, Inc., an industry-leading company focused on validation and verification of greenhouse gas (GHG) emissions and offsets, as well as forestry, ecosystem, and corporate and social responsibility services based in the USA (effective 1 January 2025)
- 100% of Stella Operazioni Doganal, an independent customs operations and consulting company based in Italy (effective 1 January 2025)
- 100% of RTI Laboratories, a leading provider of environmental and materials testing services based in Detroit, Michigan, USA (effective 1 February 2025)
- 60% of Carpedia International, a Canadian-based consulting Group specializing in process and change management (effective 1 March 2025)
- 100% of Independent Metallurgical Operations Pty Ltd and Metallurgy Pty Ltd (collectively known as IMO), two leading providers of metallurgical consulting, testing, site operations and technical services based in Perth, Australia (effective 1 April 2025)
- 100% of HidroMares Oceanografia, a Brazilian company active in the field of environmental monitoring and maritime solutions (effective 1 April 2025)
- 100% of AWIA Umwelt GmbH. AWIA Umwelt is based in Germany and offers services in the fields of waste management, soil remediation, air quality monitoring and water treatment (effective 1 April 2025)
- 70% of Streamline Control, a Canadian-based company specializing in operational technology and digital transformation (effective 1 May 2025)
- 70% of H2Safety, a Calgary-headquartered Canadian leader in emergency management and operational safety solutions (effective 1 June 2025)
- 100% of Ecoloss, a Dutch specialist in environmental emergency response and remediation services (effective 1 July 2025)
- 100% of EFBE GmbH, German and Taiwanese companies that operate bicycle performance testing labs (effective 1 July 2025)
- 100% of Walsh, a leading Peruvian consultancy specializing in environmental and social management (effective 1 August 2025)
- 100% of MPR Services, a U.S. provider of liquid and gas reclamation services, supporting energy companies with identifying and treating contaminants in their raw products (effective 1 August 2025)
- 100% of Fulcrum Robotics, an Australian specialist in aerial, marine and terrestrial drone-based inspection and robotic services for the industrial and environmental sectors (effective 1 September 2025)
- 10% additional stake in SGS Geosol, a leading Brazilian provider of geochemical, environmental and analytical laboratory services in mineral engineering. By acquiring an additional 10% stake from the 50% the Group already owned, SGS gained control over SGS Geosol (effective 1 September 2025). The transaction was accounted for as a step acquisition in accordance with IFRS 3 Business Combinations
- 100% of Tres60, a Chilean technology integrator for mining operations (effective 1 October 2025)
- 100% of Qualitest, a Canadian leader in welding engineering, mechanical testing, failure analysis and inspection services for key industrial sectors from manufacturing to infrastructure (effective 1 November 2025)
- 70% of Sami, a French startup based in Paris, which offers an all-in-one climate change and carbon accounting platform (effective 1 December 2025)
- 100% of Australian Superintendence Company (ASC), a leading specialist in agricultural quality assurance in Australia (effective 1 December 2025)

These companies were acquired for CHF 282 million and the total goodwill recognized on these transactions amounted to CHF 204 million.

All the above transactions contributed CHF 84 million in sales and CHF 19 million in operating income in 2025. Had all acquisitions been effective 1 January 2025, the sales for the period from these acquisitions would have been CHF 167 million and the operating income would have been CHF 38 million.

Acquisitions 2024

In 2024, the Group completed the following significant business combinations for a total purchase price of CHF 213 million.

- 100% of ArcLight Wireless Inc., a world-class leader in systems engineering, network services, technical outsourcing and field testing for the wireless industry, based in North Carolina, USA (effective 1 May 2024)
- 100% of Gossamer, a world-class provider of cybersecurity evaluation, testing and consulting services for connected services, headquartered in Maryland, USA (effective 1 August 2024)
- 100% of AQM and Cromanal, two key players in the Colombian pharmaceutical testing industry, headquartered in Bogota (effective 1 October 2024)
- 96.05% of Institut d'Expertise Clinique, a leading cosmetics Clinical Research Organization active in the field of advanced clinical testing solutions, headquartered in Lyon, France (effective 1 October 2024)
- 100% of Hazgo and Express Solutions, two Belgium-based companies specializing in supply chain services for sensitive products, including pharmaceuticals, chemical samples and dangerous goods (effective 1 October 2024)
- 100% of Beta Analytic, the global leader in Carbon 14 testing for governmental, academic and commercial organizations worldwide. Beta Analytic is based in Miami, Florida, USA (effective 1 November 2024)
- 100% of AMA Analytical Services, a Maryland-based specialist in environmental testing, with a focus on asbestos, metals and microbial analysis (effective 1 November 2024)
- 67.6% of CertX, a Swiss-based certification specialist in cybersecurity, artificial intelligence (AI), and functional safety (effective 1 December 2024)
- 100% of MP Machinery Testing, a company based in State College, Pennsylvania, USA, and active in the field of high material testing and analysis, specializing in the nuclear sector (effective 1 December 2024)

These companies were acquired for CHF 213 million and the total goodwill recognized on these transactions amounted to CHF 114 million.

All the above transactions contributed CHF 18 million in sales and CHF 4 million in operating income in 2024. Had all acquisitions been effective 1 January 2024, the sales for the period from these acquisitions would have been CHF 71 million and the operating income would have been CHF 18 million.

Assets and liabilities arising from acquisitions

(CHF million)	SGS Geosol	Fair value on other acquisitions	**Total fair value on acquisitions December 2025**	Total fair value on acquisitions December 2024
Property, plant and equipment	13	19	32	21
Right-of-use assets	–	4	4	3
Intangible assets	16	58	74	69
Trade receivable	5	17	22	14
Other current assets	7	9	16	10
Cash and cash equivalents	9	13	22	17
Current liabilities	–7	–35	–42	–26
Non-current liabilities	–10	–19	–29	–8
Non-controlling interests	–13	–8	–21	–1
Net assets acquired	**20**	**58**	**78**	**99**
Goodwill	41	163	204	114
Total purchase price	**61**	**221**	**282**	**213**
Acquired cash and cash equivalents	–9	–13	–22	–17
Consideration payable	–	–32	–32	–10
Payment on prior year acquisitions	–	–	–	7
Step acquisition[1]	–47	–	–47	–
Net cash outflow on acquisitions	**5**	**176**	**181**	**193**

1. Including remeasurement gain of CHF 34 million and carrying value of the investment in associate for CHF 13 million.

In compliance with IFRS 3, fair value on acquisition remains provisional for a 12-month period following the date of acquisition, during which the Group can finalize the purchase price allocation.

The goodwill arising on these acquisitions relates mainly to the value of expected synergies and the value of the qualified workforce that do not meet the criteria for recognition as separable intangible assets. CHF 13 million (2024: CHF 75 million) of the goodwill recognized is expected to be tax deductible.

Consideration payable relates mainly to environmental and commercial warranty clauses and the fair value of contingent future earn-out payments.

The Group incurred transaction-related costs of CHF 12 million (2024: CHF 12 million) related to external legal fees and due diligence expenses. These expenses are reported within other operating expenses in the consolidated income statement.

Divestments 2025

In 2025, the Group completed divestments of non-core businesses in EEMEA region, including SICTA (vehicle inspection testing centers in Ivory Coast). It resulted in a net loss of CHF 22 million, including CHF 33 million accumulated currency translation losses recycled from the translation reserve to the consolidated income statement. Proceeds, net of cash disposed, were CHF 13 million.

Divestments 2024

There was no divestment of businesses in 2024.

11. Property, plant and equipment

(CHF million)	Land & buildings	Machinery & equipment	Other tangible assets	Total
2025				
At cost				
At 1 January	425	2 276	670	3 371
Additions	30	124	84	238
Business combinations	15	16	1	32
Disposals	–	–71	–31	–102
Divestments of subsidiaries	–7	–6	–6	–19
Assets classified as held for sale	–2	–	–	–2
Exchange differences and other	–26	–130	–88	–244
At 31 December	435	2 209	630	3 274
Accumulated depreciation and impairment				
At 1 January	232	1 822	480	2 534
Depreciation	16	165	46	227
Impairment	–	9	4	13
Disposals	–	–69	–32	–101
Divestments of subsidiaries	–3	–5	–5	–13
Assets classified as held for sale	–1	–	–	–1
Exchange differences and other	–15	–129	–33	–177
At 31 December	229	1 793	460	2 482
Net book value at 31 December 2025	**206**	**416**	**170**	**792**

(CHF million)	Land & buildings	Machinery & equipment	Other tangible assets	Total
2024				
At cost				
At 1 January	427	2 188	659	3 274
Additions	25	129	76	230
Business combinations	14	7	8	29
Disposals	–6	–130	–46	–182
Assets classified as held for sale	–46	–	–	–46
Exchange differences and other	11	82	–27	66
At 31 December	425	2 276	670	3 371
Accumulated depreciation and impairment				
At 1 January	251	1 738	462	2 451
Depreciation	14	169	49	232
Impairment	–6	4	1	–1
Acquisition of subsidiaries	2	3	3	8
Disposals	–5	–128	–45	–178
Assets classified as held for sale	–29	–	–	–29
Exchange differences and other	5	36	10	51
At 31 December	232	1 822	480	2 534
Net book value at 31 December 2024	**193**	**454**	**190**	**837**

Included in the other tangible assets are leasehold improvements, office furniture and IT hardware, as well as construction-in-progress assets amounting to CHF 32 million (2024: CHF 33 million).

At 31 December 2025, the Group had commitments of CHF 29 million (2024: CHF 3 million) for the acquisition of land, buildings and equipment.

In 2025, the Group completed the sale of its HQ building in Geneva for CHF 80 million. A gain on disposal of CHF 60 million was recorded in the consolidated income statement.

12. Right-of-use assets and lease liabilities

(CHF million)	Right-of-use assets: Land & buildings	Right-of-use assets: Machinery & equipment	Right-of-use assets: Other tangible assets	Total	Lease liabilities
At 1 January 2025	**454**	**88**	**6**	**548**	**568**
Additions	148	56	1	205	198
Business combinations	3	1	–	4	4
Depreciation/impairment expense	–130	–49	–2	–181	–
Interest expense	–	–	–	–	20
Payment of lease liabilities and interests	–	–	–	–	–194
Exchange differences and other	–29	–3	–1	–33	–36
At 31 December 2025	**446**	**93**	**4**	**543**	**560**

Analyzed as:	**2025**
Current liabilities	157
Non-current liabilities	403
Total	**560**

(CHF million)	Right-of-use assets: Land & buildings	Right-of-use assets: Machinery & equipment	Right-of-use assets: Other tangible assets	Total	Lease liabilities
At 1 January 2024	**431**	**69**	**6**	**506**	**527**
Additions	143	66	3	212	203
Business combinations	3	–	–	3	3
Depreciation expense	–131	–47	–3	–181	–
Interest expense	–	–	–	–	19
Payment of lease liabilities and interests	–	–	–	–	–193
Exchange differences and other	8	–	–	8	9
At 31 December 2024	**454**	**88**	**6**	**548**	**568**

Analyzed as:	2024
Current liabilities	159
Non-current liabilities	409
Total	**568**

Included in machinery and equipment are mainly vehicles for CHF 83 million (2024: CHF 83 million).

The following table summarizes the main foreign currencies of the lease liabilities:

(CHF million)	**2025**	2024
Euro (EUR)	215	236
Chinese Renminbi (CNY)	61	64
US Dollar (USD)	52	71
Australian Dollar (AUD)	26	24
Taiwan Dollar (TWD)	24	22
Canadian Dollar (CAD)	17	20
Hong Kong Dollar (HKD)	14	2
British Pound Sterling (GBP)	12	14
Indian Rupee (INR)	9	11
Chilean Peso (CLP)	9	7
Korean Won (KRW)	6	7
Turkish Lira (TRY)	5	5
Swedish Krona (SEK)	5	6
Vietnamese Dong (VND)	5	3
Other	100	76
Total	**560**	**568**

(CHF million)	**2025**	2024
IFRS 16 Other quantitative information		
Expense relating to short-term leases	2	4
Expense relating to leases of low value assets	2	2
Total expense recognized in income statement	**4**	**6**

The Group leases mainly offices, laboratory spaces and vehicles. During the year ended 31 December 2025, an additional CHF 4 million (2024: CHF 6 million) was recognized as an expense in the income statement.

13. Goodwill

(CHF million)	**2025**	2024
At cost		
At 1 January	**1 783**	**1 636**
Business combinations	204	114
Fair value adjustments on prior year's acquisitions	5	–
Divestment	–5	–
Exchange differences	–93	33
At end of the period	**1 894**	**1 783**

Impairment test for goodwill

The Group chief operating decision maker (i.e. the Executive Committee) regularly reviews operating results and assesses its performance at operating segment level (Testing & Inspection and Certification). As part of its goodwill monitoring exercise, the Group chief operating decision maker implemented a monitoring on business line level (Industries & Environment (I&E), Natural Resources (NR), Connectivity & Products (C&P), Health & Nutrition (H&N) and Business Assurance). Therefore, for the purpose of impairment testing, the five business lines reflect the level of which the goodwill is monitored.

Goodwill impairment tests have been conducted for all goodwill balances allocated to the CGUs as described above. The Group tests goodwill for impairment on an annual basis.

The recoverable amount of the cash-generating units (CGUs) was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. For the subsequent years, the Group assumes a long-term growth rate of 1%, in line with market long-term inflation rates projections (2024: 1%), and stable operating margins depending on each CGU or group of CGUs.

The outcome of the impairment tests in 2025 was no impairment (2024: no impairment).

The goodwill allocation per CGU is presented below:

Allocation of goodwill to CGUs or group of CGUs

Goodwill allocated to the main CGUs or groups of CGUs, as of 31 December is broken down as follows:

(CHF million)	**2025**	2024
Industries & Environment	962	896
Natural Resources	123	104
Connectivity & Products	191	196
Health & Nutrition	470	488
Business Assurance	148	99
Total	**1 894**	**1 783**

Pre-tax discount rate for the main CGUs or group of CGUs impairment testing

	2025	2024
Industries & Environment	6.6%	7.4%
Natural Resources	6.8%	7.6%
Connectivity & Products	6.7%	7.6%
Health & Nutrition	6.4%	7.1%
Business Assurance	6.5%	7.2%

14. Other intangible assets

(CHF million)	Trademarks and other	Customer relationships	Computer software and other assets: Internally generated	Computer software and other assets: Purchased	Total
2025					
At cost					
At 1 January[1]	88	474	254	183	999
Additions	–	–	11	6	17
Business combinations	6	65	2	1	74
Disposals	–10	–	–7	–5	–22
Exchange differences and other	–4	–25	–	–7	–36
At 31 December	80	514	260	178	1 032
Accumulated amortization and impairment					
At 1 January	72	246	208	169	695
Amortization	4	31	20	3	58
Impairment	4	–	–	2	6
Disposals	–10	–	–7	–5	–22
Exchange differences and other	–4	–15	–	–5	–24
At 31 December	66	262	221	164	713
Net book value at 31 December 2025	**14**	**252**	**39**	**14**	**319**

(CHF million)	Trademarks and other	Customer relationships	Computer software and other assets: Internally generated	Computer software and other assets: Purchased	Total
2024[1]					
At cost					
At 1 January	84	406	249	177	916
Additions	–	–	14	7	21
Acquisition of subsidiaries	5	62	–	2	69
Disposals	–3	–1	–9	–5	–18
Exchange differences and other	2	7	–	2	11
At 31 December	88	474	254	183	999
Accumulated amortization and impairment					
At 1 January	69	217	197	158	641
Amortization	4	25	18	11	58
Impairment	–	–	2	3	5
Disposals	–3	–1	–9	–5	–18
Exchange differences and other	2	5	–	2	9
At 31 December	72	246	208	169	695
Net book value at 31 December 2024	**16**	**228**	**46**	**14**	**304**

1. Certain comparative figures for 2024 have been reclassified to ensure consistency with the current-year presentation; these reclassifications had no impact on total amounts.

15. Other non-current assets

(CHF million)	**2025**	2024
Non-current loans or amounts receivable from third parties	4	5
Pension fund assets	145	138
Other	51	56
Total	**200**	**199**

Assets presented in the category "Other" are measured at fair value through profit and loss. Non-current loans or amounts receivable from third parties are measured at amortized cost.

Depending on the nature of the balances, currency and date of maturity, interest rates on long-term balances or loans to third parties range mainly between 0.0% and 20.0%.

In 2025, other non-current assets included deposits for guarantees and restricted cash of CHF 34 million (2024: CHF 37 million).

Typical examples of restricted cash are cash deposits for performance bonds, rentals and other operating obligations.

At 31 December 2025 and 2024, the fair value of the Group's other non-current assets approximates their carrying value.

16. Trade receivables

(CHF million)	**2025**	2024
Trade receivables	1 099	1 123
Allowance for expected credit losses	–119	–132
Total	**980**	**991**

The movement of allowance for expected credit losses is analyzed as follows:

(CHF million)	**2025**	2024
At 1 January	–132	–138
Acquisition of subsidiaries	–	–1
(Increase) in allowance recognized in the income statement	–10	–9
Utilizations	17	14
Exchange differences	6	2
Total at 31 December	**–119**	**–132**

17. Other receivables and prepayments

(CHF million)	**2025**	2024
Accrued income, prepayments	90	96
Derivative assets	4	3
Other receivables	113	118
Total	**207**	**217**

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties. Other receivables consist mainly of sales taxes and other taxes recoverable, as well as advances to suppliers.

18. Cash and cash equivalents

(CHF million)	**2025**	2024
Bank current accounts	1 365	816
Deposits on demand	965	394
Total	**2 330**	**1 210**

19. Cash flow statement

19.1. Non-cash and non-operating items

(CHF million)	Notes	**2025**	2024
Depreciation of property, plant and equipment	11	227	232
Impairment of property, plant and equipment and other intangible assets	11 and 14	19	4
Depreciation/impairment right-of-use asset	12	181	181
Amortization of intangible assets	14	58	58
ECL[1] on trade receivables, unbilled sales and work in progress		10	23
Net financial expenses	6 and 7	54	60
Increase/(decrease) in provisions and employee benefits		–9	5
Share-based payment expenses		16	19
Loss on business divestments	10	22	–
Gain on HQ disposal		–60	–
Gain on disposals of property, land and equipment		–4	–2
Share of results from associates and other entities		–2	–3
Taxes	8	245	222
Non-cash and non-operating items		**757**	**799**

1. Expected Credit Losses.

19.2. (Increase)/decrease in working capital

(CHF million)	2025	2024
(Increase) in unbilled sales and inventories	–33	–36
(Increase) in trade receivables	–44	–32
Decrease/(Increase) in other receivables and prepayments	31	–14
Increase/(Decrease) in trade and other payables	4	–21
Increase in other creditors and accruals	32	75
Increase in contract liabilities	11	31
Increase in other provisions	–	25
Decrease in working capital	**1**	**28**

19.3. Changes in liabilities arising from financing and investing activities

		Cash impact		Non cash impact				
(CHF million)	1 January	Financing cash flows	Investing cash flows	Equity movement	Acquisition and disposals	New leases	Other movements[1]	31 December
2025								
Corporate bonds	3 027	1 055	–	–	–	–	–16	4 066
Bank loans	209	–138	–	–	7	–	–2	76
Put options on non-controlling interests and other acquisition-related liabilities	52	–6	–	95	28	–	–6	163
Lease liabilities	568	–175	–	–	4	198	–35	560
Other financial liabilities	11	–	–	–	–	–	11	22
Total	**3 867**	**736**	**–**	**95**	**39**	**198**	**–48**	**4 887**

		Cash impact		Non cash impact				
(CHF million)	1 January	Financing cash flows	Investing cash flows	Equity movement	Acquisition and disposals	New leases	Other movements[1]	31 December
2024[2]								
Corporate bonds	3 269	–250	–	–	–	–	8	3 027
Bank loans	558	–373	–	–	9	–	15	209
Put options on non-controlling interests and other acquisition-related liabilities	31	–	–7	16	11	–	1	52
Lease liabilities	527	–176	–	–	3	203	11	568
Other financial liabilities	15	–	–	–	–	–	–4	11
Total	**4 400**	**–799**	**–7**	**16**	**23**	**203**	**31**	**3 867**

1. Other movements mainly include currency effects.
2. Certain comparative figures for 2024 have been reclassified to ensure consistency with the current-year presentation; these reclassifications had no impact on total amounts.

CHF 95 million (2024: CHF 16 million) was recognized directly in Group reserves, comprising CHF 91 million (2024: CHF 16 million) from the recognition of put option liabilities related to the current year business combinations and CHF 4 million (2024: nil) from the remeasurement of put option liabilities arising from prior-years' business combinations.

20. Financial risk management

Risk management framework

The Group's activities expose it primarily to market, credit and liquidity risk. Market risk includes foreign exchange, interest rate and equity price risks.

A robust and comprehensive Enterprise Risk Management (ERM) and Internal Control process is implemented throughout the Group, supported by effective systems and monitoring.

The Audit Committee oversees how management monitors compliance with the Group's risk management framework and is assisted in its oversight role by Internal Audit.

Risk management activities

Currently, the Group has certain exposure to interest and credit risks and no exposure to equity price risk.

The Group uses foreign exchange contracts to manage the Group's exposure to fluctuations in foreign currency exchange rates. These activities are carried out in accordance with the Group's policies and objectives in areas such as counterparty exposure and economic hedging practices. Counterparties to these agreements are major international financial institutions with high credit ratings and positions are monitored using market value and sensitivity analyses. The associated credit risk is therefore limited. These agreements generally include the exchange of one currency for a second currency at a future date.

The following table summarizes foreign exchange contracts outstanding at year end. The notional amount of derivatives summarized below represents the gross amount of the contracts and includes transactions, which have not yet matured. Therefore, the figures do not reflect the Group's net exposure at year end. The market value approximates the costs to settle the outstanding contracts. These market values should not be viewed in isolation but in relation to the market values of the underlying hedged transactions and the overall reduction in the Group's exposure to adverse fluctuations in foreign exchange rates.

	Notional amount		Market value	
(CHF million)	**2025**	2024	**2025**	2024
Foreign exchange forward contracts				
Currency:				
Australian Dollar (AUD)	–16	–11	–	–
Brazilian Real (BRL)	1	–3	–	–
Canadian Dollar (CAD)	–74	–12	–	–
Chilean Peso (CLP)	–	–3	–	–
Chinese Renminbi (CNY)	–	–28	–	–
Colombian Peso (COP)	–17	–24	–	–
Euro (EUR)	80	182	–1	–
British Pound Sterling (GBP)	–84	–128	–	–
Hong Kong Dollar (HKD)	46	29	–	–
Japanese Yen (JPY)	–1	–2	–	–
Kenyan Shilling (KES)	–	–	–	–
New Zealand Dollar (NZD)	–3	–5	–	–
Peruvian Sol (PEN)	14	19	–	–
Philippines Peso (PHP)	–10	–8	–	–
Polish Zloty (PLN)	–2	–6	–	–
Taiwan Dollar (TWD)	–10	–27	–	1
Turkish Lira (TRY)	3	4	–	–
US Dollar (USD)	77	–435	–1	–11
South African Rand (ZAR)	8	6	–	–
Other	–2	–12	–	–
Total	**10**	**–464**	**–2**	**–10**

Sensitivity analyses

The estimated changes in the value of net foreign currency positions are based on an instantaneous 5% weakening of the Swiss Franc against all other currencies from the level applicable at 31 December 2025 and 2024 with all other variables remaining constant.

Sensitivity analysis is based on net hedged positions at 31 December 2025 and 2024. The net impact on the income statement would have been CHF 2 million (2024: CHF 2 million), mainly due to the USD. The impact on equity would be nil (2024: nil).

Credit risk management

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. It arises principally from the Group's commercial activities. Trade receivable, unbilled sales and work in progress are subject to a policy of active risk management which focuses on the assessment of country risk, credit limits and approval procedures. Due to its large geographic base and number of customers, the Group is not exposed to material concentrations of credit risk on its trade receivable, unbilled sales and work in progress.

As at 31 December 2025, the Group has unbilled sales and work in progress of CHF 269 million (2024: CHF 247 million) which is net of an allowance for expected credit losses of CHF 36 million (2024: CHF 36 million).

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix based on aging of trade receivables as of invoice date at 31 December 2025:

(CHF million)	Expected credit loss range	**Gross carrying amount**	**Expected credit loss**
0 - 90 days	0%-5%	910	1
91 - 120 days	10%-25%	42	8
121 - 180 days	20%-50%	36	13
181 - 240 days	35%-75%	18	10
241 - 300 days	50%-75%	10	5
301 - 360 days	75%-100%	8	7
> 360 days	100%	75	75
Total		**1 099**	**119**

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix based on aging of trade receivables as of invoice date at 31 December 2024:

(CHF million)	Expected credit loss range	Gross carrying amount	Expected credit loss
0 - 90 days	0%-5%	929	4
91 - 120 days	10%-25%	41	8
121 - 180 days	20%-50%	36	14
181 - 240 days	35%-75%	16	10
241 - 300 days	50%-75%	13	9
301 - 360 days	75%-100%	8	7
> 360 days	100%	80	80
Total		**1 123**	**132**

As part of financial management activities, the Group enters into various types of transactions with international banks, usually with a credit rating of at least A. Exposure to these risks is closely monitored and kept within predetermined parameters. The Group does not expect any non-performance from these counterparties. The maximum credit risk to which the Group is theoretically exposed at 31 December 2025 is the carrying amount of financial assets including derivatives.

In addition, the Group has issued CHF 169 million (2024: CHF 188 million) financial guarantees to certain financial institutions that have provided credit facilities and foreign exchange lines to its subsidiaries. Management believes the likelihood that a material payment will be required under these guarantees is remote.

Fair value measurement

Analysis of financial assets by class and category at 31 December 2025:

	Amortized cost		**At fair value through P&L**		**Total**	
(CHF million)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Cash and cash-equivalents	2 330	2 330	–	–	2 330	2 330
Trade receivables	980	980	–	–	980	980
Other receivables[1]	114	114	–	–	114	114
Unbilled sales and work in progress	269	269	–	–	269	269
Loans to third parties – non-current	4	4	–	–	4	4
Marketable securities	–	–	1	1	1	1
Derivatives	–	–	4	4	4	4
Total financial assets	**3 697**	**3 697**	**5**	**5**	**3 702**	**3 702**

1. Excluding VAT and other tax related items.

Analysis of financial assets by class and category at 31 December 2024:

	Amortized cost		At fair value through P&L		Total	
(CHF million)	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash-equivalents	1 210	1 210	–	–	1 210	1 210
Trade receivables	991	991	–	–	991	991
Other receivables[1]	123	123	–	–	123	123
Unbilled sales and work in progress	247	247	–	–	247	247
Loans to third parties – non-current	5	5	–	–	5	5
Derivatives	–	–	3	3	3	3
Total financial assets	**2 576**	**2 576**	**3**	**3**	**2 579**	**2 579**

1. Excluding VAT and other tax related items.

Derivative assets (2025: CHF 4 million; 2024: CHF 3 million) consist of foreign currency forward contracts that are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contract. All outstanding derivative instruments qualify as Level 2 fair value measurement category, in accordance with the fair value hierarchy.

For all other items, their carrying amount is a reasonable approximation of the fair value.

Analysis of financial liabilities by class and category at 31 December 2025:

			Fair value					
	Amortized cost		**At fair value through equity**		**At fair value through P&L**		**Total**	
(CHF million)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Trade payables	303	303	–	–	–	–	303	303
Other payables[1]	106	106	–	–	–	–	106	106
Bonds, bank loans and other financial liabilities	4 164	4 174	–	–	–	–	4 164	4 174
Put options on non-controlling interests and other acquisition-related liabilities	–	–	124	124	39	39	163	163
Lease liabilities	560	560	–	–	–	–	560	560
Derivatives	–	–	3	3	7	7	10	10
Total financial liabilities	**5 133**	**5 143**	**127**	**127**	**46**	**46**	**5 306**	**5 316**

Analysis of financial liabilities by class and category at 31 December 2024[2]:

			Fair value					
	Amortized cost		At fair value through equity		At fair value through P&L		Total	
(CHF million)	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Trade payables	310	310	–	–	–	–	310	310
Other payables[1]	120	120	–	–	–	–	120	120
Bonds, bank loans and other financial liabilities	3 247	3 264	–	–	–	–	3 247	3 264
Put options on non-controlling interests and other acquisition-related liabilities	–	–	40	40	12	12	52	52
Lease liabilities	568	568	–	–	–	–	568	568
Derivatives	–	–	–	–	13	13	13	13
Total financial liabilities	**4 245**	**4 262**	**40**	**40**	**25**	**25**	**4 310**	**4 327**

1. Excluding VAT and other tax related items.
2. Certain comparative figures for 2024 have been reclassified to ensure consistency with the current-year presentation; these reclassifications had no impact on total amounts.

The corporate bonds qualify as fair value Level 1, which amounts to CHF 4 096 million (2024: CHF 3 044 million).

Put options on non-controlling interests and other acquisition-related liabilities qualify as level 3. The put options represents the estimated present value of the redemption amount to acquire the remaining non-controlling interests of acquisitions if the put/call option is exercised. Other acquisition-related liabilities represent deferred and contingent considerations. The fair value of put options and other acquisition-related liabilities is measured using contractually agreed calculation formulas (most frequently based on EBITDA and/or sales multiples) and management's estimate of the acquired entities meeting the agreed financial performance targets. The redemption amounts are discounted using the Group's cost of debt, when material. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the fair value for these financial liabilities.

Derivative liabilities consist of foreign currency forward contracts and cross currency swaps that are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contract. All outstanding derivative instruments qualify as Level 2 fair value measurement category, in accordance with the fair value hierarchy.

The remaining financial liabilities qualify as Level 2, determined in accordance with generally accepted pricing models.

For all other items, their carrying amount is a reasonable approximation of the fair value.

Liquidity risk management

The objective of the Group's liquidity and funding management is to ensure that all its foreseeable financial commitments can be met when due. Liquidity and funding are primarily managed by Group Treasury in accordance with practices and limits set in the risk management policies and objectives approved by the Board of Directors.

The nature of the Group's business requires keeping a significant part of the cash reserves in the operating units.

Due to the significant cash position, liquidity risk is limited. The Group has various committed and uncommitted bilateral credit facilities with its banks.

Undiscounted contractual maturities of financial liabilities including interest payments at 31 December 2025:

(CHF million)	**Trade payables**	**Other payables[1]**	**Gross settled derivative financial instruments outflows**	**Gross settled derivative financial instruments inflows**	**Bonds, bank loans and other financial liabilities**	**Put options on non-controlling interests and other acquisition-related liabilities**	**Lease liabilities**	**Total**
On demand or within one year	303	106	863	–868	866	25	173	1 468
Within the second year	–	–	–	–	1 030	35	125	1 190
Within the third year	–	–	–	–	302	72	86	460
Within the fourth year	–	–	–	–	402	–	60	462
Within the fifth year	–	–	–	–	765	31	41	837
After five years	–	–	–	–	1 341	–	121	1 462

1. Excluding VAT and other tax related items.

Undiscounted contractual maturities of financial liabilities including interest payments at 31 December 2024:

(CHF million)	Trade payables	Other payables[1]	Gross settled derivative financial instruments outflows	Gross settled derivative financial instruments inflows	Bonds, bank loans and other financial liabilities	Put options on non-controlling interests and other acquisition-related liabilities	Lease liabilities	Total
On demand or within one year	310	120	1 130	–1 142	622	4	173	1 217
Within the second year	–	–	–	–	741	19	133	893
Within the third year	–	–	–	–	950	25	91	1 066
Within the fourth year	–	–	–	–	190	4	60	254
Within the fifth year	–	–	–	–	364	–	42	406
After five years	–	–	–	–	499	–	113	612

1. Excluding VAT and other tax related items.

The Group economically hedges its foreign exchange exposure on a net basis. The net position of the gross settled derivative financial instruments of CHF –5 million (2024: CHF –12 million) represents the net nominal value expressed in CHF of the Group's foreign currency contracts outstanding at 31 December 2025.

Interest rate risk management

The Group is exposed to fair value interest rate risk because the Group borrows funds at fixed interest rates. Where appropriate, the risk is managed by the Group using Interest Rate Swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As at 31 December 2025, if interest rates were 100 basis points higher/lower, annual interest expense would increase/decrease by CHF 4 million (2024: CHF 2 million).

21. Share capital and treasury shares

	Shares in circulation	Treasury shares	Total shares issued	Total share capital (CHF million)
Balance at 1 January 2024	**184 311 115**	**3 064 685**	**187 375 800**	**7**
Treasury shares released into circulation	178 348	–178 348	–	–
Treasury shares purchased for equity compensation plans	–561 008	561 008	–	–
New shares issued from scrip dividend	4 964 934	–	4 964 934	1
Cancellation of treasury shares	–	–2 837 475	–2 837 475	–
Balance at 31 December 2024	**188 893 389**	**609 870**	**189 503 259**	**8**
Treasury shares released into circulation	156 503	–156 503	–	–
Treasury shares purchased	–1 200 638	1 200 638	–	–
New shares issued from scrip dividend	5 274 023	–	5 274 023	–
Balance at 31 December 2025	**193 123 277**	**1 654 005**	**194 777 282**	**8**

Scrip dividend 2024

The Company's Annual General Meeting held on 26 March 2025, had offered its shareholders the possibility to receive the 2024 dividend in cash or in new SGS shares. Final terms were announced on 17 April 2025:

- The scrip dividend take-up rate was 63.30% with the remaining 36.70% paid out in cash
- The reference share price was of CHF 76.30 and discount rate was 5% leading to a distribution value of CHF 72.49
- 5 274 023 new shares were created

Delivery of the new shares and payment of the total CHF 222 million cash dividend took place on 24 April 2025.

Scrip dividend 2023

The Company's Annual General Meeting held on 26 March 2024 offered its shareholders the possibility to receive the 2023 dividend in cash or in new SGS shares. Final terms were announced on 22 April 2024:

- The scrip dividend take-up rate was 64.87% with the remaining 35.13% paid out in cash
- The reference share price was of CHF 82.00 and discount rate was 6% leading to a distribution value of CHF 77.08
- 4 964 934 new shares were created

Delivery of the new shares and payment of the total CHF 207 million cash dividend took place on 25 April 2024.

Issued share capital

As at 31 December 2025, SGS SA has a share capital of CHF 7 791 091 (2024: CHF 7 580 130) fully paid. All shares, other than treasury shares, participate equally in the dividends declared by the Company and have equal voting rights.

Treasury shares

On 31 December 2025, SGS SA held 1 654 005 treasury shares (2024: 609 870 shares). In 2025, SGS purchased 1 200 638 shares for CHF 100 million (2024: 561 008 shares for CHF 50 million).

The effect of treasury shares released into circulation upon vesting of equity-settled remuneration plans is recorded in the Treasury Share reserve at average cost with an impact of CHF 14 million (2024 : CHF 16 million).

On 30 August 2024, 2 837 475 shares were cancelled (CHF 250 million).

Authorized and Conditional issue of share capital

SGS SA has conditionally increased its share capital by a nominal amount of CHF 1 100 000, divided into 27 500 000 registered shares with a par value of CHF 0.04 each. This conditional share capital increase is intended to procure the necessary shares to satisfy employee equity participation plans and option or conversion rights to be incorporated in convertible bonds or similar equity-linked instruments that the Board is authorized to issue. The right to subscribe to such conditional capital is reserved for beneficiaries of employee equity participation plans and holders of convertible bonds or similar debt instruments and therefore excludes shareholders' preferential rights of subscription. The Board is authorized to determine the timing and conditions of such issues, provided that they reflect prevailing market conditions. The term of exercise of the options or conversion rights may not exceed ten years from the date of issuance of the equity-linked instruments.

22. Loans and other financial liabilities

(CHF million)	2025	2024
Bank loans and commercial paper	76	209
Corporate bonds	4 066	3 027
Put options on non-controlling interests and other acquisition-related liabilities	163	52
Other financial liabilities	22	11
Derivatives	10	13
Total	**4 337**	**3 312**
Current	832	612
Non-current	3 505	2 700

In 2025, the Group continued to use its EUR 1 billion Euro Commercial Paper (ECP) program. As at 31 December 2025, the amount of commercial paper outstanding was for EUR 75 million or CHF 70 million (2024: EUR 215 million or CHF 202 million). Depending on the nature of the loan, currency and date of maturity, interest rates on long-term loans from third parties range between 0.00% and 21.3% and on short-term loans from third parties, between 0.00% and 42.50%.

Loans from third parties exposed to fair value interest rate risk amounted to CHF 4 142 million (2024: CHF 3 235 million) and loans from third parties exposed to cash flow interest rate risk amounted to less than CHF 0.1 million (2024: less than CHF 2 million).

SA issued the following corporate bonds listed on the SIX Swiss Exchange:

Date of issue	Face value in CHF million	Coupon in %	Year of maturity	Issue price in %	Redemption price in %
08.05.2015	225	0.875	2030	100.245	100.000
03.03.2017	375	0.550	2026	100.153	100.000
29.10.2018	175	1.250	2028	101.157	100.000
06.05.2020	325	0.950	2026	100.182	100.000
05.09.2022	350	1.700	2029	100.197	100.000
17.11.2023	240	2.000	2027	100.038	100.000
17.11.2023	260	2.300	2031	100.127	100.000
24.06.2025	245	1.450	2037	100.164	100.000
24.06.2025	255	1.000	2032	100.135	100.000

In order to finance the anticipated Applied Technical Services ('ATS') business combination, the Group issued a EUR 1 billion euro-bond in September 2025. SGS Finance BV (2024: SGS Nederland Holding BV) has issued the following corporate bonds, which are guaranteed by SGS SA and are listed on the Luxembourg Stock Exchange (bond issued in 2021) and on the SIX Swiss Exchange (bonds issued in 2025):

Date of issue	Face value in EUR million	Coupon in %	Year of maturity	Issue price in %	Redemption price in %
21.04.2021	750	0.125	2027	99.761	100.000
10.09.2025	500	3.125	2030	99.973	100.000
10.09.2025	500	3.750	2035	99.305	100.000

The currency composition of bank loans, corporate bonds and other financial liabilities is as follows:

	Bank loans and corporate bonds		Put options and other financial liabilities	
(CHF million)	2025	2024	2025	2024
Swiss Franc (CHF)	2 448	2 324	18	14
Euro (EUR)	1 689	906	27	4
Brazilian Real (BRL)	–	–	36	–
Singapore Dollar (SGD)	–	1	11	11
Argentinian Peso (ARS)	–	1	–	–
US Dollar (USD)	–	–	12	11
Turkish Lira (TRY)	3	4	–	–
Canadian Dollar (CAD)	–	–	65	23
Chilean Peso (CLP)	1	–	11	–
Other	1	–	6	–
Total	**4 142**	**3 236**	**185**	**63**

23. Defined benefit obligations

The Group mainly operates defined benefit pension plans in Switzerland, the USA, the UK, the Netherlands, Germany, Italy, France, Belgium, South Korea and Taiwan. Contributions to most plans are paid to pension funds that are legally separate entities.

The Group also operates post-employment benefit plans, principally healthcare plans, in the USA and Switzerland. They represent a defined benefit obligation at 31 December 2025 of CHF 6 million (2024: CHF 6 million). The method of accounting and frequency of valuation are similar to those used for defined benefit pension plans. Healthcare cost trend assumptions do not have a significant effect on the amounts recognized in the income statement.

There is a risk to the Group that adverse experience could lead to a requirement for the Group to make additional contributions to recover any deficit that arises.

The Group's material defined benefit plans are in Switzerland, the USA and the UK.

Switzerland

The Group operates a retirement foundation in Switzerland jointly with employees. The assets and liabilities of the retirement foundation are held separately from the Group. The foundation board is equally composed of representatives of the employees and representatives of the employer. It covers all employees in Switzerland and provides benefits on a defined contribution basis.

Each employee has a retirement account to which they and the Group contribute at a rate set out in the foundation rules, based on a percentage of salary. Every year, the foundation decides the level of interest, if any, to apply to retirement accounts based on the agreed policy. At retirement, employees can elect either to withdraw all or part of the balance of their retirement account, or to convert it into annuities at pre-defined conversion rates.

As the foundation board is expected to eventually pay out all of the foundation's assets as benefits to employees and former employees, no surplus is deemed to be recoverable by the Group. Similarly, unless the assets are insufficient to cover minimum benefits, the Group does not expect to make any deficit contribution.

According to IFRS, the foundation has to be classified as a defined benefit plan due to underlying benefit guarantees and has to be accounted for on this basis.

The weighted average duration of the expected benefit payment is approximately 13 years (2024: 13 years).

The Group expects to contribute CHF 5 million to this plan in 2026.

The Group also operates an employer fund. The assets are held separately from the Group. This foundation has unilateral power to provide benefits and consequently has no obligations. Therefore, this foundation has no pension liabilities.

United States of America

The Group operates a non-contributory defined benefit plan, which is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

The assets of the plan are held separately from the Group by the trustee-custodian and the plan's third-party pension administrator, who currently disburses payments directly to retirees or beneficiaries under the plan. Both the trustee-custodian and the administrator ensure adherence to ERISA rules.

Funding valuations are calculated on an actuarial basis and contributions are made as necessary. The funding target is to provide the plan with sufficient assets to meet future plan obligations.

The plan had, in past years, been frozen, ceasing the recognition of new benefit accruals. The Group reserves the right to make future changes to the benefit accrual structure of the plan.

Most recently, in March 2025, the plan entered into a pension buy-in transaction with an insurance company covering most of the benefits promised under the plan. Under this arrangement, plan assets were exchanged for an insurance policy that substantially matches the covered pension obligations, thereby reducing the plan's exposure to longevity and investment risks, while the plan remains responsible for benefit payments.

The weighted average duration of the expected benefit payment is approximately 9 years (2024: 9 years).

The Group does not expect to contribute anything to the plan in 2026.

United Kingdom

The Group operates a defined benefit plan through a trust, with the assets of the plans held separately from the Group, and trustees who ensure the plan's rules are strictly adhered to. This plan has been closed to new entrants since 2002 and, effective 31 October 2020, all remaining participants ceased accruing any additional benefits in the defined benefit plan. Employees are now offered membership in defined contribution plans operated by the Group.

Funding valuations of the defined benefit plans are carried out and agreed between the Group and the plan trustees at least once every three years. The funding target is for the plans to hold assets equal in value to the accrued benefits based on projected salaries. As part of the valuation process, if there is a shortfall against this target, then the Group and trustees will agree on deficit contributions to meet this deficit over a specified period.

The weighted average duration of the expected benefit payments from the combined plans is approximately 13 years (2024: 13 years).

The Group does not expect to contribute anything to the plan in 2026.

Other countries

The Group sponsors defined retirement benefits plans in other countries where the Group operates. No individual countries, other than those described above, are considered material and need to be separately disclosed. The Group expects to contribute CHF 7 million to those plans in 2026.

The assets and liabilities recognized in the statement of financial position at 31 December for defined benefit obligations and for post-employment benefit plans are as follows:

(CHF million)	CH	UK	USA	Other	Total
2025					
Fair value of plan assets	511	112	111	75	809
Present value of funded defined benefit obligation	–389	–93	–104	–82	–668
Funded/(unfunded) status	**122**	**19**	**7**	**–7**	**141**
Present value of unfunded defined benefit obligation	–5	–	–1	–48	–54
Unrecognized asset due to asset ceiling	–7	–	–	–	–7
Net asset/(liability) at 31 December	**110**	**19**	**6**	**–55**	**80**

(CHF million)	CH	UK	USA	Other	Total
2024					
Fair value of plan assets	506	120	129	77	832
Present value of funded defined benefit obligation	–401	–101	–119	–84	–705
Funded/(unfunded) status	**105**	**19**	**10**	**–7**	**127**
Present value of unfunded defined benefit obligation	–6	–	–2	–45	–53
Net asset/(liability) at 31 December	**99**	**19**	**8**	**–52**	**74**

The net asset of CHF 80 million (2024: net asset of CHF 74 million) includes CHF 145 million (2024: CHF 138 million) of pension fund assets recognized in the item other non-current assets (see note 15) and CHF 65 million (2024: CHF 64 million) of pension fund liability recognized in the item defined benefit obligation in the statement of financial position.

Amounts recognized in the income statement:

(CHF million)	CH	UK	USA	Other	Total
2025					
Service cost expense	3	–	–	5	8
Net interest (income)/expense on defined benefit plan	–1	–	–	1	–
Immediate recognition of experience losses arising over the year	–	–	–	3	3
Total expense due to defined benefit obligation at 31 December	**2**	**–**	**–**	**9**	**11**
Expense charged in:					
Salaries and wages	3	–	–	8	11
Financial expenses	–1	–	–	1	–
Total expense due to defined benefit obligation at 31 December	**2**	**–**	**–**	**9**	**11**

(CHF million)	CH	UK	USA	Other	Total
2024					
Service cost expense	4	–	–4	5	5
Net interest (income)/expense on defined benefit plan	–2	–	1	1	–
Total expense due to defined benefit obligation at 31 December	**2**	**–**	**–3**	**6**	**5**
Expense charged in:					
Salaries and wages	4	–	–4	5	5
Financial expenses	–2	–	1	1	–
Total expense due to defined benefit obligation at 31 December	**2**	**–**	**–3**	**6**	**5**

Amounts recognized in the statement of other comprehensive income:

(CHF million)	CH	UK	USA	Other	Total
2025					
Change in demographic assumptions	–	1	–	1	2
Change in financial assumptions	–15	–2	3	–1	–15
Experience adjustments on benefit obligations	28	–	2	1	31
Actual return on plan assets excluding net interest expense	–27	1	–3	1	–28
Change in unrecognized asset due to asset ceiling	7	–	–	–	7
Total recognized in the statement of other comprehensive income at 31 December	**–7**	**–**	**2**	**2**	**–3**

(CHF million)	CH	UK	USA	Other	Total
2024					
Change in financial assumptions	19	–13	–5	2	3
Experience adjustments on benefit obligations	11	–2	–1	2	10
Actual return on plan assets excluding net interest expense	–30	14	8	–	–8
Change in unrecognized asset due to asset ceiling	–	–	–	–2	–2
Total recognized in the statement of other comprehensive income at 31 December	**–**	**–1**	**2**	**2**	**3**

Change in unrecognized asset due to the asset ceiling:

In 2025, the Group recognized a CHF 7 million asset ceiling (2024: CHF nil million). The Group determines the maximum economic benefit by applying the common approach prescribed by IFRIC 14, and reflects the present value of reductions in future contributions to the plan. In making this estimate, assumptions used for future service costs are consistent with those used to determine the defined benefit obligation as at 31 December 2025.

Movements in the net asset/(liability) during the period:

(CHF million)	CH	UK	USA	Other	Total
2025					
Net asset/(liability) at 1 January	**99**	**19**	**8**	**–52**	**74**
Expense recognized in the income statement	–2	–	–	–9	–11
Remeasurements recognized in other comprehensive income	7	–	–2	–2	3
Contributions paid by the Group	6	–	–	8	14
Net asset/(liability) at 31 December	**110**	**19**	**6**	**–55**	**80**

(CHF million)	CH	UK	USA	Other	Total
2024					
Net asset/(liability) at 1 January	**96**	**17**	**6**	**–52**	**67**
Expense recognized in the income statement	–2	–	3	–6	–5
Remeasurements recognized in other comprehensive income	–	1	–2	–2	–3
Contributions paid by the Group	6	–	–	9	15
Exchange differences	–1	1	1	–1	–
Net asset/(liability) at 31 December	**99**	**19**	**8**	**–52**	**74**

Change in the defined benefit obligation is as follows:

(CHF million)	CH	UK	USA	Other	Total
2025					
Opening present value of the defined benefit obligation	407	101	121	129	758
Current service cost	6	–	–	6	12
Interest cost	4	5	5	4	18
Plan participants' contributions	4	–	–	1	5
Past service cost	–3	–	–	–1	–4
Actual net benefit payments	–37	–6	–10	–7	–60
(Gains)/losses due to changes in demographic assumptions	–	1	–	1	2
(Gains)/losses due to changes in financial assumptions	–15	–2	3	–1	–15
Experience differences	28	–	2	4	34
Exchange rate (gains)/losses	–	–6	–16	–6	–28
Defined benefit obligation at 31 December	**394**	**93**	**105**	**130**	**722**

(CHF million)	CH	UK	USA	Other	Total
2024					
Opening present value of the defined benefit obligation	400	111	139	125	775
Current service cost	6	–	–	5	11
Interest cost	5	6	8	4	23
Plan participants' contributions	4	–	–	1	5
Past service cost	–2	–	–	–	–2
Settlements	–	–	–20	–	–20
Actual net benefit payments	–37	–6	–9	–8	–60
Actual taxes paid	–	–	–	–1	–1
(Gains)/losses due to changes in financial assumptions	19	–13	–5	2	3
Experience differences	11	–2	–1	2	10
Exchange rate (gains)/losses	1	5	9	–1	14
Defined benefit obligation at 31 December	**407**	**101**	**121**	**129**	**758**

Change in fair value of plan assets is as follows:

(CHF million)	CH	UK	USA	Other	Total
2025					
Opening fair value of plan assets	506	120	129	77	832
Interest income on plan assets	5	5	5	3	18
Return on plan assets excluding amounts included in net interest income	27	–1	3	–1	28
Actual employer contributions	6	–	–	8	14
Actual plan participants' contributions	4	–	–	1	5
Actual net benefit payments	–37	–6	–10	–7	–60
Exchange differences	–	–6	–16	–6	–28
Fair value of plan assets at 31 December	**511**	**112**	**111**	**75**	**809**

(CHF million)	CH	UK	USA	Other	Total
2024					
Opening fair value of plan assets	496	128	145	75	844
Interest income on plan assets	7	6	7	3	23
Return on plan assets excluding amounts included in net interest income	30	–14	–8	–	8
Actual employer contributions	6	–	–	9	15
Actual plan participants' contributions	4	–	–	1	5
Actual net benefit payments	–37	–6	–9	–8	–60
Actual taxes paid	–	–	–	–1	–1
Settlements	–	–	–16	–	–16
Exchange differences	–	6	10	–2	14
Fair value of plan assets at 31 December	**506**	**120**	**129**	**77**	**832**

There are no reimbursement rights included in plan assets. The actual return on plan assets was a gain of CHF 46 million (2024: gain of CHF 31 million).

The major categories of plan assets at the balance sheet date are as follows:

(CHF million)	**CH**	**UK**	**USA**	**Other**	**Total**
2025					
Cash and cash equivalents	63	4	12	12	91
Equity securities	126	12	–	–	138
Debt securities	65	95	–	–	160
Assets held by insurance company	–	–	99	26	125
Properties	213	–	–	–	213
Investment funds	34	–	–	–	34
Other	10	1	–	37	48
Total plan assets at 31 December	**511**	**112**	**111**	**75**	**809**

(CHF million)	CH	UK	USA	Other	Total
2024					
Cash and cash equivalents	17	3	–	13	33
Equity securities	150	12	–	–	162
Debt securities	69	129	129	–	327
Assets held by insurance company	–	–	–	25	25
Properties	227	–	–	–	227
Investment funds	33	–	–	–	33
Other	10	–24	–	39	25
Total plan assets at 31 December	**506**	**120**	**129**	**77**	**832**

In 2025 and 2024, the Group did not occupy any property that was included in the plan assets.

Properties are rented at fair market rental rates. There are no SGS SA shares or any other financial securities used by the Group included in the plan assets.

The plan assets are primarily held within instruments with quoted market prices in an active market, with the exception of the property and insurance policy holdings.

The investment strategy in Switzerland is to invest, within the statutory and legal requirements, in a diversified portfolio with the aim of generating long-term returns, which will enable the board of the foundation to grow the accounts of the members of the pension fund, whilst taking on the lowest possible risk in order to do so.

In the USA, the result of the pension buy-in transaction, substantially all plan assets are held in an insurance policy. The residual amount is currently held in cash or cash equivalent instruments.

In the UK, the trustees review the investment strategy of the scheme and the plan on a regular basis to ensure that they remain appropriate. The last review for both the scheme and plan was recently undertaken and is in the process of being implemented.

Actuarial assumptions vary according to local prevailing economic and social conditions. The principal weighted average actuarial assumptions used in determining the cost of benefits for both 2025 and 2024 are as follows:

(Weighted average %)	**CH**	**UK**	**USA**	**Other**
2025				
Discount rate	1.3	5.6	5.2	3.7
Mortality assumption	LPP 2020, CMI 2019 1.25%	SPA03M103%/F99% CMI 2024 1.25%	PRI 2012 MP 2021	
Salary progression rate	1.5	–	–	3.1
Future increase for pension in payments	–	3.0	–	0.3
Healthcare cost trend assumed for the next year	–	–	6.4	–
Ultimate trend rate	–	–	4.5	–
Year that the rate reaches the ultimate trend rate			2030	

(Weighted average %)	CH	UK	USA	Other
2024				
Discount rate	1.0	5.5	5.5	3.5
Mortality assumption	LPP 2020, CMI 2019 1.25%	SPA03M103%/F99% CMI 2023 1.25%	PRI 2012 MP 2021	
Salary progression rate	1.5	2.6	–	3.1
Future increase for pension in payments	–	3.1	–	0.3
Healthcare cost trend assumed for the next year	–	–	6.4	–
Ultimate trend rate	–	–	4.5	–
Year that the rate reaches the ultimate trend rate			2030	

The weighted average rate for each assumption used to measure the benefits obligation is also shown above. The assumptions used to determine the end-of-year benefits obligation are also used to calculate the following year's cost.

In Switzerland, a decrease in the discount rate of 0.5% per annum would, all other things being equal, increase the obligation by CHF 25 million; a 0.5% increase in assumed salary would increase the obligation by CHF 1 million; and a one-year increase in members' life expectancy would increase the obligation by approximately CHF 10 million.

In the USA, a decrease in the discount rate of 0.5% per annum would, all other things being equal, increase the obligation by CHF 5 million; a 0.5% increase in assumed salary would not impact the obligation; and a one-year increase in members' life expectancy would increase the obligation by approximately CHF 2 million.

In the UK, a decrease in the discount rate of 0.5% per annum would, all other things being equal, increase the obligation by CHF 6 million; a 0.5% increase in assumed salary would not impact the obligation; and a one-year increase in members' life expectancy would increase the obligation by approximately CHF 4 million.

These sensitivities have been calculated to show the movement in the defined benefit obligation in isolation and assume no other changes in market conditions at the accounting date. This is unlikely in practice; for example, a change in discount rate is unlikely to occur without any movement in the value of the assets held by the plans.

The amount recognized as an expense in respect of defined contribution plans during 2025 was CHF 84 million (2024: CHF 87 million).

24. Provisions

(CHF million)	Legal and warranty claims on services rendered	Demobilization and reorganization	Other provisions	Total
At 1 January 2025	**40**	**74**	**59**	**173**
Charge to income statement	44	38	10	92
Acquisition of subsidiaries	–	–	4	4
Release to income statement	–8	–4	–8	–20
Payments	–11	–31	–2	–44
Exchange differences	–3	–7	–3	–13
At 31 December 2025	**62**	**70**	**60**	**192**

Analyzed as:	**2025**	2024
Current liabilities	77	72
Non-current liabilities	115	101
Total	**192**	**173**

A number of Group companies are subject to litigation and other claims arising out of the normal conduct of their business that can be best viewed as claims on services rendered. The claim provision represents the sum of estimates of amounts payable on identified claims and of losses incurred but not yet reported. They therefore reflect estimates of the future payments required to settle both reported and unreported claims. In the opinion of management, based on all currently available information, the provisions adequately reflect the Group's exposure to legal and warranty claims on services rendered. The ultimate outcome of these matters is not expected to materially affect the Group's financial position, operational results or cash flows.

Demobilization and reorganization provisions relate to present legal or constructive obligations of the Group towards third parties, such as termination payments to employees upon leaving the Group, which in some jurisdictions are a legal obligation. For specific long-term contracts, typically with two to five years' duration, the Group is required to dismantle infrastructure and terminate the services of personnel upon completion of the contract. These demobilization costs are provided for during the life of the contract. Experience has shown that these contracts may be either extended or terminated earlier than expected.

Other provisions include present legal or constructive obligations towards tax authorities for indirect tax exposure as well as other provisions towards third parties.

25. Trade and other payables

(CHF million)	**2025**	2024
Trade payables	303	310
Other payables	297	314
Total	**600**	**624**

Trade accounts and other payables principally comprise amounts outstanding for trade purchases and ongoing operating costs.
At 31 December 2025 and 2024, the fair value of the Group's trade accounts and other payables approximates their carrying value.

26. Other creditors and accruals

(CHF million)	**2025**	2024
Employee-related accruals	329	329
Operating procurement and other accruals	305	282
Total	**634**	**611**

27. Contingent liabilities

In the normal course of business, the Group and its subsidiaries are parties to various lawsuits and claims. Management does not expect that the outcome of any of these legal proceedings will have a material adverse effect on the Group's financial position, operational results or cash flows.

Guarantees and performance bonds

(CHF million)	**2025**	2024
Guarantees	170	199
Performance bonds	271	188
Total	**441**	**387**

The Group has issued unconditional guarantees of CHF 170 million (2024: CHF 199 million), as well as performance bonds and bid bonds of CHF 271 million (2024: CHF 188 million) to commercial customers on behalf of its subsidiaries. Management believes the likelihood that a material payment will be required under these guarantees is remote.

28. Equity compensation plans

Selected employees of the SGS Group are eligible to participate in equity compensation plans. The Group operates four types of schemes: Performance Stock Options (PSOs), Performance Share Units (PSUs) Restricted Share Units (RSUs) and Restricted Shares (RS).

The PSUs and RSUs vest after a three-year service period whereas PSOs vest after a four-year service period. The PSOs include non-market performance conditions and service conditions. The PSUs include market and non-market performance conditions as well as service conditions. The vesting of RSUs do not include any performance conditions. PSOs are exercisable at a price equal to the closing share price on the day before the date of grant during a period of four years from the date of the vesting. Only members of the Executive Committee are eligible for PSOs. For these three plans types, options and units are forfeited if the employee leaves the Group before vesting of the plan.

The RS vest immediately upon grant and are blocked for a period of three years. Only members of the Board of Directors and of the Executive Committee are eligible for this scheme.

Grants 2025

A total of 271 534 PSUs under the long-term incentive plan 2025-2027 was granted to selected participants. The PSUs vest after a three-year performance period, 2025-2027, in March 2028, subject to performance conditions and to continuity of employment of the participants during the vesting period. The fair value of a PSU at grant date was CHF 58.43.

A total of 85 552 RSUs was granted to selected key employees under the RSUs plan 2025. The RSUs vest three years after the grant date. The fair value of a RSU at grant date, was CHF 72.15.

A total of 477 782 PSOs was granted to the Executive Committee members. The PSOs vest after a four-year period in March and September 2029, subject to non-market performance conditions and to continuity of employment of the participants during the vesting period. The fair value of a PSO at grant date was between CHF 9.02 and CHF 9.10 depending on the grant date.

A total of 48 670 RS was granted to members of the Board of Directors and to members of the Executive Committee. The Restricted Shares are blocked for a period of three years from the grant date, until May 2028. The fair value of a RS at grant date was CHF 86.72.

Grants 2024

A total of 259 571 Performance Share Units (PSUs) under the long-term incentive plan 2024-2026 was granted to selected participants. The PSUs vest after a three-year performance period, 2024-2026, in March 2027, subject to performance conditions and to continuity of employment of the participants during the vesting period. The fair value of a PSU at grant date was CHF 66.13.

A total of 83 288 RSUs was granted to selected key employees under the RSUs plan 2024. The RSUs vest three years after the grant date. The fair value of a RSU at grant date, was CHF 75.66.

A total of 33 156 RS was granted to members of the Board of Directors and to members of the Executive Committee. The Restricted Shares are blocked for a period of three years from the grant date, until May 2027. The fair value of a RS at grant date was CHF 80.00.

Performance share unit (PSU), restricted share unit (RSU) and performance stock options plans

Description	Vesting period from	Units outstanding at 31 December 2024	Granted	Forfeited	Vested	**Units outstanding at 31 December 2025**
SGS-PSU-22	February 25	163 900	–	–114 794	–49 106	–
SGS-PSU-23	March 26	207 010	–	–19 081	–	187 929
SGS-PSU-24	March 27	253 582	–	–21 209	–	232 373
SGS-PSU-25	March 28	–	271 534	–6 099	–	265 435
PSO-25	March 29 and September 29	–	477 782	–	–	477 782
SGS-RSU-22	April 25	59 750	–	–1 300	–58 450	–
SGS-RSU-23	April 26	78 614	–	–7 973	–197	70 444
SGS-RSU-24	March 27	81 702	–	–6 443	–80	75 179
SGS-RSU-25	March 28	–	85 552	–4 392	–	81 160
Total		**844 558**	**834 868**	**–181 291**	**–107 833**	**1 390 302**

The Group does not issue new shares to grant employees in relation to the equity-based compensation plans but uses treasury shares, acquired through share buyback programs.

In total, as of 31 December 2025, the equity overhang, defined as the total number of unvested share units (1 390 302 units) divided by the total number of outstanding shares (194 777 282 shares) amounted to 0.71%.

The Company's burn rate, defined as the number of equities granted (restricted shares and share units) granted in 2025 (834 868 units) divided by the total number of outstanding shares, was 0.43%.

The Group recognized during the year a total expense of CHF 15 million (2024: CHF 21 million) in relation to equity compensation plans.

Shares available (required) for future plans:

	Total
At 1 January 2024	**–813 851**
Repurchased shares	561 008
Granted SGS-RSU-24 plan	–83 288
Granted SGS-PSU-24 plan	–259 571
Shares for PSU forfeited	377 187
Shares for RSU forfeited	16 983
Shares used for Restricted Shares plan as settlement of Short-Term Incentive	–33 156
At 31 December 2024	**–234 688**
Repurchased shares	1 200 638
Granted SGS-RSU-25 plan	–85 552
Granted SGS-PSU-25 plan	–271 534
Granted PSO-25 plan	–477 782
Shares for PSU forfeited	161 183
Shares for RSU forfeited	20 108
Shares used for Restricted Shares plan as settlement of Short-Term Incentive	–48 670
At 31 December 2025	**263 703**

At 31 December the Group had the following shares available to satisfy various programs:

	2025 Total	2024 Total
Number of shares held	1 654 005	609 870
Shares allocated for 2022 RSU plan	–	–59 750
Shares allocated for 2022 PSU plan	–	–163 900
Shares allocated for 2023 RSU plan	–70 444	–78 614
Shares allocated for 2023 PSU plan	–187 929	–207 010
Shares allocated for 2024 RSU plan	–75 179	–81 702
Shares allocated for 2024 PSU plan	–232 373	–253 582
Shares allocated for 2025 RSU plan	–81 160	–
Shares allocated for 2025 PSU plan	–265 435	–
Shares allocated for 2025 PSO plan	–477 782	–
Shares available/(required) for future equity compensation plans at 31 December	**263 703**	**–234 688**

29. Related-party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed.

Compensation to Directors and members of the Executive Committee

The remuneration of Directors and members of the Executive Committee during the year was as follows:

(CHF million)	**2025**	2024[1]
Short-term benefits	14	20
Post-employment benefits	1	1
Share-based payments	14	10
Total	**29**	**31**

1. 2024 comparative have been restated to ensure comparability with 2025. This change is consistent with the change in methodology of disclosure of share-based payments using fair value in the Remuneration Report.

The Executive Committee participates in the equity compensation plans as disclosed in note 28.

The total compensation, including social charges, received by the Board of Directors amounted to CHF 2 634 000 (2024: CHF 2 654 000).

The total compensation (cash and shares/options), including social charges, received by the Executive Committee amounted to CHF 26 070 000 (2024: CHF 29 542 000).

The remuneration of Directors and members of the Executive Committee is determined by the Remuneration Committee. Additional information is disclosed in the Remuneration report.

During 2025 and 2024, no member of the Board of Directors or of the Executive Committee had a personal interest in any business transactions of the Group.

Loans to members of governing bodies

As at 31 December 2025, no loan, credit or outstanding advance was due to the Group from members or former members of its governing bodies (unchanged from previous year).

Transactions with other related parties

In 2025 and 2024, the Group did not engage in any activities that generated sales or incurrred costs with other related parties.

During 2025 and 2024, no related trade receivable balances remained unpaid, nor were any expenses recognized for bad or doubtful debts owed by these related parties.

30. Significant shareholders

As at 31 December 2025, Groupe Bruxelles Lambert (acting directly and through Serena SARL, FINPAR IX and FINPAR X) held 14.34% (December 2024: 19.13%), UBS Fund Management (Switzerland) AG held 6.32% (December 2024: 6.32%), BlackRock Inc. held 5.21% (December 2024: 5.21%) and Swisscanto Fondsleitung AG held 3.01% (December 2024: below 3%) of the share capital and voting rights of the Company. At the same date, the Group held 0.849% of the share capital of the Company (December 2024: 0.32%).

31. Approval of financial statements

The Board of Directors is responsible for the preparation and presentation of the financial statements. These financial statements were authorized for issue by the Board of Directors on 10 February 2026, and will be submitted for approval on 26 March 2026 during the Annual General Meeting.

32. Subsequent events

Acquisition of Applied Technical Services

On 12 January 2026, SGS completed the acquisition for 100% interests in Applied Technical Services (ATS), a leading provider of testing, inspection, calibration and forensics solutions in North America. The transaction will be accounted for as a business combination, effective 1 January 2026. To satisfy the purchase price, SGS transferred USD 1 296 million (CHF 1 029 million) in cash and 344 850 SGS shares for a fair value of CHF 33 million. The portion paid in cash included USD 518 million (CHF 411 million) for the repayment of ATS's existing debt which forms part of assumed liabilities.

The main assets acquired include but not limited to intangible assets (CHF 420 million), trade receivables (CHF 53 million), right-of-use assets (CHF 41 million) and property, plant and equipment (CHF 51 million). Main liabilities assumed include but not limited bank debt (CHF 422 million) and lease liabilities (CHF 41 million). These values are provisional and, in accordance with IFRS 3, the Group has a period of 12 months from the acquisition date to finalize the allocation of the purchase price.

Other acquisitions

On 2 January 2026, SGS completed the acquisition of Information Quality (IQ), a leading provider of digital engineering, asset data & information management systems and reliability engineering based in Australia. The transaction is effective 1 January 2026.

On 2 January 2026, SGS completed the acquisition of Panacea Infosec India, a global leader in information security. The company is recognized for its expertise in payment security solutions supporting PCI/DSS standards, as well as cybersecurity, data protection and privacy services. The transaction is effective 1 January 2026.

On 6 January 2026, SGS completed the acquisition of MsMin, a Chilean company specialized in condition monitoring and asset integrity management services, with a strong focus on new inspection technologies such as special drones and rovers, XR and Lidar for conveyor belts. The transaction is effective 1 January 2026.

On 7 January 2026, SGS completed the acquisition of Murray-Brown Laboratories, a laboratory that specializes in analyzing food, ingredients and nutraceuticals for pathogens, potency and other chemical properties; in the state of Colorado, USA. The transaction is effective 1 January 2026.

On 9 February 2026, SGS completed the acquisition of the Cyanre Group (South Africa), a market leader in digital forensics, eDiscovery and cybersecurity. The transaction is effective 1 February 2026.

Report of the statutory auditor to the General Meeting of SGS SA, Baar

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of SGS SA and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2025, the consolidated statement of financial position as at 31 December 2025, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements (pages 96 to 134 and pages 155 to 156) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor’s responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall group materiality: CHF 48 million
The entities addressed by our full scope audit work as well as specific scope audit contribute to 64% of the Group’s sales.
As key audit matters the following areas of focus have been identified:
- Measurement of work in progress (WIP)
- Taxation

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	CHF 48 million
Benchmark applied	Profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.

We agreed with the Audit Committee that we would report to them misstatements above CHF 2.4 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Measurement of work in progress (WIP)

Key audit matter	How our audit addressed the key audit matter
Work-in-progress balances are calculated and reported under the consolidated financial statement line entitled ‘Unbilled sales and work in progress’ the total of both amounting to CHF 269 million as of 31 December 2025 (CHF 247 million as of 31 December 2024) Work in progress is recognized for the partially finished performance of obligations under a contract. The measure of progress is either based on observable output methods or based on input methods. A margin is recognized based on actual costs incurred, provided that the project is expected to be profitable once completed. Assessing the degree of progress and estimating the expected margin require significant management judgment. Given the significance and relevance for the consolidated financial statements, we deemed the measurement of work-in-progress as a key audit matter. Refer to the corresponding accounting policy in Note 2 – Material accounting policies and exchange rates, and to Note 4 – Sales from contracts with customers in the notes to the consolidated financial statements.	We reviewed the Group’s sales recognition policy and obtained an understanding of how work-in-progress balances are accounted for. Our audit approach consisted of the following procedures, in particular: • We assessed the design and implementation of the key controls relating to the monitoring of work-in progress balances. • We selected samples of work-in-progress balances and traced them to underlying contracts and invoices with customers. • We obtained comfort over the degree of progress from discussions with project managers and performed reconciliations to actual amounts recognised in the financial statements in selected cases. • We selected samples of work-in-progress balances recorded at the previous period-end and compared them to subsequent invoices and cash received from clients in order to evaluate the reliability of management's estimation process. • We analysed the aging of the open balances and assessed the appropriateness of provisions recognised in accordance with the Group’s provision grid. • For entities with significant work-in-progress balances not included in our Group audit scope, we performed central procedures.

Taxation

Key audit matter	How our audit addressed the key audit matter
The Group is subject to taxation in many jurisdictions and management makes judgements about the incidence and magnitude of tax liabilities that are subject to the future outcome of assessments by the relevant tax authorities. Accordingly, the calculation of tax expense and the related liability are subject to inherent uncertainty. To make these judgements, the Group has a structured process whereby management systematically monitors and assesses the existence, development and settlement of tax risks in each of its jurisdictions. The Group’s main tax risks are i) that the tax authorities might not accept the transfer prices applied and ii) potential adverse results of ongoing tax audits. In accordance with its methodology, provisions for uncertain tax positions are calculated and included within current tax liabilities (CHF 167 million as at 31 December 2025). Refer to the corresponding accounting policy in Note 2 - Material accounting policies and exchange rates and to Note 8 - Taxes in the notes to the consolidated financial statements.	Our audit approach consisted of the following procedures, in particular: • We evaluated management’s process to assess the risk of tax liabilities in the different jurisdictions as a result of potential challenges to the tax positions. • We gained an understanding of the Group’s tax exposures in the different jurisdictions, and tested measurement and timing of recognition of provisions, when applicable. • With the support of PwC internal tax experts, we examined the documentation outlining matters in dispute or at risk and the benchmarks relied upon for transfer pricing, we assessed the available evidence and challenged judgements made by management in support of the provisions recorded.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Guillaume Nayet
Licensed audit expert
Auditor in charge

Laura Bucur
Licensed audit expert

Geneva, 10 February 2026

3. SGS SA financial statements

Income statement

For the years ended 31 December

(CHF million)	Notes	2025	2024
Dividends from subsidiaries		425	328
Total operating income		**425**	**328**
Other operating expenses		–8	–13
Total operating expenses		**–8**	**–13**
Operating result		**417**	**315**
Financial income	6	86	110
Exchange gain, net		2	–
Financial expenses	6	–65	–79
Disposal of subsidiaries, net		18	–
Financial result		**41**	**31**
Extraordinary gains/(losses)	7	16	–53
Profit before taxes		**474**	**293**
Taxes		–14	–11
Profit for the period		**460**	**282**

Statement of financial position at 31 December

(Before appropriation of available retained earnings)

(CHF million)	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents		1 057	15
Derivative assets		3	3
Amounts due from subsidiaries		317	375
Other receivables and prepayments		2	6
Total current assets		**1 379**	**399**
Non-current assets			
Loans to subsidiaries		1 509	2 021
Other financial assets		4	4
Other assets		–	1
Investments in subsidiaries		2 637	1 824
Total non-current assets		**4 150**	**3 850**
Total assets		**5 529**	**4 249**
Shareholder's equity and liabilities			
Current liabilities			
Derivative liabilities		7	13
Trade and other payables		–	8
Amounts due to subsidiaries		1 428	404
Corporate bonds	3	700	375
Accrued expenses		12	13
Total current liabilities		**2 147**	**813**
Non-current liabilities			
Amounts due to subsidiaries		693	702
Corporate bonds	3	1 750	1 950
Other non-current financial liabilities		3	–
Total non-current liabilities		**2 446**	**2 652**
Shareholder's equity			
Share capital	4 and 5	8	8
Legal reserve	4 and 5	34	34
Retained earnings	4 and 5	1 035	797
Treasury shares	4 and 5	–141	–55
Total shareholder's equity		**936**	**784**
Total shareholder's equity and liabilities		**5 529**	**4 249**

Notes

SGS SA ('the Company') is the ultimate parent company of the SGS Group which owns and finances, either directly or indirectly, its subsidiaries and joint ventures throughout the world. Since November 2025, the head office is located in Baar, Switzerland (2024: Geneva, Switzerland).

The average number of employees in 2025 is less than 10 people for this company (2024: less than 10).

1. Significant accounting policies

The financial statements are prepared in accordance with accounting principles required by Swiss law (32nd chapter of the Swiss Code of Obligations).

Investments in subsidiaries

Investments in subsidiaries are valued individually at acquisition cost less an adjustment for impairment where required.

Foreign currencies

Balance sheet items denominated in foreign currencies are converted into Swiss Francs at year-end exchange rates with the exception of investments in subsidiaries which are valued at the historical exchange rate.

Foreign currency transactions are translated using the actual exchange rates prevailing during the year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognized in the income statement.

Derivatives

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. Derivatives are accounted for on a mark-to-market basis.

Derivative financial instruments are initially recognized at fair value and subsequently remeasured at fair value through the income statement (FVTPL). The fair value of forward exchange contracts is determined with reference to market prices at the balance sheet date.

Dividends from subsidiaries

Dividends are treated as an appropriation of profit in the year in which they are ratified at the Annual General Meeting and subsequently paid, rather than as an appropriation of profit in the year to which they relate or for which they are proposed by the Board of Directors.

As a result, dividends are recognized as an income in the year in which they are received, on a cash basis. Dividends are recorded in the currency defined for each affiliate and converted at spot rate in the income statement.

Bonds

Bonds are recorded at nominal value.

Treasury shares

Treasury shares are intended to be used to cover the Group's employee equity participation plan and as consideration for business combinations.

Treasury shares are reported as a deduction to equity. Any gain or loss arising from the difference between the cost of treasury shares and the proceeds of any subsequent sale is recognized in retained earnings.

2. Subsidiaries

The list of principal Group subsidiaries appears in the annual report on pages 155 to 156.

In 2020, the Company acquired 80% of the capital of Ryobi Geotechnique Pte Ltd in Singapore. The share purchase agreement includes an option to acquire the remaining 20% of Ryobi Geotechnique Pte Ltd in 2026.

In 2024, the Company acquired 67.6% of the capital of CertX based in Switzerland. The share purchase agreement includes an option to acquire the remaining 32.4% of CertX in 2028.

3. Corporate bonds

The Company made the following bond issuances:

Date of issue	Face value in CHF million	Coupon in %	Year of Maturity	Issue price in %	Redemption price in %
03.03.2017	375	0.550	2026	100.153	100.000
06.05.2020	325	0.950	2026	100.182	100.000
Short-term bonds	**700**				
08.05.2015	225	0.875	2030	100.245	100.000
29.10.2018	175	1.250	2028	101.157	100.000
05.09.2022	350	1.700	2029	100.197	100.000
17.11.2023	240	2.000	2027	100.038	100.000
17.11.2023	260	2.300	2031	100.127	100.000
24.06.2025	255	1.000	2032	100.164	100.000
24.06.2025	245	1.450	2037	100.135	100.000
Long-term bonds	**1 750**				

As at 31 December 2025, two bonds in the above table are classified as short-term liabilities as the due date is less than a year.

The Company has listed all bonds on the SIX Swiss Exchange.

4. Total equity

(CHF million)	Share capital	Legal reserve	Reserve for treasury shares held by a subsidiary	Treasury shares	Retained earnings	Total
Balance at 1 January 2024	**7**	**34**	**21**	**–250**	**951**	**763**
Capital increase from scrip dividend	1	–	–	–	–	1
Dividends paid	–	–	–	–	–207	–207
Decrease in the reserve for treasury shares	–	–	–21	–	21	–
Cancellation of treasury shares	–	–	–	250	–250	–
Movement on treasury shares	–	–	–	–55	–	–55
Profit for the year	–	–	–	–	282	282
Balance at 31 December 2024	**8**	**34**	**–**	**–55**	**797**	**784**
Dividends paid	–	–	–	–	–222	–222
Movement on treasury shares	–	–	–	–86	–	–86
Profit for the year	–	–	–	–	460	460
Balance at 31 December 2025	**8**	**34**	**–**	**–141**	**1 035**	**936**

Scrip dividend 2024

The Company's Annual General Meeting held on 26 March 2025, had offered its shareholders the possibility to receive the 2024 dividend in cash or in new SGS shares. Final terms were announced on 17 April 2025:

- The scrip dividend take-up rate was 63.30% with the remaining 36.70% paid out in cash
- The reference share price was of CHF 76.30 and discount rate was 5% leading to a distribution value of CHF 72.49
- 5 274 023 new shares were created

Delivery of the new shares and payment of the total CHF 222 million cash dividend took place on 24 April 2025.

Scrip dividend 2023

The Company's Annual General Meeting held on 26 March 2024 offered its shareholders the possibility to receive the 2023 dividend in cash or in new SGS shares. Final terms were announced on 22 April 2024:

- The scrip dividend take-up rate was 64.87% with the remaining 35.13% paid out in cash
- The reference share price was of CHF 82.00 and discount rate was 6% leading to a distribution value of CHF 77.08
- 4 964 934 new shares were created

Delivery of the new shares and payment of the total CHF 207 million cash dividend took place on 25 April 2024.

5. Share capital

	Shares in circulation	Treasury shares	Total shares issued	Total share capital CHF (million)
Balance at 1 January 2024	**184 311 115**	**3 064 685**	**187 375 800**	**7**
Treasury shares released into circulation	178 348	–178 348	–	–
Treasury shares purchased	–561 008	561 008	–	–
New shares issued from scrip dividend	4 964 934	–	4 964 934	1
Cancellation of treasury shares	–	–2 837 475	–2 837 475	–
Balance at 31 December 2024	**188 893 389**	**609 870**	**189 503 259**	**8**
Treasury shares released into circulation	156 503	–156 503	–	–
Treasury shares purchased	–1 200 638	1 200 638	–	–
New shares issued from scrip dividend	5 274 023	–	5 274 023	–
Balance at 31 December 2025	**193 123 277**	**1 654 005**	**194 777 282**	**8**

Issued share capital

The company's Annual General Meeting, held on 26 March 2025, offered shareholders the possibility to receive the 2024 dividend in cash or in new SGS shares. The scrip dividend take-up rate was 63.30% which led to the creation of 5 274 023 new shares, delivered on 24 April 2025.

As at 31 December 2025, the Company has a share capital of CHF 7 791 091 (2024: CHF 7 580 130) fully paid-in and divided into 194 777 282 (2024: 189 503 259) registered shares of a par value of CHF 0.04 (2024: CHF 0.04). All shares, other than treasury shares, participate equally in the dividends declared by the Company and have equal voting rights.

Treasury shares

On 31 December 2025, SGS SA held 1 654 005 treasury shares directly.

In 2025, 156 503 shares were released into circulation and 1 200 638 were repurchased.

On 31 December 2024, SGS SA held 609 870 treasury shares directly. All shares from the affiliate company were transferred to SGS SA.

In 2024, 178 348 shares were released into circulation, 561 008 were repurchased and 2 827 475 were cancelled.

6. Financial income and financial expenses

(CHF million)	**2025**	2024
Interest income 3rd party	7	3
Interest income Group	77	106
Other financial income	2	1
Financial income	**86**	**110**
Interest expenses 3rd party	–33	–30
Interest expenses Group	–20	–35
Fair value losses on derivatives	–7	–12
Other financial expenses	–5	–2
Financial expenses	**–65**	**–79**

7. Extraordinary gains/(losses)

The extraordinary results of CHF 16 million (2024: CHF –53 million) includes an extraordinary gain of CHF 9 million from the recovery of an investment in EEMEA. Additionally, there were impairments on investments in subsidiaries of CHF –3 million (2024: CHF –46 million) as well as reversals/(impairments) on loans to subsidiaries of CHF 10 million (2024: CHF –7 million).

8. Guarantees and comfort letters

(CHF million)	**2025 issued**	**2025 utilized**	2024 issued	2024 utilized
Guarantees	4 017	1 900	3 164	1 143
Performance bonds	157	56	72	45
Total	**4 174**	**1 956**	**3 236**	**1 188**

The Company has unconditionally guaranteed or provided comfort to financial institutions providing credit facilities (loans and guarantee bonds) to its subsidiaries. In addition, it has issued performance bonds to commercial customers on behalf of its subsidiaries.

The Company is part of a VAT Group with other group companies in Switzerland.

9. Remuneration

9.1. Remuneration awarded to the Board of Directors

This section appears in the SGS Remuneration report paragraph 6 in the annual report on pages 75 to 79.

9.2. Remuneration awarded to the Executive Committee members

This section appears in the SGS Remuneration report paragraph 7 in the annual report on pages 80 to 87.

10. Shares and options held by members of governing bodies

10.1. Shares and options held by members of the Board of Directors

The following table shows the shares held by members of the Board of Directors as at 31 December 2025:

Name	**Shares**
C. Grieder	18 988
S. Atiya	4 627
P. Cheung	2 403
I. Gallienne	2 308
T. Hartmann	2 283
P. Kron	1 595
G. Picaud[1]	16 766
K. Sorenson	4 715
J. S. Vergis	2 403

1. G.Picaud, the CEO of the Group, was elected as a director at the AGM 2025; she will not receive any additionnal remuneration for this mandate.

The following table shows the shares held by members of the Board of Directors as at 31 December 2024:

Name	Shares
C. Grieder	16 712
J. Riedl	1 238
P. Cheung	1 732
K. Sorenson	3 946
I. Gallienne	1 713
S. Atiya	4 032
T. Hartmann	1 688
J. Vergis	1 732

10.2. Shares and options held by Executives

The following table shows the shares and restricted shares held by Executive Committee members as at 31 December 2025:

Name	Corporate responsibility	**Restricted shares**	**Shares**
G. Picaud	Chief Executive Officer	15 798	968
T. Abasov	Head of Eastern Europe, Middle East and Africa	5 387	25 094
S. Du	Head of Asia Pacific	7 180	5 780
D. Govender	Head of North America	4 151	16 952
E. Jokubauskas	Head of Industries & Environment and Natural Resources	1 215	2 901
C. Ly Wa Hoi	Head of Connectivity & Products and Health & Nutrition	4 018	10 558
R. Navazo	Head of Latin America	1 159	–
M. Oesch	Chief Legal Officer	1 601	–
D. Plaza	Chief Information Officer	601	243
M. Reid	Head of Europe	4 682	44 752
J. Roberts	Chief People Officer	212	–
D. Rousseau	Head of Business Assurance	–	–
M. Vlatchkova	Chief Financial Officer	2 564	–

The following table shows the shares and restricted shares held by former senior management as at 31 December 2024:

Name	Corporate responsibility	Restricted shares	Shares
G. Picaud	Chief Executive Officer	192	920
T. Abasov	Head of Eastern Europe, Middle East and Africa	5 001	22 964
S. Du	Head of Asia Pacific	4 211	3 668
D. Govender	Head of North America	4 653	13 651
E. Jokubauskas	Head of Industries & Environment and Natural Resources	–	2 504
C. Ly Wa Hoi	Head of Connectivity & Products and Health & Nutrition	3 982	7 644
J. McDonald	Head of Business Assurance	5 356	10 023
R. Navazo	Head of Latin America	–	–
M. Oesch	Chief Legal Officer	–	–
D. Plaza	Chief Information Officer	–	–
M. Reid	Head of Europe	4 590	40 416
J. Roberts	Chief People Officer	–	–
M. Vlatchkova	Chief Financial Officer	–	–

Details of the various plans are explained in the SGS Remuneration report.

11. Significant shareholders

As at 31 December 2025, Groupe Bruxelles Lambert (acting directly and through Serena SARL, FINPAR IX and FINPAR X) held 14.34% (December 2024: 19.13%), UBS Fund Management (Switzerland) AG held 6.32% (December 2024: 6.32%), BlackRock Inc. held 5.21% (December 2024: 5.21%) and Swisscanto Fondsleitung AG held 3.01% (December 2024: below 3%) of the share capital and voting rights of the Company.

At the same date, the Group held 0.849% of the share capital of the Company (December 2024: 0.32%).

12. Approval of financial statements and subsequent events

The Board of Directors is responsible for the preparation and presentation of the financial statements. These financial statements were authorized for issue by the Board of Directors on 10 February 2026 and will be submitted for approval by the Annual General Meeting to be held on 26 March 2026.

Proposal of the Board of Directors for the appropriation of available retained earnings

(CHF)	**2025**	2024
Profit for the year	459 399 980	282 329 483
Balance brought forward from previous year	742 574 766	701 175 157
Dividend distributed[1]	–221 825 844	–207 576 155
Movement on Treasury Shares	–86 335 609	–54 396 478
Gains/(Losses) on Treasury Shares	34 882	–
(Transfer to)/Reversal from the reserve for treasury shares	–	21 042 758
Total retained earnings available for appropriation	**893 848 175**	**742 574 766**

1. No dividend is paid on own shares held directly or indirectly by SGS SA.

Distribution to shareholders

The SGS Board of Directors will recommend to the Annual General Meeting (to be held on 26 March 2026) the approval of an optional scrip dividend of CHF 3.20 per share (CHF 618 million), subject to the approval of a capital increase, where shareholders can elect to receive the dividend in the form of shares or in cash. Shares will be sourced from the issuance of new shares in the proposed capital increase. The shares will be delivered at a discount, and the share dividend will be a tax- and cost-effective option for shareholders.

Depending on the choices of the shareholders the above total amount of retained earnings will be reduced:

- By CHF 3.20 for each share for which a cash dividend is paid in (no dividends are paid on treasury shares)
- By CHF 0.04 for each dividend share

The remaining amount will constitute the balance being carried forward.

Report of the statutory auditor to the General Meeting of SGS SA, Baar

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SGS SA (the Company), which comprise the income statement for the year ended 31 December 2025, the statement of financial position as at 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements presented on pages 140 to 146, comply with Swiss law and the Company’s articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor’s responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall materiality: CHF 55 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of investments in subsidiaries

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 55 million
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company, which has limited operating activities and which mainly holds investments in subsidiaries and intra-group loans, is commonly measured, and it is a generally accepted benchmark for holding companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 2.75 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2025, SGS SA's investments in subsidiaries amount to CHF 2’637 million. Given the significance of this amount in the financial statements and because of the judgement used by management in determining its value, we consider the valuation of investments in subsidiaries a key audit matter. The Company measures individually the investment in each subsidiary at acquisition cost less adjustment for impairment where required. The Company conducts an annual risk assessment based on several impairment indicators to identify investments with an impairment risk. For those investments in subsidiaries with a higher identified risk of impairment, the recoverable amount is determined based on a five-year discounted cashflow forecast. The main judgements applied by management relate to revenue and margin growth throughout the period of the five-year plan,	We obtained the Company’s work on the valuation of investments in subsidiaries, and we performed the following procedures: • We obtained an understanding of management's process over the valuation of investments in subsidiaries. • We tested the mathematical accuracy of the calculations, the reasonableness of the applied model, considered the appropriateness of the accounting treatment and reconciled the balances to the financial statements. • We challenged the appropriateness of management’s process to identify impairment indicators by comparing the triggers used to common indicators such as historical profitability and capacity to pay dividends.

Key audit matter	How our audit addressed the key audit matter
the long-term growth rate beyond the detailed forecast period and the discount rate. An impairment is recognised if the recoverable amount of an individual investment is lower than its carrying value. The results of management's impairment testing indicated that some investments in subsidiaries were impaired. As a result, management recognised an impairment in the amount of CHF 3 million. **Refer to Note 1 – Significant accounting policies and Note 7 - Extraordinary losses**	• We also performed testing by calculating revenue and operating profit multipliers based on the market capitalisation of the Group and comparing those to the respective multiples of the individual investments in subsidiaries. For those investments in subsidiaries with a higher identified risk of impairment, we critically assessed the reasonableness of the underlying key assumptions and judgements applied by performing the following procedures in particular: • We assessed the quality of the five-year cashflow forecast projections by comparing forecasted revenue and margin growth to historical results as well as by holding discussions with group management to assess their intention and ability to execute the strategic initiatives. We evaluated, with the support of PwC's valuation specialists, the reasonableness of the discount rate and long-term growth rate applied to those future cash flows.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Guillaume Nayet
Licensed audit expert
Auditor in charge

Louise Rolland
Licensed audit expert

Geneva, 10 February 2026

4. Historical data

SGS Group – five-year statistical data consolidated income statements

For the years ended 31 December

(CHF million)	**2025**	2024	2023	2022	2021
Sales	**6 945**	**6 794**	**6 622**	**6 642**	**6 405**
Salaries and wages	–3 443	–3 427	–3 316	–3 331	–3 180
Subcontractors' expenses	–424	–414	–400	–399	–385
Depreciation, amortization and impairment	–485	–476	–545	–521	–499
(Loss)/Gain on business disposals	–22	–	7	–	–
Gain on HQ disposal	60	–	–	–	–
Other operating expenses	–1 617	–1 573	–1 511	–1 493	–1 364
Operating income	**1 014**	**904**	**857**	**898**	**977**
Financial income	37	34	29	20	16
Financial expenses	–91	–94	–86	–71	–69
Share of profit of associates and joint ventures	2	3	2	2	–
Profit before taxes	**962**	**847**	**802**	**849**	**924**
Taxes	–245	–222	–205	–219	–269
Profit for the year	**717**	**625**	**597**	**630**	**655**
Profit attributable to:					
Equity holders of SGS SA	668	581	553	588	613
Non-controlling interests	49	44	44	42	42
Average number of Full Time Equivalents	**101 095**	**99 182**	**98 545**	**96 759**	**93 297**

SGS Group – five-year statistical data consolidated statements of financial position

At 31 December

(CHF million)	**2025**	2024	2023	2022	2021
Property, plant and equipment	792	837	823	907	925
Right-of-use assets	543	548	506	577	605
Goodwill	1 894	1 783	1 636	1 755	1 778
Other intangible assets	319	304	275	350	382
Investments in joint-ventures, associates and other companies	6	19	16	20	26
Deferred tax assets	194	213	185	153	164
Other non current-assets	200	199	191	125	173
Total non-current assets	**3 948**	**3 903**	**3 632**	**3 887**	**4 053**
Assets classified as held for sale	7	17	–	–	–
Inventories	55	55	57	59	59
Unbilled sales and work in progress	269	247	223	210	175
Trade receivables	980	991	940	988	928
Other receivables and prepayments	207	217	213	223	204
Current tax assets	86	109	127	132	108
Marketable securities	1	–	–	–	–
Cash and cash equivalents	2 330	1 210	1 569	1 623	1 480
Total current assets	**3 935**	**2 846**	**3 129**	**3 235**	**2 954**
Total assets	**7 883**	**6 749**	**6 761**	**7 122**	**7 007**

Share capital	8	8	7	7	7
Reserves	1 034	844	723	954	1 118
Treasury shares	–141	–55	–271	–279	–8
Equity attributable to equity holders of SGS SA	**901**	**797**	**459**	**682**	**1 117**
Non-controlling interests	94	80	69	81	85
Total equity	**995**	**877**	**528**	**763**	**1 202**
Loans and other financial liabilities	3 505	2 700	3 040	2 833	2 889
Lease liabilities	403	409	384	442	481
Deferred tax liabilities	71	73	73	79	92
Defined benefit obligations	65	64	66	47	84
Provisions	115	101	91	96	90
Total non-current liabilities	**4 159**	**3 347**	**3 654**	**3 497**	**3 636**
Trade and other payables	600	624	634	671	687
Contract liabilities	262	261	221	228	221
Current tax liabilities	167	186	176	165	169
Loans and other financial liabilities	832	612	841	1 009	282
Lease liabilities	157	159	143	162	155
Provisions	77	72	41	58	60
Other creditors and accruals	634	611	523	569	595
Total current liabilities	**2 729**	**2 525**	**2 579**	**2 862**	**2 169**
Total liabilities	**6 888**	**5 872**	**6 233**	**6 359**	**5 805**
Total equity and liabilities	**7 883**	**6 749**	**6 761**	**7 122**	**7 007**

SGS Group – five-year statistical share data

(CHF unless indicated otherwise)	**2025**	2024	2023	2022	2021
Share information					
Registered shares					
Number of shares issued	194 777 282	189 503 259	187 375 800	7 495 032	7 495 032
Number of shares with dividend rights	193 123 277	188 893 389	184 311 115	7 369 054	7 491 672
Price					
High	99	98	94	3 076	3 059
Low	71	70	72	2 002	2 595
Year-end	91	91	73	2 150	3 047
Par value	0.04	0.04	0.04	1	1
Key figures by shares					
Equity attributable to equity holders of SGS SA per share in circulation at 31 December	4.67	4.22	2.49	92.56	149.20
Basic earnings per share	3.48	3.10	3.00	78.86	81.91
Dividend per share ordinary[1]	3.20	3.20	3.20	80.00	80.00
Total dividend per share	3.20	3.20	3.20	80.00	80.00
Dividends (CHF million)					
Ordinary[2]	618	604	590	590	599
Total	**618**	**604**	**590**	**590**	**599**

1. Calculation of the basic earnings per share (weighted average for the year) is disclosed in note 9 of SGS Group Results.
2. The SGS Board of Directors will recommend to the Annual General Meeting (to be held on 26 March 2026) the approval of an optional scrip dividend of CHF 3.20 per share (CHF 618 million), subject to the approval of a capital increase, where shareholders can elect to receive the dividend in the form of shares or in cash. Shares will be sourced from the issuance of new shares in the proposed capital increase. The shares will be delivered at a discount, and the share dividend will be a tax- and cost-effective option for shareholders.

SGS Group share information

Share transfer

SGS SA has no restrictions as to share ownership, except that registered shares acquired in a fiduciary capacity by third parties may not be registered in the shareholders' register, unless a special authorization has been granted by the Board of Directors.

Market capitalization

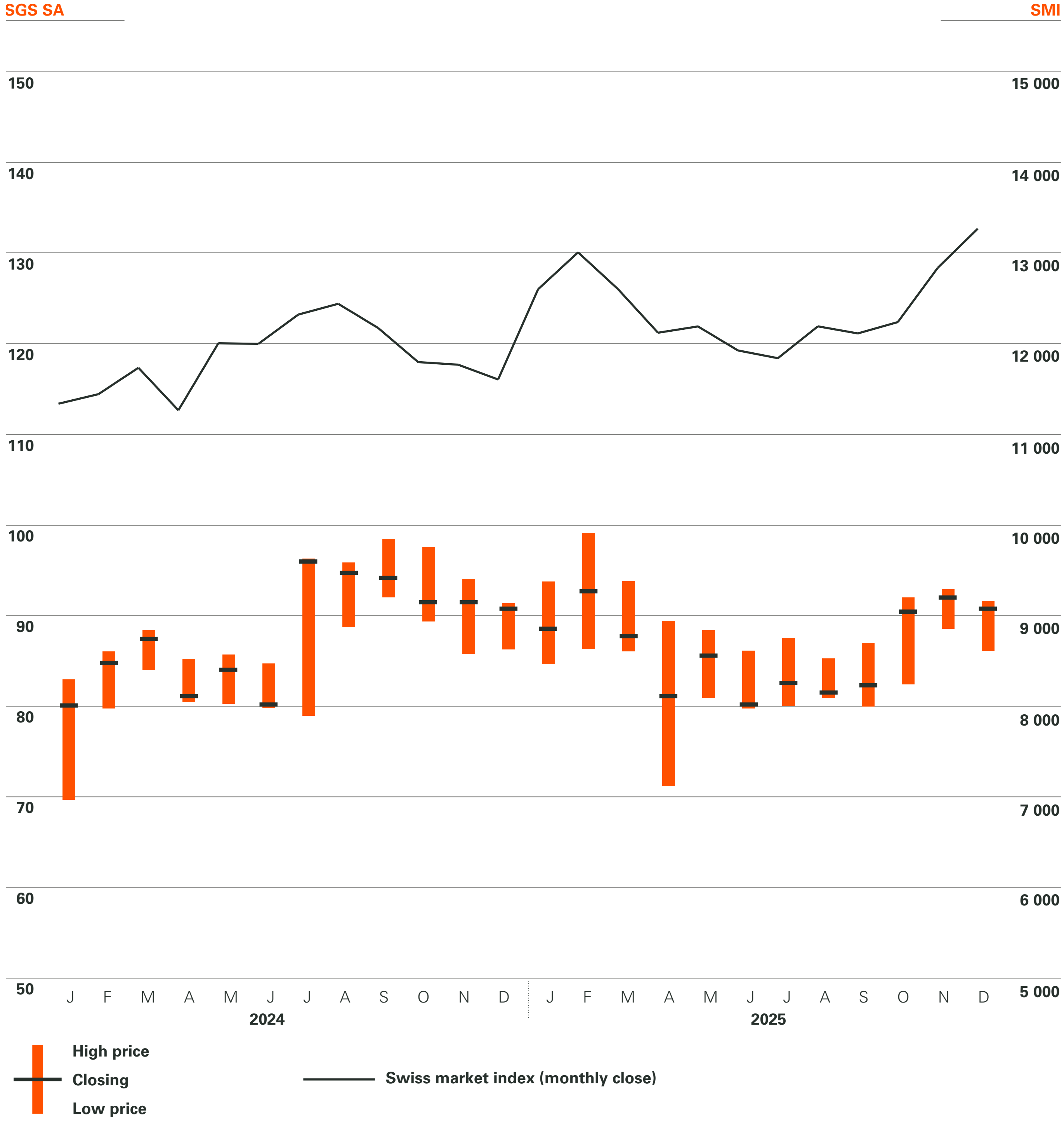
At the end of 2025 market capitalization was approximately CHF 17 547 million (2024: CHF 17 167 million). Shares are quoted on the SIX Swiss Exchange.

Credit rating

(as of publication date of Integrated Report)

Rating agency	Long-term rating	Short-term rating
Moody's Investor Services	A3, negative outlook	P-2

Closing prices for SGS and the Swiss market index (SMI) 2024-2025



5. List of significant subsidiaries

The disclosure of significant subsidiaries is limited to entities whose contribution to the Group consolidated financial statements in 2025 represent at least 0.5% of consolidated sales or 1% of consolidated assets as well as the material direct subsidiaries of SGS SA.

Country	Name and domicile	Issued capital currency	Issued capital amount	% held by Group	Direct / indirect
Argentina	SGS Argentina S.A., Buenos-Aires	ARS	1 139 599 536	100	D
Australia	SGS Australia Pty. Ltd., Bentley	AUD	200 000	100	I
Australia	SGS Australia Holdings Pty. Ltd., Bentley	AUD	182 132 400	100	D
Belgium	SGS Belgium N.V., Antwerpen	EUR	35 995 380	100	I
Brazil	SGS Industrial – Instalaçaões, Testes e Comissionamentos Ltda, Barueri -SP	BRL	91 266 840	100	D
Brazil	SGS do Brasil Ltda, Barueri-SP	BRL	740 537 262	100	D
Brazil	SGS Geosol Laboratórios S.A., Belo Horizonte	BRL	99 068 656	60	I
Cameroon	SGS Cameroun S.A., Douala	XAF	10 000 000	99.9	D
Canada	SGS Canada Inc., Mississauga	CAD	20 900 000	100	D
Chile	SGS Minerals S.A., Santiago de Chile	CLP	29 725 583 703	100	I
Chile	SGS Chile Limitada, Santiago de Chile	CLP	98 282 986 251	100	D
China	SGS-CSTC Standards Technical Services Co. Ltd., Beijing	USD	3 966 667	85	I
China	SGS-CSTC Standards Technical Services (Tianjin) Co., Ltd., Tianjin	CNY	3 000 000	85	I
China	SGS-CSTC Standards Technical Services (Shanghai) Co., Ltd., Shanghai	CNY	180 000 000	85	I
China	SGS-CSTC Standard Technical Services (Qingdao) Co., Ltd., Qingdao	CNY	20 000 000	85	I
Colombia	SGS Colombia S.A.S., Bogota	COP	161 546 166 040	100	D
France	SGS France SAS, Arcueil	EUR	3 976 579	100	I
Germany	SGS Germany GmbH, Hamburg	EUR	1 210 000	100	I
Germany	SGS Institut Fresenius GmbH, Taunusstein	EUR	7 490 100	100	I
Germany	SGS Analytics Germany GmbH, Fellbach	EUR	255 000	100	I
Germany	SGS-TÜV Saar GmbH, Sulzbach	EUR	750 000	74.9	I
Hong Kong	SGS Hong Kong Limited, Hong Kong	HKD	200 000	100	D
India	SGS India Private Ltd., Mumbai	INR	960 000	100	D
Italy	SGS ICS Italia S.r.l., Milan	EUR	33 000	100	D
Italy	SGS Italia S.p.A., Milan	EUR	2 500 000	100	D
Japan	SGS Japan Inc., Yokohama	JPY	100 000 000	100	D
Malaysia	SGS (Malaysia) Sdn. Bhd., Kuala Lumpur	RM	500 000	100	D
Mexico	SGS de Mexico, S.A. de C.V., Mexico	MXN	281 370 828	100	D
Netherlands	SGS Investment Management B.V., Spijkenisse	EUR	5 000	100	D
Netherlands	SGS Nederland B.V., Spijkenisse	EUR	250 000	100	I
New Zealand	SGS New Zealand Limited, Auckland-Onehunga	NZD	12 022 190	100	D
Peru	SGS del Perú S.A.C., Lima/Callao	PEN	91 901 082	100	D
Poland	SGS Polska Sp.z o.o., Warsaw	PLN	28 217 200	100	D
Russia	AO SGS Vostok Limited, Moscow	RUB	18 000 000	100	D

Country	Name and domicile	Issued capital currency	Issued capital amount	% held by Group	Direct/indirect
Saudi Arabia	SGS Inspection Services Saudi Arabia Ltd., Jeddah	SAR	1 000 000	75	D
Singapore	SGS Testing & Control Services Singapore Pte Ltd., Singapore	SGD	32 100 000	100	D
Singapore	Ryobi Geothechnique International Pte Ltd., Singapore	SGD	1 500 000	80	D
South Africa	SGS South Africa (Proprietary) Limited, Johannesburg	ZAR	1 007 279 500	100	I
South Africa	SGS Technical Services (PTY) Ltd, Johannesburg	ZAR	775 279 000	100	D
South Korea	SGS Korea Co., Ltd., Seoul	KRW	15 617 540 000	100	D
Spain	General de Servicios ITV, S.A.U., Madrid	EUR	4 753 483	100	I
Spain	SGS Española de Control, S.A.U., Madrid	EUR	240 000	100	I
Spain	SGS Tecnos, S.A., Sociedad Unipersonal, Madrid	EUR	92 072 034	100	I
Sweden	SGS Analytics Sweden AB, Linköping	SEK	1 018 250	100	I
Switzerland	SGS Société Générale de Surveillance SA, Baar	CHF	100 000	100	D
Taiwan	SGS Taiwan Limited, Taipei	TWD	62 000 000	100	I
Thailand	SGS (Thailand) Limited, Bangkok	THB	20 000 000	100	D
Turkey	SGS Supervise Gözetme Etüd Kontrol Servisleri AS, Istanbul	TRY	266 550 000	100	I
Ukraine	SGS Ukraine, Foreign Enterprise, Odessa	USD	400 000	100	D
United Arab Emirates	SGS Gulf Limited Jebel Ali Free Zone – Dubai Branch	–	–	–	I
United Kingdom	SGS United Kingdom Limited, Ellesmere Port	GBP	8 000 000	100	I
United States	SGS North America Inc., Wilmington	USD	73 701 996	100	I
Vietnam	SGS Vietnam Ltd., Ho Chi Minh City	USD	288 000	100	D

6. Alternative performance measures

Index

The following document presents and defines the Group's alternative performance measures (APMs), not defined by IFRS which are used to evaluate financial and operational performance. Where relevant, a reconciliation to the information included in the Group IFRS consolidated financial statements is presented. Management deems these performance measures as a useful source of information when taking decisions and managing the operations. These alternative performance measures are disclosed in the integrated report, the half year report, the quarter reports and other external communications to investors, and are available at the following link:

www.sgs.com/en/investors/reports

Constant currency

The constant currency calculation is used in order to assess the period over period evolution of financial indicators without the currency impact. SGS calculates constant currency measures by translating the current year numbers at prior year average exchange rates (except for currencies with a devaluation of above 50% between the two comparable periods, for which the current year average rate is applied to the prior year baseline).

Organic sales growth

Organic sales growth is used by management to evaluate the evolution of existing operations, excluding the changes in scope (impacts of business acquisitions and divestments) and currency fluctuations. This provides a 'like-for-like' comparison with the previous period in constant scope and constant currency, enabling deeper understanding of the business dynamics which contribute to the evolution of sales from one period to another.

- Scope: the results from acquisitions are excluded for the 12 months following the date of a business combination, while results generated by a divested unit are excluded for the 12 months prior to the divestiture
- Currency fluctuations: sales at constant currency are calculated by translating current year numbers at prior year average exchange rates (except for currencies with a devaluation of above 50% between the two comparable periods, for which the current year average rate is applied to the prior year baseline)

Organic sales are then divided by the prior period sales to derive the organic growth percentage.

A numerical reconciliation of this APM is included below:

(CHF million)

Sales 2024	6 794
Scope effect from divestments	–22
Sales 2024 at constant scope	6 772
Organic growth	377
Scope effect from acquisitions	136
Sales 2025 at constant currency	7 285
Currency impact	–340
Sales 2025	**6 945**
Organic growth	**5.6%**

Adjusted operating income

The Adjusted operating income is provided to assess the underlying financial and operational performance of the Group by business line excluding the influence of items not directly attributable to operational performance. Adjusted operating income represents the operating income excluding:

- Amortization and impairment expenses on intangibles arising as a result of acquisitions
- Impairment expenses on goodwill
- Restructuring costs including impairment charges arising from the execution of restructuring plans
- Gains and losses from business divestments
- Acquisition- and divestment-related expenses including transaction and integration costs
- Other non-recurring items may include non-operational items such as certain regulatory, compliance and legal costs, certain asset write-downs/impairments and remeasurement gains on business combinations

(CHF million)	**2025**	2024
Operating income	**1 014**	**904**
Amortization and impairment of acquired intangibles	39	30
Restructuring costs	45	82
Loss on business divestments	22	–
Transaction and integration costs	17	12
Gain on HQ disposal	–60	–
Other non-recurring items	31	12
Adjusted operating income	**1 108**	**1 040**

Adjusted operating income margin

The Adjusted operating income margin is the Adjusted operating income as a percentage of sales.

(CHF million)	**2025**	2024
Adjusted operating income	1 108	1 040
Sales	6 945	6 794
Adjusted operating income margin	**16.0%**	**15.3%**

Earnings before interest, tax, depreciation and amortization (EBITDA)

EBITDA is an important performance measure as it depicts the underlying performance of the Group before tax and excluding non-cash charges of depreciation and amortization. It is a measure commonly used by the investment community.

EBITDA is defined as operating income before depreciation, amortization and impairment. It includes restructuring costs.

(CHF million)	**2025**	2024
Operating income	**1 014**	**904**
Depreciation, amortization and impairment	485	476
EBITDA	**1 499**	**1 380**

Adjusted earnings before interest, tax, depreciation and amortization (adjusted EBITDA)

Adjusted EBITDA is the EBITDA adjusted for the adjustments made for Adjusted operating income as defined above.

(CHF million)	**2025**	2024
Operating income	**1 014**	**904**
Depreciation, amortization and impairment	485	476
EBITDA	**1 499**	**1 380**
Restructuring costs[1]	42	76
Loss on business divestments	22	–
Transaction and integration costs	17	12
Gain on HQ disposal	–60	–
Other non-recurring items[2]	19	10
Adjusted EBITDA	**1 539**	**1 478**

1. Restructuring costs excluding impairment of fixed and intangible assets.
2. Other non-recurring items excluding impairment of fixed and intangible assets.

Adjusted profit attributable to shareholders

Adjusted profit attributable to shareholders is the profit attributable to equity holders of SGS SA adjusted for the adjustments made for Adjusted operating income as defined above and:

- The tax effect of all the elements mentioned under Adjusted operating income
- The non-controlling interests' effect of all the elements mentioned under Adjusted operating income

(CHF million)	**2025**	2024
Profit attributable to equity holders of SGS SA	**668**	**581**
Amortization and impairment of acquired intangibles	39	30
Restructuring costs	45	82
Loss on business divestments	22	–
Transaction and integration costs	17	12
Gain on HQ disposal	–60	–
Other non-recurring items	31	12
Tax impact	–24	–26
Portion attributable to non-controlling interests	–3	–2
Adjusted profit attributable to equity holders of SGS SA	**735**	**689**

Adjusted basic earnings per share (adjusted basic EPS)

While basic EPS reflects the earnings from operations for each share of SGS SA, Adjusted basic EPS is the 'Adjusted profit attributable to equity holders' (see above) divided by the average number of shares outstanding during the reporting period.

(CHF million)	**2025**	2024
Adjusted profit attributable to equity holders of SGS SA	**735**	**689**
Weighted average number of shares (million)	192	188
Adjusted basic earnings per share (CHF)	**3.83**	**3.67**

Adjusted diluted earnings per share (adjusted diluted EPS)

While basic EPS reflects the earnings from operations for each share of SGS SA, Adjusted diluted EPS is the 'Adjusted profit attributable to equity holders' (see above) divided by the diluted weighted average number of shares outstanding during the reporting period.

(CHF million)	**2025**	2024
Adjusted profit attributable to equity holders of SGS SA	**735**	**689**
Diluted weighted average number of shares (million)	193	188
Adjusted diluted earnings per share (CHF)	**3.81**	**3.66**

Profit before HQ disposal

Adjusted profit before HQ disposal is the profit attributable to equity holders of SGS SA excluding the gain on the disposal of the Geneva headquarters' buidling, net of tax.

(CHF million)	**2025**	2024
Profit attributable to equity holders of SGS SA	**668**	**581**
Gain on HQ disposal	–60	–
Tax impact	9	–
Profit attributable to shareholders before gain on HQ disposal	**617**	**581**

Basic earnings per share (EPS) before HQ disposal

Basic EPS is the Adjusted profit before HQ disposal divided by the average number of shares outstanding during the reporting period.

(CHF million)	**2025**	2024
Profit attributable to shareholders before gain on HQ disposal	**617**	**581**
Weighted average number of shares (million)	192	188
Basic earnings per share before gain on HQ disposal	**3.21**	**3.10**

Diluted earnings per share (EPS) before HQ disposal

Diluted EPS is the Adjusted profit before HQ disposal divided by the diluted weighted average number of shares outstanding during the reporting period.

(CHF million)	**2025**	2024
Profit attributable to shareholders before gain on HQ disposal	**617**	**581**
Diluted weighted average number of shares (million)	193	188
Diluted earnings per share before gain on HQ disposal	**3.20**	**3.09**

Free cash flow

The Free cash flow is deemed an important measure by management as it demonstrates the ability to generate cash after the investment in assets necessary to support the existing operating activities. In 2023, management embedded financial interests paid and financial interests received in the Free cash flow calculation. It includes the cash effects of restructuring costs, and is calculated as follows based on amounts disclosed in the consolidated cash flow statement.

(CHF million)	**2025**	2024
Cash flow from operating activities	**1 223**	**1 224**
Purchase of property, plant and equipment and other intangible assets	–255	–251
Proceeds from disposals of property, plant and equipment and other intangible assets	5	12
Proceeds from HQ disposal	80	–
Lease payments	–175	–176
Interests paid	–75	–98
Interests received	38	37
Free cash flow	**841**	**748**

Free cash flow before HQ disposal

The Free cash flow before HQ disposal is the Free cash flow (see above) adjusted from the proceeds received upon disposal, tax paid on the gain on disposal and capital expenditures linked to the HQ move.

(CHF million)	**2025**	2024
Free cash flow	**841**	**748**
Proceeds from HQ disposal	–80	–
Taxes paid on HQ disposal gain	9	–
Capital expenditures on new HQ building	4	–
Free cash flow before HQ disposal	**774**	**748**

Cash conversion

Cash conversion ratio provides management with a measurement of the Group's ability to convert operational results into cash. The ratio is calculated by comparing the Free cash flow to the EBITDA (operating income before depreciation, amortization and impairment) minus lease payments.

(CHF million)	**2025**	2024
Adjusted EBITDA	**1 539**	**1 478**
Lease payments	–175	–176
Adjusted EBITDA minus lease payments	**1 364**	**1 302**
Free cash flow before HQ disposal	774	748
Cash conversion	**57%**	**57%**

Return on invested capital (ROIC)

Return on invested capital is a measure of performance that combines profitability and capital efficiency. Management is closely following this APM in order to evaluate capital allocation. ROIC is defined as net operating income after tax for the year divided by invested capital. Invested capital is the sum of the total equity, the net debt (as defined above), lease liabilities, long-term loan receivable and the net derivative position. The invested capital is adjusted for the timing of cash outflows of acquisitions.

The return on invested capital is calculated as follows, and amounts are reconciled to the consolidated statement of financial position as well as the consolidated income statement:

(CHF million)	**2025**	2024
Operating income	1 014	904
Share of profit of associates and JV	2	3
Gain on HQ disposal	–60	–
Group effective tax rate	25%	26%
Net operating income before HQ disposal after tax	**713**	**671**
Invested capital	**2 928**	**2 850**
Total equity	995	877
Net debt	2 566	2 670
Lease liabilities	–560	–568
Long-term loan receivables	–4	–5
Net derivatives liability (asset)	3	10
Adjustment for timing of acquisitions	–72	–134
ROIC before HQ disposal	**24%**	**24%**

Net debt

Net debt represents the net level of financial debt contracted by SGS with external parties.

Amounts can be found in the consolidated statement of financial position and the computation is as follows:

(CHF million)	**2025**	2024
Cash and marketable securities	**2 331**	**1 210**
Marketable securities	1	–
Cash and cash equivalents	2 330	1 210
Loans and other financial liabilities	**4 897**	**3 880**
Non-current loans and other financial liabilities	3 505	2 700
Current loans and other financial liabilities	832	612
Non-current lease liabilities	403	409
Current lease liabilities	157	159
Net debt	**2 566**	**2 670**

Leverage

Leverage is used by management to monitor and measure the Group's ability to repay its debt from profit earned. Leverage is calculated as net debt divided by Adjusted EBITDA. Amounts can be found in the alternative performance measures.

(CHF million)	**2025**	2024
Net debt	2 566	2 670
Adjusted EBITDA	1 539	1 478
Leverage	**1.7**	**1.8**

Non-financial statements

Soiling Sampling, Poland


CE
M/8

1. General information

1.1. Basis for preparation of the sustainability statement

Scope and boundaries

Scope

The scope of the sustainability information presented in the non-financial statement covers all regions and business lines of the Group for the period 1 January to 31 December 2025. A list of SGS affiliates is provided on pages 155-156 of this report.

We have identified and prioritized the most material impacts across our business and value chain. This Integrated Annual Report includes performance data for our direct operations and, where relevant and available, our upstream and downstream value chain.

Consolidation approach

We apply the financial control approach, accounting for 100% of KPIs from operations under our control. KPIs from operations in which we have an ownership interest but no financial control are excluded.

Reliability of the information

We only report KPIs for which reliable data is available. Where information cannot be verified with sufficient accuracy, the metric is excluded and clearly noted. For instance, our total carbon dioxide (CO_2) emissions currently exclude district heating and refrigerants.

Omissions

If information is omitted due to confidentiality or sensitivity, this is indicated in a footnote.

Data collection process

Most sustainability data is gathered locally through centralized software, then reviewed and consolidated at Group level. Additional data is collected directly from global functions. The frequency of collection varies by indicator. Typically, three reporting periods are defined: second quarter, third quarter and full year.

Time horizons

Unless stated otherwise, the time horizons applied are the following:

- **Short-term:** current reporting year
- **Medium-term:** from the end of the short-term reporting period up to four years
- **Long-term:** more than five years

Different time horizons were applied in the climate scenario analysis described on page 171.

Estimations

Uncertainties may arise from the quality of data collected across the value chain or when projections rely on assumptions.

Further details on our reporting approach are provided in the **Basis of Reporting** available at sgs.com. Where Global Reporting Initiative (GRI) standards or Sustainability Accounting Standards Board (SASB) standards do not specify a methodology for a sustainability performance indicator, or when their approach is not suitable, we apply the methodology defined in our own Basis of Reporting.

Scope 3 emissions have been estimated by applying different emission factors to each Scope 3 category:

- **Purchased goods and services and capital goods:** hybrid methodology based on spend, using supplier-specific information when available and average industry emission factors otherwise
- **Fuel- and energy-related activities:** average-data method, using average emission factors for upstream emissions per unit of consumption (kWh of electricity and kg of fuels)
- **Waste generated in operations:** waste-type-specific method, using total waste generated and emission factors for specific waste types (organic, plastics, paper, concrete and mixed electronics) and waste treatment methods (landfill, compost and recycling)
- **Business travel:** distance-based method using the number of tickets purchased and estimated average distance traveled per rail and air fare (intercontinental and domestic). Corresponding emission factors are then applied
- **Employee commuting:** distance-based method using a sample survey across all employees to determine average travel distance and means of transport, with the relevant emission factors applied

Restatements

This statement includes both historical and current performance over a three-year period. In some cases, previously published data may differ from earlier reports due to the availability of more accurate or improved data collection methods. Variations of less than 5% are generally considered immaterial.

Any significant restatements of prior-year data are clearly disclosed in this report together with an explanation of the reasons for the change.

Risk management and internal controls over sustainability reporting

Sustainability data is reported in accordance with the Group reporting deadline and follows the procedures defined in the Group Sustainability Manual.

The SGS Minimum Control Standards outlines the key risks and controls associated with sustainability reporting. Further information can be found in the Corporate Governance report on page 59.

Reporting frameworks

We have been publishing sustainability information for more than a decade, and since 2015 we have integrated sustainability content into our Integrated Annual Report.

Since 2013, our non-financial information has followed the AA1000 AccountAbility Principles Standard, GRI and SASB framework for the Professional & Commercial Services industry.

Since 2023, the Group has also reported in accordance with Article 964b of the Swiss Code of Obligations.

For more information
Section 6 References

External assurance

Independent assurance of our sustainability and non-financial performance indicators is an integral part of our approach. Our sustainability reporting has been externally assured since 2011. Since 2021, PricewaterhouseCoopers SA (PwC) has provided limited assurance over selected sustainability metrics, as indicated in this report on pages 195-198. PwC's assurance statement outlines the work performed and their conclusion for the reporting period ending 31 December 2025. Previous assurance reports are available on our website.

1.2. Sustainability governance

The role of the Board of Directors and the Executive Committee

Details of this section are also addressed in the Corporate Governance report, page 43.

The Sustainability Committee of the Board and the Executive Committee receive regular updates on SGS sustainability programs and initiatives. New regulations or requirements are analyzed during meetings to assess their potential impact on SGS operations, supply chain and services. Specific analysis sessions are organized as needed, depending on the complexity of each topic, and additional training needs are reviewed on an ongoing basis.

In 2024, we launched dedicated sustainability training for all Board and Executive Committee members. To date, more than 200 leaders have completed the program, which covers core sustainability themes relevant to SGS, including integrity, climate change and labor practices.

During 2025, the following topics were discussed by the Board of Directors and its committees:

- Sustainability roadmap
- ESG ratings and reporting, including the impact of the Omnibus Regulation
- Risk management and double materiality integration
- Sustainable supply chain
- Sustainability training and awareness
- Sustainability services offering (IMPACT NOW for sustainability)

During 2025, the following topics were discussed within the Executive Committee:

- Implementation of Strategy 27
- Sustainability services offering (IMPACT NOW for sustainability)
- Sustainability KPIs progress
- ESG reporting

For information about integration of sustainability-related performance in incentive schemes see pages 67-74.

1.3. Strategy

Strategy, business model and value chain

Our business model and Strategy 27 are described in the 'How we create value' section of the Management report on pages 24-25. Sustainability KPIs are embedded in the pillar 'Strong financial and ESG profile' of Strategy 27 through four key targets:

- Make material progress towards our 2030 target to reduce 28% of our Scope 3 emissions
- Have at least one-third of leadership positions held by women
- Deliver 7 million hours of training per year to employees, clients and communities
- Achieve a customer satisfaction score of 93%

Our Sustainability Ambitions 2030 cover our entire value chain and set targets to 2027 and 2030 in three key areas: Environment, Society and Governance.

	2027	2030
Environment		
As part of our roadmap to achieve our SBTi targets, we commit to:	• Maintain our decreasing trend towards 46.2% reduction in Scope 1 and 2 emissions • Make material progress towards our 2030 target to reduce 28% of our Scope 3 emissions • Further align with IFRS-S2 disclosure recommendations about climate-related risks and opportunities (previously, TCFD initiative)	SGS is committed to reducing absolute Scope 1 and Scope 2 GHG emissions 46.2% by 2030 from a 2019 base year. SGS is also committed to reducing absolute Scope 3 GHG emissions 28% by 2030 from a 2019 base year.
Social		
Talent management	• At least one-third of leadership positions held by women	• Strive towards an equitable representation of genders at CEO-3
Health and safety	• Maintain our Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR) below 0.31 and 0.21 respectively • Increase year-on-year the number of HSE certifications for the main operational sites (ISO 45001 and ISO 14001) • Increase the number of behavioral-based safety observations every year by 5%	• Reduce our TRIR by 30% and LTIR by 20% and HSE certify the main operational sites (integrated ISO 45001 and ISO 14001 certification) • Achieve 100 000 observations, within the behavioral-based safety observation program
Knowledge and engagement	• 7 million hours of training per year to employees, clients and communities • Improve year-on-year our employee engagement and manager support scores	• Continuously improve the capabilities and know-how of our employees and strive to be the employer with the highest level of employee engagement in the industry
Human rights	• Ensure and protect human rights respect throughout our operations and supply chain	• Ensure and protect human rights respect throughout our operations and supply chain
Community donations	• Increase by 50% our positive impact on our communities through employee volunteering	• Double our positive impact on our local communities through employee volunteering
Governance		
Brand	• Achieve a customer satisfaction score of 93%	• Achieve a customer satisfaction score of 95%
Integrity	• Ensure 100% of employees are trained on our Integrity Principles on an annual basis	• 100% of our employees trained on our Integrity Principles on an annual basis
Supply chain	• 70% of our goods and services spend under procurement Scope to come from suppliers who have signed our Code of Conduct or committed to standards comparable to SGS's within their own policy • 50% of SGS strategic suppliers in extra-large, large and medium affiliates, as per our procurement policy, will have completed our sustainability self-assessment questionnaire • 85% of requests for proposals will be online and include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers	• Cover at least 90% of our expenditure with suppliers that have agreed with our Code of Conduct Principles and continue developing our human rights due diligence program to avoid violations across our supply chain • 100% of our Requests for Proposal (RfP) will be online and will include the relevant SGS sustainability criteria, enabling comparison and selection of suppliers • Partner with relevant suppliers to transform the products and services we purchase into more sustainable ones, while elevating the sustainability agenda of our strategic suppliers' operations striving towards their carbon neutrality in 2030

Interests and views of stakeholders

Maintaining open and continuous dialogue with our stakeholders is essential to our long-term success. These exchanges provide valuable insights that help us align our initiatives with stakeholder expectations and serve as a key input for our annual materiality assessment. Stakeholder perspectives are regularly shared with the Executive Committee and the Board of Directors to inform decision making and strategic discussions.

The table below outlines why these stakeholder groups are important to us, how we engage with them, and the key topics discussed during 2025.

Stakeholder group	Why we engage	How we engage	Key topics discussed
Upstream			
Investors and shareholders	Investors are crucial to our ongoing success and growth. We constantly review market analysis and aim to be assessed as a sound investment and a sustainable business.	• Annual General Meeting • Capital Markets Event • Meetings with investors and analysts • Answers to analyst questions	• Strategy 27 • Company performance • Capital allocation • Execution of action plans • ESG credentials
Suppliers	Engaging with suppliers is key to ensuring a smooth supply chain, boosting innovation and strengthening sustainability in our business.	• Supplier self-assessment program • Sustainability criteria in sourcing events • Supplier Code of Conduct commitment • Supplier Sustainability Engagement Program (SEP)	• Sustainability requirements to our suppliers • Supplier plans to reduce CO_2 emissions and their impact on our business • Human rights and ethics
Operations			
Employees	Our people are essential to our business. Discussing performance and providing training and opportunities helps to develop the potential of our talent and keep employees motivated and engaged.	• Global employee engagement program: MyVoice • SGS intranet portal and internal social network • Line manager direct engagement • Works Councils	• Strategy 27 • Training, development and recognition • Health, safety and well-being • Sustainability awareness • Human rights and labor standards
Subcontractors	Our subcontractors play a key role in our day-to-day operations. They complement the skills of our employees and provide local knowledge and expertise in different regions, helping SGS meet the varied requirements of different countries and cultures.	• Direct communication with business managers and procurement teams	• Health and safety – training and development • Quality of service • Sustainability in the supply chain
Downstream			
Customers	Customers are at the heart of everything we do. Understanding how effectively we help them operate more efficiently, profitably and sustainably is key to measuring our success.	• One-to-one meetings • SGS-hosted conferences, seminars and webinars • Customer surveys • Knowledge and educational resources • Customer portal • Online and social media engagement	• Quality of services • SGS employees' attitude, expertise and responsiveness • Quick turnaround times • Sustainability services
Communities	The sustainability of our communities and the planet is critical to our success. We engage with our communities to ensure our sustainability ambitions remain relevant and deliver the positive impact they are designed to achieve.	• Multiple community projects across the network • SGS Academy for the Community	• Community donations and volunteering programs • Human rights and ethical labor practices • Sustainable business practices
Consumers	Our services ensure that consumers trust the products they buy. Understanding their expectations allows us to confirm that our work continues to strengthen SGS's reputation for delivering confidence and assurance.	• Certification and product labeling • Direct marketing and communication with certain B2C products	• Product safety and quality • Ethical behavior

1.4. Impacts, risks and opportunities

The double materiality assessment has now been integrated into our annual risk assessment process, creating a more comprehensive and efficient framework for identifying and evaluating IROs. For details about the process and outcomes, see pages 49-58.

2. Environmental topics

2.1. Governance

An overview of our climate governance framework and the incorporation of climate-related performance in incentive schemes is provided in the Governance report on page 43 and in the Remuneration report on pages 67-74.

2.2. Policies related to climate change and environmental protection

Our Climate Change Policy outlines our commitment and targets related to climate change mitigation and adaptation. It applies to SGS Group and all its affiliates.

Our other environmental policies are available at sgs.com and include:

- Green Buildings Policy
- Green Travel Policy
- Vehicle Emissions Policy

2.3. Targets

In 2022, we received approval from the Science-Based Target initiative (SBTi) for a net-zero target aligned with the 1.5°C goal from the Paris Agreement. We are committed to achieving net-zero greenhouse gas (GHG) emissions across our entire value chain by 2050. To reach this ambition, we have set near- and long-term science-based emissions reduction targets:

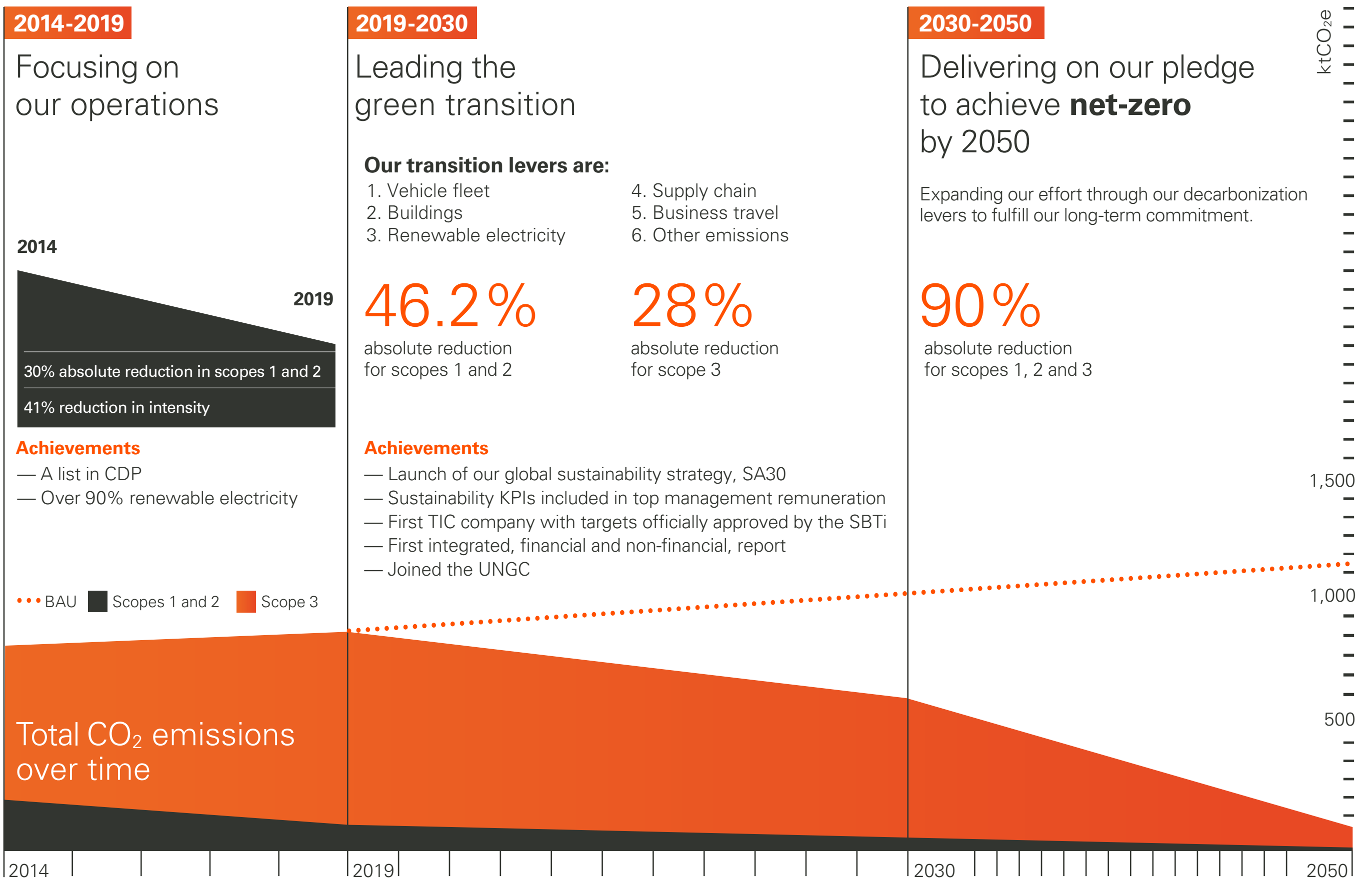
Near-term targets:

- Reduce absolute Scope 1 and Scope 2 GHG emissions by 46.2% by 2030, from a 2019 base year
- Reduce absolute Scope 3 GHG emissions by 28% by 2030, from a 2019 base year

Long-term targets:

- Reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2050, from a 2019 base year
- We will prioritize direct emissions reductions and neutralize all residual emissions in line with SBTi criteria before reaching net-zero emissions by 2050

Overview



The BAU illustrates a "Business-As-Usual" scenario where the emissions grow with the same trajectory as 2014-2019 period, in a scenario without enough decarbonization actions to curb them.

These targets were determined following the absolute contraction approach, as no sectoral pathway applies to the TIC industry. Given the COVID pandemic, we consider 2019 to be the most representative year in terms of business activity, and this was set as the baseline for our targets.

2.4. Strategy: Net-Zero Transition Plan

Our Net-Zero Transition Plan defines the roadmap for reducing our emissions across our entire value chain through a range of decarbonization levers and initiatives.

We aim to achieve our 2030 targets by implementing these measures and will continue expanding our efforts to meet our long-term commitment to net-zero emissions by 2050. The plan has been reviewed by the Executive Committee and formally approved by our CEO.

The overview of our plan and the main decarbonization levers are outlined below:

Lever	Description	Key actions planned
Vehicle fleet	Around 70% of our operational emissions are linked to our vehicle fleet. This mainly comprises passenger cars, light commercial vehicles and pick-ups used for transporting samples and personnel to inspection sites. This category represents our major source of locked-in emissions. However, most vehicles are leased with leasing conditions under three years. When possible, we are trying to transition to clean technologies in our contracts with leasing companies.	• Greener fleet • Other fleet optimization actions • Sustainable employee mobility • Streamlined sample transport routes
Buildings	Around 30% of our operational emissions are associated with our portfolio of buildings, which includes mainly leased offices and laboratory spaces. While managing actions in rented buildings poses challenges in terms of control and implementation, it is crucial to adopt practices that enhance the efficiency of our operations. This category also represents our second major source of locked-in emissions. Through our Energy Efficiency in Buildings (EEB) program we identify the most energy and GHG emissions intensive buildings and implement specific actions to reduce their impact on climate.	• Optimized office space • Energy efficiency • Energy source diversification • Awareness
Renewable electricity	We are investing in on-site electricity generation, mainly through solar photovoltaic installations, along with green tariffs offered by suppliers. However, there are limitations to the scalability of these approaches, and, consequently, we are also directing investments towards Energy Attribute Certificates (EACs).	• On-site generation • Green tariffs • EACs
Supply chain	Within Scope 3, categories 3.1 and 3.2 encompass emissions resulting from purchased goods and services, and capital goods, respectively. This source of emissions primarily originates from our supply chain, comprising the largest share of our carbon footprint, nearly 70% of the total.	• Strengthening data foundations • Engaging suppliers for climate leadership
Business travel	Within Scope 3, category 3.6 encompasses emissions resulting from long-distance business trips via flights or trains, excluding short-distance trips using taxis or short-term rentals. Business travel emissions play a crucial role in our sustainability strategy.	• Green travel policy • Integration into mobility strategy • Technology adoption
Other emissions	Within Scope 3, in addition to the emissions associated with our supply chain and business travel, it is crucial to consider other categories, such as fuel- and energy-related emissions, waste and employee commuting.	• Green fleet and energy efficiency initiatives • Waste reduction and recuperation initiatives • Sustainable employee mobility

As part of our Strategy 27, we have set ambitious targets that reflect our ability to respond to the megatrends shaping growth in the TIC industry. One of these, the ‘powerful sustainability transition,’ captures the rising demand from environmental, social and governance (ESG) regulation and societal expectations. Our transition plan is fully embedded in our strategy and key climate-related indicators are included in Strategy 27.

2.5. Progress in the implementation of the transition plan in 2025

Our global commitment has been cascaded across regions and affiliates, each of which has developed its own decarbonization plan. In 2025, affiliates focused on implementing these plans, addressing their main sources of emissions – from buildings to vehicle fleets – and working toward their specific reduction targets.

By lever, our progress is summarized below:

Vehicle fleet

Affiliates continue to advance their local plans by identifying and implementing initiatives focused on vehicle electrification and other low-emission solutions. These efforts include the use of more sustainable fuels, smart fleet management practices and driver efficiency training. Our global vehicle emissions policy supports the transition from traditional combustion engines to more sustainable alternatives.

Buildings

The 1,019 buildings currently included in our EEB program account for 90% of our electricity use and 88% of our non-transport fuel consumption. Following the same approach as for our vehicle fleet, affiliates are implementing local plans to improve energy efficiency and reduce emissions. Local teams receive regular data visualization and support tools to enhance the impact of their initiatives.

Laboratories remain a key focus of our energy efficiency and awareness efforts. In 2025, we implemented several projects involving LED lighting and HVAC upgrades, including smart controls and high-efficiency equipment. We have achieved My Green Lab Platinum certification at our Ringaskiddy laboratory in Cork (Ireland), and Green level certification at our microbiology laboratory in Shanghai (China). These efforts reflect our commitment to delivering advanced services while minimizing environmental impact.

Renewable electricity

In 2025, we increased our on-site renewable electricity production by 16%, continuing the steady growth achieved since the rollout of solar PV installations across our network. This year, we produced 5 488 MWh of renewable electricity on-site, compared with 240 MWh in 2019 – a clear reflection of our ongoing commitment to clean energy and sustainable operations.

Beyond on-site generation, we now source 15% of our electricity through local green tariffs and achieve a total of 97% renewable electricity coverage globally through the purchase of Energy Attribute Certificates (EACs).

Supply chain and other emissions

In partnership with a leading climate platform, we redefined and automated our approach to measuring and analyzing emissions. This shift from a spend-based method to the use of corporate-level primary data from suppliers enables us to better target and prioritize climate action across our supply chain.

To accelerate the transition of key suppliers toward climate leadership, we launched our Sustainability Supplier Engagement Program. This strategic initiative supports suppliers in aligning with our sustainability goals through public emissions disclosure, science-based targets and transparent progress reporting. The program provides practical resources across key areas, including climate change, business ethics, environmental management, health and safety, and human rights.

In 2025, we released two cornerstone tools: the Sustainability Guidebook for Suppliers and the Climate Change Playbook, reinforcing our commitment to driving sustainability practices and climate resilience across our value chain. As the program evolves, we will increasingly encourage suppliers to progress their decarbonization journey alongside us.

We are also developing targeted action plans to address the remaining Scope 3 categories individually.

2.6. Resources in relation to the Net-Zero Transition Plan

We continue to make significant green investments in line with our mission to achieve a net-zero future. Balancing capital and operational expenditure remains central to our decarbonization approach. Across regions, affiliates are diligently executing their reduction plans, investing local resources and efforts to meet their assigned responsibilities and contribute to global targets.

At a global level, our financial commitments are driven by a focus on operational excellence and the adoption of renewable electricity. We allocate annual sums to make sure that the electricity we use comes from renewable sources – a commitment that remains firm despite the expected increase in electricity demand from vehicle and building electrification.

To decarbonize our supply chain, we invest in robust supplier data and engagement, enabling greater transparency and collaboration. Each investment is carefully aligned with our long-term net-zero ambition, ensuring that our financial decisions contribute meaningfully to climate action and our broader sustainability objectives.

2.7. Climate-related risks and opportunities

Identification and assessment

Climate-related risks and opportunities are identified through various channels:

- Climatic scenario analysis: using climatic models, market trends, regulatory developments and megatrends to anticipate potential impacts
- Our operations: monitoring market changes that may present both risks and opportunities
- Business continuity team: anticipating and preparing for potential disruptions, including extreme weather events

For more information on our risk assessment process, please refer to the Risk Management section on page 49-58.

The heads of each of our business lines evaluate climate-related risks and opportunities when defining their strategic priorities and financial plans. Where potential disruption may arise from market or regulatory changes, this may include diversifying services or geographies and investing in areas with emerging or growing demand.

These risks and opportunities are prioritized based on their assessed likelihood and potential impact.

Scenario analysis

As part of our climate-related risk and opportunity management process, we conduct scenario analyses to improve our strategic resilience and explore climate vulnerabilities that might impact our business.

In 2025, the analysis was updated applying the following scenarios:

Scenario	Temperature rise	Near term	Medium term	Long term	Rationale
		<2030 Focused on immediate regulatory, policy and market risks. Relevant for operational and compliance exposure	<2040 Captures structural shifts in energy systems, market conditions, consumer expectations and technological deployment	<2050 Encompasses full decarbonization pathways, better captures physical risks, reputational positioning, resilience strategies and adaptation needs	
NGFS[1] Current policies IPCC RCP[2] 8.5/SSP[4] IEA STEPS[3]	>3°C	Physical risks, transition risks & opportunities	Transition risks & opportunities	Physical risks, transition risks & opportunities	Only currently implemented policies are preserved, emissions grow until 2080 leading to about 3°C of warming and severe physical risks. This includes irreversible changes like higher sea levels.
NGFS[1] Delayed Transition IPCC RCP[2] 2.6/SSP[4]	<2°C	Physical risks, transition risks & opportunities	Transition risks & opportunities	Physical risks, transition risks & opportunities	New climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies. As a result, emissions exceed the carbon budget temporarily and decline more rapidly after 2030 to ensure a 67% chance of limiting global warming to below 2°C. This leads to both higher physical risks and transition risks and opportunities.
NGFS[1] Net Zero 2050 IPCC RCP[2] 1.9/SSP[4] IEA NZE[5]	<1.5°C	Transition risks & opportunities	Transition risks & opportunities	Transition risks & opportunities	Ambitious climate policies are introduced immediately. CDR is used to accelerate decarbonization but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO_2 emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century. Physical risks are relatively low but transition risks are high.

1. Network for Greening the Financial System.
2. Representative Concentration Pathway.
3. International Energy Agency Stated Policies Scenario.
4. International Energy Agency Shared Socioeconomic Pathways.
5. International Energy Agency Net Zero Emissions by 2050 Scenario.

Main transition risks and opportunities

Risk	Description of the impact	Mitigation measures	Geography	Estimated financial impact
Increased partner and stakeholder concern or negative partner and stakeholder feedback	This risk involves an increase in the cost of accessing financing driven by a decline in SGS's ESG reputation among investors, NGOs, rating agencies and other stakeholders. It does not result in a direct loss of revenue but leads to higher financing expenses due to negative perceptions.	SGS mitigates this risk by improving ESG performance, enhancing transparency in reporting, and engaging with key stakeholders. We continue implementing our Net-Zero Transition Plan to progressively reduce emissions and meet our 2030 and 2050 SBTi-approved targets. This positions us as a sustainability leader across key ratings and indices. This credibility strengthens our standing with investors and financial institutions, helps protect our reputation and reduces the likelihood of increased financing costs.	Europe, Americas and APAC	ST: • MT: • LT: •
Shifts in customer/client preferences	This risk refers to the possibility that SGS may lose business opportunities because some clients choose not to contract with the Company, perceiving that its climate positioning does not meet their expectations, even in the absence of formal requirements.	We continue implementing our Net-Zero Transition Plan to progressively reduce emissions and meet our 2030 and 2050 SBTi-approved targets, strengthening our positioning with clients. Additionally, our consolidated framework for sustainability services, IMPACT NOW, reinforces trust and credibility, enabling us to create value and secure new business through proven results and a strong climate-related business case.	Europe, Americas and APAC	ST: • MT: •• LT: ••
New stakeholder requirements	This risk refers to the possibility of non-compliance with technical and documentary climate requirements, which are increasingly included in tenders, specifications, approval processes, and ESG scoring. Unlike reputational risks, it is driven by the fulfillment of formal criteria rather than perception.	We closely monitor evolving client requirements, particularly climate-related technical and documentary criteria, to ensure full alignment. This proactive approach, combined with strong ratings performance, enables us to maintain and grow our business by reinforcing trust and credibility with current and prospective clients.	Europe, Americas and APAC	ST: • MT: •• LT: ••

Opportunity	Description of the impact	Strategy to maximize the opportunity	Geography	Estimated financial impact
Expansion into new markets	Expanding into new markets, whether geographical or sectorial, represents a significant financial upside for SGS. The global transition to low-carbon and sustainable practices is opening emerging demand in areas such as Asia, North America and Africa, as well as in newly regulated sectors. SGS can leverage its brand, expertise and infrastructure to capture early-mover advantage. This aligns directly with the Company's Strategy 27 and can generate substantial and immediate revenue.	We continue to execute our strategy to deploy our IMPACT NOW sustainability services into new markets. For more information, see page 18.	Americas, APAC, EEMEA	ST: •• MT: ••• LT: ••••
Increased sales of existing products and services	As regulatory frameworks and market expectations around decarbonization intensify, demand for low emission goods and services is accelerating. SGS, as a global provider of testing, inspection and certification, can play a pivotal enabling role. The opportunity lies in offering services that verify the climate performance of products, technologies, or operations aligned with Net Zero and circularity targets. The impact varies by business line depending on proximity to carbon-intensive sectors and innovation ecosystems.	We continue to execute our strategy to deploy our IMPACT NOW sustainability services. For more information, see page 18.	Global	ST: •• MT: ••• LT: •••
Shift in consumer preferences	Growing environmental awareness is influencing consumer expectations, shifting demand toward products and services with strong sustainability credentials. For SGS, this represents an opportunity to align services with emerging client needs and position itself as a value enabler in climate-conscious supply chains. Business lines that adapt quickly can benefit from stronger market demand and increased differentiation.	We continue implementing our Net-Zero Transition Plan to progressively reduce emissions and meet our 2030 and 2050 SBTi-approved targets, positioning us as a sustainability leader across key ratings and indices. In parallel, we closely monitor evolving client requirements, particularly climate-related technical and documentary criteria, to ensure full alignment. This proactive approach, combined with strong ratings performance, enables us to maintain and grow our business by reinforcing trust and credibility with current and prospective clients.	Global	ST: • MT: •• LT: ••

<CHF M 50	•
CHF M 51-250	••
CHF M 251-500	•••
>CHF M 500	••••

Main physical risks

We conducted a physical risk assessment covering our 80 key owned buildings – including offices, laboratories and warehouses – across the globe. The results help identify assets that are most exposed or vulnerable to physical climate risks, as well as the specific hazards of concern for each site.

The analysis focused on property value and did not include capital equipment located within the buildings. Only direct physical risks (those causing direct damage to assets) were assessed, while indirect risks – such as reduced worker productivity due to high temperatures – were excluded.

The climate risk assessment was conducted by analyzing:

a) Hazards: the probability of a hazardous event occurring at a given intensity

b) Exposure: the number of assets located in areas potentially affected by the selected hazard

c) Vulnerability: the expected loss in asset value, should an event of a specific intensity occur

Overview of the results based on the scenario with most severe physical impacts (RCP 8.5):

- **Europe** shows the highest exposure, mainly to floods (fluvial, pluvial and tidal), followed by wind and heat. Finland, Belgium and the Netherlands are expected to be most affected
- **North America** ranks second, primarily exposed to pluvial and fluvial flooding
- **Latin America** ranks third, with flood-related exposure concentrated in Brazil and Colombia
- **Asia Pacific** ranks fourth, driven by exposure to multiple flood types, wind and high temperatures
- **Africa and the Middle East** show the lowest exposure, mainly to fire and heat

Our resilience strategy for climate-related risks is fully aligned with the Group's global risk management framework.

2.8 Metrics

Energy consumption and mix

	2025	2024[5]	2023[5]
Total energy consumption (MWh)	941 200	932 085	950 066
Total energy consumption by use (MWh)			
Vehicle fuels energy	281 264	292 666	297 334
Non-transport fuels energy	152 694	142 728	155 409
Total electricity	507 242	496 691	497 323
Standard electricity[1]	13 942	11 871	12 109
Renewable electricity[2]	493 300	484 820	485 214
Total fuel consumption by source (MWh)			
Coal and coal products	–	–	–
Crude oil and petroleum products	325 817	331 498	341 669
Natural gas	104 508	100 917	109 521
Others	3 634	2 979	1 553
Total energy production (MWh)			
Non-renewable energy production	–	–	–
Renewable energy production	5 488	4 732	1 948
Total renewable electricity (% of total electricity consumption)	97	98	98
Energy intensity per sales[3] (MWh/CHF million)	135.5	137.2	143.5
Energy intensity per average FTE[4] (MWh/FTE)	9.3	9.4	9.6
Electricity intensity per sales[3] (MWh/CHF million)	73.0	73.1	75.1
Electricity intensity per average FTE[4] (MWh/FTE)	5.0	5.0	5.0

1. Electricity bought from the grid.
2. Electricity bought from local green tariffs and through Energy Attribute Certificates associated to zero emissions sources of production.
3. Being the denominator the sales.
4. Being the denominator the average FTEs (see table 'Average number of Full Time Equivalents (FTEs) by geographical area' on page 107).
5. 2023 and 2024 data was updated based on improved data accuracy.

Gross Scope 1, 2, 3 and Total GHG emissions

	2025	2024[1]	% change (2025 vs. 2024)	2019 (baseline year)[1]	% change (2025 vs. 2019)
Scope 1 GHG emissions[2]					
Gross Scope 1 GHG emissions (tCO_2eq)	99 544	103 819	-4.1	119 470	-16.7
Scope 2 GHG emissions[3]					
Gross location-based Scope 2 GHG emissions (tCO_2eq)	222 263	222 622	-0.2	229 577	-3.2
Gross market-based Scope 2 GHG emissions (tCO_2eq)[4]	8 006	7 283	9.9	30 583	-73.8
Significant Scope 3 GHG emissions [5]					
Total gross indirect (Scope 3) GHG emissions (tCO_2eq)	611 582	601 887	1.6	729 255	-16.1
Purchased goods and services	400 109	384 099	4.2	477 922	-16.3
Capital goods	40 436	42 391	-4.6	73 962	-45.3
Fuel and energy related activities (not included in Scope 1 and Scope 2)	67 941	66 829	1.7	69 746	-2.6
Waste generated in operations	21 945	24 391	-10.0	15 277	43.6
Business travel	21 567	25 696	-16.1	25 572	-15.7
Employee commuting	59 584	58 481	1.9	66 776	-10.8
Total GHG emissions					
Total GHG emissions (location-based) (tCO_2eq)	933 389	928 328	0.5	1 078 302	-13.4
Total GHG emissions (market-based) (tCO_2eq)	719 132	712 989	0.9	879 308	-18.2
Emissions intensity					
Scope 1+2 intensity per sales market-based[2,3,4,6] (tCO_2eq/CHF million)	15.5	16.4	-5.5	22.7	-31.7
Scope 1+2 intensity per average FTE market-based[2,3,4,7] (tCO_2eq/FTE)	1.1	1.1	0.0	1.6	-31.3
Scope 3 intensity per sales[8] (tCO_2eq/CHF million)	88.1	88.6	-0.6	110.5	-20.3

1. Reported GHG emissions for FY19 and FY24 have been recalculated to enhance accuracy in line with our reporting principles. We estimated 2019 emissions from companies acquired by SGS Group between 2019 and 2024, following the Greenhouse Gas Protocol Corporate Standard (Chapter 5). Additionally, we identified and disaggregated previously reported minor fuel consumption associated with employee-owned vehicles in certain countries.
2. Refrigerant gas emissions are not included in this figure.
3. District heating emissions are not included in this figure.
4. 97% of total electricity consumption is sourced from zero emissions energy: 70.9% I-RECs, 14.8% guarantees of origin, 12.7% RECs, 1.4% REGOs, and 0.2% other country-specific certificates.
5. We continually refine our methodology to uphold the highest accountability standards. In 2025, we redefined and automated our emissions measurement and analysis process in partnership with a leading climate platform. We enhanced Scope 3 calculations by integrating supplier-specific data for Categories 1 and 2 and updated our emissions factor database to deliver greater granularity and global coverage.
6. Being the numerator the total scope 1 + 2 market-based GHG emissions and the denominator the sales.
7. Being the numerator the total scope 1 + 2 market-based GHG emissions and the denominator the average FTEs (see table 'Average number of Full Time Equivalents (FTEs) by geographical area' on page 107).
8. Being the numerator the total scope 3 GHG emissions and the denominator the sales.

We do not finance GHG mitigation (avoidance and removal) projects through carbon credits and we have yet not implemented carbon-pricing mechanisms.

Regarding the Scope 3 categories not reported in the table above:

- Category 4 'Upstream transportation and distribution' emissions are included in the emission factors used in Scope 3.1 and 3.2
- Categories 9 to 13 do not apply as SGS does not sell manufactured products
- Category 14 'Franchises' does not apply as SGS does not use franchises to operate
- Category 15 'Investments' does not apply as SGS does not provide financial services

Other environmental indicators

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.

	2025	2024[1]	2023[1]
Water purchased (m^3)	2 080 048	2 066 704	2 051 434
Weight of waste generated (metric tons)	79 073	87 944	70 347
Weight of hazardous waste generated (metric tons)	18 060	24 294	15 020
Weight of non-hazardous waste generated (metric tons)	61 013	63 650	55 327
Weight of waste recovered (metric tons)	28 715	25 038	22 616
Weight of hazardous waste recovered (metric tons)	6 149	5 152	5 639
Weight of non-hazardous waste recovered (metric tons)	22 566	19 886	16 977
Environmental incidents (# of environmental incidents including significant spills)	35	35	29

1. 2024 data was updated due to improved data accuracy.

3. Social topics

3.1. Policies

Our Group policies apply to all SGS affiliates and define our commitments and minimum requirements worldwide. Affiliates also develop local policies based on regional regulations and business needs. Where local or regional SGS policies impose stricter requirements, these take precedence over Group provisions.

One of our most significant Group policies is the Human Rights Policy. Our commitment to respecting human rights is embedded in the SGS Code of Integrity and our Business Principles, and reflected in our Human Rights Policy, Supplier Code of Conduct and other related policies. To uphold these commitments, we follow the ten principles of the United Nations Global Compact (UNGC) and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

We recognize that certain groups or individuals – including children, women, local communities and migrant workers – may be particularly vulnerable to human rights impacts. SGS takes responsibility for ensuring fair and respectful treatment of all, addressing the specific challenges faced by these groups.

Our due diligence process includes comprehensive controls to identify, prevent and mitigate the risk of human rights violations and broader labor rights issues across our operations. Our enterprise risk management framework integrates these human rights considerations, assigning clear accountability and responsibility for risk management throughout our organization.

Specific controls address compliance with minimum wage requirements, overtime rules, changes to pay, anti-discrimination, equal treatment and collective agreements. SGS also applies a rigorous ‘four-eyes principle’ to all employment-related decisions, ensuring multiple levels of validation and oversight for fairness and transparency.

In addition, SGS maintains targeted policies, programs and action plans to prevent and minimize potential human rights impacts. These measures apply to all employees, offices and laboratories globally and form part of our broader commitment to protecting human rights in every aspect of our operations.

Fair and competitive remuneration

We are committed to providing fair and competitive remuneration packages across all markets in which we operate. Our approach applies a globally recognized job architecture methodology, ensuring fairness and consistency throughout the SGS Group. Each role is evaluated according to its contribution to business success, as well as the knowledge, qualifications, skills and experience required to perform it.

This methodology enables us to benchmark remuneration against local market practices using data from salary surveys conducted by reputable professional service providers. Salary adjustments reflect both an employee’s contribution to our success and external factors such as local legislation and collective bargaining agreements, where applicable.

Our data-driven approach ensures that remuneration packages remain fair, competitive and aligned with our principles of equal pay for work of equal value.

In line with our anti-discrimination and dignity-at-work policies, all employment decisions – including compensation, benefits, recognition and promotion – are based solely on merit, qualifications, performance and behavior. We fully comply with all applicable minimum wage requirements and collective bargaining agreements defined by local legislation, ensuring fairness and respect in every employment relationship.

Anti-discrimination and dignity at work

As stated in our Anti-Discrimination and Dignity at Work Policy, and embedded in our Diversity, Equity and Inclusion (DE&I) Policy, SGS does not tolerate discrimination, harassment or bullying in any form.

We prohibit unfair treatment based on age, civil partnership, disability, ethnicity, family status, gender, gender identity, ideological views, marital status, nationality, political affiliation, pregnancy, religion, sexual orientation, social origin or any other protected status under applicable law.

We encourage employees to speak up and act immediately if they encounter discrimination. At SGS, there is zero tolerance for any form of discriminatory behavior.

Bonded labor, child labor and forced labor

SGS does not engage in any form of bonded labor, child labor or forced labor. As a TIC company, the nature of our work requires employees with specific professional qualifications – such as inspectors, auditors, office personnel and laboratory staff. Given this context, our operations are inherently considered low to medium risk for bonded, child or forced labor.

3.2. Processes for engaging with our employees and employees’ representatives

Works councils

Engaging with our employees and employee representatives is a regular part of our activity through “myVoice” program (see section 3.3). Our affiliates in various countries follow the processes relevant to their local practices and regulations, and processes are set for engaging with work councils as needed. One of our main communication channels with employee representatives is the European Works Council (EWC). The EWC serves as a formal platform where management consults and informs employees on significant business developments and decisions at the European level that may affect their employment or working conditions.

EWC representatives are selected according to the rules of each of European member country, with every country represented by at least one delegate. Depending on the size of the workforce in each country, representation may include two or three members.

To support ongoing dialogue, the EWC elects five representatives to form a select committee, which serves as the main point of contact for management throughout the year. This committee addresses shared initiatives and issues requiring discussion. The select committee and management typically meet in person once or twice annually, with additional communication maintained through email or virtual meetings.

An annual in-person meeting is also held over three to four days, bringing together all 30 EWC representatives. The agenda includes specialized training from external experts to strengthen understanding of European legislation and EWC rights. Half of the meeting is dedicated to discussions with SGS management, providing a forum to align on strategic direction and performance at the European level.

This engagement is overseen by the Head of Europe, supported by the Head of HR Europe. Their leadership ensures that EWC representatives' feedback and insights are actively considered in management decisions. These discussions often inform strategic areas such as acquisitions, divestments, reorganizations and structural changes.

To assess the effectiveness of this engagement, SGS conducts an annual evaluation following the EWC meeting week. Feedback from representatives is used to identify opportunities for improvement and strengthen collaboration. Alongside formal meetings, informal sessions help foster open dialogue and mutual understanding between management and EWC representatives.

The EWC plays a crucial role in shaping our workforce strategy, providing perspectives that help us manage both current and potential impacts on employees.

Other channels and processes to raise concerns

Employees can raise concerns through multiple channels, including directly with their manager or team leader, by contacting Human Resources, or by using established reporting tools such as the SGS Integrity Helpline. All reports are handled confidentially and sensitively, in full compliance with applicable laws and internal policies.

3.3. Progress in 2025

myVoice – Our People Survey

We are a people business by nature. Our commitment is to work tirelessly to ensure our people are engaged and proud to work at SGS.

This year we rebranded our engagement survey to demonstrate the ownership of our people and the commitment of the leadership to continue to listen. myVoice was born and reached for the first time the full scope of our organization. Nearly 90 000 people were invited to participate with a great 87% response rate. Our overall engagement score was 7.5 (an increase of 0.2 compared to 2024). A number of activities in our affiliates continue to take place to ensure we are listening and having dialogue all year round and not just once a year.

	2025	2024	2023
Employees invited to participate in the employee engagement survey (# of employees)	89 590	62 052	25 412
Response rate (%)	87	77	81
Engagement Index (average score out of 100)	7.5	7.3	7.6

Talent attraction and retention

Our Employee Value proposition continues to attract new colleagues through our purpose, and our values in Trust, Team and Performance.

During 2025, we further enhanced our Talent Acquisition function, operating centrally and across all regions. Supported by market-leading technology and AI-embedded tools, the team combines scale with direct headhunting capability to secure top talent and specialized expertise. The integration of talent acquisition with workforce planning enables us to anticipate skill gaps, accelerate recruitment and build the capabilities required to deliver Strategy 27.

To further support engagement and retention, we developed the Stay Conversation and Career Conversation frameworks, which provide managers with structured tools to discuss career aspirations, challenges and development goals. These conversations ensure early focus on retention topics and translate into actionable, personalized development plans with systematic follow-up.

Finally, we established a dedicated talent pool for critical P&L positions to secure a strong leadership pipeline in alignment with Strategy 27. Specific development plans are followed closely both at local and global level to ensure retention.

	2025	2024	2023
Number of FTEs at year end (# FTEs)	102 804	99 483	99 589
Female employees (% of total employees)	38	38	37
Male employees (% of total employees)	62	62	63
Permanent[1] employees (% of total employees)	83	93	92
Casual[2] employees (% of total employees)	17	7	8
New hires (# of permanent employees)[3]	22 139	28 337	27 288
Internal new hires (% of total new hires)	35.4	20.9	16.3
External new hires (% of total new hires)	64.6	79.1	83.7
Voluntary turnover (% of permanent employees)	11.5	13.7	12.8

1. In 2023 and 2024, 'Permanent' included permanent and fixed-term employees. In 2025, fixed-term employees are included in 'Casuals'.
2. In 2023 and 2024, 'Casuals' included short-term and casuals employees and paid apprentices, trainees and interns. In 2025, this category also includes fixed-term employees.
3. In 2025, new hires do not include fixed-term employees.

Training and skills development

We integrated SGS Campus, our dedicated online learning portal, with mySGS to create a unified digital environment that enhances our talent development capabilities across the organization. Development is significantly valued at SGS. Our investment in training hours continue to increase (an additional 8% over 2024 investment) both in technical and non technical training.

Leadership development programs

We launched a new online platform for leadership development, offering access to a wide range of courses from leading business schools. This empowers employees to drive their own learning at their own pace.

In line with Strategy 27, new sales development programs were rolled out across key markets for both customer-facing teams and sales managers. These programs enhance sales competencies, strengthen customer focus and are available to both full-time and contract employees.

We also introduced the SGS Business School, a global program designed for senior leaders to support the implementation of Strategy 27. The program equips leaders with the skills and insights needed to achieve our strategic goals, with participation from over 150 senior leaders worldwide.

Further leadership development initiatives were launched globally, reaching nearly 9 000 supervisors and managers. These programs focus on building leadership competencies critical to delivering Strategy 27.

Collectively, these initiatives have had a measurable positive impact on employee engagement scores (+0.2 increase), reflecting stronger connection, capability and alignment across our teams – directly contributing to our business performance.

Digital transition programs

We are helping employees integrate digital tools into their daily work. In 2025, we organized training sessions on a variety of topics, with particular focus on productivity applications and AI platforms. These have been made available to all employees including contractors who are using the SGS email network.

Digital transition is a key pillar of our development strategy ensuring our people are prepared and active towards a more productive, efficient and innovative environment.

Sustainability programs

We have developed a comprehensive sustainability training framework designed to build awareness and strengthen competencies across all levels of the organization.

The framework includes:

- A foundation course for all employees
- An intermediate course for those seeking further specialization
- A course for top management focused on strategic integration
- Continued human rights training, already established within our core curriculum

The courses cover a wide range of topics, including climate change, integrity, diversity and human rights, with a particular focus on SGS's strategic priorities.

Transition programs

Outplacement and transition programs are offered across our affiliates to support colleagues leaving the Company due to retirement or restructuring. These initiatives aim to provide guidance and assistance during career transitions, ensuring fair treatment and continued professional support.

Internal mobility and progression

Our development programs continue to deliver impact measured by employee engagement scores as well as our internal promotions. In 2025, 48% of new appointments in leadership roles were internal promotions. This represents an increase of 15% over last year.

	2025	2024	2023
Training hours per FTE (# of hours per average FTE)	64.4	61.4	61.1
Training hours delivered to employees (# of hours)	**6 513 781**	**6 092 636**	**6 016 569**
Management and leadership development training	102 191	81 122	110 575
Apprentice and trainee training programs	287 311	270 059	205 020
Technical training	1 090 280	970 146	832 438
Non-technical training	161 334	123 684	157 183
Health and safety training	3 556 475	3 432 614	3 423 056
Compliance training	1 054 861	911 257	1 071 096
Other training	261 329	303 754	217 201
Training hours delivered to clients and communities (million hours)	**1.2**	**1.3**	**1.3**

Performance reviews

Our Company's performance and development is powered by our people's performance and development. This requires agile, personal and specific attention to our employees in different locations.

In 2025, 90% of employees received performance reviews.

We believe in continuous feedback and dialogue with our employees to improve performance and to reduce the bureaucracy surrounding this process in an organization of our size. Our managers are continuously trained to do this and encouraged to make it a priority.

This continuous feedback is measured by the engagement scores for each of the managers with particular questions in our survey about performance. At a Group level the score in 2025 was 7.7 out of 10.

Clarity of goals and expectations is a key factor in improving performance and this is also measured in our engagement survey. At a Group level the score in 2025 was 8.6 out of 10, which further underscores the collective accountability and focus of all employees in achieving Strategy 27.

Category	Question	2025 score
Feedback	I get enough feedback to understand if I am doing my job well	7.7
Goal setting	At work I know what I am expected to deliver	8.6

Talent management

We introduced our first equity and inclusion policy outlining principles of employee equity across all levels of the organization. Together with our updated sustainability business principle, this policy reinforces our commitment to fostering a workplace that promotes equity and empowers every employee.

Our group-wide commitment is reflected locally through practical actions and recognition. For example, SGS Colombia was recognized by the Companies that Build initiative, awarded by the Employment Management and Placement Agency of Barrancabermeja (CAFAB), for its leadership in inclusive hiring and efforts to expand access to decent work opportunities in the region.

To strengthen diversity and inclusion in recruitment, we provide training for hiring managers and recruiters covering interview techniques, evaluation criteria and diversity best practices. We also monitor gender diversity within our applicant pool to support ongoing improvement.

We continue to monitor our succession pipeline to ensure business continuity as well as provide appropriate development opportunities and career progression to our employees.

	2025	2024	2023
Women in leadership (% of CEO-3 female employees)	**32.5**	**31.7**	**31.9**
Women in STEM-related positions (% of women over the total STEM-related positions)	42.0	38.5	34.3
Employees with disabilities (% of total employees)	0.9	1.0	0.9
CEO and mean employee compensation ratio[1]	58.5	56.4	31.9

1. 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).

Health and safety

Our Health, Safety & Environment policy statement, together with the SGS Rules for Life, provides the foundation of our H&S management system. It applies to all personnel, including employees, contractors and visitors, at our sites and at sites we operate. The system sets out minimum compliance requirements in line with local laws and regulations. In 2025, we strengthened its technical focus on areas such as short- and long-term employee and contractor management, mergers and acquisitions and wind farm safety.

To ensure compliance and drive continuous improvement, we conduct audits at both central and local levels. Regions and countries are reviewed centrally, while local H&S managers audit laboratories, offices and facilities. The results form a key part of the leading indicators we track to anticipate risks and improve performance.

Our annual Rules for Life e-learning is a key initiative to reinforce accountability and life-saving behaviors across all operations. Delivered globally, the training ensures consistent awareness of critical behaviors across all operations. In 2025, participation reached 93%, underlining strong engagement and our collective commitment to a safer workplace.

In 2025, we marked Safety Month under the theme ERGO-SAFE, a global campaign that highlighted ergonomics, well-being and safe habits both at work and at home. Employees across our global network took part in workshops, training and leadership activities that raised awareness of healthy practices, injury prevention and overall well-being.

This year, we are also proud to announce that our H&S teams have been celebrated both internally within SGS and externally by respected organizations worldwide. Internally, our annual Health & Safety Awards recognized outstanding contributions across regions, showcasing innovative initiatives and strong employee engagement. Externally, SGS was honored by leading authorities, reinforcing our role as a benchmark for workplace health and safety excellence in China, Thailand, Kenya and Singapore, among others.

As an example, for the third consecutive year, SGS Testing & Control Services Singapore has won the Workplace Safety and Health (WSH) Performance (Silver) Award, presented by the Workplace Safety and Health Council and supported by Singapore's Ministry of Manpower.

With over 300 workshops in 53 countries, the Safety LeaderSHIFT program has trained over 4 000 managers and supervisors and developed 110 champions. With outstanding feedback (4.8/5), this global initiative equips leaders to embed safety in daily operations, strengthening a culture of prevention and accountability across SGS worldwide.

The Life-First program reinforces our commitment to preventing serious injuries and fatalities. Targeting high-risk areas such as labs, ports and transport, it strengthens critical controls, builds local capability and drives proactive risk management. Through training, coaching and knowledge-sharing, Life-First is embedding awareness, accountability and safer operations worldwide.

Our industrial hygiene program is central to safeguarding employee health. In 2025, we conducted targeted exposure assessments, introduced controls for silica and lead, and advanced local exhaust ventilation systems investments. Through training, surveillance and continuous improvement, we reduce risk of exposures to chemical, physical and biological agents, supporting safer workplaces, resilience and long-term sustainability.

	2025	2024[5]	2023
Total Recordable Incident Rate (TRIR)[1] (occurrences per 200 000)	0.33	0.34	0.32
Number of recordable incidents[2] (# of incidents)	347	357	326
Lost Time Incident Rate (LTIR)[3] (occurrences per 200 000)	0.16	0.17	0.17
Fatalities (# of cases)	1	2	2
Sites certified to ISO 45001 and/or ISO 14001 standards (number of sites)	786	719	644
Sites dual certified to ISO 45001 and ISO 14001 standards (number of sites)	357	291	278
FTE covered by ISO45001 standard (number of FTE)	34 597	32 348	28 222
FTE covered by ISO14001 standard (number of FTE)	32 078	31 574	26 204
Total absence rate[4] (% of days of sickness absence plus days lost per incidents with lost time per total days worked)	1.94	2.07	1.92
Sickness absence rate (% days of sickness absence per total days worked)	1.92	2.05	1.90
Work-related absence rate (% days of lost time and restricted duty due to recordable incidents per total days worked)	0.02	0.02	0.02

1. Number of lost time, restricted duty, medical treatment incidents and fatalities per 200 000 hours worked.
2. Number of lost time, restricted duty, medical treatment incidents and fatalities.
3. Number of lost time incidents per 200 000 hours worked.
4. Days of sickness absence and restricted duty per total days worked.
5. 2024 data was updated due to improved data accuracy.

Well-being and employee support programs

We provide well-being initiatives that are globally aligned yet adapted to the specific needs and resources of our local affiliates. Each affiliate leads its own initiatives within a decentralized framework designed to fit local customs, available resources and facilities, and applicable regulations. As a result, programs naturally vary across locations but share a common focus on promoting health, safety and overall well-being. In North America, for example, employees have access to a broad range of health and wellness resources, including fitness and well-being challenges, mental health programs, counseling services (covering family, financial, legal and career topics), and virtual or self-guided therapy tools such as internet-based cognitive behavioral therapy. The Dialogue platform also provides in-person and virtual support for critical illnesses, along with free financial planning tools and access to financial counselors.

SGS is committed to supporting our employees and their families. We ensure that our practices on parental leave are aligned with the local regulations and practices and supportive of our employees needs. For example, in New Zealand, SGS offers 26 weeks of paid parental leave for primary caregivers. In Australia, employees receive 10 days of paid care leave per year, in addition to parental leave, and 10 days of paid domestic violence leave. In South Korea, both parents regardless of caregiver status are eligible for up to 12 months of paid parental leave per child, which can be extended up to 18 months.

	2025	2024	2023
Percentage of employees covered by collective bargaining agreements[1]	46	47	46

1. 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.

Our communities

We are committed to supporting the communities where we operate, and do so across three pillars: empowerment, education and environment. Through our community strategy, we help to tackle global challenges such as poverty, equal opportunities, health, education, climate change and environmental degradation.

	2025	2024	2023
Community donations[1] (CHF thousands on constant currency basis)	1 309	1 529	1 722
Total community projects (# of projects)	439	529	595
Community hours (# of hours dedicated to community)	26 692	35 455	32 590

1. Community donations include: cash, donations in kind and volunteering hours. 2024 data was updated due to improved data accuracy.

4. Governance topics

4.1. Ethics and Compliance governance

The role of the Board and the Executive Committee with regards to Ethics and Compliance is explained in the Corporate governance report page 45.

4.2. Business conduct policies and corporate culture

Trust is at the heart of our corporate culture and underpins our brand promise: When you need to be sure.

Our Compliance and Business Ethics function operates under the principle "Think integrity, build trust," ensuring integrity is embedded in all business practices and reflected in every decision we make.

Our Corporate Compliance Management System defines how we promote ethical conduct, manage risks and respond to compliance matters. It is based on the SGS Code of Integrity and built on three core pillars.

The SGS Code of Integrity serves as a blueprint for all employees, affiliated companies, contractors, subcontractors, joint venture partners and agents. Available in 39 languages, it addresses key topics such as conflicts of interest, sponsorships and donations, bribery and corruption, and fair competition.

The Compliance and Business Ethics function maintains direct communication with the Compliance Committee and provides quarterly reports to the Audit Committee. The General Counsel & Chief Compliance Officer, who is also a member of the Executive Committee, oversees this process.

This structure ensures independence, reinforces transparency and strengthens leadership's commitment to integrity across all business operations.

Compliance management system

Our Compliance Management System is built on global compliance standards and structured around three interconnected pillars:

- **Prevention:** we promote proactive and compliant behavior through training, clear communication and targeted awareness campaigns that empower employees to act with integrity
- **Detection:** we identify, assess, and evaluate compliance risks through a strong framework of policies, processes, and support services designed to reduce potential risks to an acceptable level
- **Response:** we address cases promptly and transparently with the SGS Integrity Helpline, structured case management, investigations and corrective actions that strengthen accountability

Together, these pillars ensure that trust and integrity remain central to how we conduct our business. They reinforce our corporate culture through awareness, strengthen our reputation with applicable processes and uphold our commitment to responsible business practices by ensuring a 'speak-up' culture.

Prevention: training and awareness

Our learning and engagement initiatives equip employees with the mindset, knowledge and skills needed to make principled decisions in a complex business environment. These initiatives empower employees to apply the SGS Code of Integrity in their daily work and align their actions with our integrity culture.

Our annual mandatory training, Think Integrity, ensures that all employees understand the rules of the SGS Code of Integrity and the principles, values and standards that guide our operations. The program uses real-world scenarios to help employees navigate complex situations and make integrity-based decisions.

Regional live webinars provide targeted insights into the Code and address specific integrity challenges relevant to each region. They also offer an open forum for employees to ask questions, share experiences and strengthen integrity-based decision making.

Global learning initiatives and communication campaigns reinforce key compliance topics, expected behaviors and best practices. Together, these activities foster transparency, raise integrity awareness and reduce risk – helping maintain the trust of all stakeholders.

Prevention: policies

The SGS Compliance Management System includes policies and processes that safeguard our integrity, ensuring it remains central to every decision and action we take.

Our policies define the rules and expectations for ethical conduct and responsible business operations. Our processes provide structure, oversight and continuous improvement to ensure these standards are applied consistently across the Group.

In 2025, we introduced several key policies to further strengthen our compliance framework:

- Anti-Corruption and Conflicts of Interest Policy: ensures that business decisions are guided by fairness, transparency and ethical judgment
- SGS Sanctions Policy: ensures full compliance with international laws and global trade restrictions, updated in line with the latest developments in international sanctions
- SGS High-Risk Context Policy: establishes rigorous requirements for the selection, approval, contracting and monitoring of third parties operating in high-risk environments, helping prevent corruption and misconduct
- SGS Investigation Policy: defines clear procedures and responsibilities for conducting fair, thorough and timely investigations into potential violations of the Code of Integrity

Detection: processes

In 2025, we introduced several key processes to strengthen our compliance framework:

- SGS Integrity Disclosure Platform: enables the disclosure of potential conflicts of interest, helping prevent corruption and reinforce transparency
- SGS Sanctions Advisory Desk: allows the business to proactively assess sanction risks in target territories, ensuring compliance with international trade laws and regulations through dedicated review and approval processes
- SGS Compliance Due Diligence Questionnaire (CDDQ): ensures that critical business partners are evaluated within a third-party risk management (TPRM) process

Response: reporting and guidance

Escalation and support channels are essential to maintaining a strong speak-up culture. We prioritize creating an environment where employees feel safe to raise concerns, seek guidance and report potential misconduct. Both SGS employees and external parties can use the SGS Integrity Helpline to ask questions, seek advice or report violations of the SGS Code of Integrity confidentially, anonymously and without fear of retaliation.

Retaliation against anyone who reports a concern in good faith is strictly prohibited and will result in disciplinary action.

The Compliance and Business Ethics function conducts all investigations with the highest level of confidentiality and sensitivity, ensuring the protection of those who come forward. Information is handled carefully, and appropriate corrective actions are taken to address and prevent further breaches of the Code of Integrity.

In 2025, the SGS Integrity Helpline transitioned to a new reporting platform, offering a more modern and user-friendly experience while maintaining robust data protection and confidentiality standards. Its core purpose remains the same – to provide a safe and secure channel to seek advice, raise concerns and report potential violations.

The Helpline operates 24/7 in multiple languages, online and by phone, enabling confidential and anonymous reporting. It is managed by an independent third-party provider specializing in compliance and ethics reporting.

	2025	2024	2023
Number of issues reported through integrity helpline[1]	634	512	450
Number of substantiated breaches of the Code of Integrity identified through integrity helpline[1,2,3]	117	111	89

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. This includes, among others, 11 cases of conflict of interest, 29 cases of discrimination, bullying and harassment, 2 cases of data privacy and 12 cases of corruption and bribery (measures taken for these cases were terminations of employees and disciplinary actions). In 2025, there were no cases of money laundering and insider trading.
3. Breakdown by type of consequence: strict disciplinary action 97; medium disciplinary actions: 53; cases requiring corrective actions 56.

	2025	2024	2023
Percentage of employees signing the Code of Integrity	100	100	100
Percentage of employees trained on the Code of Integrity	99.3	99.5	99.9
Percentage of operations analyzed for risks related to corruption	100	100	100
Public legal cases regarding corruption brought against the organization/employees	–	–	–

4.3. Political influence and lobbying activities

We do not provide any financial or in-kind support, given directly or indirectly, to political parties, their elected representatives or persons seeking political office. We support some industry associations, but the sum is not material, representing approximately 0.01% of our sales.

	2025	2024	2023
Trade associations or tax-exempt groups (e.g. think tanks)[1] (CHF)	1 407 468	1 294 767	909 129
Total contributions and other spending (CHF)	1 407 468	1 294 767	909 129

1. The main associations we contributed to in 2025 were: Association of Professional Social Compliance Auditors: CHF 391 674; Six Swiss Exchange: CHF 120 000; TIC Council: CHF 72 629; Energy Institute: CHF 68 398; Swissholdings: CHF 50 000.

4.4. Animal welfare

At SGS, we are committed to minimizing the use of animal testing by developing and adopting alternative methods that ensure product safety and efficacy. In very limited cases, animal testing remains legally required where no alternative methods exist to assess specific risks.

When regulations mandate animal testing – such as for environmental ecotoxicology assessments – we comply fully with all legal requirements while prioritizing the use of viable non-animal alternatives. We also collaborate with industry partners to advance alternative testing approaches and continually reduce reliance on animal testing wherever possible.

4.5. Management of our supply chain

In procurement and real estate, sustainability is not just a priority, it is a responsibility that shapes our daily decisions, partnerships and projects.

Aligned with our risk management process, we assess the potential impacts and risks associated with our suppliers. In 2025, our focus remained on controlling cost pressures from inflation and volatile energy markets, while safeguarding continuity against supply chain disruptions.

A central part of this work is embedding sustainability in our procurement approach. Around 90% of procurement initiatives now include sustainability criteria, reinforced through the SGS Supplier Code of Conduct, which ensures partners understand and follow our standards.

We relaunched our Supplier Self-Assessment Questionnaire (SAQ), prioritizing high-risk suppliers identified through our risk management process. After completing the SAQ, suppliers receive our new SGS Sustainability Guidebook, helping them identify key areas for improvement and reduce the risk of negatively impacting our sustainability objectives.

This SAQ program is mandatory for all high risk suppliers, ensuring compliance with our standards and strengthening the foundation of our sustainable supply chain. It also supports the creation of a sustainability risk map and demonstrates our commitment to fostering responsible partnerships.

In 2025, we also launched a tool to enhance the accuracy of Scope 3 emissions measurement, providing greater visibility of the emissions linked to our suppliers and helping to identify areas for action.

Looking ahead to 2026, we will continue to strengthen our sustainable supply chain practices by integrating mandatory sustainability fields into supplier criteria, expanding the Supplier Engagement Program, and publishing additional tools and resources on sgs.com to support supplier sustainability performance.

Sustainable procurement and supply chain

	2025	2024	2023
Number of local suppliers (% of total suppliers)	99.5	98.9	99.0
Number of global suppliers (% of total suppliers)	0.5	1.1	1.0
Spend of local suppliers (% of total spend)	88.4	90.2	89.0
Spend of global suppliers (% of total spend)	11.6	9.8	11.0
Spend by supra-region – Europe, Africa and Middle East (% of total spend)	45.6	44.0	43.0
Spend by supra-region – Asia Pacific (% of total spend)	29.7	32.0	35.0
Spend by supra-region – Americas (% of total spend)	24.7	24.0	22.0

The Group total spend on goods and services was CHF 2.3bn (2024: 2.3bn), out of which 25% on equipment, building and vehicles (2024: 25%), 24% on consumables, repairs, and maintenance (2024: 24%), 18% on subcontractors (2024: 18%) and 33% on other services (2024: 33%).

5. Company-specific topics

5.1. Customer relationship and satisfaction

Customer satisfaction remains a cornerstone of our long-term strategy. The Customer Satisfaction (CSAT) Score is a key non-financial KPI embedded in Strategy 27, underscoring its vital role in driving sustainable value across SGS. We continuously monitor this KPI to ensure improvement and alignment with our global objectives.

As in previous years, we continue to expand our Voice of the Customer program to capture a broader and more representative view of the customer experience across our global operations.

We are also integrating customer-related systems – including the Voice of the Customer program, CRM and mailing platforms – to ensure consistent, accessible and accurate data management. This consolidated framework enhances responsiveness and supports faster, data-driven decision making.

In parallel, as part of our efforts to improve the information we obtain throughout the survey process, we are incorporating artificial intelligence into the analysis of Voice of the Customer data. These initial applications help us identify patterns and extract deeper insights from survey results, laying the foundation for broader use in the future.

To strengthen customer satisfaction, we are implementing several targeted actions focused on:

- Training: affiliates are investing in training programs to strengthen skills across diverse teams – from core operational staff to laboratory managers
- Process optimization: affiliates are streamlining workflows and systems to simplify the customer journey and improve efficiency, with additional focus on people development to enhance service quality
- Technology adoption: we are expanding technology integration for history tracking and lead management, supporting a more sophisticated, data-driven approach to customer management
- Incentives program: certain affiliates have organized award programs to recognize employees achieving an excellent customer satisfaction score

	2025	2024	2023
Customer satisfaction score (% score)	92	91	91
Group sales covered by Voice of the Customer surveys (% of total sales)	85	78	78

5.2. Cybersecurity and data privacy

Information security and cybersecurity

IT security/cybersecurity governance

The Audit Committee supports the Board of Directors in its oversight of financial reporting and internal controls, including IT security and cybersecurity risks. It receives regular updates on incidents and the measures taken to address them.

Since 2023, we have operated an ISO/IEC 27001-certified Information Security Management System (ISMS), providing a structured approach to managing security risks in line with international best practice. Governance is reinforced through a dedicated Information Security Committee, which reviews risks, controls and progress annually, ensuring alignment with business objectives.

Information security is also prioritized by the Board's Risk Committee and embedded in our enterprise risk management framework. Oversight is further strengthened through the appointment of a Global Chief Information Security Officer (CISO), who leads our security program, reports directly to the Board, and is supported by six regional information security officers and the Global Information Security (GIS) team. Together they deliver core services including SecOps, IAM, vulnerability management and GRC.

Our Chief Information Officer (CIO) works in close partnership with the CISO to integrate security into our broader IT and digital strategy. In 2025, SGS CIO David Plaza joined the Executive Committee, advancing a robust IT roadmap in support of Strategy 27.

Through this structure, we ensure that our security processes comply with ISO/IEC 27001, are regularly audited, and remain embedded in strong governance and risk management practices.

IT security/cybersecurity policies

In 2025, we successfully migrated our ISMS to the ISO/IEC 27001:2022 framework. This transition updated all corporate policies to the latest international standards and introduced new measures addressing emerging threats, regulatory changes and technological trends. Our updated Security White Paper reinforces this commitment to protecting information assets and stakeholder data.

We also enhanced detection and response through next-generation Security Information and Event Management (SIEM) with advanced event correlation. Integrated with continuous monitoring of the surface, deep and dark web, this framework enables early detection of threats and rapid mitigation. Supported by automation, machine learning and global intelligence, it strengthens resilience and safeguards critical client data.

Our information security policy framework includes:

- **Continuous investment in advanced security technologies:** including identity threat detection, next-generation SIEM and cloud protection platforms
- **Data integrity and confidentiality:** strict controls to prevent unauthorized access, breaches and data loss, ensuring trust and compliance across all jurisdictions
- **Real-time monitoring and incident response:** our 24/7 Security Operations Center (SecOps) provides proactive incident management
- **Employee accountability:** defined information security responsibilities supported by training, awareness and phishing simulations
- **Third-party governance:** rigorous supplier requirements aligned with ISO/IEC 27001:2022 and continuous compliance monitoring

Information security management program

In 2025, we strengthened our Information Security Management Program (ISMP) through adoption of ISO/IEC 27001:2022, introducing updated controls and a more risk-based, forward-looking approach. The program is also aligned with the European NIS2 Directive and evolving global regulations on artificial intelligence and data protection, ensuring both compliance today and readiness for tomorrow.

Key elements of the program include:

- **Incident escalation and response:** clear reporting channels and dedicated tools for rapid action
- **Vulnerability management:** proactive testing and penetration exercises to identify and resolve weaknesses and improve defenses
- **Audits and certification:** annual internal and external reviews validating ISMS efficiency and compliance with ISO/IEC 27001:2022
- **Regulatory readiness:** dedicated initiatives to integrate NIS2, the EU AI Act and emerging global AI regulations into governance and operations
- **Identity and access management:** passwordless authentication, advanced identity governance and Zero Trust-aligned detection tools
- **Recognition and performance:** consistently maintaining BitSight security ratings above 730 across all regions, benchmarking the excellence of our cybersecurity maturity

Data privacy

We are committed to supporting every individual's right to control their personal information. Privacy is a fundamental human right and a key principle of our Code of Integrity. Our approach protects the personal data of customers, employees and third parties from the moment it is collected to its secure deletion.

Our Data Privacy Policy, upgraded in 2024, governs how we collect, use and manage personal data across all affiliates. In 2025, we further strengthened our global privacy framework to ensure continued compliance with evolving global and regional regulations, and to enhance operational efficiency. This included a comprehensive review of existing privacy processes to identify simplification opportunities, particularly in relation to Records of Processing Activities (RoPAs), and targeted training programs to address local data protection needs. We also explored AI-driven tools to support data mapping and assist data protection officers (DPOs) in their daily activities.

To respond to emerging technologies, we developed a dedicated privacy diligence framework for AI-related vendor engagements, helping mitigate potential risks where personal data is involved. Our ongoing monitoring of privacy regulations ensures alignment with new and upcoming laws across all jurisdictions where we operate.

The Group is dedicated to upholding high standards of internal control and regularly tests its compliance with Minimum Control Standards (see page 59). The adoption of the MCS requires an internal audit to be performed. In 2025, local audits were conducted across 25 affiliates to assess compliance with the privacy policy and identify areas for improvement. The audit included the verification of the following controls:

- E-learning training for all employees is conducted
- Privacy-related documentation is made available, if required by local data protection laws
- Any security breaches involving personal data is reported, responded to, and remediated
- Data processing agreements are signed with vendors who process personal data on behalf of SGS
- All personal data processing activities is documented and maintained, if required by local laws

Any individual can exercise their privacy rights by visiting our online privacy request form. Our updated policy, published in January 2024, explicitly covers the use of personal data for secondary purposes. We will not discriminate against individuals who choose to exercise their rights, nor alter the quality or price of services as a result.

In 2025, we did not receive any complaints from outside parties nor from regulatory bodies concerning data privacy breaches.

6. References

6.1. Glossary

The definitions and calculation methods for the indicators disclosed in the Non-Financial Statements are primarily based on the Global Reporting Initiative (GRI) Standards and are detailed in the SGS Basis of Reporting available at sgs.com. Definitions for selected key indicators are summarized below.

Customer satisfaction

Measurement of customer satisfaction with SGS services, collected through the global Voice of the Customer program. The score is calculated as the number of satisfied customers (ratings of 4 or 5 out of 5) divided by the total number of survey responses, multiplied by 100.

Training hours

Covers all training provided to employees, both internally and externally, delivered in person or virtually. It also includes client training delivered through the SGS Academy and community-focused training provided via the SGS Academy for the Community.

Women in leadership

Percentage of women managers down to level CEO-3. A manager is defined as an employee with people-management and/or Profit & Loss responsibility and/or a direct report to an ExCo member, Managing Director or Business Manager (excluding clerical roles).

GHG emissions

Emissions of carbon dioxide equivalent (CO_2eq) resulting from the Company's operations and value chain. CO_2eq emissions are calculated in accordance with the GHG Protocol guidelines.

Engagement index

A measure of how committed and enthusiastic employees are toward their work and the organization. The index represents the average engagement score across responses to three questions:

- How likely are you to recommend SGS as a place to work?
- How likely are you to stay with SGS if offered the same job elsewhere?
- Overall, how satisfied are you working at SGS?

The engagement index is the average of these responses on a scale of 0 to 10.

Number of experts

Based on SGS's job architecture, this includes roles requiring technical expertise. It excludes roles in general management, administration, support functions or positions that do not require technical qualifications.

Employees trained to the Code of Integrity

Number or percentage of permanent employees who have completed the annual mandatory integrity training.

6.2. GRI

SGS has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

GRI standard and disclosure		Reference	Reported performance	Assurance
GRI 2: General Disclosures 2021				
2-1	Organizational details	Page 100		AL
2-2	Entities included in the organization's sustainability reporting	Pages 155-156		AL
2-3	Reporting period, frequency and contact point	Pages 100, 164 and 199		AL
2-4	Restatements of information	Page 164		AL
2-5	External assurance	Pages 165 and 195-198		AL
2-6	Activities, value chain and other business relationships	Pages 12-13, 24-31 and 183	– Spend by SGS category – Spend by SGS supra-region	AL
2-7	Employees	Pages 107 and 177 The breakdown of full-time employees and part-time employees is not disclosed.	– Number of employees at year end (# of employees) – Permanent workers (as a % of total employees) – Casual workers (as a % of total employees)	AL
2-9	Governance structure and composition	Pages 36-49		AL
2-10	Nomination and selection of the highest governance body	Page 38		AL
2-11	Chair of the highest governance body	Page 39		AL
2-12	Role of the highest governance body in overseeing the management of impacts	Pages 43 and 51		AL
2-13	Delegation of responsibility for managing impacts	Pages 43 and 51		AL
2-14	Role of the highest governance body in sustainability reporting	Page 43		AL
2-15	Conflicts of interest	Page 181		AL
2-16	Communication of critical concerns	Pages 177 and 181-182	– Total number of substantiated breaches of the Code of Integrity received through integrity helplines and broken down by type of breach – Total number of integrity issues reported through integrity helplines	AL
2-17	Collective knowledge of the highest governance body	Page 165		AL
2-18	Evaluation of the performance of the highest governance body	Page 42		
2-19	Remuneration policies	Pages 62-89		AL
2-20	Process to determine remuneration	Pages 62-89		AL
2-21	Annual total compensation ratio	Pages 62-89 and 179	– CEO and mean employee compensation ratio	AL
2-22	Statement on sustainable development strategy	Pages 6-8		AL
2-23	Policy commitments	Pages 24-25, 32, 168, 176 and 181		AL
2-24	Embedding policy commitments	Pages 168, 176 and 181		AL
2-25	Processes to remediate negative impacts	Pages 54-57, 170-172, 176-177 and 182		AL
2-26	Mechanisms for seeking advice and raising concerns	Pages 176-177 and 181-182		AL
2-27	Compliance with laws and regulations	As indicated in our Code of Integrity, SGS complies with applicable laws in the countries where it does business. During 2025 the SGS Group was not condemned to any significant fines or penalties for non-compliance with any kind of laws and regulations.		AL
2-28	Membership associations	Page 182	– Payments to trade associations or tax-exempt groups	AL

GRI standard and disclosure		Reference	Reported performance	Assurance
2-29	Approach to stakeholder engagement	Pages 167, 177 and 186	– Customer satisfaction score (as a % score) – Engagement index	AL
2-30	Collective bargaining agreements	Page 180	– Percentage of employees covered by collective bargaining	AL
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Pages 49-58		AL
3-2	List of material topics	Pages 49-58		AL
3-3	Management of material topics	Pages 49-58		AL
GRI 201: Economic Performance 2016				
3-3	Management of material topics	Pages 49-58		
201-1	Direct economic value generated and distributed	– Total economic value generated: CHF 6 982 M (Revenue: CHF 6 945 M; Financial and other income: CHF 37 M) – Total economic value distributed: CHF 6 907 M (Salaries and wages: CHF 3 443 M; Subcontractors' expenses: CHF 424 M; Depreciation, amortization and impairment: CHF 485 M; Other operating expenses: CHF 1 546 M; Financial expenses: CHF 91 M; Dividends paid (expected): CHF 640 M; Income taxes CHF 245 Mio; Other taxes: CHF 32 M; Community contributions and charitable donations: CHF 1 M) – Total economic value retained: CHF 75 M	– Total economic value generated – Total economic value distributed – Total economic value retained	AL
201-2	Financial implications and other risks and opportunities due to climate change	Pages 170-173		
201-3	Defined benefit plan obligations and other retirement plans	Page 103 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 2025.		
GRI 202: Market Presence 2016				
3-3	Management of material topics	Page 175		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Quantitative information breakdown is unavailable. We are currently evaluating alternative reporting options and expect to report in coming years.		
GRI 204: Procurement Practices 2016				
3-3	Management of material topics	Page 183		
204-1	Proportion of spending on local suppliers	Page 183	– Number of local suppliers (as a % of total suppliers) – Number of global suppliers (as a % of total suppliers) – Spend of local suppliers (as a % of total spend) – Spend of global suppliers (as a % of total spend)	AL
GRI 205: Anti-corruption 2016				
3-3	Management of material topics	Pages 181-183		
205-1	Operations assessed for risks related to corruption	Page 54		
205-2	Communication and training about anti-corruption policies and procedures	Pages 181-183 Breakdown by gender and employee category is not reported.	– Percentage of employees trained to the Code of Integrity	AL
205-3	Confirmed incidents of corruption and actions taken	Page 182 In 2025, there were no public legal cases regarding corruption brought against the organization or its employees.	– Number and nature of confirmed incidents of corruption identified through corporate helplines	AL

GRI standard and disclosure		Reference	Reported performance	Assurance
GRI 206: Anti-competitive Behavior 2016				
3-3	Management of material topics	We are committed to using competitive and fair practices. As such, we do not engage in any understandings or agreements that may improperly influence markets, or discuss pricing, competitive bid processes, contractual terms, division of territories or customer and market allocations with competitors. We do not make disparaging or untruthful allegations regarding competitors, or endeavor to obtain confidential information about them using illegal or unethical means. Finally, our services and capabilities are never advertised in any way that could appear to be deceptive or misleading. We provide customers with detailed quotes and invoices so that they are informed about every aspect of our service, including pricing. Our Global Pricing Initiative, developed through expert review of pricing practices across the Group, ensures robust pricing processes and governance.		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2025, we did not identify any legal actions related to anticompetitive 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 2025.	– Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant	AL
GRI 207: Tax 2019				
3-3	Management of material topics	Pages 109-110		
GRI 302: Energy 2016				
3-3	Management of material topics	Pages 168-170		
302-1	Energy consumption within the organization	Page 173 The information reported is limited to the total fuel and the total electricity consumption broken down by renewable and non-renewable electricity.	– Total energy consumption (MWh) – Total energy consumption by use (MWh) – Vehicle fuels energy (MWh) – Non-transport fuels energy (MWh) – Total electricity (MWh) – Standard electricity (MWh) – Renewable electricity (MWh) – Total energy production (MWh) – Non-renewable energy production (MWh) – Renewable energy production (MWh) – Total renewable electricity (As % of total electricity consumption)	AL
302-3	Energy intensity	Page 173	– Energy intensity per revenue (MWh/CHF million) – Energy intensity per FTE (MWh/FTE)	AL
302-4	Reduction of energy consumption	Page 173 Compared to 2024, our energy consumption has remained stable in 2025 (+0.98%).		AL
GRI 303: Water and Effluents 2018				
3-3	Management of material topics	Page 175		
303-5	Water consumption	Page 175		
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 168-170		
305-1	Direct (Scope 1) GHG emissions	Page 174	– Gross Scope 1 GHG emissions (tCO_2e)	AL
305-2	Energy indirect (Scope 2) GHG emissions	Page 174	– Gross location-based Scope 2 GHG emissions (tCO_2e) – Gross market-based Scope 2 GHG emissions3 (tCO_2e)	AL
305-3	Other indirect (Scope 3) GHG emissions	Page 174	– Total Gross indirect (Scope 3) GHG emissions (tCO_2e) – Purchased goods and services – Capital goods – Fuel and energy related activities (not included in Scope 1 and Scope 2) – Waste generated in operations – Business travel – Employee commuting	AL

GRI standard and disclosure		Reference	Reported performance	Assurance
305-4	GHG emissions intensity	Page 174	– Scope 1+2 intensity per sales market based (CO_2e tons/CHF million) – Scope 1+2 intensity per FTE market based (CO_2e tons/FTE) – Scope 3 intensity per sales (CO_2e tons/CHF million)	AL
305-5	Reduction of GHG emissions	Page 174	– Scope 1+2 emissions variation – Scope 3 emissions variation	AL
GRI 306: Waste 2020				
3-3	Management of material topics	Page 175		
306-3	(2020) Water generated	Page 175		
306-3	(2016) Significant spills	Page 175	– Environmental incidents (as # of environmental incidents including significant spills)	AL
306-4	Waste diverted from disposal	Page 175		
GRI 308: Supplier Environmental Assessment 2016				
3-3	Management of material topics	Page 183		
308-2	Negative environmental impacts in the supply chain and actions taken	Page 183 Only qualitative information is reported.		
GRI 401: Employment 2016				
3-3	Management of material topics	Pages 176-180		
401-1	New employee hires and employee turnover	Page 177 Information not broken down by region.	– New hires (# of employees) – Voluntary turnover (as a % of permanent employees)	AL
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	We offer benefits such as healthcare plans and occupational pension plans to our employees considering their type of contract, in accordance with local market practices.		
401-3	Parental leave	Page 180		
GRI 402: Labor/Management Relations 2016				
3-3	Management of material topics	We strictly adhere to tariff structures and arrangements negotiated with trade unions, while we also inform and consult employees on relevant business activities. We respect statutory minimum notice periods and give reasonable notice of any significant operational changes in line with local practices and labor markets. Our affiliates' communication and consultation processes are tailored to local needs. Organizational changes and relevant events that occur are formally communicated in compliance with the different regulations that apply both globally and locally as well as, when applicable, in accordance with what is established in the collective bargaining agreements of the Group's companies.		
402-1	Minimum notice periods regarding operational changes			AL
GRI 403: Occupational Health and Safety 2018				
3-3	Management of material topics	Pages 179-180		
403-1	Occupational health and safety management system	Pages 179-180		AL
403-2	Hazard identification, risk assessment, and incident investigation	Pages 179-180		AL
403-3	Occupational health services	Pages 179-180		AL
403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 179-180		AL
403-5	Worker training on occupational health and safety	Pages 178-180		AL
403-6	Promotion of worker health	Pages 178-180		AL
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 179-180		AL
403-8	Workers covered by an occupational health and safety management system	Page 180	– FTE covered by ISO 45001 standard (number of FTE)	AL

GRI standard and disclosure		Reference	Reported performance	Assurance
403-9	Work-related injuries	Page 180	– Total Recordable Incident Rate (TRIR) (occurrences per 200 000) – Lost Time Incident Rate (LTIR) (occurrences per 200 000) – Sickness absence rate (as a % of days of sickness absence per total days worked) – Total absence rate (as a % of days of sickness absence plus days lost per incidents with lost time per total days worked)	AL
403-10	Work-related ill health	Page 180 Information not broken down by gender and employee category.	– The number of fatalities as a result of work-related ill health	AL
GRI 404: Training and Education 2016				
3-3	Management of material topics	Page 178		
404-1	Average hours of training per year per employee	Pages 178 and 182 Information not broken down by gender and employee category.	– Training hours delivered to employees – Percentage of employees trained to the Code of Integrity – H&S training hours	AL
404-2	Programs for upgrading employee skills and transition assistance programs	Page 178		AL
404-3	Percentage of employees receiving regular performance and career development reviews	Pages 178 and 179	– Performance reviews (as a % of employees eligible to performance review)	
GRI 405: Diversity and Equal Opportunity 2016				
3-3	Management of material topics	Page 179		
405-1	Diversity of governance bodies and employees	Pages 39-41, 46-47, 179 The Board of Directors is composed of 9 members (5 men and 4 women) The Executive Committee is composed of 13 members (11 men and 2 women)	– Percentage of employees by gender – Percentage of women in leadership positions (CEO-3) – Diversity on the Board and Executive Committee by gender, nationality and age	AL
GRI 406: Non-discrimination 2016				
3-3	Management of material topics	Pages 57 and 176		
406-1	Incidents of discrimination and corrective actions taken	Page 182	– Total number of proven incidents of discrimination	AL
GRI 407: Freedom of Association and Collective Bargaining 2016				
3-3	Management of material topics	Page 57		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 57		
GRI 408: Child Labor 2016				
3-3	Management of material topics	Pages 57 and 176		
408-1	Operations and suppliers at significant risk for incidents of child labor	Page 57		
GRI 409: Forced or Compulsory Labor 2016				
3-3	Management of material topics	Pages 57 and 176		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 57		
GRI 413: Local Communities 2016				
3-3	Management of material topics	Page 180		
413-1	Operations with local community engagement, impact assessments, and development programs	Page 180 We have implemented such programs in 50% of our affiliates.	– Investment in community (CHF thousands) – Total community projects (# of projects) – Community hours (# of hours dedicated to community)	AL

GRI standard and disclosure		Reference	Reported performance	Assurance
GRI 414: Supplier Social Assessment 2016				
3-3	Management of material topics	Page 183		
414-2	Negative social impacts in the supply chain and actions taken	Page 183		
GRI 415: Public Policy 2016				
3-3	Management of material topics	Page 182		
415-1	Political contributions	Page 182	– Contributions to local, regional or national political campaigns, organizations or candidates (CHF)	AL
GRI 417: Marketing and Labeling 2016				
3-3	Management of material topics	We provide customers with detailed quotes and invoices so that they are informed about every aspect of our service, including pricing. Our Global Pricing Initiative, developed through expert review of pricing practices across the Group, ensures robust pricing processes and governance.		
417-2	Incidents of non-compliance concerning product and service information and labeling	In 2025, we were not issued with any significant fines or penalties for non-compliance with regulations concerning product and service information and labeling.	– Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.	AL
417-3	Incidents of non-compliance concerning marketing communications	In 2025, we were not issued with any significant fines or penalties for non-compliance with regulations concerning marketing communications.	– Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.	AL
GRI 418: Customer Privacy 2016				
3-3	Management of material topics	Page 185		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 185 The total number of identified leaks, thefts, or losses of customer data is not reported.	– Number of complaints received from outside parties and substantiated by the organization (# of complaints) – Substantiated complaints concerning breaches of data customer policy (# of complaints) – Number of complaints from regulatory bodies (# of complaints)	AL

6.3. 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.

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 185
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Disclosed	Pages 185 See Privacy Policy at sgs.com
	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 185
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 39-41, 46-47, 179
	SV-PS-330a.2	(1) Voluntary, and (2) Involuntary turnover rate for employees	Disclosed	Page 177 Only voluntary turnover is disclosed.
	SV-PS-330a.3	Employee engagement as a percentage	Disclosed	Page 177
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	Disclosed	Pages 181-182 See Code of Integrity at sgs.com
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Disclosed	In 2025, we were not issued with any significant fines or penalties for noncompliance with regulations associated with professional integrity

Activity metrics

Activity metric	Code	Level of disclosure	Page number(s) and/or URL(s)
Number of employees by: (1) Full-time and part-time (2) Temporary, and (3) Contract	SV-PS-000.A	Partial[1]	Page 177
Employee hours worked; percentage billable	SV-PS-000.B	Not available[2]	–

1. FTEs, number of employees and percentage of casual and permanent workers are disclosed. We are working on reporting the requested breakdown in future reports.
2. We are working on reporting these figures in future reports.

6.4 Non-financial matters required by article 964b of the Swiss Code of Obligations

In compliance with the new Swiss rules on non-financial reporting (article 964b of the Swiss Code of Obligations), the Shareholders are invited to approve a report on non-financial matters. The Company publishes an integrated report, which covers a larger scope than what is strictly required by legislation. The vote of the shareholders is limited to the contents included in the following table.

Requirement	Sections in the report	Page number(s)	GRI Indicators
Description of the business model	Management report: – How we create value	Pages 24 to 25	GRI 2-6
Description of the policies adopted in relation to the relevant matters and measures taken to implement these policies			
Environmental matters	Non-Financial Statements: – 2. Environmental topics	Pages 168-175	GRI 3-3 (Energy and Emissions) GRI 302-1, 303-3, 303-4, 305-1, 305-2, 305-3, 305-4, 305-5
Social and employee-related issues	Non-Financial Statements: – 3. Social topics – 4.4. Management of our supply chain	Pages 176-180	GRI 3-3 (Procurement practices and Local communities) GRI 204-1, 413-1
Respect for human rights	Non-Financial Statements: – 3.1. Policies – 3.2. Processes for engaging with our employees and employees' representatives – 3.3. Progress in 2025	Pages 176-180	GRI 3-3 (Employment, Occupational Health and Safety, Training and Education) GRI 401-1, 403-1, 403-2, 403-3, 403-4, 403-6, 403-7, 404-1, 404-3
Combating corruption	Non-Financial Statements: – 4.2. Business conduct policies and corporate culture	Pages 181-182	GRI 3-3 (Anti-corruption) GRI 205-2, 205-3
Description of the main risks related to the relevant matters and how the undertaking is dealing with these risks	Corporate Governance Report: – 11. Integrated framework for managing risks, opportunities and impacts	Pages 49-58	GRI 3-1, 3-2, 3-3
Main performance indicators	Non-Financial Statements: – 2.8 Metrics – 3.3. Progress in 2025 – 4.2. Business conduct policies and corporate culture – 5.1. Customer relationship and satisfaction	Pages 173-175, 177-180, 182-183, 184	GRI 302-1, 303-3, 303-4, 305-1, 305-2, 305-3, 305-4, 305-5, 403-8, 403-9, 403-10, 404-1, 404-3, 405-1, 406-1
References to national, European or international regulations	Non-Financial Statements: – 6.2. GRI – 6.3. Sustainable Accounting Standards Board (SASB) framework alignment	Page 165	N/A
Coverage of subsidiaries	Non-Financial Statements: – 1.1. Basis for preparation of the sustainability statement	Page 164	GRI 2-2

Independent practitioner's limited assurance report on 2025 selected sustainability indicators contained within SGS's Integrated Report to the Board of Directors of SGS SA

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on the selected 2025 sustainability indicators (including the GHG emissions) as well as on the selected Non-Financial matters 2025 required by article 964b of Swiss Code of Obligations applying article 964b paragraph 3 CO (referred to hereafter as “Non-financial matters 2025”) contained within SGS's Integrated Report (hereafter the “Report”) of SGS SA for the period ended 31 December 2025.

Our limited assurance engagement focuses on 2025 selected sustainability indicators presented in the 2025 GRI Content Index of the Report on pages 187 to 192 as well as the in the selected Non-Financial matters table in the Report on page 194 as marked with the symbol AL (hereafter the “Subject Matters”).

The selected 2025 sustainability indicators contained within SGS's Integrated Report (including the GHG emissions) was prepared by the Board of Directors of SGS SA (the ‘Company’) based on the following criteria (the "suitable Criteria"):

- 2021 GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI); and
- The Greenhouse Gas Protocol Initiative Corporate Standards (Revised Edition).

Inherent limitations

The accuracy and completeness of the indicators contained within SGS's Integrated Report are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the sustainability indicators contained within SGS's Integrated Report is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the criteria disclosed on page 164 to 165 used by SGS SA in the Report, its definitions and procedures made available in the document “Basis for Reporting” presented on SGS SA’s website.

Board of Directors’ responsibility

The Board of Directors is responsible for preparing and presenting the 2025 non-financial and sustainability indicators (including the GHG emissions) contained within SGS's Integrated Report in accordance with criteria disclosed on page 164 to 165 and made available in the document “Basis for Reporting” on SGS SA’s website. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the 2025 non-financial and sustainability indicators (including the GHG emissions) contained within SGS's Integrated Report that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the criteria disclosed on page 164 to 165 and made available in the document “Basis for Reporting” on SGS SA’s website as well as for adequate record keeping.

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Independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and relevant independence and ethical requirements as transposed in Switzerland by EXPERTsuisse.

PricewaterhouseCoopers SA applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the Subject Matters as marked with the symbol AL. 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. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the Subject Matters in the Report were not prepared, in all material aspects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following:

- Assessment of the subsection '1. General Information–1.1. Basis for preparation of the sustainability statement' in the Report and the 'Basis of Reporting' document presented on the SGS SA's website and observing the application, including the suitable Criteria to determine whether they are appropriate when applied in relation to the disclosures and indicators;
- Interviewing SGS representatives at Group and country level in Netherlands, United States of America, United Kingdom, China, Korea, Thailand, India, France, Brazil, Hong Kong, Spain, Germany, Singapore 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 Subject Matters in the Report;

- Inspecting the relevant documentation on a sample basis;
- Performing tests of details on a sample basis as evidence supporting the Subject Matters concerning completeness, accuracy, adequacy and consistency.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected 2025 non-financial and sustainability indicators (including the GHG emissions) presented in the 2025 GRI Content Index on page 187 to 192 as well as in the selected Non-financial matters 2025 on page 194 in the non-financial statements section in the 2025 Integrated Annual Report of SGS SA for the period ended 31 December 2025, as marked with the symbol AL, are not prepared, in all material respects, in accordance with the suitable Criteria.

Other matter – comparative, retrospective and forward-looking information

Neither the comparative nor the retrospective information on prior year data (i.e. 2024 and earlier) as at 31 December 2025 and for the period prior to 1 January to 31 December 2025 as well as forward-looking information included in the non-financial statements section in the 2025 Integrated Annual Report of SGS SA were subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

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 Selected 2025 non-financial and sustainability indicators (including the GHG emissions) contained within SGS's Integrated Report (including the GHG emissions) 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 suitable Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the Subject Matters, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do 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 | Andriamiseza Adimby Rakotoarijaona

Geneva, 10 February 2026

The maintenance and integrity of SGS SA's website and its content are the responsibility of the Board of Directors. The work we have performed as the independent assurance practitioner does not involve consideration of the maintenance and integrity of the SGS SA's website. Accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected 2025 non-financial/sustainability indicators (including the GHG emissions) contained within SGS's Integrated Report (including the GHG emissions) or criteria disclosed in the Basis of Reporting since they were initially presented on the website.

Shareholder information

Key dates and events

26 March 2026	Annual General Meeting of Shareholders (Geneva)
23 April 2026	Q1 2026 sales update (Virtual)
24 July 2026	Half year 2026 results (Virtual)
23 October 2026	Q3 2026 sales update (Virtual)
11 February 2027	Full year 2026 results (Zürich)

Stock listing information

Stock exchange trading	SIX Swiss Exchange
Common stock symbols	Bloomberg: SGSN SW Reuters: SGSN.S Telekurs: SGSN ISIN: CH1256740924 Swiss security number: 249745

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Notes

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