SGS INVESTOR DAYS 23-24 SEPTEMBER 2010, ROUEN

CONSUMER@SGS

Frankie NG - EVP, Consumer Testing

September 2010

WHEN YOU NEED TO BE SURE

SGS

WHAT CONSUMER TESTING SERVICES DOES











- **Softlines**
  - Textiles, fabrics and garments, home textiles
  - Shoes, leather products
- **Hardlines**
  - Toys, Stationery and Childcare articles
  - DIY (Do It Yourself) and Gardening
  - Housewares and Decorative
  - Cosmetics, Cleaning products
- **Electrical and Electronics**
  - White goods, Home entertainment, Personal electronics, Lighting
  - Telecommunications equipment, IT
- **Food**
  - Products of animal or plant origin, beverages
- **Automotive**
  - Cars and accessories

OUR CLIENTS:

- Retailers
- Brands
- Industrials
- Importers

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THE MARKET







- Accessible market over CHF8bio (existing BUs)
  - Softlines > CHF1.0bio
  - Hardlines > CHF1.5bio
  - E&E > CHF2.0bio
  - Food > CHF2.5bio
  - Automotive > CHF1.0bio
- Expected market growth
  - Depending on industry: 5% to 30% yearly
- Where the market is going
  - Safety
  - Reliability, performance
  - Chemical
  - Sustainability

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STEADY STEPS TO 2014

- Services evolution
- Market expansion
- Efficiency optimisation

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SERVICES EVOLUTION

- Inspection
  - More functional than visual
- Testing
  - New regulations related to Children Products
    - Bisphenol A, Cadmium,
    - New Toy Safety directive (2009/48/EC)
  - RoHS Recast
  - Reach
- Sustainability
  - Consultancy
  - Supply chain management
  - Testing, auditing

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THE BIG CHALLENGES TO ALL OF US…

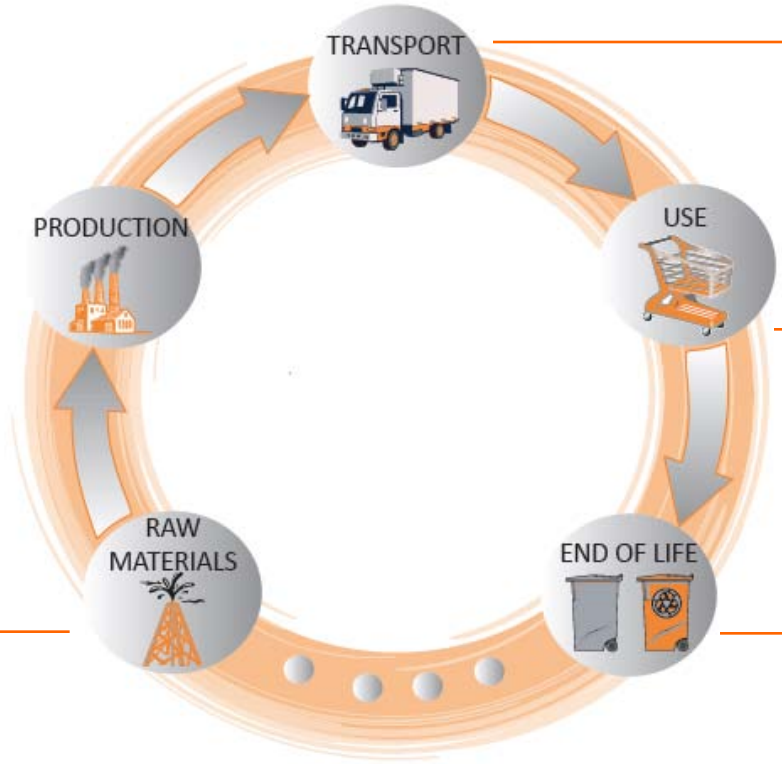
- If all human beings would use the same amount of resources as people in Western Europe, we would need at least 2.4 planets



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MULTI-EXPERTISE GLOBAL NETWORK

- Drive multiple services across the supply chain



Packaging & logistics optimisation

Low energy consumption
Life span optimisation

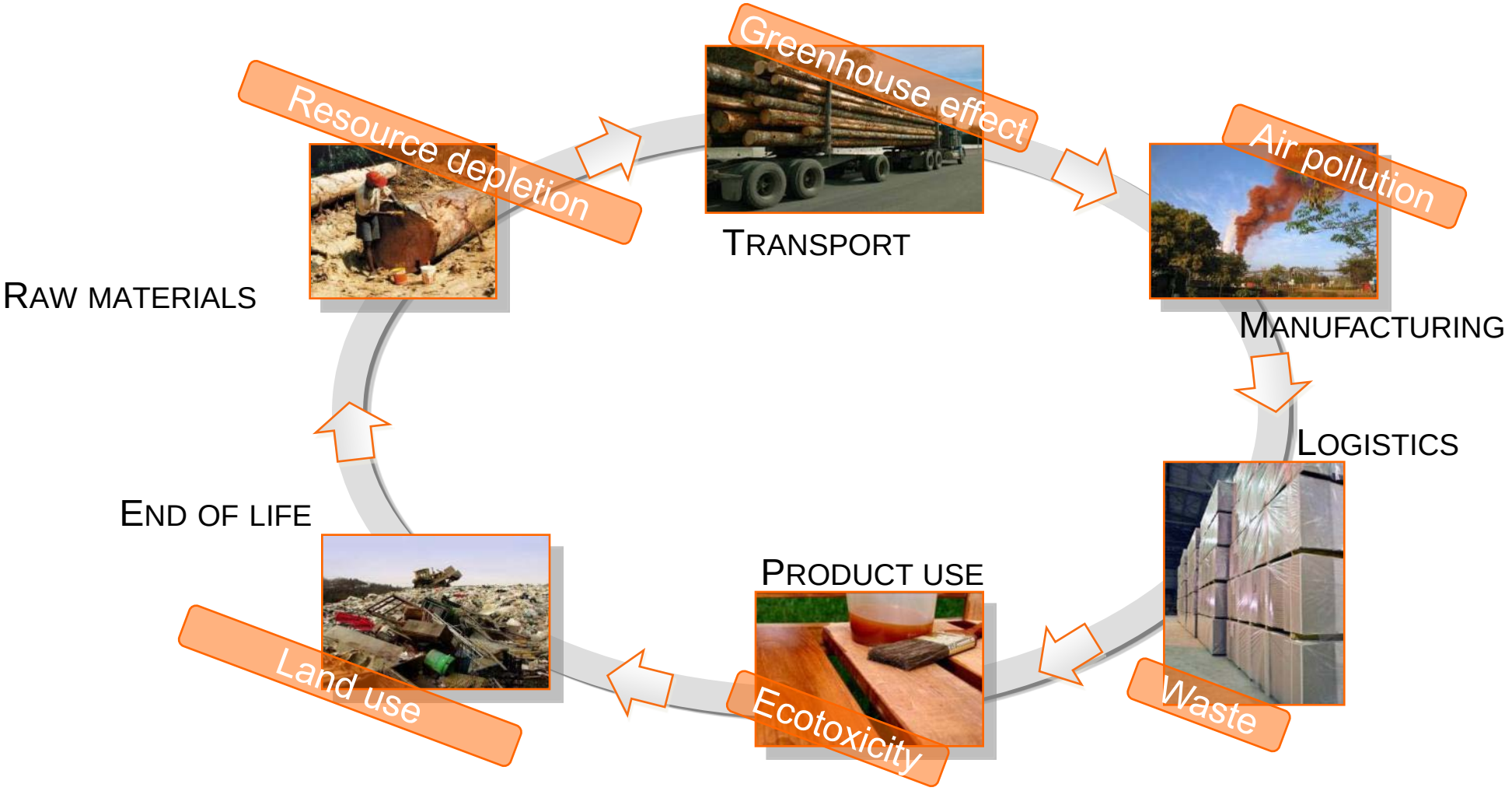
Design for Recycling

Optimised material consumption (renewable materials, recycled materials,…)

Energy savings
Low emissions

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BROADER OPPORTUNITIES FOR SGS



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MARKET EXPANSION

- Business Units
  - Currently 5 business units
  - Add 3 more by 2014
  - Healthcare & Medical
    - Leverage existing expertise
    - Cross selling with other Businesses (SSC & LSS)
- Geography
  - Over 75% revenue generated in Top 30 countries
    - Active in over 60 countries
  - Increasing local & regional market demands
    - Not just China and India
    - South America, Eastern Europe, Africa
    - Accelerate development in emerging countries
- Increase focus on key buying markets

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RETAILER DRIVEN MARKETS - LOCAL MARKET POSITION



No. 1

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EFFICIENCY OPTIMISATION

- Laboratories automation
  - Technology improvement
    - New generation of chemical equipment
    - R&D required
  - IT systems upgrade
- Process Improvement
  - Still waste to be taken out
    - Process
    - Back office
  - Lean projects

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MOVING AHEAD

- 2000 – inspection
- 2009 – inspection, testing and auditing
- 2014 – supply chain quality & sustainability management
  - Inspection
  - Testing
  - Auditing
  - Consulting
  - Supply chain management

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SUSTAINABILITY SERVICES

	Organisation	Product & packaging	Supply chain management
Consulting	• CSR risk assessment • Design of CSR policy & procedures	Ecodesign • Life Cycle Analysis (LCA), • Carbon footprint, • Eco-efficiency Labelling	• CSR risk assessment • Supply Chain management optimisation
Testing		• Restricted substances testing • Product compliance to REACH	Product features control • Restricted substances • Biodegradability • Recycled material…
Verification Audit	Verification of CSR policy & procedure implementation		CSR monitoring: social audits, carbon footprint, green manufacturing…

CONTINUOUS IMPROVEMENT

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2014 FOR THE COMPLETE PICTURE

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