CBE PAST, PRESENT & FUTURE

Jeff McDonald
EVP Certification and Business Enhancement

Investor Days 2018, Bordeaux



WHEN YOU NEED TO BE SURE

SGS



Continue to be the **global leader in Management System Certification** and to grow this area by focusing on specific high growth standards and segments

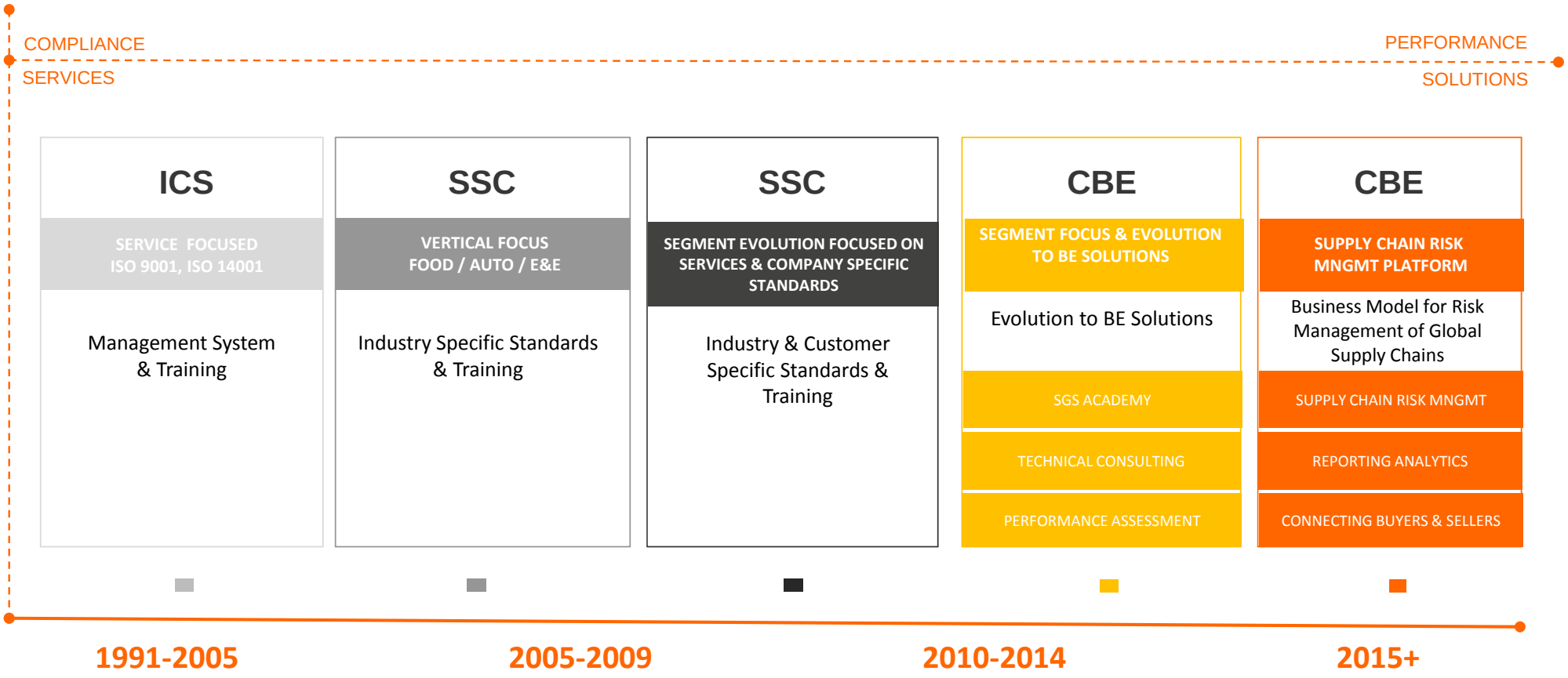
Continue to evolve the business model adding additional and **new Business Enhancement revenue streams** as a business key growth driver





THE CBE STRATEGY

EVOLUTION OF SERVICE OFFERING



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THE CBE DATA

INDUSTRY CERTIFICATIONS

ELECTRONICS



MEDICAL DEVICE



ENERGY



Historical information from over 200,000 Customers on Compliance, Quality Environmental & Health & Safety

COMPLIANCE **QUALITY** **ENVIRONMENTAL** **HEALTH & SAFETY**

NON-CONFORMANCE DATA (PAIN POINT)

AUDITOR FEEDBACK

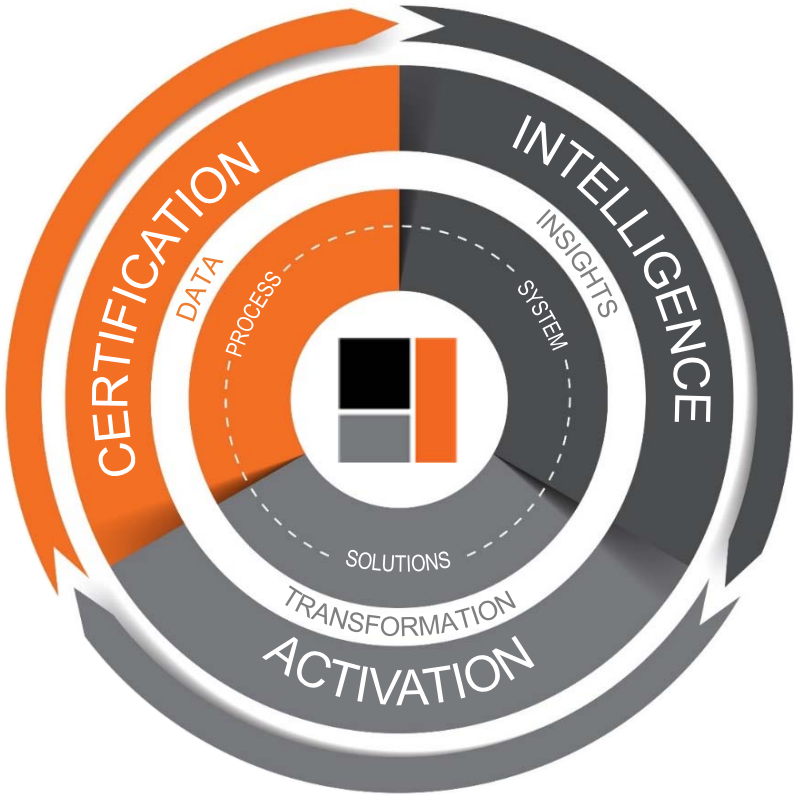
INDUSTRY & COMPANY SPECIFIC

COMPLIANCE GAPS

BE SOLUTIONS

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THE CBE SYSTEM



DATA

SGS ACADEMY

ON-LINE AND OFF-LINE TRAINING SOLUTIONS
CUSTOMER / INDUSTRY BASED

TECHNICAL CONSULTING

SPECIFIC & FOCUSED CONSULTING
CUSTOMER / INDUSTRY BASED

PERFORMANCE ASSESSMENTS

TAILOR MADE ASSESSMENT PROGRAMS
CUSTOMER / INDUSTRY BASED

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FINDING VALUE IN OUR DATA
TO EVOLVE FOR THE FUTURE

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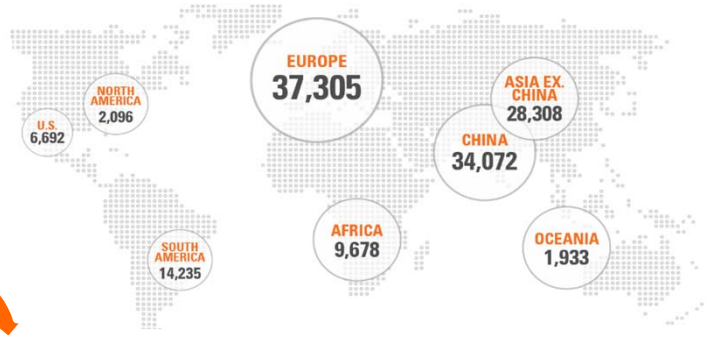
ECONOMIC IMPACT

200,000
CUSTOMERS

39
INDUSTRIES

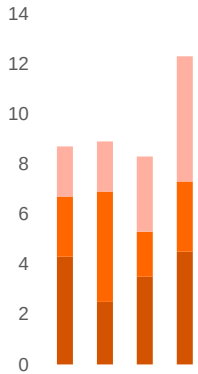
100,000+
CERTIFICATES ISSUED

NONCONFORMITITES BY REGION

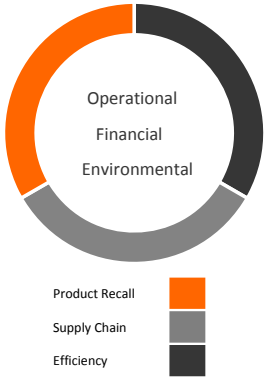


SGS SOLUTION NETWORK

Analytics



Intelligence



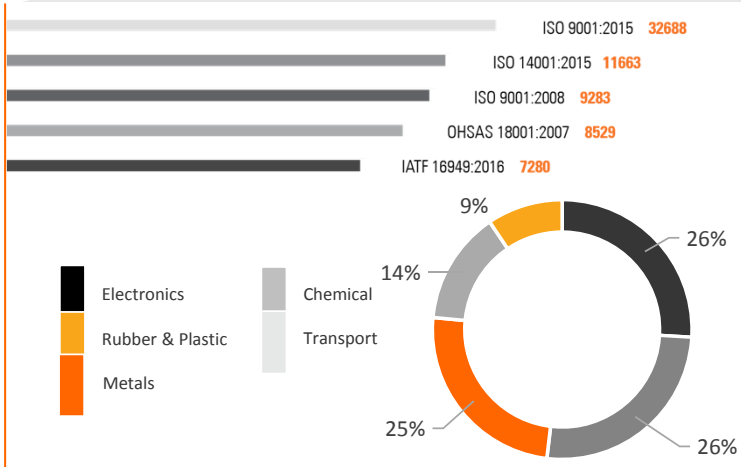
Activation

TRAINING

TECH CONSULTING

PERFORMANCE ASSESMENT

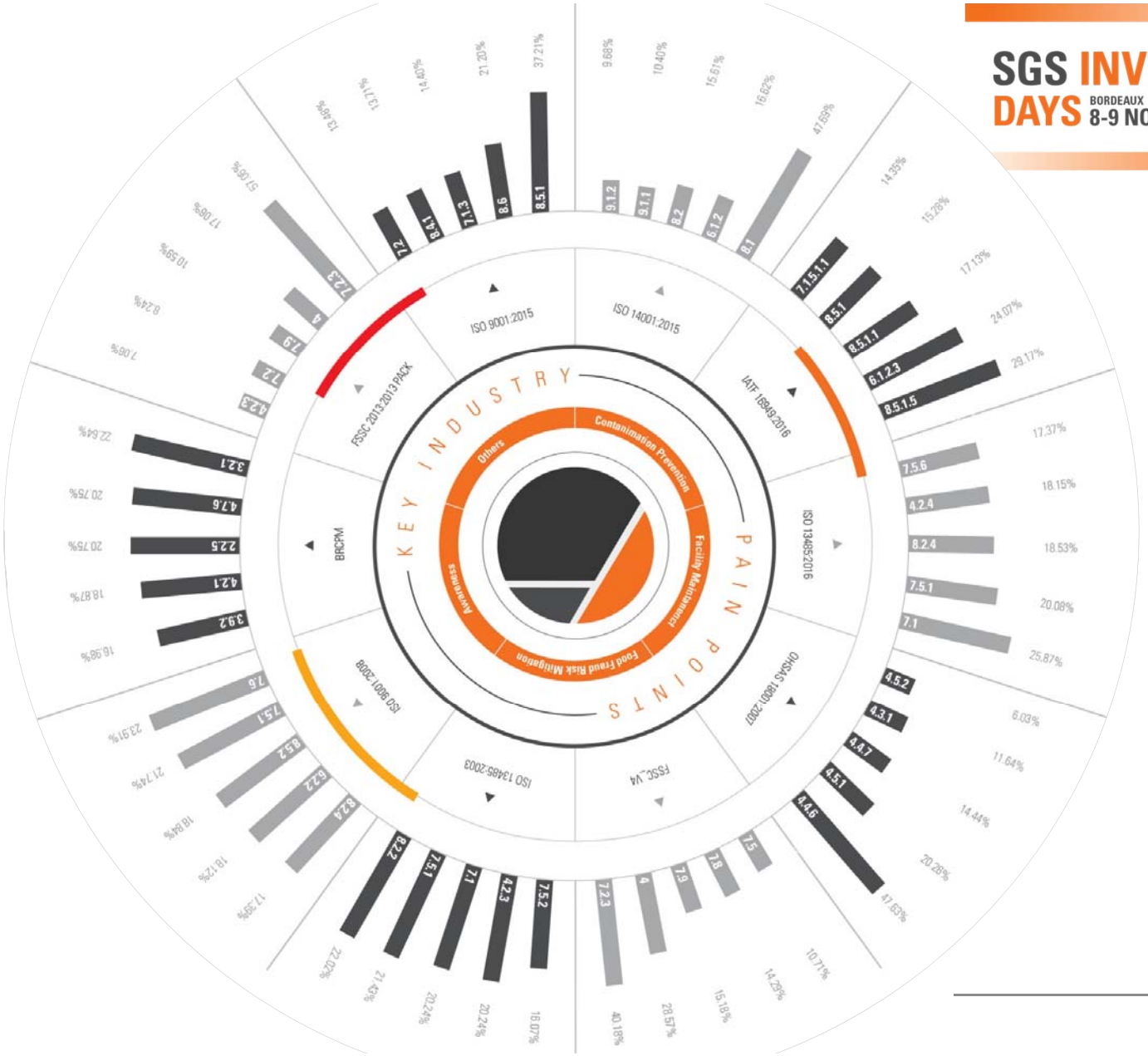
NONCONFORMITY DATA



BE ENGINE

An IT tool and process that allows us to:

- Input **non-conformity data** and other data from our centralized global platform
- Give an automatic summary of key **areas where we see a high level of non-conformances**
- **Defines clients / industries needs** or clients pain-points



THE BUSINESS ENHANCEMENT ENGINE

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BE ENGINE

BUSINESS ENHANCEMENT

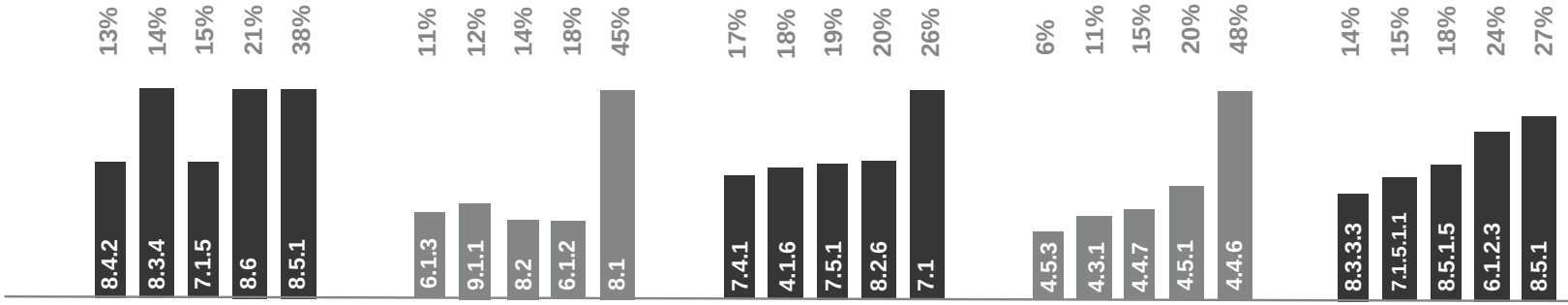


1. ANALYTICS
   - **Analysis of Data**
     - *Nonconformity data*
     - *Auditor & customer feedback*
     - *Industry specific data*
2. INTELLIGENCE
   - **Risk Assessment**
     - *Operational Efficiency*
     - *Environmental Management*
     - *Economic Performance*
   - ***Root Cause Analysis***
3. ACTIVATION
   - **Solution Recommendation**
     - *Training*
     - *Technical Consulting*
     - *Performance Assessment*
     - *Competitive Benchmarking*
   - **Value Creation Model**

BE ENGINE
INDUSTRY SPECIFIC ANALYSIS

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STANDARDS



Top 5 clauses within each standard that have the highest number of nonconformities

Standards with the most nonconformities

KEY INDUSTRY PAIN POINTS

SUPPLIER EVALUATION	PROCESS DESIGN, CONTROL AND IMPLEMENTATION	RISK ASSESMENT	QUALITY CONTROL PROTOCAL	CONTINUAL IMPROVEMENT

Top 5 pain point areas for the industry

ECONOMIC IMPACT



Probability of negative economic associated with 3 main risk factors

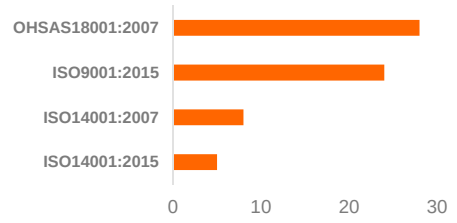
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BE ENGINE
CUSTOMER SPECIFIC APPLICATION

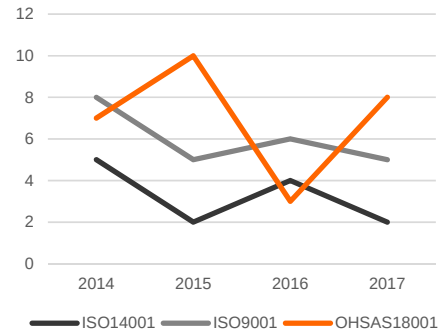
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ANALYTICS

CAR BY STANDARD

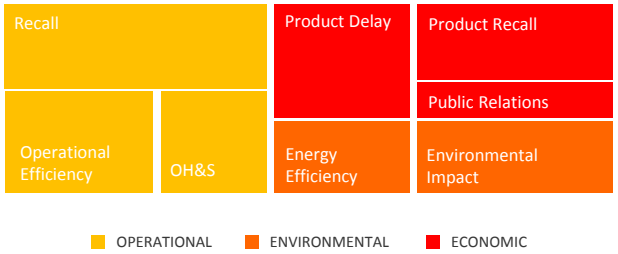


CARS OVER TIME



INTELLIGENCE

RISK ASSESSMENT



ROOT CAUSE ANALYSIS & ECONOMIC IMPACT

Quality Management
- Control of production and service provision
- Design and development of products and services
- Control of release of products and services
- Monitoring and measuring resources
- Internal audit

Occupational Health & Safety
- OH&S performance measurement and monitoring
- Operational planning and control
- Emergency preparedness and response
- Incident investigation, nonconformity, corrective action and preventive action

Environmental Impact & Sustainability
- Operational planning and control
- Emergency preparedness and response
- Monitoring, measurement, analysis, and evaluation

ACTIVATION

SOLUTION RECOMMENDATION

TRAINING PROGRAMS
- OH&S Awareness training
- Contamination prevention

TECHNICAL CONSULTING
- OH&S risk assessment, risk event planning and design of emergency response protocol
- Internal audit program design and implementation

PERFORMANCE ASSESSMENT
- Customized assessment and benchmarking program

COMPETITIVE BENCHMARKING



BE ENGINE
CUSTOMER SPECIFIC ACTIVATION

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RECOMMENDED BE SOLUTIONS

TRAINING

- Workspace Health & Safety Guidelines
- ISO 9001 Internal Auditor Training
- Waste Control & Energy Efficiency

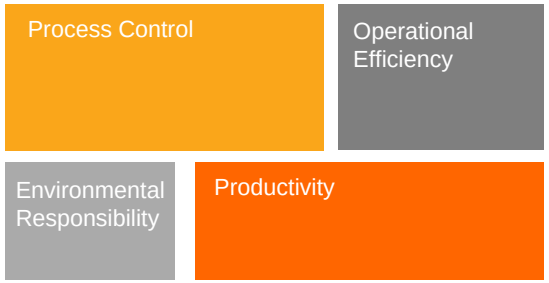
PERFORMANCE ASSESSMENT

- Environmental Performance Assessment and Analysis
- OH&S performance assessment and benchmarking

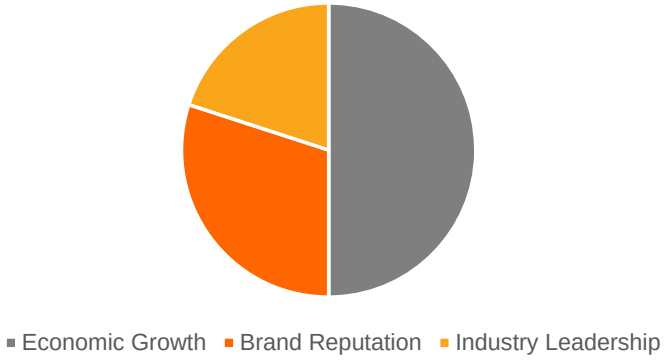
TECHNICAL CONSULTING

- Operation Planning: Establishing Operating Criteria & Implementation
- Hazardous Material Control & Recycling Program Design
- OH&S Risk Event Planning & Design of Emergency Protocol

POTENTIAL BENEFITS



LONG TERM GOALS

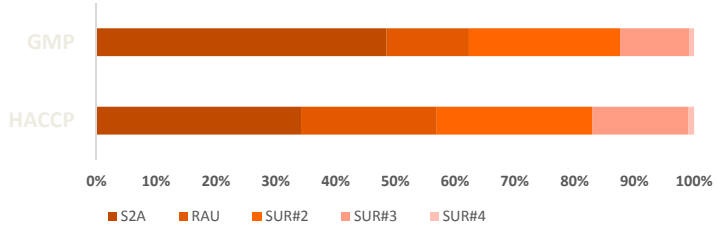


BE ENGINE
INDUSTRY BENCHMARKING

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ANALYTICS

BREAKDOWN OF NONCONFORMITIES BY AUDIT TYPE



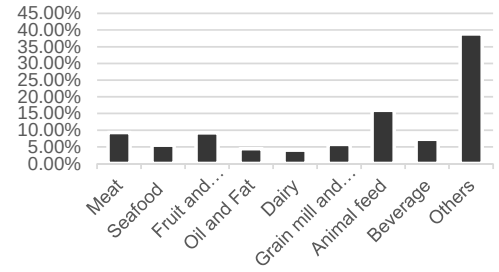
675
GMP Audits

935
GMP Nonconformities

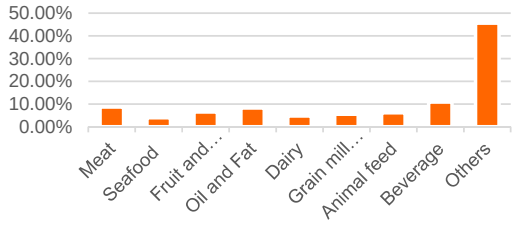
2,447
HACCP Audits

2,125
HACCP Nonconformities

HACCP NONCONFORMITIES BREAKDOWN

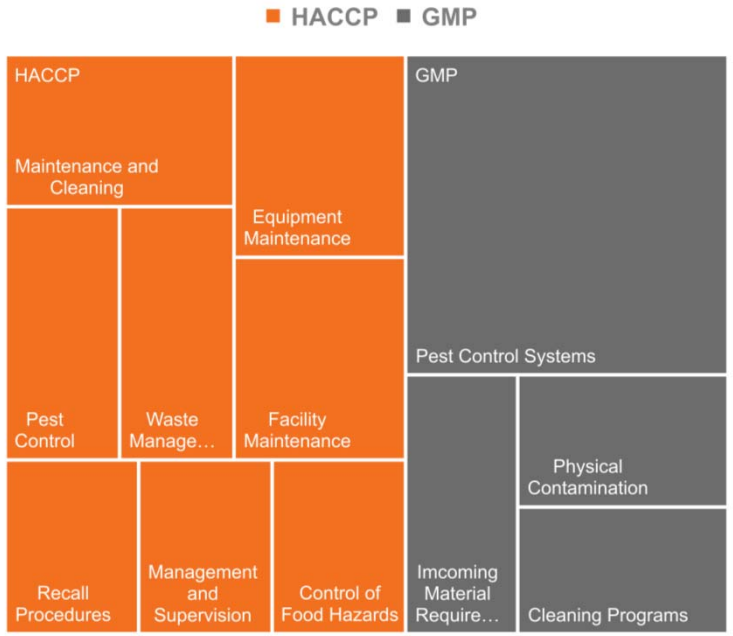


GMP NONCONFORMITIES BREAKDOWN



INTELLIGENCE

Key Pain-point Areas



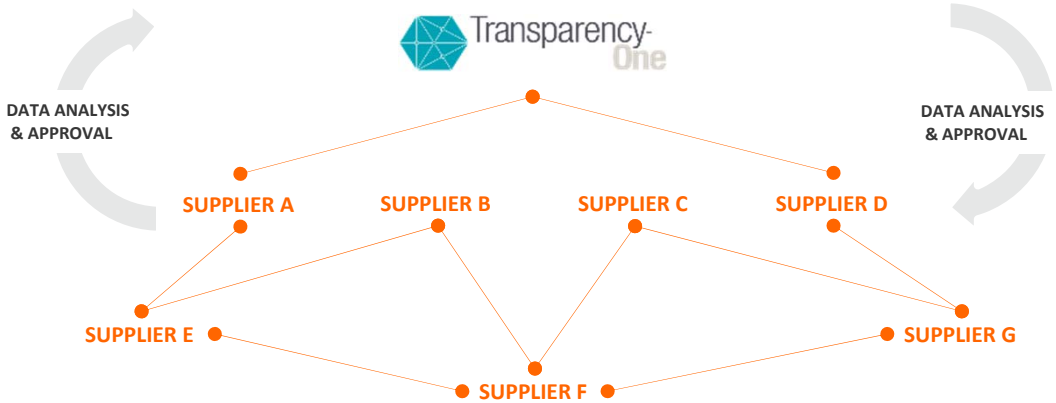
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SUPPLY CHAIN RISK MANAGEMENT
SOLUTION MODEL

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BRAND OWNERS

APPROVED SUPPLIER/PERFORMANCE DATA



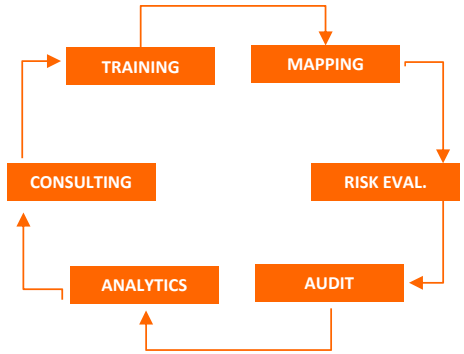
SOLUTIONS
Training • Performance • Assessments • Brand Protection

TRANSPARENCY-ONE
maps the entire supply chain, tracks compliance, and provides analytics to proactively manage business risks.

MARKET POTENTIAL

- **Potential business opportunity** for Supplier Verification is estimated at over $1bn USD
- In 2016 **Supply Chain incidences costs** reached $56bn USD
- **New legislation** is driving organizations to take action and provide transparency of their supply chains (e.g. Modern Day Slavery, Anti-Bribery etc.

SUPPLY CHAIN SOLUTIONS



THE CBE SYSTEM

The BE platform of innovative solutions is based on three pillars:

- **CERTIFICATION:** Our wide ranging portfolio of standards and industry specific regulations.
- **INTELLIGENCE:** A complete set of CBE digital tools and solutions used to improve business efficiency and functionality.
- **ACTIVATION:** Our total Business Enhancement services specifically to enhance business

Data from **certification** drives intelligence. **Intelligence** offers insights that guide activation. **Activation** brings about transformation, leading to business success.



CERTIFICATION INTELLIGENCE ACTIVATION

THE CBE SYSTEM is used to create real and tangible Business Enhancement processes, tools and services for our partners, enabling organization to **BE THE BENCHMARK**.

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WHEN YOU NEED TO BE SURE

