



When you need  
**to be sure**

SGS S-Carbon Introduction

# How can TIC Industry Efficiently Help Enterprise Achieve Carbon Reduction Goals?

# Global services tailored to your business



Testing



Consultancy



Inspection



Training



Certification

# SGS in Brief



## Our History

- 1878**  
SGS is founded
- Mid 20<sup>th</sup> Century**  
Diversified into inspection, testing and verification services
- 1981**  
Listed on the Swiss Stock Exchange
- Today**  
140+ years in business

# 25+ Years of Sustainability Experience

1990 - 1995

- Launched the world's first environmental management certification scheme, the "Green Dove Award"

1995 - 2000

- Became the first accredited independent provider of SA8000 training and certification services
- Launched ISA2000 one of the first Health & Safety Management System certification schemes

2000 - 2005

- Launched its "Sustainability Report Assurance" verification product
- Participated in developing the AA1000 Reporting Standard
- Expanded Restricted Substances Testing Services to meet developing regulations

2005 - 2010

- Appointed "Designated Operational Entity" under UN Clean Development Mechanism, validating and verifying carbon reduction project worldwide

2010 - 2015

- Accredited to deliver ISO14067 Product Carbon certification
- Expanded Sustainability portfolio of services to include Equator Principles, Higgs Index, etc

2015 - 2020

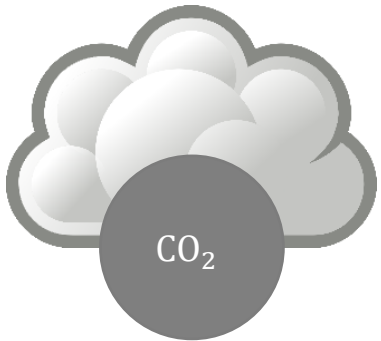
- One of the first organizations to issue certificates under the Alliance for Water Stewardship Certification scheme
- Accredited under the ICAO CORSIA aviation carbon scheme



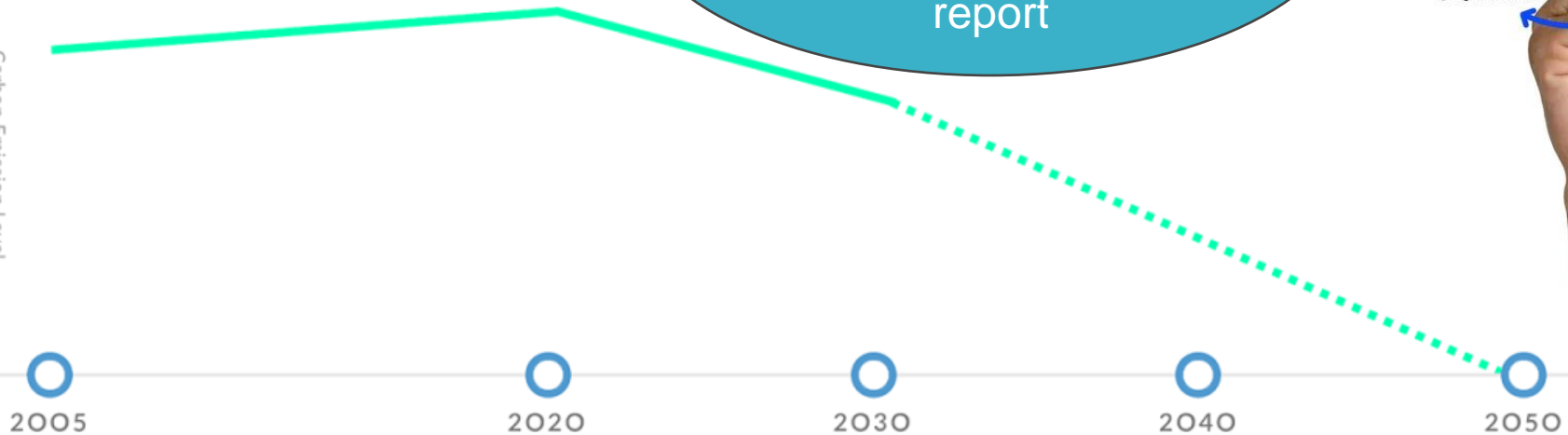
# Government response to Climate Crisis

# 1.5°C

Global average temperature rise limit



Carbon Emission Level




**HK listed companies:**  
mandatory to disclose  
**Scope 1-3 GHG emission**  
in the ESG report

- President Xi Jinping stated that China will strive to peak carbon emissions by 2030 and achieve carbon neutrality by 2060.
- Hong Kong will strive to achieve carbon neutrality by 2050, and reduce Hong Kong's carbon emissions from the 2005 level by 50% before 2035.



# SGS SBTi Commitment

| Target dashboard                       |  | sgs       |          |  | FILTERS     | DOWNLOAD XLS |
|--|--|-----------|----------|--|-------------|--------------|
| COMPANY/FINANCIAL INSTITUTION          | TARGETS  |           |          | ORGANIZATION TYPE  |             |              |
|  | NEAR TERM  | LONG TERM | NET-ZERO |  |             |              |
| <b>SGS SA</b> ★<br>Switzerland, Europe | 1.5°C  | 1.5°C     | 2050     | Company  | View less ^ |              |
| <b>Date published/updated</b><br>2022  | <b>Target summary</b><br><b>Near term:</b> 1.5°C by 2030<br><b>Long term:</b> 1.5°C by 2050<br><b>Net zero:</b> Committed by 2050<br>★ Business Ambition for 1.5°C campaign member |           |          | <b>Target</b><br>SGS S.A. commits to reach net-zero greenhouse gas emissions across the value chain by 2050. Near-Term Targets 1. SGS S.A. commits to reduce absolute scope 1 and scope 2 GHG emissions 46.2% by 2030 from a 2019 base year. 2. SGS S.A. commits to reduce absolute scope 3 GHG emissions 28% by 2030 from a 2019 base year. Long-Term Target SGS S.A. commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by 2050 from a 2019 base year |             |              |
| <b>Sector</b><br>Professional Services |  |           |          |  |             |              |



# Solving The Problems - Digital Carbon Management & Reporting Platform (S-Carbon)

# Market Exposures





# How to plan a greenhouse gas inventory list?

## Step 1: Start with carbon calculation



### 1. Organizational boundaries

Define the business and operations that make up the company for accounting and reporting GHG emissions.



### 3. Data collection

It's important to carefully plan this process to minimize reporting burdens and reduce the risk of errors when compiling data.



### 2. Reporting boundaries

Identify emissions related to operations, define direct GHG emissions, energy indirect emissions and other indirect emission sources.



### 4. Quantify GHG emissions

Calculate emission results after identifying GHG emission sources, collecting activity data and choosing appropriate emission factors.



### 5. Set base year and emission reduction targets

Organizations can develop some greenhouse gas reduction plans based on trends.



### 6. Report GHG emissions

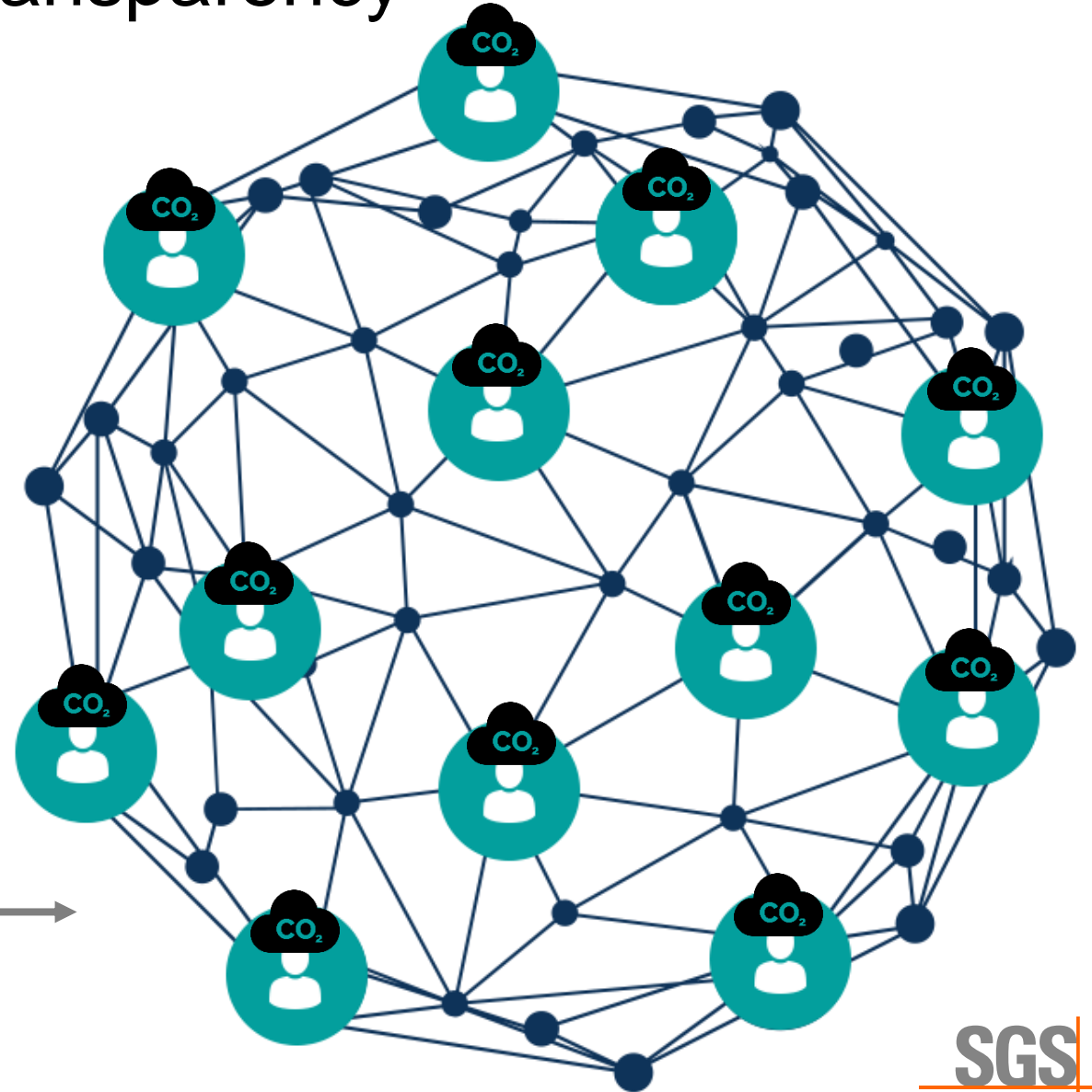
Reporting standards may vary by scheme, and organizations should report GHG emissions according to the specific requirements of the scheme.

## Step 2: Reduce Carbon Emission

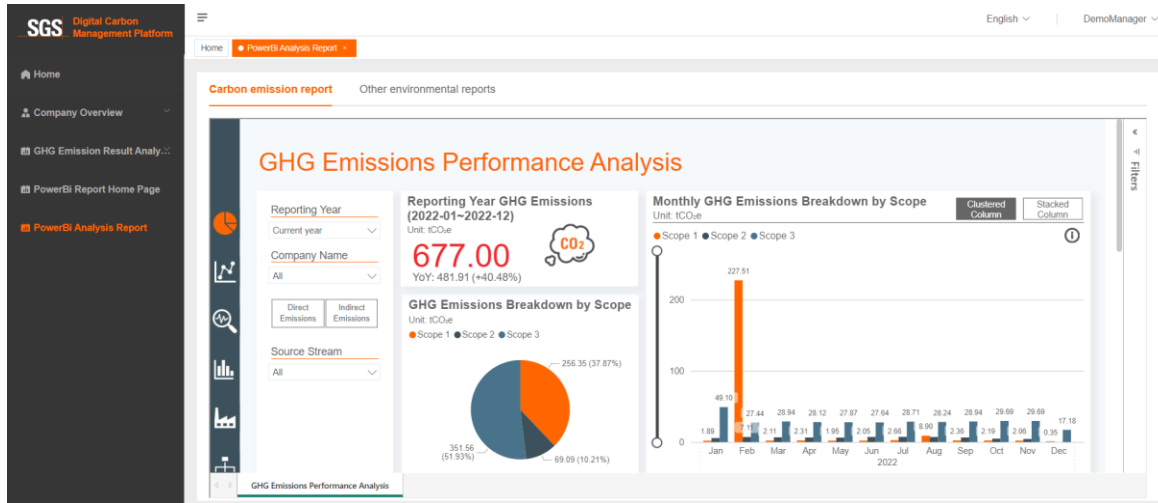


# Key Features - Supply Chain Transparency

- Visualize the allocated emissions quantity from sub-tiers supply chain
- Build up your supply chain emission inventory based on primary data
- Identify the critical emission source along the supply chain
- Extend the coverage of your carbon management coverage to the supply chain



# Key Features - Power BI Integration



- Transforming data to insights and insights to actions
- With “drill through” in Power BI, it allows user to focus on a specific entity such as a supplier, a particular emission source, or a specific year
- Facilitate a wide range of GHG emissions and intensity metrics to allow benchmarking between domestic suppliers

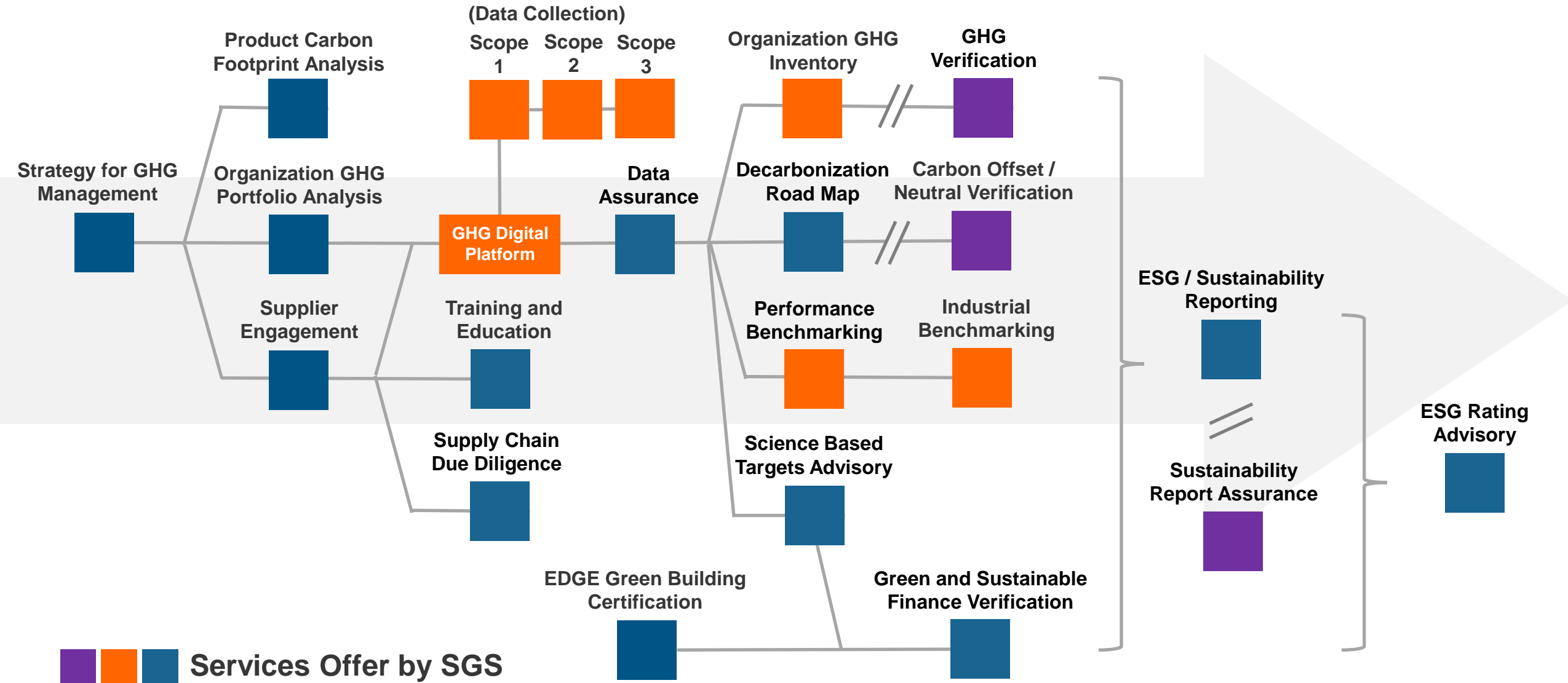


**GHG Emissions Performance Summary Report**

| Reporting Year  | 2018-01-2018-12                    |            | 2019-01-2019-12                    |            | 2020-01-2020-12                    |            |
|---|------------------------------------|------------|------------------------------------|------------|------------------------------------|------------|
| Scope   | GHG Emissions (tCO <sub>2</sub> e) | Shares (%) | GHG Emissions (tCO <sub>2</sub> e) | Shares (%) | GHG Emissions (tCO <sub>2</sub> e) | Shares (%) |
| Scope 1   | 49.18                              | 2.69%      | 34.08                              | 1.80%      | 2                                  |            |
| Direct Emissions from Mobile Combustion Sources                           | 1.43                               | 0.08%      | 1.62                               | 0.09%      |                                    |            |
| Other Mobile Machinery (Forklift Truck)                                   | 1.01                               | 0.05%      | 1.12                               | 0.06%      |                                    |            |
| Vehicle (Passenger Car)   | 0.42                               | 0.02%      | 0.50                               | 0.03%      |                                    |            |
| Direct Emissions from Stationary Combustion Sources                       | 2.68                               | 0.14%      | 3.09                               | 0.16%      |                                    |            |
| Emergency Generator   | 2.58                               | 0.14%      | 3.09                               | 0.16%      |                                    |            |
| Direct Fugitive Emission Sources  | 45.18                              | 2.38%      | 29.36                              | 1.65%      | 1                                  |            |
| Fire extinguisher (scrapped / replaced) CO <sub>2</sub> cylinder, dry ice | 0.07                               | 0.00%      | 0.04                               | 0.00%      |                                    |            |
| Refrigeration and Air Conditioning System (Air Conditioner)               | 45.11                              | 2.38%      | 29.32                              | 1.55%      | 1                                  |            |
| Direct Process Emission Sources   |                                    |            |                                    |            |                                    |            |
| Welding Protection Gas  |                                    |            |                                    |            |                                    |            |
| Scope 2   | 40.49                              | 2.13%      | 47.18                              | 2.49%      | 4                                  |            |



# Value Proposition





# Contact

Thank you

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