



SCS GLOBAL SERVICES
ANNUAL REPORT / 2018

ON THE COVER

May 5, 2018 - This image of the phytoplankton bloom in the North Sea was captured by NASA's Operational Land Imager. In the springtime, warmer ocean waters cause blooms of phytoplankton. These tiny, plant-like organisms float near the ocean surface and turn sunlight and carbon dioxide into sugars and oxygen. In turn, they become food for the grazing zooplankton, shellfish and other sea creatures. Today, climate change is threatening phytoplankton populations, putting the food chain at risk.

Image courtesy of: NASA - Joshua Stevens

THIS PAGE

Old-growth forests are vital to sustaining unique endangered species, climate stability, tourism, clean water, wild salmon, and the cultures of many First Nations. On British Columbia's southern coast, satellite photos show that at least 75% of the original, productive old-growth forests have been logged, including well over 90% of the valley bottoms where the largest trees grow. Only about 8% of Vancouver Island's original, productive old-growth forests are protected in parks and Old-Growth Management Areas. Old-growth forests, with trees up to 2,000 years old, are a non-renewable resource under BC's system of forestry, where second-growth forests are re-logged every 50 to 100 years, never to become old-growth again.

Source: Ancient Forest Alliance, Vancouver Island, BC

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SUSTAINABILITY AT WORK MESSAGE FROM THE **PRESIDENT**



2018 was a banner year for SCS, a reflection of the degree to which business, government, and NGO measures to promote sustainability have taken hold in every economic sector. In this report, we feature the voices of several SCS representatives working around the world in a special section called “Reports from the Field.”

I am grateful for our remarkable team of auditors, program experts, and support staff here and around the world who are working hard every day to share their knowledge and provide excellent customer service. And I am humbled by the remarkable dedication, inspiration, and innovation that our clients bring to their efforts to protect natural resources, improve operational efficiencies, minimize their footprints, and help their communities.

Globally, we face daunting challenges: climate change, biodiversity threats, and social upheavals, to name a few. I am proud to know that our team at SCS wakes up every day with one question on their minds: How can we make things better?



SETTING THE STANDARD FOR SUSTAINABILITY

Across the Globe

SCS is an international leader in third-party certification and standards development. As a benefit corporation, we work across the globe to provide independent confirmation that products and services meet the highest standards of environmental, social/ethical, safety and quality performance, and to help companies and organizations on the path of sustainability.

SCS Kingfisher

The SCS Kingfisher in our corporate logo, and on our certification labels, serves as a reminder of the power, beauty, and vulnerability of nature in the face of human activities. Kingfishers are ubiquitous and beloved around the world, known for their keen vision, colorful plumage, and skillful hunting. They are also widely recognized as indicators of environmental health.



Our Clients

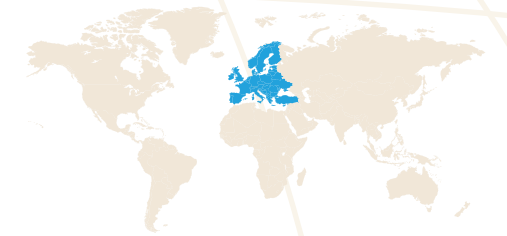
Our clients include corporations, government agencies, institutions and NGOs around the world that are working to implement practices and policies that advance the United Nations’ Sustainable Development Goals. Our clients range from major international brands to small, innovative start-ups and family-run operations. We are proud to work with sustainability leaders across the natural resources, green building, food and agriculture, and consumer and business products sectors.

Leadership Standards

SCS is committed to standards that drive sustainability practices and continuous improvement in a practical, responsible, and scientifically rigorous manner. Our work includes:

- Writing standards to advance sustainability goals
- Guiding industry standards development
- Pilot testing standards through certification
- Strategic consulting

#SettingTheStandard



SUSTAINABILITY AT WORK REPORTS FROM THE FIELD **EUROPE**

HENNING BLOECH, LEED® AP
Executive Director, SCS Global Services Europe



In my three years representing SCS Global Services in Europe, I have had the privilege to work with industry leaders across a variety of product sectors. These companies are dedicated to sustainability principles, and bring true innovation to bear in developing products for market. One case example is Haworth Europe, a leading office furniture manufacturer.

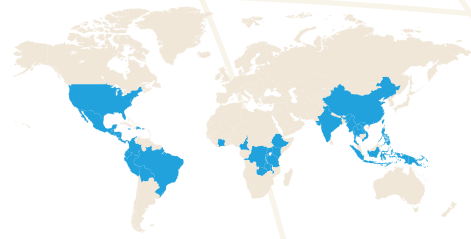
2018 marked the official release of the FEMB level® certification, the European multi-attribute sustainability certification for office furniture modeled after the BIFMA level® program in North America. The standard was developed under the guidance of the FEMB (a European umbrella organization for many national trade associations) and a number of European national furniture associations, furniture manufacturers, testing institutes, and certification bodies. SCS has been involved with the FEMB technical committee helping develop the FEMB level® standard and program since its inception in 2010.

In 2018, SCS became the first fully accredited certification body for FEMB level® outside of Europe, and one of the first three accredited certification bodies worldwide. During the Orgatec trade show in Cologne in October 2018, Haworth Europe announced the first FEMB level® certified products certified by SCS Global Services, making it one of the first three manufacturers having accomplished this certification. Haworth Europe's products achieved level 3 certification – the highest designation possible.

Haworth Europe had previously worked successfully with the SCS team in Europe to achieve SCS Indoor Advantage™ Gold certification. Nonetheless, piloting certification under a new certification standard can be a daunting job for any manufacturer. SCS clearly understood the challenges and developed a certification and audit process for FEMB level® that is efficient, customer friendly, and creates as little disruption as possible. SCS' extensive experience with the furniture industry as the leading BIFMA level® certification body, coupled with excellent preparation and strong sustainability commitment by Haworth, enabled an efficient process with minimal issues. Constant and open communication between Haworth Europe, the FEMB technical leadership, and the local SCS auditors ensured a smooth and quick audit and timely certification.

"This was great teamwork between our sustainability team and the SCS team in Europe and in the U.S." said Bianca Dönicke, Head of European Continuous Improvement & Sustainability for Haworth Europe. "We went in well prepared, but there are many uncertainties pursuing a brand-new certification. SCS did a great job navigating between the criteria of the standard, the FEMB interpretations, and our specific requirements, delivering FEMB level® certification in due time in under three months."





SUSTAINABILITY AT WORK

REPORTS FROM THE FIELD **TROPICS**

JORGE RAMÍREZ LAUGERUD
Manager, Sustainability, Food and Agriculture Division



In my 12 years with SCS Global Services, I have enjoyed working with many of the world's cutting edge responsible sourcing programs, such as C.A.F.E. Practices, Fair Trade USA, UTZ, COCOA Practices, Sustainably Grown®, USDA Organic, GLOBALG.A.P., Equitable Food Initiative, and Forest Stewardship Council® Chain of Custody. Starting my career at SCS as an Associate Auditor, I now manage several programs under our Responsible Sourcing Strategies department in the food and agriculture sector.

Starbucks' Coffee And Farmer Equity (C.A.F.E.) Practices was among the first programs I was involved with, and for me is very important. This groundbreaking program was developed in 2004 by a team consisting of representatives of SCS, Starbucks and Conservation International. Its focus has been on finding and implementing an economically viable responsible sourcing model that addresses the social and environmental needs of every participant in the supply chain, from farmer to consumer. The program addresses three different areas: social responsibility, environmental leadership, and economic transparency. The significance of this program has been profound in the 15 years since its creation, as it was one of the first programs to demonstrate the commitment of a major international brand to working closely with its supply chain to support the implementation of best social, environmental and economic practices, and to recognize producer efforts by purchasing their coffee.

SCS works with Starbucks as a third party. We are in charge of overseeing the program by developing procedures and documents based on 35 years of experience in the certification world. We train, evaluate, audit, and accredit organizations around the world, including Latin America, Asia and Africa, to conduct the verification audits on behalf of the program. The program is regularly undergoing review based on lessons from the field, reflecting evolving best practices for sustainable production, as well as procedures for improving audits.

One of the greatest achievements of this program has been to make sure that regions and countries such as Latin America, China, Vietnam and Rwanda, among others, are producing coffee in a more responsible way. In return, program participants establish long-term relationships with Starbucks. Even though coffee production and processing in a sustainable way is challenging, C.A.F.E. Practices participants are making social and environmental improvements, learning, growing and becoming more conscious of their impacts, not just in the present, but for future generations.





SUSTAINABILITY AT WORK REPORTS FROM THE FIELD **MEXICO**

JUAN JESUS SANCHEZ MILLER
Executive Director, SCS Global Services Mexico

As longtime director of SCS Global Services Mexico, this year's theme – "Sustainability at Work: Reports from the Field" – rings very true. I define "Sustainability at Work" as collaboration and team work, and a culture of service.

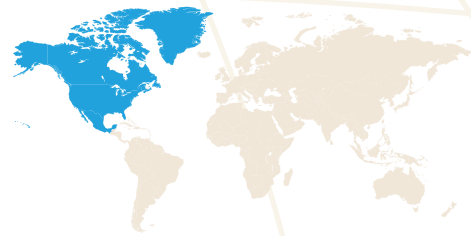
their food safety needs – one of the key components for symbiosis between our clients and ourselves. This leads to a long-term, trusted relationship. Over time, by understanding our clients' market needs, and remaining updated on the latest certification scheme versions and regulatory requirements, we can help our clients identify new opportunities that suit their needs.

Our team's approach with clients, no matter how big or small, is to focus on their needs. Our Global Food Safety Initiative programs have seen a rapid increase in the last five to seven years, especially with key programs such as GLOBALG.A.P., PrimusGFS, and Safe Quality Food. These programs help Mexican fresh fruit and vegetable producers, along with others around the world, comply with U.S. FSMA regulation, and position their products in an international market. We've seen many different cases of success, including asparagus, tomatoes, berries, squash, watermelons, grapes, peppers, cucumbers, and other new commodities Mexico is innovating. As I always tell our clients, "Success depends on the ability to satisfy the needs of the markets and suppliers."

All of us in the food industry – food producers, supply chain companies, food product manufacturers, and certifiers alike – have a responsibility to protect the consumer by ensuring compliance with food safety rules, and remaining committed to continuous improvement. The common denominator in all we do is "our love of the field, a wholehearted service culture, and a commitment to doing things right."

We meet with each client and producer face-to-face to determine their food safety needs, in order to identify the appropriate certification schemes and develop a suitable path forward. As part of this process, we offer a variety of training tools to cover all





SUSTAINABILITY AT WORK REPORTS FROM THE FIELD **NORTH AMERICA**

RAE MINDOCK
Program Manager, Water Certification, Environmental Certification Services



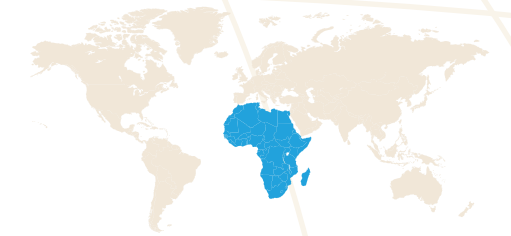
Greetings from the Midwest, where I have been focusing on providing certifications under the Alliance for Water Stewardship (AWS) International Standard. The AWS Standard is a comprehensive water use standard that provides a framework to identify water-related risks. The AWS Standard also engages the private sector in the United Nations' Sustainable Development Goals (SDG) agenda. It addresses eight targets in SDG 6, "Ensure availability and sustainable management of water and sanitation for all." Due to the pervasive nature of water, the AWS Standard also touches each of the other 16 SDGs.

Here in the United States and Canada, we've been working with Nestlé Waters North America for the past several years, supporting its commitment to certify all sites by 2025. In 2019, we are already slated to assess sites for a company that is a global

leader in water, hygiene and energy technologies and services, as well as another company that is among the world's leading manufacturers of commercial plumbing systems. This certification, if successful, should make history as the first North American manufacturer to implement the standard. Beyond North America, it is exciting to witness the adoption of the standard on a global basis, with certification assignments in South Africa, Colombia, Mexico, Ecuador, Vietnam and Lebanon.

With the 2019 launch of AWS Standard v2.0 on World Water Day, we are looking forward to the second annual AWS Day and Water Leaders' Summit in Milwaukee. AWS Day will take place at the Global Water Center, the headquarters for AWS North America. We'll visit with the AWS members and partners to collaborate on water stewardship practices. Who knows where we will be after that? We're looking forward to the journey.





SUSTAINABILITY AT WORK REPORTS FROM THE FIELD **AFRICA**

RICHARD BONSI, PH.D.
Regional Director, SCS Global Services, West Africa

SCS Global Services has been working on the African continent for many years in support of sustainable supply chains. I started my career with SCS in June 2009 working in its Forest Stewardship Council® certification program. In September 2012, I relocated to Ghana to oversee our forestry certification business in this important region. As SCS Regional Director for West Africa, I am responsible for identifying worthy candidates for certification, and ensuring that services are delivered to the highest professional standards. Two of our newest service areas – Roundtable on Sustainable Palm Oil (RSPO) and timber legality assurance – are particularly timely.

Palm oil production has raised concerns worldwide due to practices that have led to adverse environmental consequences. Certification under the RSPO label signals to customers that palm oil has been produced to rigorous environmental standards. Our accreditation as a third-party certifier under the RSPO standard provides great opportunities for growth in Africa. SCS' first audit in Africa against the RSPO Principles and Criteria will be conducted in Ghana in June 2019, and we anticipate positive growth in 2019 and 2020. Local auditors have been recruited and trained, positioning SCS well in the competitive RSPO market.

SCS also serves as the Independent Monitor for the Timber Legality Assurance System (LAS) of the Ghana-EU Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance and Trade. I am SCS' lead Independent Monitor, with support from Dr. Robert Hrubes, SCS' Executive Vice President

Emeritus. Our independent monitoring is comprised of four parts:

- Stakeholder consultation
- Compliance audits
- Office audits of the divisions of the Forestry Commission, the Delegation of the European Union, and the Ministry of Lands and Natural Resource
- Witness audits

I am pleased to report that, over time, improvements in the implementation of the LAS have been made by Ghana's Forestry Commission as they address "corrective action requests" (CARs) and formal observations issued by SCS' auditors, and as they implement recommendations for improvement. As opposed to third-party auditing where auditors cannot provide recommendations to auditees, independent monitoring of the LAS adopts a different approach; the Independent Monitor is allowed to provide recommendations that can help improve the established legality assurance system.

From the outset, the Forestry Commission developed several procedures and protocols and a robust wood tracking system for the implementation of the LAS. Today, through SCS' work, raising CARs, observations and recommendations, and obligating the auditees to comply with the provisions of the VPA, many more Forestry Commission workers nationwide are now involved in this important effort.



SUSTAINABILITY AT WORK REPORTS FROM THE FIELD **CENTRAL AMERICA**

JUAN SOLERA
Regional Director, SCS Global Services Central America

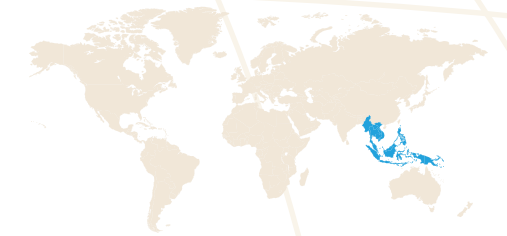
One of the first forests certified in the world for sustainable management practices – Portico S.A. (now Tecnoforest del Norte) – is in Costa Rica. It was independently audited by SCS Global Services in 1992, the same year as the groundbreaking United Nations Conference on Environment and Development, and was certified under SCS’ Forest Conservation Program in 1993, a year before the launch of the Forest Stewardship Council® (FSC) program. It later transitioned to FSC certification.

This certification speaks volumes about the commitment of Costa Rica and other Central American countries to taking care of the environment and being socially responsible, and reflects SCS’ long-time position as a global leader certification body in sustainability. Ever since that time, programs like FSC, Sustainably Grown®, C.A.F.E. Practices, carbon neutrality, and more recently biomaterial and biofuel programs like ISCC, Bonsucro and RSPO have been growing in Central America. As Regional Director,

Central America, in SCS’ Natural Resources Division, I am excited to see that more and more companies are searching for and obtaining certification to demonstrate good management practices in terms of sustainability, to differentiate themselves from their competition, and to access new and more demanding – and profitable – markets.

SCS has regional presence in Central America through its office in San Jose, Costa Rica, and has current projects in Guatemala, Honduras, Costa Rica and Panama. Our team of local auditors ensures a faster response time, a better understanding of the reality of the country in which the audit takes place, and facilitates in general the coordination and communication with our customers in the region.





SUSTAINABILITY AT WORK REPORTS FROM THE FIELD **SOUTHEAST ASIA**

TODD FRANK

Director, SCS Global Services Southeast Asia



Among the most challenging issues for certification programs that focus on natural resource extraction is how to work most effectively with smallholders – that is, owners of small parcels of land from which resources and commodities are derived. Smallholders play a major role across Southeast Asia, where I am based, as well as globally. In many regions of the world, small-scale ownership and operations dominate the landscape, and are essential to the economic sustainability of local and indigenous communities. For example, about 40% of palm oil and 80% of coffee is produced by smallholders globally. Other key supply chains related to SCS programs with a large base of smallholders include forest products (rubber, wood pellets for biomass, and other forest products) and aquaculture.

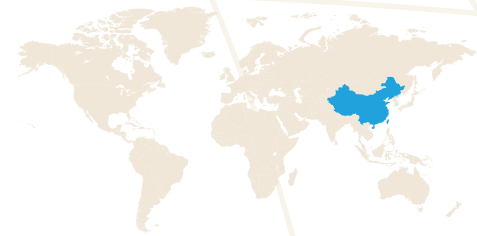
Smallholders are often the guardians of traditional resource extraction approaches that emphasize harmonious land management methods with an eye toward future generations. On the other hand, economic pressures can put some smallholders in the position of over-exploiting resources now at the expense of long-term resiliency. Smallholders face the additional challenges of competing in a global market without the benefit of the modern, often expensive tools, and generally cannot put to work the economies of scale that larger operations enjoy. Finally, the cost, complexity, lack of training and other demands of certification can be a stumbling block.

To address this issue, many certification schemes have developed, or are in the process of developing, special protocols for smallholders to encourage participation in these globally recognized initiatives. Some of these protocols include the Forest Stewardship Council® (FSC) small or low-intensity managed forest standard (SLIMF) and the Roundtable on Sustainable Palm Oil (RSPO) smallholder standard, both of which are undergoing updates for improved uptake by smallholders.

In Southeast Asia, some of the greatest areas of potential growth for smallholder certification include FSC® rubber and latex, FSC biomass for energy, Aquaculture Stewardship Council® shrimp and fish, RSPO palm oil, and Sustainably Grown®, among others.

In 2018, PT SCS, SCS' Southeast Asian subsidiary certified a number of biomass pellet companies in Thailand for FSC Chain of Custody Controlled Wood that source from smallholders who grow trees on their land to be sold for pellet production to supply the Japanese energy market. After the Fukushima disaster in March 2011, Japan halted its nuclear power plant operations and increased its reliance on biomass, with a requirement for FSC or PEFC for imported wood pellets.

In Indonesia, SCS has certified seven smallholder organizations under FSC SLIMF certificates, representing more than 12,000 smallholders who grow trees on their land for industries ranging from pencils to furniture. PT SCS is also currently contributing to the development of a regional smallholder FSC standard for Asia aimed at streamlining the certification process for smallholders in the region.



SUSTAINABILITY AT WORK REPORTS FROM THE FIELD CHINA

SIMON QI
CEO, National Symbiotic Testing Inspection Certification Co., Ltd. (NSTIC)
SCS Global Services Representative in China



After years of successful service in the Chinese forestry and forest-related products sectors, SCS decided to expand into a wider range of industries. In support of this effort, our team at NSTIC was brought onboard in 2018. So far, we have focused primarily on the built environment, electronics, textile and agriculture sectors.

Given our strong background of professional networking and service in the electronics and textile industry supply chain sectors, we are also now exploring opportunities to certify the efforts of corporations, including major international brands, that are pursuing closed loop recycling, zero waste and recycled content with their Tier 1 and Tier 2 suppliers. Additionally, NSTIC has opened a series of dialogues with local governments and some leading Chinese brands to address local demand for such services. With this focus, we are very optimistic about the growth potential among medium and small sized enterprises in China, especially in the textile industry.

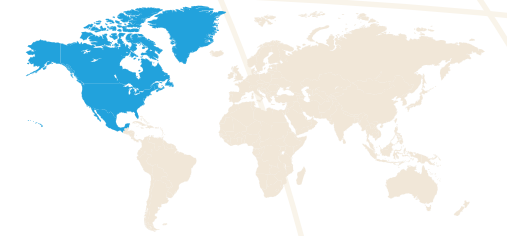
Finally, we set the stage in 2018 to bring SCS certification services in the food, beverage and agriculture sector to China, from food safety to water stewardship to sustainability. This work has put us in touch with some of the largest agricultural enterprises in the country.

Given these three areas of service, we look forward to a productive 2019.

Our certifications for products that support the environmental performance and health profile of buildings focus largely on indoor air quality (SCS Indoor Advantage™ Gold and FloorScore®) and Environmental Product Declarations. We are finding that an increasing number of companies understand the importance of meeting low chemical emission standards, and recognize that this can give them a competitive edge in the green and healthy building market.

To reinforce our customer service, we have established a specialized volatile organic compound emissions testing laboratory in Beijing, along with partners JCC, the biggest certification body in building construction, and DELOS, the innovator behind the international WELL Building Standard. The lab will be accredited by SCS once it obtains its ISO 17025 certification.





SUSTAINABILITY AT WORK REPORTS FROM THE FIELD **NORTH AMERICA**

ERIK HANBA

Operations Manager, Environmental Certification Services



A few years ago, a competitor's pint glass was left in an unoccupied cubicle in the SCS environmental certification claims division offices. The pint glass – schwag from a recent tradeshow – listed 15 or so key furniture companies as clients, two or three of which had been crossed off because they had already elected to transition from the competitor's certification to SCS Indoor Advantage™. At that time, the Indoor Advantage program was small but ambitious, with one remote Senior Technical Associate auditor and an Account Manager.

In the years that have followed, the program has grown significantly, the result of a concerted effort to even more effectively align with customer needs while maintaining a robust, scientific program. The expectations and feedback of clients were studied, then steps were taken to streamline processes through a manufacturing-based look at product and workflow. Internal workflow was examined through a “kaizen” approach built around continuous improvement of working practices, personal efficiency and commitment, teamwork, and more. The reports, audits, and interactions were improved. Forms, documents, and processes were changed on a regular basis as new ideas and opportunities for improvement were found. Some were good and institutionalized, while others were tried but quickly discarded.

In a manufacturing environment, there is a concept called the “wretched Re’s”. Wretched Re’s are steps that are redone (repaint, recoat, repair, realign, etc.). The process of relearning the client's data was the biggest “Re” relevant to third-party certification. The certification process can sometimes take several months, with the client providing data all along the way. It is critical that time not be spent going back through history, and that the required information flow clearly from beginning to end of the process. Needless to say, addressing this issue was also part of SCS' streamlining and program improvement efforts.

Today, I can report that the results of these efforts have clearly paid off, with far greater market penetration and a robust team of auditors and account managers. If the competitor's pint glass could be found today, all but two of the companies' names would be crossed off, as the others have all swung over to SCS to address their certification needs. They have recognized that SCS will continue to stay relevant to their needs. As our department continues to challenge itself to provide the best possible service and efficiency, the process of improvement will not end.



SUSTAINABILITY AT WORK REPORTS FROM THE FIELD SOUTH AMERICA

EDDIE GÓMEZ
Business Development, South America



As an agronomist with an MSc and PhD in food, agricultural and biological engineering, I have had the good fortune to conduct sustainability audits of sugarcane and soybean production in Argentina, Brazil, Guyana, Paraguay, Costa Rica, Dominican Republic and Mexico.

Based in Brazil, I now represent SCS Global Services in much of Latin America, supporting a variety of programs.

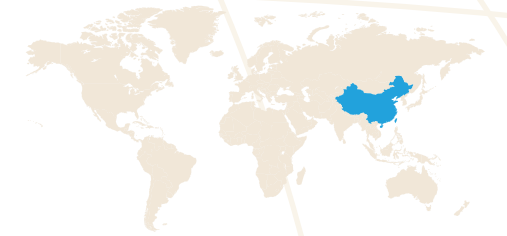
Based on my observations in the field, it is clear that sustainability certifications not only recognize outstanding performance achieved, but are also helping many companies in Latin America to actively overcome difficulties that were historically associated with the agricultural sector.

An average sugarcane mill in Northeast Brazil has more than 2,000 employees working in the fields, a majority of these being cane cutters. Just inside the mill, the numbers can reach up to 800 employees. In Costa Rica, seasonal workers are legally allowed from the neighboring country, Nicaragua, to cover for the country's deficit in labor. Similarly, the Dominican Republic accepts migrant workers from Haiti. Aside from dealing with complex labor and social issues, companies are also feeling the pressure of international markets, environmental and political changes.

To address these issues, companies have looked into different options – more efficient production systems, research and development, consulting, investment in technologies, and sustainability certifications, among others. Out of these, sustainability certifications have gained special attention due to their positive impacts, not only inside of the organization, but also to the surrounding environments and affected communities. For example, in the Dominican Republic, migrant workers were granted legal status due to efforts led by the mills. Workers' families received decent homes and medical treatment free of charge. Workers' kids now attend school and participate in sports and cultural activities also funded by the mills.

Other benefits reported by companies from the adoption of sustainability certifications include fewer legal cases related to labor and environmental conflicts, enhanced marketing strategies, efficient use of water resources and agricultural inputs, and access to new and more stringent markets. In this sense, certifications have helped companies identify useful methodologies, set goals, and implement measures that previously they may not even have known existed. Today, while we observe that adoption of many sustainable practices is still driven by market pressure, the trend is gradually shifting toward those companies that voluntarily have made positive changes and want to demonstrate leadership and continuous improvement.





SUSTAINABILITY AT WORK REPORTS FROM THE FIELD **CHINA**

SHENGFU WU

*President, China National Forest Product Industry Association
President, China Wood Culture Association
SCS Global Services Representative in China*

My team has been successfully representing SCS Global Services in China for a decade, starting in 2008. During this period, it is no surprise that we have seen a tremendous growth in interest in third-party certification.

Our first service venture was SCS calCOMpliant™, our certification for composite wood products to assure compliance with California's precedent-setting formaldehyde emissions standards (CARB ATCM 93120). This program was the forerunner of the new US EPA Formaldehyde Rule (TSCA Title VI), for which SCS is a service provider. Most of our clients are based in Asia, including long-time wood industry leaders as well as start-ups. This will continue to be an area of growth.

Also in 2008, SCS began providing Forest Stewardship Council® (FSC) certification in China. Over the past 10 years, more than 300 certificates have been issued to Chinese clients. Our FSC chain of custody team consists of six senior lead auditors, five lead auditors and ten trainee auditors. We expect to provide service for many more companies in coming years as the popularity and demand for this program grows.

Another strong growth area has been the certification of products made with recycled materials. SCS certifies the type and percentage of pre-consumer and post-consumer recycled materials used in products, reflecting the importance of sustainable use of raw materials and environmental protection. One example is a client that produces ceilings and brightly designed partitions from recycled plastic water bottles. The cleaned water bottles are made into fiber (including long fiber and short fiber) through crushing, granulating and spinning. The fiber sheet is then formed and

hand-crafted into various shapes by skilled workers. In addition to their recycled content construction, acoustic research has shown that these products provide excellent sound insulation effects – essentially soundproof – and thus are very useful for wall board for small offices and telephone rooms. These products have successfully registered for a variety of patents domestically and abroad.

For a wide range of resilient flooring products, we conduct FloorScore® certification on behalf of SCS, which establishes responsible environmental and health criteria. This certification proves that products meet tough indoor air quality standards, supporting a commitment to greener and healthier buildings. As the building sector continues to evolve, green buildings and healthier indoor environments are becoming the norm.

During one on-site client audit conducted in 2018 in Jiangsu Province, China, we were particularly impressed with how seriously the client took its mission. While inspecting the factory, the client's own laboratory facilities stood out. This lab has been accredited to conform with ISO/IEC 17025. In order to make sure it was ready for FloorScore certification, the company pre-tested the volatile organic compound emissions from key materials, the semi-finished products, and the finished products by CDPH/EHLB Standard Method V.1.2, and analyzed the sources of volatile organic compounds.

In summary, the Chinese manufacturing community is making great strides in its efforts to make products that meet internationally recognized standards of responsible production. We are happy to provide independent audits in service of this movement.



SUSTAINABILITY AT WORK REPORTS FROM THE FIELD **OCEANIA**

NICK CAPOBIANCO

Regional Director, SCS Global Services Australia and New Zealand

From the 1990s, when SCS Global Services began operating in Australia and New Zealand, we've come a long way. Our early work in the region focused on environmental performance issues, including an analysis of mining operations, forestry certification work under the Forest Stewardship Council® (FSC) Forest Management Standard, and a life cycle assessment of the environmental efficiencies built into the stadium built in Sydney for the 2000 Olympics. On the food safety side of our business, we also certified selected food crops, like kiwis and granny smith apples, to assure that they met stringent pesticide residue free standards.

In the early 2000s, SCS completed the world's first Marine Stewardship Council® (MSC) fisheries certification, which focused on Western Australia's rock lobster fishery. We also gained traction as one of the first certifiers to issue chain of custody certificates in the region for both MSC and FSC programs.

By 2008, when I joined SCS as a contract auditor, we had 40 certificates in the region. The following year, after being named as the company's regional representative, things really started to accelerate, and now a decade later, the business has grown five-fold. We now deliver more than a dozen SCS programs to over 200 active clients across Oceania, a vast region covering seven countries from Australia and Papua New Guinea to the remote islands of the Federated States of Micronesia, as well as

a number of territories. Our office is located in a time zone central to all of our clients across Oceania, in the heart of the Yarra Valley in Victoria, Australia, a state known for its agriculture and produce and proximity to Victoria's great dividing range and tall mountain ash forests.

Today's program offerings cover a wide range of industries, including FSC Forest Management and Chain of Custody, Responsible Wood Forest Management and Chain of Custody, Programme for the Endorsement of Forest Certification Chain of Custody, MSC and Aquaculture Stewardship Council® Chain of Custody, Bonsucro Production Standard and Chain of Custody, Roundtable for Sustainable Palm Oil Chain of Custody, UTZ Chain of Custody for sustainable coffee, cocoa and tea, International Sustainability & Carbon Certification, Responsible Wool Standard, Non-GMO Verified, and more. We have consistently held a number one or number two market position in our major programs, reflecting industry recognition of our commitment to rigorous standards of performance and customer service. Our team of auditors is skilled across multiple programs, supplemented with several technical experts engaged by SCS in the region to manage the growing customer base.

Looking ahead, we expect the market for certified products to increase across the board as businesses seek to meet growing customer demands for products that come with fewer environmental and social impacts and to meet growing compliance regulations for illegal logging and modern slavery





FERRERO • STEELCASE • ADP • WORLD BANK • ALLSTEEL • DEL MONTE FRESH PRODUCE
AMERICAN AIRLINES • PERI & SONS FARMS • ANDERSEN CORPORATION • ANDREU WORLD
ANTHEM • ARCHER DANIELS MIDLAND • ARMSTRONG FLOORING • BASF • BENTLEY MILLS
MENDOCINO REDWOOD PRODUCTS • TOP HAT MUSHROOMS • BEST BUY PRODUCTS • COLLINS
STARBUCKS • BRILLIANT EARTH • SUN VALLEY RAISINS • ADVANSIX • CARGILL • POM
WONDERFUL • CLARUS • CONGOLEUM • DAVID LUKE LTD. • NORTH SHORE GREENHOUSES
DIGNITY HEALTH • DUNN EDWARDS • FRUIT OF THE LOOM • GUNLOCKE • HERMAN MILLER
EUROPE • HUMANSIZE • HUNTER DOUGLAS • BERGER PEAT MOSS • TAYLOR FARMS • KIMBALL
RALPH PERRY IMPORT EXPORT • WILSONART ENGINEERED SURFACES • HAWORTH
RIVANNA NATURAL DESIGNS • BUMBLE BEE FOODS • HYUNDAI • L&C CORPORATION
TREASURY WINE ESTATES • LAURA'S CHEVRE • WWF GERMANY • PACIFIC FOREST TRUST
INTELLIGENT BLENDS • 84 LUMBER • JBT AEROTECH • AUSTRAL FISHERIES • JOHNS MANVILLE
LOCAL ROOTS • WILDLIFE WORKS • GENERAL MILLS • HP • JOHNSON & JOHNSON • VISION
ITTELLA INTERNATIONAL • LONESTAR LOBSTER • TCHO • IDEAL SNACKS • KEILHAUER

WORKING TOGETHER SUSTAINABILITY SERVICES

THE NATURE CONSERVANCY • ALTRO LIMITED • ALBION FARMS & FISHERIES • KARNDAN
DESIGN FLOORING • GUITTARD CHOCOLATE COMPANY • KELLY-MOORE PAINTS • JELLY
BELLY • AMYS KITCHEN • SEVEN ISLANDS LAND COMPANY • KAILIS BROS • TRI MARINE
LEDESMA • LEVI STRAUSS & CO • FORTUNE FISH & GOURMET • LG • HAUSYS AMERICA
LUMBER LIQUIDATORS • JSL FOODS • REDWOOD FOREST FOUNDATION • ROSEBURG
HALIBURTON FOREST & WILDLIFE RESERVE • MANNINGTON MILLS • MAPEI CORPORATION
MASONITE ARCHITECTURAL • BARRY CALLEBAUT • FRESH EXPRESS • LAND O'LAKES
WHIRLPOOL • THE CONSERVATION FUND • METROFLOR • HOKTO KINOKO • MILLER COORS
MOHAWK INDUSTRIES • NESTLE WATERS • KEURIG • KOHL BUILDING PRODUCTS • CREATIVE
SNACKS COMPANY • NEUTRAL POSTURE • SHANNON SPECIALTY FLOORS • NOVOLEX • NEW
YORK PACKAGING • DRISCOLLS • AFRICAN WILDLIFE FOUNDATION • WEAVER POPCORN
COMPANY • WISCONSIN DEPARTMENT OF NATURAL RESOURCES • OWENS CORNING
LITEQ INC • SURFACEWORKS • ROPPE HOLDING COMPANY • SHANNON SPECIALTY FLOORS
3M • CHICKEN OF THE SEA • NACIONAL AGRO INDUSTRIAL • OFS • SHAW INDUSTRIES
GROUP • IDAN FOODS • NEW COUNTRY ORGANICS • SLOAN • TETRAPAK • ALBERT BARTLETT
STELLA MCCARTHY • DOLE PACKAGED FOODS • TATE INC • HUMBOLDT REDWOOD COMPANY



APPAREL PRODUCTS

- Better Cotton Initiative
- Ethical Sourcing Consulting
- Life Cycle Assessment
- Responsible Source
- Responsible Wool Standard
- Recycled Content
- Sustainable Apparel Coalition

BIOFUELS AND BIO-BASED PRODUCTS

- Bonsucro
- International Sustainability and Carbon Certification
- Roundtable on Sustainable Biomaterials
- Sustainable Biomass Program





BUILT ENVIRONMENT

- asthma & allergy friendly® Certification
- BIFMA e3 level® Furniture Sustainability
- Biodegradable
- FactsCM – Sustainability
- FEMB level®
- FloorScore®
- Formaldehyde Compliance (EPA, CARB)
- Formaldehyde Free / No Added Formaldehyde
- Green Retail
- Green Squared®
- Health Product Declaration, Declare®, and Red List Free
- Indoor Air Quality – Indoor Advantage™ and Indoor Advantage™ Gold
- International Living Future Institute - Living Product Challenge
- Lead Safe Paint
- NSF/ANSI 140 Sustainability Assessment for Carpet
- NSF/ANSI 332 Sustainability Assessment for Resilient Floor Coverings
- No Added Urea Formaldehyde
- Recycled Content
- Recycling Program
- SCS Responsible Source™ for Synthetic Fiber Materials and Products
- Well Building Standard Consulting





CORPORATE SUSTAINABILITY SERVICES

- Alliance for Water Stewardship
- Bonsucro
- Green Retail
- International Sustainability and Carbon Certification
- Roundtable on Sustainable Biomaterials
- Sustainable Biomass Program
- Transparency - Report Assurance
- Zero Waste / Landfill Free Verification

PRODUCT SUSTAINABILITY SERVICES

- asthma & allergy friendly® Certification
- Environmental Claim Validations: Biodegradable, Compostable, Recyclable
- Environmentally Preferable Product
- Life Cycle Assessment and Carbon Footprint
- Recycled Content

“This initiative will be catalytic for the certification. SCS is an innovator in the field of indoor air quality and a marketplace leader in certification. Its global scope and credibility make SCS the ideal certification body to bring the asthma & allergy friendly® certification to more products in more countries.”

Dr. John McKeon
CEO, Allergy Standards Limited





CLIMATE SERVICES

- Carbon Footprint Verification and Assessment (Corporate and Product)
 - Climate Impact Profile based on updated climate metrics
 - ISO-14067 (Product Carbon Footprint)
 - PAS 2050
 - The Climate Registry (TCR)
 - World Resources Institute (WRI)
- Carbon Offset Validation and Verification
 - American Carbon Registry (ACR)
 - California Air Resources Board (ARB) Compliance Offset Program
 - Climate Action Reserve (CAR)
 - Climate, Community and Biodiversity Standards (CCB)
 - Forest Carbon Offset Protocol (FCOP)
 - Gold Standard (GS)
 - Verified Carbon Standard (VCS)
- Carbon Neutrality Verification
 - Carbon neutrality based on updated climate metrics
 - PAS 2060
 - Airport Carbon Accreditation
- CDP Reporting Assistance
- GHG Management and Reduction

“We are excited to add Airport Carbon Accreditation verification adding a crucial element to our portfolio of GHG services. We look forward to working with airports around the globe to support their overall sustainability performance goals with SCS’ suite of services.”

Nicole Munoz
Managing Director, Environmental Certification Services
SCS Global Services

Industries Served

Adhesives and Sealants
Agriculture
Apparel
Aquaculture
Biofuels and Bio-based Products
Building and Construction
Chemicals
Cleaners
Flooring
Food
Forestry
Floriculture and Horticulture
Furniture
Government and Institutions
Home and Garden
Jewelry
Metals and Mining
Paints and Coatings
Paper and Pulp
Power Generation
Printing
Retail and Wholesale
Seafood
Solvents
Textiles and Fiber
Transportation



“We are thrilled to congratulate the longfin squid fishery for becoming the first squid fishery in the world to attain MSC certification. This achievement is an acknowledgement and testimony to the great work that the fishers are doing to ensure that they fish responsibly, and will have the resource available for generations to come.”

Brian Perkins
Regional Director for the Americas, Marine Stewardship Council®

“We are excited to build additional trust with our customers through MSC’s certification of our longfin squid fishery. This certification demonstrates that our domestic fisheries management system is working to sustainably manage our major squid fishery to the benefit of the resource, fishing communities, and calamari lovers everywhere.”

Wayne Reichle
President, Lund’s Fisheries

FISHERIES AND SEAFOOD



- Aquaculture Stewardship Council® Responsible Aquaculture Production
- Aquaculture Stewardship Council® Seafood Chain of Custody
- Fair Trade USA Capture Fisheries Standard
- Fisheries Improvement Projects
- Marine Stewardship Council® Chain of Custody
- Marine Stewardship Council® Fisheries
- Responsible Fisheries Management Chain of Custody
- Seafood Safety and Hazard Analysis Critical Control Points
- Tailored Fisheries Consulting Projects





FOOD, BEVERAGE, AND AGRICULTURE

- Alliance for Water Stewardship
- Better Cotton Initiative
- Bonsucro
- Equitable Food Initiative
- Fair Trade Certified® – Fair Trade USA
- GLOBALG.A.P.
- Gluten-Free Certification
- Organic (USDA)
- Responsible Sourcing Advisory and Verification Services
- Responsible Wool Standard
- Roundtable on Sustainable Palm Oil Supply Chain
- Roundtable on Sustainable Palm Oil Principles & Criteria
- Starbucks Ethical Sourcing
- Sustainably Grown®
- UTZ Code of Conduct and Chain of Custody
- Veriflora® Sustainably Grown
- Veriflora® Peatlands

“I am incredibly proud of the entire team at the brewery in achieving AWS certification, further strengthening MillerCoors’ commitment to reduce the amount of water used to brew our beers. With the rigor of AWS and strong reputation of SCS, our consumers can have confidence that we are working every day to meet our water-reduction goals and deliver a product that is sustainably brewed.”

Jon Hussey
Vice President and Plant Manager, Milwaukee Brewery, MillerCoors





FOOD QUALITY AND SAFETY

- Antioxidant Superfood Certification
- BRC Food Safety
- EPA Compliance and MRL Verification
- FDA Import Detention Clearance
- Food Safety Consulting
- Food Safety Supply Chain
- Food Safety Training
- Food Security (adjunct to GMP)
- GLOBALG.A.P.
- GMP and GDP Audits
- Good Manufacturing Practices (GMP)
- Harmonized GAP
- Hazard Analysis Critical Control Points
- ISO 22000 Certification
- Management and Verification
- Maximum Residue Limit
- Non-GMO Consulting Service and Verification
- Organic (USDA)
- Pesticide Residue Free and Pesticide Residue Testing
- Primus GFS and Primus Standard GAP and GMP Audits
- Safe Quality Food
- Seafood Safety





FORESTS AND WOOD PRODUCTS

- Forest Stewardship Council® Responsible Forest Management
- Forest Stewardship Council® Chain of Custody
- Programme for the Endorsement of Forest Certification Chain of Custody
- Responsible Wood Product Chain of Custody
- Responsible Wood Forest Management
- Roundtable on Sustainable Palm Oil
- SCS Legal Harvest™ Timber Legality
- SCS Salvaged Wood and Fiber
- Supply Chain Verification
- Sustainable Biomass Program
- SVLK (Indonesia) Timber Legality
- Due Diligence for European Union Timber Regulation and the U.S. Lacey Act

“We have been FSC certified by SCS since 2014. Our policy to source FSC-certified materials and to use our own waste products in paper production not only meets our sustainability values, but helps our bottom line. Through use of these sources, we are demonstrating our commitment to serving our customers for the long haul.”

Marcos Uribelarrea
Paper Business Director, Ledesma





LIFE CYCLE SERVICES

- Comparative Life Cycle Assessment
- Corporate Sustainability Footprinting
- Environmental Product Declaration
- Environmentally Preferable Product
- LCA Critical Review
- LCA Study
- LCA Training
- Product Category Rule Development
- Product Environmental Footprint



BASED ON LEO-SCS-002 AND ISO-14044





METALS, MINING, JEWELRY AND ELECTRONICS

- Fairmined™ Gold
- IRMA Certification
- Responsible Jewellery Council
- Responsible Minerals Assurance Process
- SCS Recycled Content
- SCS Responsible Source™
- SEC Conflict Minerals Reporting
- Signet Responsible Sourcing Protocol





TRAINING AND EDUCATION **FOOD SAFETY**

SCS has been conducting food safety training for three decades. Our classes are offered in public or private, in English and Spanish, and in a wide range of formats to suit individual needs, including instructor-led live or webinar, and self-paced online. We are known for quality instructors, relevant course offerings, and our helpful support team.

2018 Courses

- Advanced HACCP
- BRC Global Standard for Food Safety
- Crisis Management / Product Recall
- Food Industry Train the Trainer Workshop
- FSMA Foreign Supplier Verification Program
- FSMA Preventive Controls for Human Food
- GLOBALG.A.P. IFA Standard for Fruits and Vegetables
- Good Manufacturing Practices
- HACCP Training for Processors, Produce Operations, and Agricultural Operations
- Implementing SQF
- Internal Auditing for GFSI
- Internal Auditing for Food Safety Programs
- Warehousing and Sanitary Transport, FSMA based

Public Food Safety Webinars

We also facilitate numerous internal training seminars, such as:

- Product Development – How Product Developers affect Food Safety
- Introducing AgSafe: Our valued partner in On-Farm Worker Safety
- Food Safety Management can be a Risky Business
- Understanding SQF Edition 8.0 Food Safety Code for Food Retail
- Non-GMO Verified: What to Do About High-Risk Ingredients

Quality Training Seminars

The SCS Quality Team facilitated internal training seminars as well as lunch and learn sessions about environmental and social issues. In 2018, presentations featured Global Forest Watch by World Resources Institute, Sustainable Seafood, Forest Stewardship Certification, and Research and Development updates.

“SCS has been our go-to vendor for food safety training since 2011. We appreciate that there are a good variety of public courses available in both Northern and Southern California. Our employees have also benefited from customized in-house training.”

Sireesha Bhattiprolu

Quality Assurance Manager, Kerry Ingredients

TRAINING AND EDUCATION SUSTAINABILITY

Forest Management and Forest Product Chain of Custody Professional Trainings

In 2018, SCS Global Services became an ASI-accredited training provider for FSC Forest Management, FSC Chain of Custody, and ISO 19011 auditor training. SCS’ accredited training program allows attendees to work toward FSC lead auditor qualification or to familiarize themselves with the FSC standards as a stakeholder, certificate holder, or prospective certificate holder. The trainings provided by SCS have been conducted in locations worldwide, featuring established trainers with over a decade of experience conducting forest management and chain of custody audits.

Food and Agriculture

The Food and Agriculture team hosted professional trainings and public webinars in 2018 to reinforce environmental stewardship and social responsibility in food and beverage production, including the following:

Trainings

- C.A.F.E. Practices, Starbucks’ ethical sourcing program for coffee – Training courses were held in China, Indonesia, Rwanda, Colombia, Brazil, El Salvador, and Kenya
- COCOA Practices, Starbucks’ ethical sourcing program for cocoa – Training course was provided in Ivory Coast
- Ferrero Farming Values Hazelnut program, Ferrero’s standard for sustainable hazelnut production – Training course was provided for auditors in Turkey

Webinars

- Product Development – How Product Developers affect Food Safety
- Introducing AgSafe: Our valued partner in On-Farm Worker Safety
- Food Safety Management can be a Risky Business
- Understanding SQF Edition 8.0 Food Safety Code for Food Retail
- Non-GMO Verified: What to Do About High-Risk Ingredients
- Water Stewardship using the Alliance for Water Stewardship (AWS) International Standard

“SCS Global Services has one of the best cultures of people I have ever been around.”

Shannon Wilks
FSC Chain of Custody, Trainee





1984

Established world's first Pesticide Residue Free certification program for fresh produce, with first voluntary full disclosures from growers.

1987

Launched first U.S. HACCP food safety training and audit programs for food producers, processors, handlers and retailers.

1989

Launched first third-party U.S. certification program for environmental claims, and initiated sustainability services for retailers.

1985

Established first pesticide residue and nutrition testing QA program for supermarket fresh produce departments.

1990s

Participated in writing the international ISO 14000 standards for environmental labeling and life cycle assessment.

1991

Conducted first international independent certification of a wood product made from wood from a responsibly managed forest.

1994

Participated in the establishment of international Forest Stewardship Council® standard, and accredited as one of first certifiers.

1997

Participated in the establishment of international Marine Stewardship Council® standard, and accredited as one of first certifiers.

1994

Established world's first Life Cycle Assessment based Type III Environmental Product Declaration label: Environmental Report Card.

1997

Established SCS Mexico subsidiary as first of many international ventures to expand service offerings in countries around the world.

2002

Launched flavor and nutrition management services to help growers, seed companies and food retailers optimize these features.

2003

Worked with Starbucks to establish C.A.F.E. Practices program for its international coffee supply chain.

2007

Initiated U.S. National Sustainable Agriculture Standard under ANSI open, multi-stakeholder consensus standard development process.

2004

Launched sustainable agriculture certification, first for cut flowers and ornamental plants, then for fresh produce.

2000

Accredited as one of the first organic certifiers under USDA National Organic Program.

2008

Launched greenhouse gas (GHG) inventory and carbon offset validation and verification services.

2008

Initiated U.S. national life cycle assessment standard to augment international standards and provide rigorous guidance for LCA-based claims.



2012

Became SCS Global Services, represented by the SCS Kingfisher certification logo.

2014

First certification body fully accredited by the Roundtable on Sustainable Biomaterials.

2014

Approved to conduct UTZ Code of Conduct and Chain of Custody audits for coffee, cocoa, and tea.

2014

Accredited as auditor to the Responsible Jewellery Council® Code of Practices and Chain of Custody standards.

2015

Accredited by ANSI as an Eligible EPD Program Operator and Independent EPD Verifier.

2015

Published most comprehensive LCA study ever conducted for paper products.

2015

Expanded its Sustainably Grown® program internationally with certification of bananas and pineapples.

2016

Approved certifier for ILFI Living Product Challenge and Declare.™

2016

Approved as Non-GMO Project Verification Standard Technical Administrator.

2017

Reached new carbon offset milestone: 125 million metric tons verified.

2016

Sustainably Grown® completes GSCP Equivalence Process.

2016

Approved certifier for PrimusGFS GAP, GMP, FMS, HACCP scopes.

2017

Accredited certifier under the Responsible Minerals Assurance Process.

2017

Sustainability Leadership Award Winner: Business Intelligence Group.

2017

Recognized by EPA as Third-Party Certifier for Formaldehyde Rule.

2017

Named first North American certifier under Responsible Palm Oil Standard.

2018

Authorized under Airport Carbon Accreditation program to verify GHG emissions inventories for participating airports.

2018

Accredited as a certifier under ISO 22000:2005 international standard for food safety management.

2018

Initiated Gluten-Free Certification Organization services.

2018

Approved by Allergy Standards Limited to offer asthma & allergy friendly® certification.

SCS MILESTONES

AUTHENTICATING SUCCESS

Environmental Certification Specialists of the Year

For the second time in a row, SCS has been recognized by Global Energy News under its Clean Energy Awards program. SCS was named an Environmental Certification Specialist of the Year for 2018. As described by Global Energy News, based in the United Kingdom, the 2018 Clean Energy Awards “acknowledge the organizations, agencies and individuals who strive to provide the services and solutions which will allow us to live and work in a cleaner and safer environment whilst remaining economically viable.”

Sustainability Leadership Award

The Business Intelligence Group Sustainability Awards honor those who have made sustainability an integral part of their business practice. “Sustainability has become integral to so many, but these nominees delivered on their individual promises and corporate goals,” said Maria Jimenez, Chief Nominations Officer, Business Intelligence Group. “We are so proud to reward and recognize all of our winners and finalists, as they provide the leadership and vision needed to protect our environment.”

Best Verification Company

Environmental Finance’s annual poll gathered 1,000 responses to rank the most highly regarded players in the voluntary carbon market. SCS was honored as the best offset verifier for voluntary carbon markets. In 2018, several factors encouraged companies to buy more offset credits: the inclusion of the REDD+ methodology for forestry credits in the Paris Agreement; strong expected demand for offsets in the forthcoming mandatory aviation emissions regime; significant purchases resulting from Colombia’s new climate policies; growing corporate interest in the UN’s Sustainable Development Goals; and the pressure for greater disclosure of carbon emissions data.

Partnership with AgSafe Food & Farms

SCS Global Services and AgSafe Food & Farms partnered in 2018 to offer training for growers, packers, distributors, and farm labor contractors in the most critical issues impacting worker safety, health, human resources, and food safety. Through this partnership, SCS’ clients have access to expanded training opportunities. As an additional benefit, SCS clients gain access to AgSafe’s “Member’s Only” resources.

EVERY DAY LEADING THE FIGHT AGAINST GREENWASHING

Neutral Third Party

As a neutral third party, we provide the independent perspective needed to conduct credible certification audits, helping clients identify improvement opportunities and build customer and stakeholder confidence. Our third-party status is corroborated through national and international accreditations, and is built upon the following foundations:

- We are financially independent from our clients, and have no financial backing from any institution with an interest in representing our clients or their products.
- We operate on a fee-for-service basis, providing transparency and ensuring that our fees are not attached to sales volumes.
- We engage independent laboratories when product testing is required, enabling split samples and anonymity for quality control, while assuring customers that we have no interest in excessive testing.
- Our Quality System policies insulate our findings from commercial, financial and other pressures as SCS managers document and analyze potential conflicts of interest for each project.

Greenwashing

SCS has been an outspoken critic of greenwashing for three decades. Greenwashing – the assertion of claims or ecolabels that are misleading or unsubstantiated – confuse the marketplace and diminish the hard-earned accomplishments of legitimate leaders in the private and public sectors.

We actively work to prevent greenwashing in several ways:

- The SCS Kingfisher certification mark is accompanied by specific certified claims that communicate the nature of the accomplishment achieved.
- We offer guidance to clients to communicate claims in an accurate, measured manner.
- We provide supply chain services to retailers and brands seeking to substantiate the claims of their suppliers.

OUR VALUES

SCS Leadership

SCS’ senior management is fully committed to carrying out the benefit mission of the organization – to promote sustainable decision-making, policies and practices that safeguard our environment, climate, and health, support workers and communities, and raise the standard of living for all.

Statement from the SCS Management Team

SCS Global Services operates for the benefit of people and the environment. This Annual Report summarizes our work in support of this mission, through the administration of third-party certification services, development of rigorous standards, and sharing of knowledge and insights. Social and environmental responsibility are also embedded into our quality system and corporate polices, and integral to our day-to-day internal operations.

SCS Board of Directors

The SCS Board of Directors currently consists of seven individuals dedicated to the company's mission and intimately knowledgeable about the company's operations.

Statement from the Board

Consistent with our charter in the State of California as a Benefit Corporation, we confirm that: 1) SCS Global Services’ corporate purpose is to create a materially positive impact on society and the environment; 2) SCS Global Services includes consideration of non-financial interests within the scope of our fiduciary duty when making decisions; and 3) SCS Global Services publishes an Annual Report summarizing its annual performance with respect to this charter.

Pursuant to Sections 14621 and 14630 of the California Corporations Code, the Board of Directors hereby affirms that, during the year 2018, the corporation successfully fulfilled its general purposes, functions and responsibilities as a California Benefit Corporation, as well as its specific purpose of providing third-party certification, auditing, testing and training services that recognize and reinforce client efforts to protect the environment, advance social responsibility, and enhance quality and safety.

Applying Our Values at Home and Abroad

Our benefit corporation values are deeply ingrained in the organization, informing our internal policies as well as our external operations. We strive to minimize our environmental footprint, in big ways and small, even as we deliver top-notch professional service to our clients:

- Audits are regionally batched to minimize miles traveled.
- We cultivate program and auditor expertise in locations around the world to provide local and regional knowledge, to ensure cultural sensitivity, and to minimize travel.
- Teleconferencing is maximized to support our international network of auditors and representatives.
- Telecommuting, carpooling, and off-peak business commutes are encouraged.
- Employees take advantage of on-site electric vehicle charging stations.
- Employees participate in sustainably themed events, ranging from Earth Day events to the region-wide Bike to Work month.
- Purchasing policies favor recycled content, non-GMO verification, FSC certification, certified organic and Sustainably Grown®.

- Product recycling and composting are actively encouraged onsite.
- Employee orientations include a review of resin identification guides to maximize recycling.
- SCS employees work together to reuse supplies and shipping materials. Compost and e-waste is professionally collected facility-wide.
- Lunch and learn sessions conducted by staff educate SCS employees about a wide range of environmental and social issues.
- Annually, a majority of SCS staff participates in an Annual Day of Service, supporting a social or environmental non-profit organization in the community.

In 2018, SCS was proud to sponsor two employees who participated in the 325-mile, multi-day Northern California Climate Ride from Humboldt County to San Francisco. Their activism raised funds for the Union of Concerned Scientists, Climate One, Environmental Working Group, Grist, Young Voices for the Planet, and the Center for Biological Diversity.



The 3 Cs of Our Corporate Culture

The SCS corporate culture can be summed up in three words: Competency, Creativity, and Commitment:

- **Competency** – We have a world-class professional team capable of providing our customers worldwide with timely, insightful, and effective service.
- **Creativity** – Our professional staff consists of highly energetic, innovative problem solvers. In this intellectually demanding environment, individual employees at all levels of the company are encouraged to contribute ideas and solutions. To reward such initiative, the company maintains a robust practice of promoting from within its ranks.
- **Commitment** – The people who are attracted to work at SCS care deeply about protecting the environment, promoting safe and healthy work conditions for workers, and finding the right solutions grounded in scientific rigor.

Professional Development

SCS encourages continued professional development of its employees through sponsorship of attendance at conferences and events, training opportunities, and flex-time accommodation of class schedules and childcare.

Our Quality System

The SCS Quality System is a management-driven mechanism for developing, implementing and maintaining key quality processes and procedures to ensure effective delivery of SCS services. It provides a robust framework for day-to-day operations, enabling SCS to provide value to its clients, improve overall organizational effectiveness and capabilities, and drive organizational and personal learning. Each employee is responsible for learning and helping to maintain the Quality System. A quarterly Quality Assurance Newsletter keeps employees up-to-date on quality procedures, trainings, and issues, while Quality Challenges with prizes to the winners keep employees engaged in a fun way.

Opportunities to join the SCS team are listed on our [Careers](#) webpage.



ACCREDITATIONS AND AFFILIATIONS

Program	Accreditation / Approval Body	Accredited / Approved Since:
Forest Stewardship Council® Responsible Forest Management	Accreditation Services International	February 1996
Forest Stewardship Council® Chain of Custody	Accreditation Services International	February 1996
Marine Stewardship Council® Sustainable Fishing	Accreditation Services International	January 2001
Marine Stewardship Council® Chain of Custody	Accreditation Services International	January 2001
Organic crops, wild crops and handling operations	U.S. Department of Agriculture National Organic Program	April 2002
Safe Quality Foods standards (SQF Code Edition 7)	American National Standards Institute	March 2009
PEFC ST 2002:2013 Chain of Custody of Forest Based Products	American National Standards Institute	March 2009
Indoor Advantage™	American National Standards Institute	March 2009
Indoor Advantage™ Gold	American National Standards Institute	March 2009
FloorScore® (Resilient Floor Covering Institute)	American National Standards Institute	March 2009
Greenhouse Gas Validation and Verification Body ISO 14065 and 14064-3 for: • The Climate Registry General Verification Protocol • Verified Carbon Standard • Climate Action Reserve, Forest Verification Protocol • The American Carbon Registry	American National Standards Institute	May 2009
UTZ Chain of Custody standard	UTZ	May 2009
level®, BIFMA e3-2012 Sustainable Furniture Standard	American National Standards Institute	October 2010
Veriflora® Standard for Responsible Peatland Management	Canadian Peat and Sphagnum Association	January 2011
Bonsucro System Option 1 v4	Better Sugarcane Initiative	July 2011
GLOBALG.A.P. Option 1 V5.0	American National Standards Institute	August 2011
Green Squared® standard	Tile Council of North America	November 2011

Program	Accreditation / Approval Body	Accredited / Approved Since:
Aquaculture Stewardship Council® Chain of Custody	Accreditation Services International	April 2012
Fairmined standard	Alliance for Responsible Mining (ARM)	April 2012
ISCC Plus standard	International Sustainability and Carbon Certification	May 2012
ISCC standard	International Sustainability and Carbon Certification	May 2012
Mexico GAP V4.0	American National Standards Institute	November 2012
GLOBALG.A.P Produce Safety Standard V4.0 (PSS)	American National Standards Institute	December 2012
California Cap-and-Trade Program	California Air Resources Board	February 2013
Facts ^{CM}	Association of Contract Textiles (ACT)	March 2013
Health Product Declaration	Health Product Declaration (HPD) Collaborative	November 2013
Aquaculture Stewardship Council	Accreditation Services International	March 2014
Equitable Food Initiative® Scheme – Responsibly Grown. Farmworker Assured. Certification Body for Farms and Packing Facilities	Equitable Food Initiative	March 2014
RJC Code of Practices and Chain of Custody standards	Responsible Jewellery Council	April 2014
Signet Responsible Sourcing Protocol standards	Responsible Jewellery Council	April 2014
Roundtable on Sustainable Biomaterials	Accreditation Services International	November 2014
Environmental Product Declarations verification	American National Standards Institute	March 2015
Eligible Program Operator to develop Type III environmental programs and program declarations	American National Standards Institute	March 2015
Sustainable Apparel Coalition Pilot Verification	Sustainable Apparel Coalition	July 2015
Indoor Advantage™ Gold and Indoor Advantage™	BREEAM	July 2015
CDP Consultancy	CDP	August 2015

Program	Accreditation / Approval Body	Accredited / Approved Since:
Harmonized Produce Safety Standard V1.0	American National Standards Institute	December 2015
GLOBALG.A.P. Option 2 V5.0	American National Standards Institute	December 2015
Living Product Challenge standard	International Living Future Institute	February 2016
Declare™	International Living Future Institute	February 2016
Non-GMO Project Verification standard	Non-GMO Project	April 2016
Alliance for Water Stewardship standard	Alliance for Water Stewardship	June 2016
Better Cotton Initiative standard	Better Cotton Initiative	July 2016
Forest Products Australian Forestry Standard AS 4707:2014	American National Standards Institute	July 2016
PrimusGFS, including the following scopes: <ul style="list-style-type: none"> • Good Agricultural Practices • Good Manufacturing Practices • Food Safety Management Systems • Hazard Analysis Critical Control Points 	American National Standards Institute	July 2016
Conflict-Free Smelter Program	Conflict Free Sourcing Initiative	November 2016
SCS Sustainably Grown®	American National Standards Institute	December 2016
Eco-Labeling Certification body meeting the requirements of ISO 14020, ISO 14024 and ISO 17065	American National Standards Institute	December 2016
Indoor Advantage™ and Indoor Advantage™ Gold standards	U.S. Environmental Protection Agency Recommendations of Specifications, Standards and Ecolabels to federal purchasers	December 2016
Recognized conformity assessment bodies for services provided in connection with the following standards: <ul style="list-style-type: none"> • level®, ANSI/BIFMA e3 – 2014, Certification for Sustainable Furniture • Green Squared®, ANSI A138.1 – 2011 v2, Certification for Sustainable Ceramic Tiles, Glass Tiles and Tile Installation Materials • facts®, NSF/ANSI 336 – 2011, Certification for Sustainable Commercial Furnishings Fabric • NSF/ANSI 140 – 2015 Sustainability Assessment for Carpet • NSF/ANSI 332 – 2015 Sustainability Assessment for Resilient Floor Coverings 	U.S. Environmental Protection Agency Recommendations of Specifications, Standards and Ecolabels to federal purchasers	December 2016
RSPO Supply Chain Certification Systems	Accreditation Services International	January 2017

Program	Accreditation / Approval Body	Accredited / Approved Since:
Responsible Wood Australian Standard® for Sustainable Forest Management (AS 4708-2013)	Joint Accreditation System of Australia and New Zealand	June 2017
Responsible Minerals Assurance Process	Responsible Minerals Initiative	August 2017
Sustainable Biomass Program	Accreditation Services International	July 2018
Greenhouse Gas Emissions Inventories	Airport Carbon Accreditation	July 2018
ISO 22000 for Food Safety Management Systems	Joint Accreditation System of Australia and New Zealand	August 2018
asthma & allergy friendly®	Allergy Standards Limited	November 2018
RSPO Principles & Criteria	Accreditation Services International	November 2018
FEMB Sustainability	American National Standards Institute	November 2018

AgSafe

The mission of AgSafe is to advance the food and farming industries commitment to a safe, sustainable workforce and food supply, by providing practical education and resources. Through this partnership, SCS’ clients have access to expanded training opportunities. Additionally, SCS clients gain access to AgSafe’s “Member’s Only” resources.

Business and Institutional Furniture Manufacturers Association (BIFMA)

BIFMA is the non-profit trade association for business and institutional furniture manufacturers. SCS is an active and long-standing member of BIFMA technical working groups for the e.3 Furniture Sustainability Standard and M7.1/X7.1 VOC Emissions Standards.

Colorado Fruit and Vegetable Growers Association

CFVGA is the go-to resource for Colorado fresh fruit and vegetable farmers. CFVGA connects Colorado growers with industry, government, academia and consumers to strengthen and expand Colorado fresh fruit and vegetable production. SCS has been a member since 2016.

eco-INSTITUT

eco-INSTITUT is a leading provider of product emissions and chemical testing based in Cologne, Germany. It conducts volatile organic compound (VOC) emissions testing for the SCS Indoor Advantage™, SCS Indoor Advantage™ Gold, and FloorScore® certification programs in conformance with industry-recognized sustainability and environmental claims standards. Its partnership with SCS launched in May 2016.

Florida Fruit and Vegetables Association

The Florida Fruit and Vegetable Association is the state’s leading full-service specialty crop organization, serving Florida’s grower-shipper community since 1943. FFVA represents a broad range of crops, including vegetables, citrus, tropical fruit, berries, sod, sugar cane, tree crops and more.

Grower Shipper Association of Central California

GSA is a respected and continuously growing force in the agricultural industry committed to representing the needs of its members. SCS is an associate member of The Chairman’s Roundtable which allows GSA members to team up with industry leaders to make a stronger impact in shaping the important local, regional, state and federal issues facing agriculture.

German Institute of Global and Area Studies

GIGA is an independent social science research institute whose mission is to analyze political, social, and economic developments in Africa, Asia, Latin America, and the Middle East, as well as global issues. The GIGA approach is global in content, reach, and structure.

Institute of Food Technologists

Since 1939, IFT has been advancing the science of food and its application across the global food system by creating a dynamic forum where individuals from more than 90 countries can collaborate, learn, and grow, transforming scientific knowledge into innovative solutions for the benefit of people around the world.

International Precious Metals Institute

IPMI is an international association of members of the precious metals community formed to provide a forum for the exchange of information and technology. IPMI seeks and promotes the efficient and environmentally sound use, reuse, and recycling of precious metals from both primary and secondary sources. IPMI conducts educational meetings and courses and serves as a primary resource for information worldwide.

ISEAL Alliance

The ISEAL Alliance is an internationally recognized organization dedicated to ensuring credible and innovative sustainability standards. SCS has been a subscriber since September 2014.

mindful MATERIALS

mindful MATERIALS is a design industry initiative that provides a common platform for manufacturers to clearly communicate transparency and optimization information for their building products.

Produce Marketing Association

The Produce Marketing Association is a trade organization representing companies from every segment of the global fresh produce and floral supply chain. PMA helps members grow by providing connections that expand business opportunities and increase sales and consumption. SCS has been a member for over two decades.

Program Operators Consortium

POC is a group of standards developers and certifiers specializing in the development of Product Category Rules and the certification of Environmental Product Declarations, working together to advance environmental product transparency in the marketplace. SCS became a member in 2016.

Sustainable Apparel Coalition

The Sustainable Apparel Coalition was formed by sustainability leaders and leading environmental and social organizations to address current social and environmental challenges, representing more than one-third of the global apparel and footwear industries. SCS has been an affiliate member since 2015.

Sustainable Purchasing Leadership Council

SPLC was created to simplify, optimize and standardize the practice of sustainable procurement. SCS is a member of the Founders Circle.

Texas International Produce Association

TIPA was created in 1942 to represent the business, economic, and political interests of Texas-grown fruits and vegetables; and address the issues and opportunities surrounding the imports of Mexico-grown produce that is shipped through Texas ports.

Textile Exchange

Textile Exchange is a global nonprofit organization that works with the entire textile supply chain to reduce environmental impacts and promote positive change within the industry. SCS collaborates with the Textile Exchange on climate change metrics and environmental claims verification programs and processes.

ToxServices

ToxServices is a scientific consulting firm focused on toxicology and risk assessment. It helps manufacturers prepare and publish their HPDs using the HPD Collaborative’s online builder tool, while SCS provides the independent verification required to validate the HPD disclosure claim. This partnership launched in May 2016.

United Fresh

United Fresh Produce Association is the industry’s leading trade association committed to driving the growth and success of produce companies and their partners. United Fresh represents the interests of member companies throughout the global fresh produce supply chain, including family-owned, private and publicly traded businesses as well as regional, national and international companies. SCS has been a member for over two decades.

U.S. Green Building Council

The U.S. Green Building Council is a nonprofit organization that promotes sustainable design and construction through the LEED building rating system, along with educational offerings, nationwide chapters, and the annual Greenbuild Conference and Expo.



SCS is proud to be an FSC®-accredited certification body, FSC-A000521.



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