

HOW DO YOU IMPROVE OPERATIONS AND MAINTAIN PRODUCT QUALITY?

TRANSFORM YOUR PRODUCTION AND MEET HIGH QUALITY STANDARDS WITH SGS SOLUTIONS

7 BE THE BENCHMARK

PHARMACEUTICAL, COSMETICS, AND PERSONAL CARE



THE CERTIFICATION & BUSINESS ENHANCEMENT SYSTEM

As the industry leader in Certification and regulatory standards, SGS has collected over 1 million data points across 39 major industries. This certification data clearly indicated the common pain points clients face. With this vast dataset, an opportunity was realized. How can we use the insights from this data, and combine that with our technical expertise to help our clients proactively solve business issues?

Utilizing our foundation of certification expertise and audit data we transformed our approach to include more digital analysis and operational applications. We evolved our service offering to include Business Enhancement solutions that focus on value added, continuous improvement for our clients.

DRIVERS:

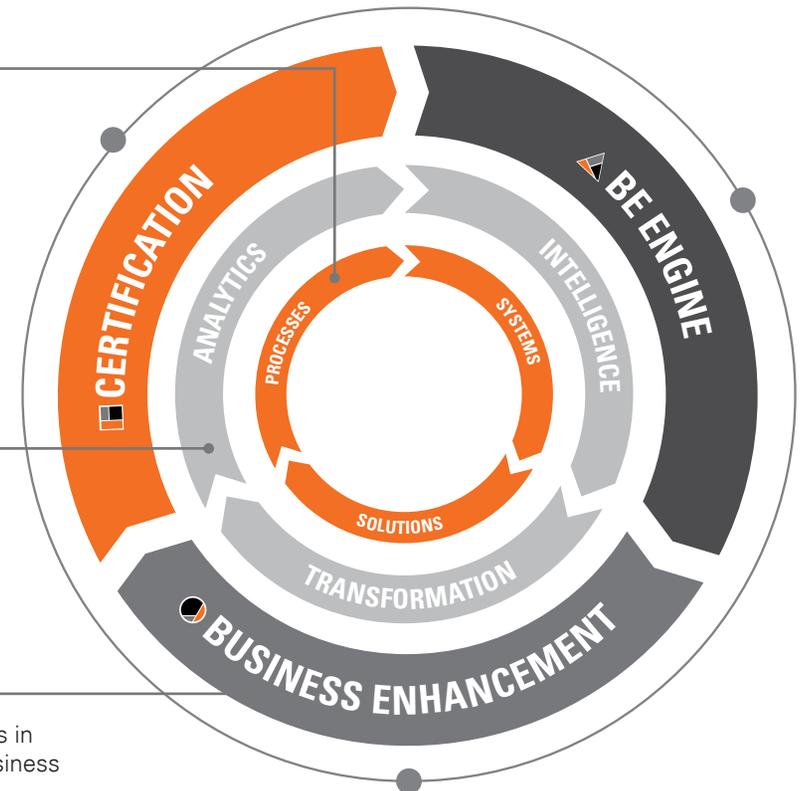
Data analysis designed to improve operational processes, implement effective management system, and drive business growth

TRANSFORMATION:

Using data from certification audit nonconformities to generate insights regarding pain points and potential risks

IMPLEMENTATION:

Integrating products and services in Certification, BE Engine, and Business Enhancement



CBE SYSTEM ICONS

CERTIFICATION

The square indicates the foundation of our business, encompassing all Certification services. A stable and strong base for all our products and services.

BE ENGINE

The triangle signifies positive change which is an output of our BE Engine methodology and business intelligence tool.

BUSINESS ENHANCEMENT

The circle signifies continuous positive business enhancement our services will enable and activate.



THE SGS DIFFERENCE

With Certification and industry information relating to compliance, quality, environmental, and health and safety for over 200,000 customers, we hold millions of data points. These span 39 industries and all countries, giving us a unique perspective and expertise on various company risks.

- 9**
BUSINESSES

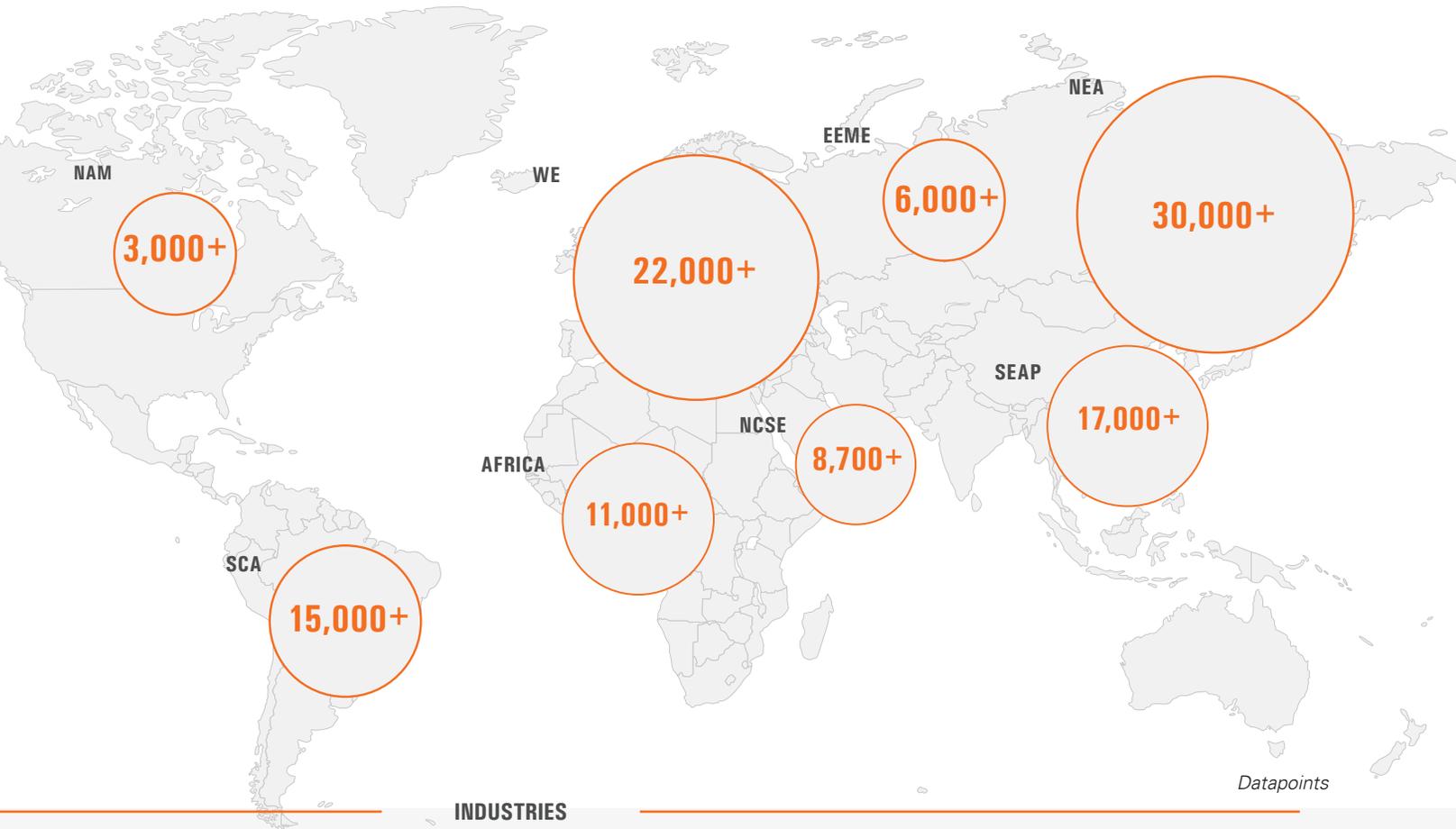
- 89**
COUNTRIES

- 200,000**
CUSTOMERS

- 2,600**
OFFICES

- 94,000**
EMPLOYEES

- 2MIL+**
INVESTED IN LOCAL COMMUNITIES
WORLDWIDE (2019)



INDUSTRIES

- Agriculture and Food
- Chemical
- Construction
- Consumer Goods & Retail
- Energy
- Industrial Manufacturing
- Life Sciences
- Mining
- Oil & Gas
- Public Sector
- Transportation

Datapoints



STATE OF THE INDUSTRY

As the Pharmaceutical, Cosmetics and Personal Care (PCPC) industry embraces new trends to increase sales, they encounter more problems than they had previously and need new, innovative tools to combat them.

As the globalization of markets continues and supply chains become more complex, manufacturers must meet higher demand. This increase in production can lead to higher quality and safety issues. In Europe, for example, the number of PCPC products that were noted as unsafe increased by 30% in 2020. These concerns result in strict regulations on safety and performance.

SGS has developed a suite of PCPC solutions to help manufacturers navigate their journey to the market in a safe and sustainable way.

PREPARING FOR THE FUTURE

The industry is witnessing a rise in demand for natural cosmetics and medicines. The natural and green features of product demand can slow down the quality and availability of raw materials. The use of novel technology and ingredients, as well as demand for inclusive beauty products, is a new avenue for product development in the coming years.

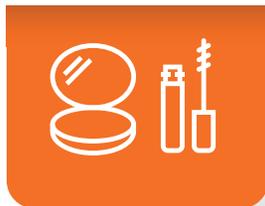
Such external market factors, like increased use of technology and evolving consumer needs, have led to increases in demand and competition. Because of this there is pressure to get the product to the market quickly, making it difficult to maintain compliance to regulatory and consumer standards. Manufacturers must now take extra precautions to ensure product quality is meeting regulatory and industry standards, or risk economic loss.

EXTERNAL MARKET FACTORS

Sustainability is a growing topic in this industry that traditionally features single-use packaging

Over-distribution is heating up competition within beauty retail, creating more pressure for goods to be rushed out that may not meet regulatory or customer standards

CHANGING MARKETS



SUSTAINABLE
TECHNOLOGY

EVOLVING CUSTOMER NEEDS



COMPETITION

Tech is growing in the beauty industry to provide an edge in an increasingly crowded market.

Expanding inclusive beauty for men, gender-neutral, people of color, older and younger consumers



LINKING INDUSTRY PAIN POINTS TO BUSINESS IMPACT

To gain a holistic understanding of the potential risks within the PCPC industry, SGS has developed a methodology that utilizes our compliance data to identify the industry's top pain points and business impact events. This data was collected from the top certification standards for PCPC manufactures, including Good Manufacturing Practices (GMP).

The graphic on the right highlights this process by identifying:

- Top industry pain points
- Impact events most likely to occur
- Impact areas with the highest business risk

KEY INDUSTRY FINDINGS

Our analysis indicates that the events with the highest risk revolved around product quality and customer satisfaction, including:

- Product Recall
- Operational Inefficiency
- Noncompliance and Fines
- Data Loss
- Unethical Conduct



DATA SPECIFICATIONS

24,393 DATA POINTS

8,338 CERTIFICATES ISSUED





WHAT ARE THE INDUSTRY PAIN POINTS?

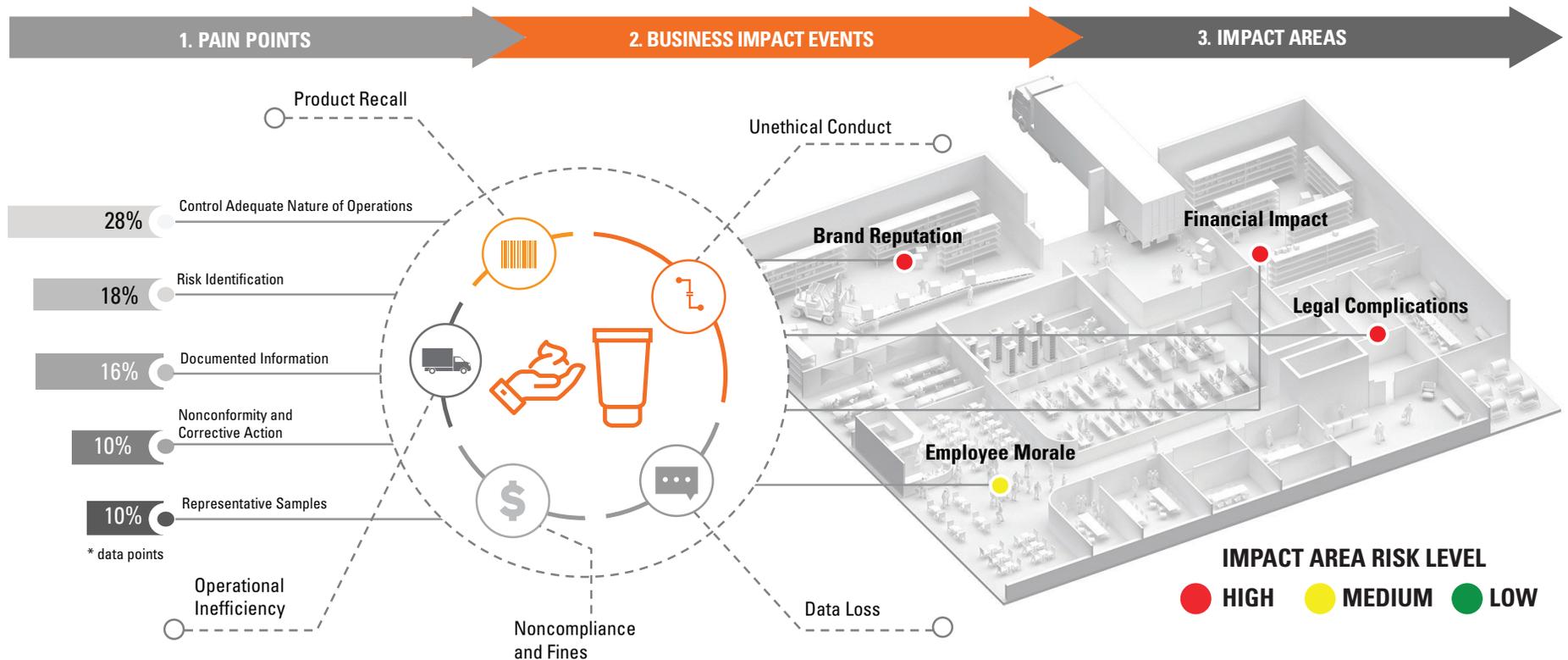
With our PCPC industry analysis, SGS is able to find trends in our clients' data points and detect threats and areas of improvement. Each standard clause and their corresponding data points were reviewed, allowing us to discover the top pain point areas a PCPC manufacturer might face.

Our methodology identifies the top five industry pain points based on the number of occurrences within our data set. Our technical and industry experts then map each pain point to the most likely event that can negatively affect operations, which we refer to as impact events. These events allow us to identify the risk level of the four main impact areas of an organization. The graphic below showcases this process for the PCPC industry and identifies all impact areas have high risk levels.

DATA SPECIFICATIONS

➤➤ **24,393 DATA POINTS**

➤➤ **8,338 CERTIFICATES ISSUED**

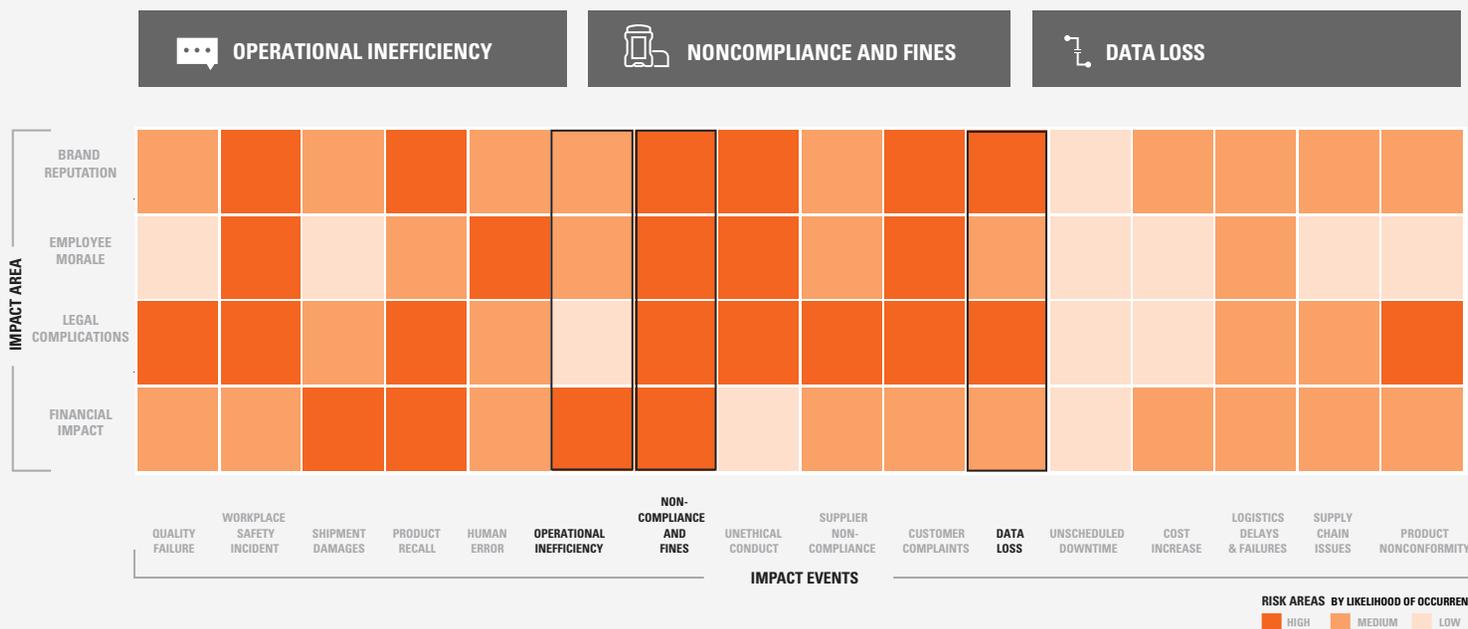




LINKING IMPACT EVENTS TO BUSINESS RISK

Our analysis has identified operational inefficiency, noncompliance and fines, and data loss as the impact events most likely to occur. The heat map below highlights these three events and allows us to see how they all impact each of the four impact areas. Brand Reputation and Legal Complications are most at risk if these three impact events occur.

EVENTS WITH HIGHEST RISK IMPACT:



1. Understand the industry landscape by seeing how key areas of your business are impacted by the identified events.
2. Identify the top three events based on # of occurrences and see how they rate (low, medium, high) against the 4 impact areas.
3. The dark orange boxes showcase the area most likely to be affected by these events.



CERTIFICATIONS FOR THE PCPC INDUSTRY

The standards below cover good manufacturing and distribution practices, packaging and packaging materials, distribution and freight security certification schemes. Businesses can be involved in any step of the process including manufacturing, packaging, storage & distribution, wholesale & retail.

The top services for the industry are:

- ISO 22716 Cosmetics-Good Manufacturing Practices (GMP)
- BRCGS Global Standard For Packaging and Packaging Materials
- ISO 22301 - Business Continuity Management
- ISO/IEC 27001:2013
- ISO 28000 - Supply Chain Security Management System

BENEFITS OF CERTIFICATION:

**PROCESS
IMPROVEMENT**

**BRAND
IMAGE**

**EMPLOYEE
MOTIVATION**

**PRODUCT
QUALITY**

By implementing certification, you will demonstrate that your organization meets the highest standards for quality, efficiency, and cost-effectiveness in PCPC production. You will meet legal requirements and gain customer trust for consistently safe and high quality products.

THE CERTIFICATION PROCESS



**HOW SGS
CAN HELP**



TRAINING



PRE AUDIT



**CERTIFICATION
AUDIT**



**REFERENCE
MATERIALS**



SGS ACADEMY TRAINING COURSES

SGS has the capabilities in place to deliver consistent, effective, and high-quality training for the PCPC industry.



INTRODUCTION TO ISO 22716:2007 GMP FOR COSMETICS TRAINING

This course provides you with the understanding of the pharmaceutical product supply chains for cosmetic products from the producers of raw materials to manufacturers of finished products.

COURSE DETAILS / Duration: 1 day



ISO 22716:2007 GMP FOR COSMETICS INTERNAL AUDITOR TRAINING

This Course provides guidance to documenting and regulating the production, control, storage, and shipment of cosmetic products. The standard's guidelines will provide your organization with practical methods for managing the many factors that can affect product quality.

COURSE DETAILS / Duration: 2 days



INTRODUCTION TO 21 CFR 210 / 211 GMP'S FOR FINISHED PHARMACEUTICALS TRAINING

During this interactive training, learn to interpret and apply the FDA requirements for production, quality systems and management of finished pharmaceuticals: 21 CFR 210 and 211. Discuss ways to minimize or eliminate issues related to contamination, mix-ups, superpotency/subpotency, misbranding, bio-availability, and safety and efficacy.

COURSE DETAILS / Duration: 1 day



INTRODUCTION TO ICH Q7 GMP'S FOR ACTIVE PHARMACEUTICALS TRAINING

During this interactive training, learn the requirements for the manufacture, control, packaging and testing of Active Pharmaceutical Ingredients (API's) and how to reduce or eliminate the risk of inconsistencies and contamination in API's.

COURSE DETAILS / Duration: 1 day



INTRODUCTION TO PHARMACEUTICAL GOOD DISTRIBUTION PRACTICES (GDP) TRAINING

The GDP training provides an introduction to Good Distribution Practices (GDP) for the pharmaceutical industry and its role in ensuring the safety of pharmaceutical products when in transportation or storage.

COURSE DETAILS / Duration: 1 day



INTRODUCTION TO ISO/IEC 17025:2017 LABORATORY MANAGEMENT SYSTEMS TRAINING

ISO/IEC 17025:2017 details the requirements for the competence, impartiality and consistent operation of laboratories. This course provides you with a general overview and understanding of ISO/IEC 17025:2017 requirements.

COURSE DETAILS / Duration: 1 day

CONTACT SGS



www.sgs.com



www.sgs.com/facebook



www.sgs.com/twitter



www.sgs.com/linkedin



certification@sgs.com

WWW.SGS.COM

WHEN YOU NEED TO BE SURE

SGS