

SLAVERY AND HUMAN TRAFFICKING STATEMENT 2017

INTRODUCTION

BSI Group has a zero-tolerance approach to slavery, servitude, forced or compulsory labour and human trafficking (modern slavery), a crime and a violation of fundamental human rights. This slavery and human trafficking statement summarizes the steps taken by BSI Group between 01 January and 31 December 2016 to prevent modern slavery in our business and supply chains, and is made in accordance with section 54 of the Modern Slavery Act 2015.

OUR BUSINESS AND SUPPLY CHAINS

BSI Group is the business standards company that helps organizations make excellence a habit. It is the group of companies with the ultimate parent company being The British Standards Institution. Each member of BSI Group is a company incorporated as such. For details of BSI Group companies, please refer to the BSI website <https://www.bsigroup.com>.

The parent of BSI Group, The British Standards Institution, was originally formed in 1901. It was then incorporated under Royal Charter. BSI Group works in the public interest and is recognized as a leader in standards development and global business services. It provides support services through information solutions; assessment, testing, certification, and assurance services; training and consultancy services; proprietary compliance tools and software.

BSI Group employs over 3,500 people across 30 countries. Its supply chain includes over 5,000 direct vendors that provide a variety of products and services. Geographically, our suppliers extend around the world with no specific concentration in any one country.

OUR POLICIES AND PROCEDURES

We are committed to ensuring that social responsibility (SR) is an intrinsic element of BSI's decisions, activities and culture. We have used BS ISO 26000: 2010 Guide to Social Responsibility to guide our approach since its publication in 2010. Our Social Responsibility Commitment provides further detail and is available on our website.

Our Code of Business Ethics confirms BSI's commitment to conducting itself fairly, honestly and lawfully and is actively promoted to employees throughout the Group. In January 2016 our Code was updated to include a modern slavery clause. It affirms our zero-tolerance approach to modern slavery within our own business and our expectation of our contractors, suppliers and other business partners (no matter where located) to do the same.

BSI actively communicates its Code of Business Ethics to its employees, through its on-boarding process and internal communications. It is available on the intranet homepage and our website. All employees of the BSI Group are responsible for ensuring compliance with this Code of Business Ethics, and BSI Group and Divisional Compliance officers are responsible for monitoring compliance and investigating possible breaches. As of 2016, all relevant senior managers of the Group are also now required to confirm, annually in writing, whether they are aware of any cases of modern slavery within our business or supply chain as part of the annual assurance process, after having performed a level of investigation beforehand.

Due to the nature of our organization, our employees need to be highly skilled. Our Recruitment and Selection Policy enables us to attract, recruit and select the most suitable candidates for the roles in our business. We operate a Grievance Policy and associated procedures, as well as a confidential free telephone line operated by a specialist third party provider, as part of our Whistleblowing Policy and procedures. The whistleblowing telephone service is available to employees and others to report anonymously any practices they consider to be in breach of BSI's Code of Business Ethics or that may be otherwise improper. Details are available on the [BSI website](#). All bona fide reports or complaints of noncompliance or of unlawful behaviour by BSI Group Employees (whether anonymously or attributably) are appropriately investigated by Group Compliance officers.

DUE DILIGENCE, ASSESSMENT OF MODERN SLAVERY RISK AND TRAINING

Due to the nature of the services offered we believe the risk of Modern Slavery within our own business is low, however, we are not complacent. We have updated our internal audit procedures to explicitly look for potential indicators of modern slavery in order to highlight areas for further investigation. We will continue to review and update relevant policies on an annual basis.

We believe that the greater risk is within our supply chains. As part of our on-going social responsibility programme schedule, we are due to undertake a full review of our procurement policies and procedures globally in 2017 through an SR lens. We have therefore focused mainly on supply into our UK business this year, specifically:

- BSI has updated its due diligence process for new suppliers to its UK offices to specifically include modern slavery. We will do the same for the rest of our operations as part of the full procurement review in 2017.
- We conducted a risk assessment of our UK supply chain, with support from our BSI Supply Chain Services and Solutions business. This did not cover businesses acquired in 2016, but these were subject to a separate due diligence exercise described below.
- Our CEO has written to suppliers of our UK businesses that we have spent more than £1,000 with (cumulative) as of end October 2016 and whose activities or supply chains have a higher risk of modern slavery, as identified in the risk assessment, to affirm our approach to modern slavery and remind them of the whistleblowing telephone service.
- Informed our External Resource providers of our zero-tolerance approach and reminded them about the confidential whistleblowing telephone service.
- BSI Group contracts to its Code of Business Ethics with all clients, thus rendering compliance as a material term of its legal relationships with third parties.
- BSI Group conducts due diligence investigation prior to the purchase of new acquisitions, through its in-house legal, IT, HR and business teams (as appropriate), with the assistance of external advisors as necessary. A major element of the due diligence investigation is the ethical behaviours of the target.

A key business stream of BSI Group is its Supply Chain Management consultancy. Through this, BSI Group assists clients with the management, selection and maintenance of their own supply chains, including the prevention, identification, and remedial action of modern slavery.

All suppliers to all our businesses with whom we have contracts are obliged to comply with all relevant legislation and we have ensured key contracts include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude. All activities of key suppliers of all our businesses are subject to periodic review and BSI Group reserves the right to require any

contractors, suppliers and other business partners to provide assurance that neither they, nor their own suppliers, engage in any form of modern slavery. BSI Group has now commenced the inclusion of rights of audit over suppliers in new key contracts.

We have started to up-skill key employees involved in the above processes, and will be expanding our approach to all countries in 2017.

NEXT STEPS

As part of our social responsibility programme, we will undertake a full SR review of our procurement policies and procedures across all our operations in 2017. This includes modern slavery. It will include a risk assessment, and policies and procedures will be updated as necessary.

We will continue to assess which employees need to be up-skilled to support our approach and we will look to enhance our communications with suppliers. We will enhance our internal audit procedures as appropriate and also start to seek assurance from key existing suppliers about modern slavery.

In order to assess the effectiveness of the measures we have taken, we will review and report on:

- per cent employees that have confirmed their understanding of BSI's Code of Business Ethics as part of our new online training system. This training module will be rolled out in 2017.
- per cent of suppliers we have communicated with globally.
- the number of investigations undertaken into reports of modern slavery and remedial action taken.

This statement has been approved by the Board of BSI Group.



Howard Kerr

Chief Executive

26 January 2017