Enabling a resilient world

At BSI we are committed to ensuring that social responsibility helps to drive our own decisions, activities and culture as we work with our clients to shape resilience in their businesses.

Our commitment
Social responsibility (SR) is an integral part of Organizational Resilience. At BSI we are committed to ensuring that SR helps to drive our own decisions, activities and culture as we work with our clients to shape resilience in their businesses.

Our approach
In September 2015 I took over as Chairman of the Board’s SR Committee. I am grateful for the support we receive in the business from our SR Programme Manager, executive SR sponsors in our priority areas and a network of regional and country SR champions. Together we ensure that our approach to SR aligns with the business strategy.

2016 was an exciting year for SR as we revitalized our approach. While still basing this on ISO 26000 (Guidance on Social Responsibility) we issued a new SR Commitment in January 2016 which describes where we believe we can make a difference within four priority areas: our business, our people, our communities and our environment. This can be found on the BSI website:


Later in the year we undertook a comprehensive SR alignment project to align our SR programme still further with our business strategy and purpose. Over 300 of our colleagues and over 40 external stakeholders worldwide were canvassed for their views. As a result, we added another initiative to our strategic plan entitled ‘Develop our approach to social responsibility under the banner ‘enabling a resilient world’ and began work on two new, Group-wide, SR focus areas relating to education and ‘diversity and inclusion’. A third, relating to ‘socially responsible procurement’, will begin in 2017. Our commitment in these areas will result in further resource being dedicated to social responsibility.

Our business
We recognize that, as the UK National Standards Body and a world leader in assurance and compliance services, we are in the very fortunate position of being able to help shape the way that organizations handle SR and contribute to resilient and sustainable long-term development. Our aim is also to integrate SR further into the way we go about our own day-to-day business, and encourage others to do the same.

It is our policy to implement appropriate relevant standards as part of our ongoing business. In addition to the guidance of ISO 26000, we currently adopt the principles of ISO 9001 (Quality Management), ISO 14001 (Environmental Management), OHSAS 18001 (Health and Safety Management), ISO 22301 (Business Continuity Management), ISO 27001 (Information Security) and BS 65000 (Organizational Resilience), and seek independent assurance where relevant and appropriate.

During 2016 we expanded our portfolio of Environmental, Health and Safety (EHS) and Information Security (IS) services by means of several acquisitions and significant organic growth. This development has materially enhanced our Group expertise in domains that are integral to the socially responsible resilience of our clients. We leverage this expertise internally as well and apply this to our business to enhance our own resilience.

We continue to enrich the knowledge of our employees and issued online, interactive training courses to every one of our employees and external resources in three areas: anti-bribery and corruption, competition law and cyber security. We also took action to integrate the provisions of the Modern Slavery Act (2015) into our own business and supply chains. Our modern slavery statement can be found on the BSI website:

Social Responsibility theme

‘Enabling a resilient world’
We enable the resilience of people, organizations, communities and BSI.

New focus areas
Our new focus areas provide a tangible way in which we bring the theme to life.

<table>
<thead>
<tr>
<th>Education</th>
<th>Diversity and Inclusion</th>
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<tbody>
<tr>
<td>Put structure and focus around existing education programmes, develop new ideas and activities, and apply them internationally for young people.</td>
<td>Enhance the diversity and inclusion of our people and the wider BSI family.</td>
</tr>
</tbody>
</table>

Our Social Responsibility commitment
We will continue to:
- Support local initiatives such as charitable donations and volunteering
- Embed SR into our procurement policies and processes
- Support colleague wellbeing and learning and development
- Adopt appropriate and relevant standards globally to support BSI’s resilience

Our people
We recognize that our world is forever changing, and we continually seek to engage our colleagues’ views to ensure that we become a better employer where people can be proud to work and can develop their professional careers. Our last biennial global employee engagement survey in 2015 demonstrated that we had made progress in all areas covered by the survey, compared to the previous survey in 2013. In 2016 we continued to work on the results of this survey in anticipation of this year’s biennial update.

Diversity (%)
- Directors: 33%
- Senior Management: 19%
- Total workforce: 44%

- Female percentage
- Male percentage

Our recruitment programme helps us to create a workforce that reflects the local diversity of the countries in which we operate. Appointments are made on merit, seeking increasingly to take the benefits of diversity into consideration. Our senior management group comprises 25 different nationalities. We have a larger population of female employees at the lower grade levels in the organization with a diminishing presence as the grading level increases. The percentage of female employees at both senior manager and total workforce levels did fall during 2016. This is mostly due to the employees of the businesses we acquired during 2016, who were predominantly male. Excluding acquisitions 45% of our total workforce was female, a small improvement on last year. This will be an area of focus in 2017.

BSI Chief Executive Howard Kerr and part of Team BSI who participated in the 2016 London to Brighton Bike Ride
Our people continued

Our ambition is to create an extraordinary place to work where colleagues can reach their full potential. We invest in creating modern workplaces and are nearing the completion of a programme of work to upgrade our key offices across the globe. In 2016 we have undertaken an extensive renovation of our head office in the UK to create a working environment that promotes knowledge sharing, better collaboration and personal accountability.

We have a global reward and recognition system and continue to provide opportunities for our colleagues to improve their physical, social and emotional wellbeing. A number of countries, including the UK, the US and Australia have developed structured wellbeing initiatives. We have implemented recommendations from the 2015 ‘Britain’s Healthiest Company’ survey and focused on muscular skeletal issues and providing resilience and vitality sessions throughout the UK.

All of our offices have a health and safety management system in place. The offices in our largest operating countries, the UK, the US, Australia, China and Japan, are certified to, or comply with OHSAS 18001 (Occupational Health and Safety Management) or the local equivalent. Employees are encouraged to report near misses as well as accidents. We continue to monitor the number and causes of these and put measures in place to reduce the risk of occurrence.

Our communities

We understand the importance of giving back to our local communities and we encourage our colleagues to play a positive role in this. Our aim is to contribute positively to the communities in which we work.

Our colleagues boast a wealth of knowledge and skills that can support our local communities. They often volunteer their time to charitable organizations and organize free seminars and workshops for the public by subject matter experts.

‘Later in the year we undertook a comprehensive alignment project to align our social responsibility programme still further with our business strategy and purpose’

In early 2016, we launched a formal volunteering policy and a number of colleagues have taken up the opportunity to spend a day out of the office sharing their skills and knowledge with charitable organizations and education providers.

Our BSI EHS consultancy team in the US partnered with the Junior Achievement initiative to teach 150 students in under-served Northern California schools about work-readiness, entrepreneurship and financial literacy. Our Australian team continues to provide internships and, in the last year, some of these interns have been offered permanent roles within the business. Our UK business has developed partnerships with local education providers and our newly acquired BSI information security consultancy business has a dedicated outreach programme.

We maintain an active policy of charitable giving, either directly or in support of colleague-led initiatives. For the second year running we participated globally in a ‘Walk for Water’ challenge in aid of our global charity partner, WaterAid. A number of our offices collect and donate reusable items to charities such as unused business attire to Dress for Success, which is dedicated to empower women to achieve economic independence. In the UK in June over 40 employees joined ‘Team BSI’ as we participated in the London to Brighton Bike Ride to raise money for the British Heart Foundation. These initiatives are just examples of the many in which our employees participate worldwide to raise funds for important causes.

Our environment

We recognize the importance of good environmental stewardship. We aim to minimize the negative impacts of our decisions and activities on the environment and improve our environmental performance. Adopting the principles of ISO 14001 (Environmental Management) helps us in this regard. We have achieved third-party certification in our Corporate Centre and Information Solutions businesses. We are conscious that, as we upgrade our offices over time, it has a significant environmental impact and we adopt the highest relevant standards to help minimize this.
Greenhouse gas emissions

Our global carbon footprint is measured in tonnes of carbon dioxide equivalent (tCO₂e). Emissions are shown in compliance with the Department for Environment, Food and Rural Affairs (Defra) Greenhouse Gas Reporting Guidance and have been calculated using the latest conversion factors published by the Department for Energy and Climate Change (DECC) and Defra.

Every year we strive to produce the most accurate data available to us through the continual improvement of our data gathering process. In 2016 in particular, we have enhanced our access to data for car usage outside the UK and more of our office locations. As a result, we have restated our 2015 numbers for comparability, using retrospective estimates where necessary. Our 2016 acquisitions are not yet included in our data.

<table>
<thead>
<tr>
<th>Greenhouse gas emissions (tCO₂e)</th>
<th>2016</th>
<th>2015 restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 emissions</td>
<td>3,800</td>
<td>3,600</td>
</tr>
<tr>
<td>Scope 2 emissions</td>
<td>2,600</td>
<td>2,500</td>
</tr>
<tr>
<td>Net emissions</td>
<td>6,400</td>
<td>6,100</td>
</tr>
<tr>
<td>Intensity ratio per employee</td>
<td>1.89</td>
<td>1.88</td>
</tr>
<tr>
<td>Intensity ratio per square metre</td>
<td>0.14</td>
<td>0.13</td>
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Definitions
Scope 1 emissions arise directly from sources that are owned or controlled by BSI, including fossil fuels burned on site and vehicles.
Scope 2 emissions arise indirectly and result from the off-site generation of electricity, heating and cooling purchased by BSI.

The intensity ratio per employee is the total net emissions divided by the headcount employed by the Group during the year.

The intensity ratio per square metre is the total net emissions divided by the area of office space used by the Group during the year.

We operate local recycling awareness campaigns to help reduce our impact on the environment. Many countries also operate specific initiatives such as collecting unwanted mobile phones and accessories for recycling in Australia, donating bottle tops in exchange for polio vaccines for children in Japan, creating cash from trash in India and donating old IT equipment to charitable organizations when we upgrade our equipment in the UK and the US. In Australia this year, old laptops were made available for purchase by employees, raising important funds for a local charity.

Energy is also a key focus for us. We have developed a global Health, Safety, Environment and Quality (HSEQ) and Sustainability Policy which includes our position on energy management to optimize energy performance, reduce the impact associated with energy use and actively and responsibly manage energy consumption. Measures to reduce energy use include the promotion of web conferencing, car sharing and the careful allocation of jobs to our auditors to minimize their travel where possible. Some offices have taken specific steps to reduce energy use. For example, in India the installation of LED lighting has reduced energy bills by 30%.

We track our greenhouse gas emissions worldwide and continue to refine and improve reporting in this area. We have commenced mid-year reporting to help us more actively manage our GHG emissions.

At BSI social responsibility is a business imperative. We take pride in taking a socially responsible approach to our business and supporting others to do the same – enabling a resilient world.

Alicja Lesniak
Chairman of the Social Responsibility Committee
23 March 2017