Enabling a resilient world

At BSI, we are committed to ensuring that social responsibility remains an intrinsic element of our business, so that we make decisions and act today to enable a better, more resilient, world for present and future generations.

Our commitment
Being socially responsible is about being accountable for the impacts of our decisions and activities on society and the environment through transparent and ethical behaviour. A socially responsible business is a more resilient business and contributes to sustainable development. At BSI, we are committed to ensuring that social responsibility (SR) remains an intrinsic element of our business, so that we make decisions and act today to enable a better, more resilient, world for present and future generations. I was delighted to assume the role as Chair of the Board's SR Committee in April 2018, and am pleased to share our highlights of the year and the progress that we are making to enable a resilient world.

Our approach
Responsibility to business and society has been a part of our role since our inception in 1901. We pride ourselves on our ethical approach to everything that we do. Our Code of Business Ethics and strong governance framework underpin this. We use ISO 26000 (Guidance on Social Responsibility) to steer us, as well as our corporate values and excellence behaviours. Social responsibility continues to be an integral part of our strategic plan under the banner ‘Enabling a resilient world’ and in January we re-launched our Social Responsibility Commitment to reflect this theme. We are also proud to be a signatory of the UN Global Compact, joining at the end of the 2018. Our first communication on progress against the UN Guiding Principles will be published in next year’s Annual Report.

Our business
SR is an integral part of our business and we seek to lead by example. Our aim is 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 to enable our own resilience as part of our ongoing business. In addition to the guidance of ISO 26000, we adopt the principles of ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (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.

In 2017, we reviewed the level of compliance to these standards and developed a plan to enhance the level of assurance in higher risk areas of our business. We are progressing well against this plan. We are currently certified to ISO 9001, ISO 14001, BS OHSAS 18001, and ISO 27001 for our Corporate Centre and Knowledge business. We are planning to extend the scope of our environmental and health and safety certification, upgrading to the new ISO 45001, to cover all our UK businesses, by 2020. We are also planning to extend the scope of ISO 27001 certification to include all our business streams, internal supporting functions, and additional sites in EMEA, the Americas and Asia Pacific.

At the end of 2017 we updated our SR Code of Conduct and issued a Group SR Procurement policy. Over 80% of our employees have completed a test of understanding of these documents. New starters are also required to complete this test of understanding, along with tests and training on the Code of Business Ethics, the Health, Safety, Environment, Quality (HSEQ) & Sustainability policy, anti-bribery and corruption, competition law and information security. We have communicated our Social Responsibility Code of Conduct, which details our...
Our business continued

zero-tolerance approach to modern slavery with over 80% of our suppliers in line with the provisions of the Modern Slavery Act (2015). We have also started to work with those business partners we have identified as potentially higher risk, to understand and assess their approach to social responsibility and help implement improvements where required. Further information about our approach to tackling modern slavery, can be found in our Slavery and Human Trafficking Statement on the BSI website: www.bsigroup.com/social-responsibility.

In December, we conducted a global internal audit, covering aspects of our SR Code of Conduct relating to whistle-blowing, human rights, slavery and labour practices, environment and community involvement and development. We will review the recommendations from this audit and act as necessary to ensure that we continue to perform to our high standards. Other aspects of the Code are reviewed as part of the regular internal audit schedule.

We recognize that we can also encourage others to integrate SR into their own organizations. BSI continues to develop products and services to enable the resilience of others. BSI advises organizations on ISO 26000 guidance programmes, diversity and inclusion programmes, measuring environmental metrics and developing their SR implementation programmes, and sustainability supplier audits. We held a leadership position in the development of ISO 45001, the first international standard for occupational health and safety management systems, which used British standard BS OHSAS 18001 as a base document and was published in 2018.

BSI has also been influential in the revisions of the world-leading standards on Food Safety (ISO 22000), Energy Management (ISO 50001) and Accessible and Inclusive Buildings (BS 8300), as well as developing new products to enable Sustainable Cities and Communities (ISO 37106), Wellbeing of Workers (PAS 3002), and Effective Age Checks to Protect Children from Viewing Adult Content Online (PAS 1296).

Our people

BSI aspires to be a great place to work, a business that talented people want to join and where they can grow their careers. Our aim is to create a supportive culture where every person feels enabled to be the best that they can be.

We continually seek to engage colleagues’ views to ensure we continue to be an employer of choice. At the end of 2017, we undertook a global employee engagement survey, run by an independent specialist. Over 78% of colleagues globally responded and our employee engagement score increased from the
previous survey in 2015. The results showed that colleagues are proud to work for BSI and believe we make a positive difference. Throughout 2018, BSI has continued to listen to understand areas identified by employees for improvement and take action as appropriate. Two of the areas identified were ‘Wellbeing’ and ‘Giving Something Back’.

We remain committed to ensuring the health and wellbeing of all our colleagues globally. We understand that colleagues who have a stronger wellbeing for their health, wealth and career are happier, perform better, will choose to remain with us for longer and are better able to drive greater business results and deliver excellence to clients. Our focus is therefore on creating an environment that boosts an individual’s physical and mental wellbeing and enables every colleague to perform at their best every day.

In partnership with a global wellbeing provider, we are ensuring that all our colleagues have access to a global employee assistance programme as well as a wide range of resources designed to support them in their physical, mental and financial wellness. This year saw us recognize, for the first time, Mental Health Awareness Week across the Group, to encourage an open and inclusive culture where it is seen as positive to discuss mental health. Activities during the week included walk and talk sessions, webinars and a variety of resources and activities available to all our colleagues.

We continue to invest in technology to ensure that we provide a working environment where our colleagues can reach their potential, as well as investing in our employees’ careers. SR is now seen as such an integral part of our organizational DNA that we have also included a specific SR session in our new starter induction. In addition to celebrating our achievements through local recognition schemes, each year, we celebrate the success of our colleagues through the peer-nominated global Chief Executive Awards. This year we introduced the Chairman’s Award for Social Responsibility, as well as another global award for innovation.

We continue to offer students the opportunity to undertake their university student research projects with us and have developed a new partnership with Career Ready in the UK. We also increased the number of countries in which we offered work experience placements to now include Australia, China, Canada, Germany, Italy, Russia, Spain, the UK and Ireland, and the US. This programme benefits both our employees and our local communities. In order to provide a globally consistent experience, we developed global work experience guidance, to be implemented in 2019. We believe that this is an area where we can leverage our own skills and experience to make a positive difference to young people starting their careers.
In March 2018 we celebrated International Women’s Day (IWD) globally at BSI for the first time. IWD recognizes the social, economic, cultural and political achievements of women and marks a call to action for accelerating gender parity. Colleagues around the world organized local events and joined in the campaign to share with others what IWD means to them.

Our Board of Directors is now 25% female, less than in 2017 due to the retirement of a female Non-Executive Director. However, the percentage of females in senior management showed another increase from last year, by five percentage points to 29%. In 2016 only 19% of this group were female. Over the total workforce, the percentage of female employees increased slightly again to 46%.

Our communities
We understand the value of working in partnership with our local communities. Our aim is to contribute positively to the communities within which we work.

We actively encourage our colleagues to spend a day volunteering and, following employee feedback, have updated our volunteering policy and processes to make it easier for colleagues to volunteer their time for societal and environmental causes that are important to them.

We are developing relationships with local educational organizations in a number of our operating countries. We have seen an increase in the number of colleagues volunteering this year, as individuals and as teams, delivering presentations in universities or in our BSI offices, offering interview sessions, and inspiring young minds about science, technology, engineering and mathematics (STEM). We held our first STEM insight day for local students at our Milton Keynes office in 2018 and continue to do this at our Hemel Hempstead office, in partnership with STEM Learning.

We are proud to have announced our new global charity partnership with Room to Read and support for their Girls Education Programme to help girls stay in secondary education in India. We maintain an active policy of diversity and inclusion.

Diversity and inclusion
We are driven by the belief that successful businesses are those which harness the benefits of a truly diverse and inclusive culture. Our ambition is to enable each person to fulfil their potential in an environment of openness and trust.

We believe in creating a diverse company that reflects the clients we support and the communities of which we are part. 2018 was the first year that organizations in the UK were legally obliged to publish gender pay gap reports. The median pay gap for all our UK legal entities is 15.2%, which is lower than the national median pay gap of 18.4%, as reported by the Office for National Statistics. Our ambition is to continue to encourage and promote all our colleagues equally and fairly and to introduce further transparency into our pay decisions. We are committed to work proactively to close this gap and to provide fair and competitive rewards to all our employees, irrespective of gender. Our key initiatives are in leadership development opportunities, flexible working, access to all for career opportunities, coaching and mentoring, diversity and inclusion training, diverse recruitment and talent development and fair pay.

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charitable giving and have supported many of our colleagues’ fundraising initiatives across the Group through our match-giving scheme. Our colleagues have chosen to raise funds for various local charitable causes, including cancer, clean water, education, deaf and disabled people, heart disease, mental health, men’s health, orphaned children, wildlife conservation and a chimpanzee sanctuary.

Several of our offices have also collected and donated books, IT equipment and other school equipment to support students in education and their wider communities. Additionally, our colleagues have actively supported the disaster relief efforts following flooding in Kerala, India, and the earthquake and tsunami in Sulawesi, Indonesia. We continue to support children’s education in India and developed a new relationship with Rays of Hope in South Africa. Both initiatives are part of legal compliance in these countries.

Colleagues from the UK, including Craig Smith, Group Finance Director, and Amanda Kiely, Group Head of Social Responsibility, cycled to the height of Mount Everest as part of our Room to Read ‘Active for Education’ challenge.
Strategic report

Social responsibility review continued

‘We are proud to have announced our new global charity partnership with Room to Read and support for their Girls Education Programme to help girls stay in secondary education in India.’

Our environment

We recognize the importance of good environmental stewardship and aim to minimize our negative impacts and improve our performance.

As we upgrade our offices over time, we are acutely aware of the significant environmental impact and we adopt the highest relevant standards to help minimize this. As we move offices, it is equally important to ensure that we minimize our negative impacts and we developed specific environmental, health and safety guidance on vacating and occupying premises.

In our day-to-day operations, we have a number of initiatives to manage our resource use, such as reuse and recycling systems. We have also expanded the use of our virtual training delivery platform from the US into Europe and APAC, which will reduce travel for our tutors and for delegates alike. We will also be delivering a proportion of our internal employee learning courses virtually in 2019 and will achieve carbon savings here too. The main infrastructure improvements we have made this year include the installation of solar panels at our office in Delhi, India, and electric car charging points at our Milton Keynes, UK, office.

Room to Read – global charity partnership

Did you know that 750 million people in the world are illiterate and two-thirds of those are women and girls? Our new global charity partner, Room to Read, focuses on two time periods that are most critical in a child’s schooling: the early primary school age for literacy acquisition and the vital secondary school period for girls’ education. It aims to reach 15 million children by 2020.

Together with Room to Read, BSI is supporting girls to stay in secondary education in India. We have delivered a number of engagement campaigns throughout the year, including getting ‘Active for Education’. Colleagues from all our regions undertook challenges such as swimming, cycling, running, selling books and eating healthily in support of Room to Read. We were privileged to host an alumna of the Girls Education Programme, who spoke with our Chief Executive and other BSI colleagues about her experience. Over the course of 2018, we were delighted to have raised sufficient funds to support 125 girls to stay in secondary education in India for a whole academic year, helping to change the lives of these young girls and their local communities.

Colleagues from our office in Thailand picked up litter on local beaches.

Solar panels were installed at our Delhi office in India.

Colleagues in a number of our offices collected books to donate to local schools and charities.
Greenhouse gases

We continue to take steps to manage more actively our energy use and greenhouse gas (GHG) emissions. We account for our GHG emissions in line with ISO 14064 (Greenhouse Gas Quantification and Reporting), the protocol corporate standard and UK Government guidance, to ensure that we account for significant GHG emissions within our operational control. We measure our emissions every six months and include our significant scope 3 emissions from our six largest operating countries. We have set 2017 as our baseline year using an economic intensity ratio, based on Group revenue, to enable comparison of performance over time.

Overall, our scope 1 emissions are broadly comparable with 2017 despite the increase in our revenue which has meant a reduction in our intensity ratio. Our scope 2 emissions and intensity ratio have decreased, mainly due to a decrease in GHG conversion factors following a conversion from coal generation to natural gas and renewable energy generation by UK energy companies. Scope 3 emissions from air travel have increased by 25% compared to 2017 due to increased business travel and client activity. In 2019 we will continue to look at ways to reduce our GHG 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) GHG Reporting Guidance and have been calculated using the latest conversion factors published by Defra and the International Energy Agency for overseas electricity data.

<table>
<thead>
<tr>
<th>Greenhouse gas emissions (tCO2e)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 emissions</td>
<td>4,200</td>
<td>4,000</td>
</tr>
<tr>
<td>Scope 2 emissions</td>
<td>2,200</td>
<td>2,500</td>
</tr>
<tr>
<td>Scope 3 emissions</td>
<td>12,800</td>
<td>10,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,200</strong></td>
<td><strong>16,700</strong></td>
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<table>
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<tr>
<th>Intensity ratio (tCO2e/£m revenue)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>8.20</td>
<td>8.46</td>
</tr>
<tr>
<td>Scope 2</td>
<td>4.30</td>
<td>5.29</td>
</tr>
<tr>
<td>Scope 3</td>
<td>25.00</td>
<td>21.56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37.50</strong></td>
<td><strong>35.31</strong></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.

Scope 3 emissions include air travel for our six largest operating countries, Australia, China, India, Japan, the UK and the US.

For the first time, we celebrated World Environment Day and have taken action to replace single-use items with reusable items in a number of our offices, including the UK, Brazil, India, Poland, Taiwan, Thailand and Vietnam. At our headquarters in Chiswick, we have saved 65,000 single-use plastic cups a year, by introducing glasses in our cafeteria. Colleagues also volunteered to take part in team-building activities throughout the year to protect our local environment, for example tree planting and beach clean-ups.

Social responsibility is a business imperative. I am really pleased with the progress we are making to enable a more resilient world for present and future generations.

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Stephen Page  
Chair of the Social Responsibility Committee  
20 March 2019