

## Social responsibility review

Alicja Lesniak, Chair of the Social Responsibility Committee

# Enabling a resilient world

At BSI, we are committed to ensure 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.



**'Social responsibility is a business imperative. I am really proud of the significant progress made by BSI colleagues over the last few years to further embed social responsibility in the way we do business, enabling a resilient world'**

### 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 ensure 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.

### 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. During 2016, we undertook a comprehensive stakeholder

engagement exercise to ensure that we continue to focus on what really matters. As a result, we added a new initiative to our strategic plan to develop our approach to SR under the banner 'Enabling a resilient world' and agreed to enhance and clarify our approach to educational outreach, diversity and inclusion and socially responsible procurement.

Our actions in 2017 have, therefore, deliberately focused on these areas, and we have dedicated extra time and resource, including the appointment of a full time Group Head of Social Responsibility and additional support for the SR Champion Network. I am pleased to share our 2017 highlights and the progress that we are making to enable a resilient world.

### 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), 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.

As part of our annual review process to ensure our policies and processes are fit for purpose, we reviewed the level of compliance to these standards and have developed a plan to enhance the level of assurance in higher risk areas of our business. We updated our charitable donations policy and process, and our SR code of conduct. We also identified the need to develop a specific Group SR procurement policy to ensure the consistent application of our SR code of conduct throughout our supply chain.

We continue to ensure that our colleagues have the information they need to support the implementation of these standards, policies and processes. All employees have been asked to complete a test of understanding or take an online training course on the following policies this year: business ethics, health, safety, environment, quality and sustainability, anti-bribery and corruption, competition law, information security, SR procurement and our SR code of conduct.

### Socially responsible procurement

Following a full review of our procurement policies and processes we identified the need to develop a specific Group SR procurement policy to ensure the consistent application of our SR code of conduct throughout our supply chain. From 2018, we will work with business partners we have identified as potentially higher risk to understand and assess their approach to social responsibility and help implement improvements, where required.

Our Chief Executive wrote to our suppliers to introduce our updated SR code of conduct which applies equally to our business partners as it does to ourselves. This communication included our expectations around their approach to modern slavery in line with the provisions of the Modern Slavery Act (2015). 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](http://www.bsigroup.com/social-responsibility)

We recognize that we can also encourage others to integrate SR into their businesses through the range of products and services that we offer. We have again enhanced our client offering this year. Additions include the world's first standard on the circular economy, the first international standard on sustainable procurement and an updated data protection standard to support the European General Data Protection Regulation (GDPR), the BSI Organizational Resilience index, our Human Trafficking and Supply Chain Slavery index, and new Kitemarks for functional safety, Building Information Modelling (BIM), asset management and customer service. BSI also held a leadership position in the development of ISO 45001, the first international standard for occupational health and safety, which will publish in 2018.

### Our people

BSI is a successful and growing enterprise that values the contribution made every single day by our people. Our aim is to create a supportive culture where every person feels enabled to be the best that they can be.

We have made significant investments in upgrading our worldwide offices over the years and are increasingly investing in technology to ensure that we provide a working environment where our colleagues can reach their potential. We continue to invest in learning and development opportunities for our colleagues. In 2017, we added a new management and leadership programme to our offering in the Americas and launched online platforms to help colleagues become more targeted about their learning and development needs in our

EMEA region. In addition to the more formal training, we supplement this by hosting local awareness raising events, such as an annual health fair in our US headquarters, and sharing tips and reminders in our internal newsletters. We have structured wellbeing programmes in the UK, the US and Australia, and intend to replicate best practice across our network.

Increasingly, we are offering work placements in our countries, which benefit both our employees and our local communities and support our educational outreach programme. We are looking to build on the local programmes already established in the countries in which we operate, including the UK, the US and Australia, to provide a globally consistent experience for everyone involved.

### Diversity and inclusion

We are committed to creating an inclusive culture where people feel they belong and are valued. We conducted some initial research into our approach to diversity and inclusion. A deeper dive, which will, in part, be informed by the employee engagement survey results, is planned for 2018, with the view to the development of a structured, global, long-term diversity and inclusion strategy.



● Percentage female

● Percentage male

2016: 33% female, 67% male



● Percentage female

● Percentage male

2016: 19% female, 81% male



● Percentage female

● Percentage male

2016: 44% female, 56% male

## Social responsibility review continued

### Our people continued

Each year, we celebrate the success of our colleagues, and recognize those who demonstrate our values of inclusivity, integrity and continual improvement through the peer-nominated Chief Executive Awards, in addition to celebrating our achievements through local recognition schemes.

We realize that we cannot be complacent, and continually seek to engage our colleagues' views to ensure that we remain an employer of choice. In December, we undertook a global employee engagement survey, run by an independent specialist. The survey, which we undertake every two years, sought feedback on BSI's approach to leadership, how we live our values, our customer focus, social responsibility, opportunities for growth and recognition, wellbeing and team working. We had a response rate of 78% and will be analysing the data in detail, and taking action to respond to the feedback from our people, during 2018.

We aim to create a workforce that reflects the local diversity of the countries in which we operate through our recruitment process. Appointments are made on merit, seeking increasingly to take the benefits of diversity into consideration. The percentage of female employees in the total workforce increased slightly during 2017. Our senior management team comprises 28 different nationalities. The percentage of females in this team increased by five percentage points from 2016 levels, and is now at its highest level since disclosure of these statistics began. The composition of our Board of Directors was unchanged in 2017, and comprises six male and three female Directors. Diversity and inclusion will continue to be a major focus for us in 2018.

### 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 each year and to share knowledge and skills with their local communities. Colleagues across the globe have taken up this opportunity to give something back, with

increasing numbers volunteering their time to inspire young minds about science, technology, engineering and maths (STEM) both at our sites and in classrooms.

In the UK we hosted insight days for students at our testing laboratories in Hemel Hempstead and our office in Chiswick. We have also delivered guest lectures to college and university students in a number of our countries and, in some instances, developed an ongoing relationship. For example, in Hong Kong, we recently agreed to deliver regular lectures to students of the Technological and Higher Education Institute (THEi) as a voluntary programme. Colleagues from our Supply Chain Solutions business delivered SR talks to students in both our EMEA and Americas regions.

We maintain an active policy of charitable giving, and have supported a number of colleagues' fundraising initiatives across the Group. Our colleagues have chosen to take part in a variety of activities and challenges to raise funds for charitable causes, including cancer, clean water, education, deaf and disabled people, heart disease, mental health, orphaned children and wildlife conservation. We have also organized a number of events to collect second-hand items such as books, clothing, dolls and electronic equipment to donate to charitable causes and, in Indonesia, colleagues joined forces with local business to organize a blood donation event. Additionally, our colleagues in the Americas have actively supported the disaster relief efforts following Hurricane Harvey, Hurricane Irma and the September 2017 serious earthquake in Mexico.

Over 550 colleagues took part in our annual Walk for Water Challenge to support our global charity partner WaterAid. In 2017, our fundraising supported WaterAid's Clean Water for Schools Programme in East Africa.

### Our environment

We recognize the importance of good environmental stewardship and aim to minimize our negative impacts and improve our performance. Adopting the principles of good environmental management across our sites helps us in this regard. During 2017, we transitioned to the 2015 version of ISO 14001 (Environmental Management) in our

This year, our Walk for Water Challenge supported WaterAid's 'Clean water for schools' programme in East Africa. Photo credit: Behailu Shiferaw. Students at Liben Gamo Primary School, Ethiopia.



Students from across the country went behind the scenes at BSI's Kitemark House in Hemel Hempstead, UK.



Corporate Centre and Knowledge Solutions business at our headquarters in Chiswick, UK. This new version of the standard requires organizations to demonstrate that they improve their environmental 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. Our latest refurbishment project in Chiswick, UK, completed in 2017 and we achieved an SKA Silver rating for sustainable fit-outs. As we move offices, it is equally important to ensure that we minimize our negative impacts and we will be developing specific environmental guidance on the decommissioning of sites in 2018.

BSI employees and their families spent a day planting trees at Ricoh's tree planting event in Singapore, which aimed to raise environmental awareness and protect our environment.



### Educational outreach

We have put structure and focus around existing local education programmes. Our global educational outreach programme is now structured around three pillars: education talks, mentoring and work placements. During 2017, we developed both a guide and a slide library to support colleagues giving talks to students aged fourteen and above. In 2018, we intend to add more structure to the mentoring and work placement aspects by working in partnership with local education providers and brokers.

Colleagues and their families in Brazil celebrated children's day by creating toys from recycled items for orphaned children.



BSI Malaysia colleagues participated in the 'Run for Hope', an annual charity run which supports children with disabilities.



BSI Americas colleagues participated in a beach clean-up event at Hermosa Beach, Los Angeles.



## Social responsibility review continued

### Our environment continued

In our day-to-day operations, we have a number of initiatives to manage our resource use. A number of our sites are reducing storage space and enhancing their reuse and recycling arrangements, for example moving from single-use to reusable cups, auctioning art for reuse, donating old IT equipment for reuse and recycling. In Brazil, colleagues celebrated children's day by bringing their children to the office and creating toys from recycled items for orphaned children.

Other offices are forming partnerships to raise environmental awareness and to protect our environment. In Singapore, colleagues and their families spent a day planting trees at an event organized by our business partner, Ricoh. This initiative forms part of the Singapore Government's 2014 plan to transform Singapore from a 'Garden City' to a 'City in the Garden'. In Turkey, a tree is planted for every client certified. A number of colleagues in the Americas have taken part in environmental restoration projects as part of team-building activities.

### Greenhouse gases

We continued to take steps to manage more actively our energy use and greenhouse gas (GHG) emissions. We have reviewed our greenhouse gas accounting procedures in accordance with ISO 14064 (Greenhouse Gas Quantification and Reporting), the GHG protocol corporate standard and UK Government guidance, to ensure that we account for significant GHG emissions within our operational control. As a result, from 2017 onwards, we will include our significant scope 3 emissions where we have reliable and accurate data, so will report on air travel emissions for our six largest operating countries, and start to use an economic intensity ratio, based on Group revenue, to permit comparison of performance over time.

We now routinely measure our GHG emissions mid-year and are in the process of developing a communications and engagement plan to encourage colleagues to reduce more actively their energy use and GHG emissions. Some measures that countries are already undertaking include installing motion sensors for lighting, switching to more energy efficient lighting, turning off the heating and air conditioning at the weekend, reviewing emissions of the company car fleet, car sharing, web conferencing, and the careful allocation of jobs to our auditors to minimize travel where possible.

Overall, while our revenue has increased, our scope 1 and 2 emissions are broadly comparable to 2016. The largest emission reductions have been due to infrastructure changes, such as our Chiswick, UK, office refurbishment and the installation of motion sensors for lighting at our Hemel Hempstead, UK, laboratory. Where we have seen scope 1 increases in emissions at a country level, this is closely associated with an increase in client activity.

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**Alicja Lesniak**

Chair of the Social Responsibility Committee

22 March 2018

**'As we begin our 117th year, the Board is confident that 2018 will be another year in which, together with all BSI's stakeholders, we can look forward to both capitalizing on our profound strength and continuing to invest in building the capacity to deliver yet more for all those who depend on BSI, all around the world, and to continue to earn the trust they place in us'**

### Greenhouse gas emissions

Our global carbon footprint is measured in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). 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 Defra and the International Energy Agency for overseas electricity data.

Our December 2017 acquisition of Neville Clarke is not yet included in our data. Data for scope 3 emissions was not collected in 2016.

Greenhouse gas emissions (tCO <sub>2</sub> e)	2017	2016
Scope 1 emissions	<b>4,000</b>	3,800
Scope 2 emissions	<b>2,500</b>	2,600
Scope 3 emissions	<b>10,200</b>	—
<b>Total</b>	<b>16,700</b>	6,400

Intensity ratio (tCO <sub>2</sub> e/£m revenue)	2017	2016
Scope 1	<b>8.46</b>	9.46
Scope 2	<b>5.29</b>	6.47
Scope 3	<b>21.56</b>	—
<b>Total</b>	<b>35.31</b>	15.93

#### 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.