

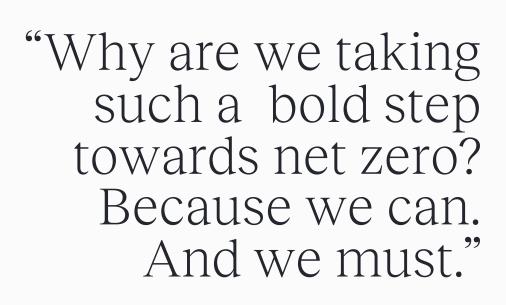
BSI – progress towards a sustainable world

Focus: Our journey to net zero



2023 FINALIST
NET ZERO TRANSITION AWARD





Susan Taylor Martin, CEO British Standards Institution

Making progress towards a sustainable world

At BSI, shaping a better society and a more sustainable world is our north star. Our business model demands that we view all actions through the lens of societal progress.

By sharing our own best practices and lessons learned from using standards and BSI sustainability solutions wherever possible, we aim to support our partners. In this document, we use our own experience to help identify key stages and opportunities for progress.



Making progress towards a sustainable world

Alignment

Quality data collection

Engagement

Ownership & transformation

Global consistency

Future focus



We know that practical solutions and deep collaboration can help us address challenges like climate change. We also know that this is a true journey, requiring ongoing insight and action.

By sharing our journey to net zero thus far – and the impact we have achieved – we aim to provide useful guidance to help you reach your own net zero goals.

Our Maturity Scale depicts the journey to excelling in Sustainability. While no journey is ever truly linear, the scale aims to provide a framework to guide you on your path to success.



Alignment to internal and external goals

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To have maximum traction, a sustainability strategy needs to align with an organization's overall purpose and commercial goals, so that is where we started our journey.

We conducted a thorough materiality assessment to identify the relevant risks and opportunities for BSI and then used this information to define our strategic priorities.

For more details on how we developed our plan, please have a look at our <u>2022 Annual Report</u> (pg. 40 – Defining our Priorities).



Alignment to internal and external goals

We have publicly committed to achieving net zero in our own operations by 2030. This means we have only a few short years to reduce our scopes 1 and 2 emissions (Energy & Gases and Fleet Road Mileage) by 90% and our Scope 3 emissions (Fuel & Energy, Business Travel, and Upstream Leased Assets) by 42% within the same timeframe – aligned with the Paris Agreement – against our 2022 baseline.

In support of these goals and to obtain credible assurance of our carbon inventory, methodology, targets, and management controls we are adopting our own **Net Zero Pathway** product (which integrates **ISO IWA42:2022, PAS 2060** and **ISO 14064-1**).

This will also ensure we meet our net zero goals on time, and on budget.



Organizational alignment on a global scale

We immediately put our strategy into action, taking a lead role with the 'Our 2050 World' network to launch The Net Zero Guidelines (ISO IWA42:2022) at COP27.

These guiding principles are designed to propel government and organizations to accelerate action, limiting global warming to 1.5 degrees Centigrade by providing a practical, end-to-end framework for organizations at any level of maturity on their net zero journey.



Quality data

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To set and achieve a goal, there needs to be a benchmark and a clear picture of where things currently stand. High quality data enables accurate and measurable goal setting and projections.

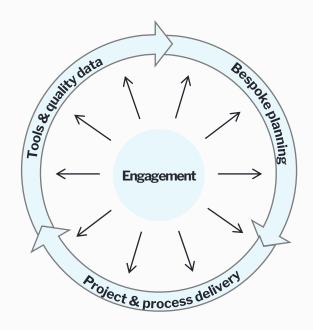
At BSI, we formalized our reporting systems by moving from employee-compiled spreadsheets to our **Connect Climate** platform, a software tool developed by the winner of our internal CEO Innovation Challenge. This shift reduced the time we spent analysing data while increasing data accuracy, transparency, and consistency. Our teams now have a better view of our progress against yearly targets.



Quality data

Adopting standards and BSI's own solutions to achieve our goals is a cornerstone in our approach: thus, the measurement and reporting of our GHG data is being done under the Guidance for Quantification and Reporting of GHG Emissions and Removals (ISO 14064). This has provided the added benefit of assuring our internal and external stakeholders that we can meet the highest global standards.

Additionally, we capture richer and more accurate data by providing training workshops and support for our people, so they understand how to report their own GHG-related activities (with invoices, expenses, and travel planning).



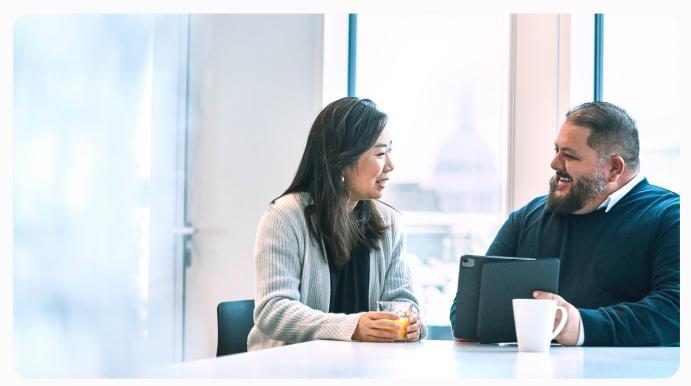
Our decarbonization engine

Our Net Zero Cycle demonstrates the interconnected relationships which drive our progress towards achieving net zero in our operations. Employee engagement sits at the core, supporting development of better tools and data, which then feeds into custom implementation plans, in turn successfully embedding sustainability into BSI's projects and processes.



Engagement

Alignment Quality data collection Engagement Ownership & transformation Global consistency Future focus



Goals and data provide the foundation. The people within an organization are responsible for the activation and results.

BSI's Operational Sustainability Excellence team spends a significant amount of time partnering with teams throughout the organization. The team has developed foundational relationships by giving presentations and leading workshops with every division and function to provide the support necessary to co-create bespoke action plans for our collective net zero reduction goals.



Engagement

Beyond the data-focused training sessions, we are transforming our communication tools, approach, and messages to fully engage our colleagues in the topic. We are re-designing a more dynamic and specific training curriculum to address confidence gaps.

We have introduced opportunities for dialogue by implementing a more responsive Sustainability Intranet Hub, and have launched a monthly, live, TeamsCast addressing some of the most challenging and important topics along our sustainability journey.

To ensure our teams feel connected to the effort, we focus our engagement activities around three primary principles:

Relevance: Why is this important to me?

Simplicity: What does it mean?

Action: How can I help through my behaviour?





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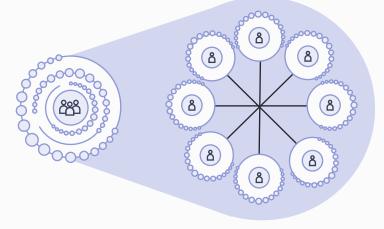


Reducing our carbon footprint involves transformational change and shared responsibility in every corner of an organization. Sustainability teams cannot do it alone. The entire organization must take part.

When it came to implementing our sustainability strategy, we engaged internal experts to deliver best practice solutions. In 2023, we further enabled our leadership teams to take ownership and accountability for our GHG emissions reduction by implementing a **Carbon Allowance Model**, introducing a carbon budget for each division and function. The model is a flexible framework which allows divisions and functions of the business to focus on the priorities that matter most to them – supporting a diverse and mature approach to reaching our GHG reduction goals, while empowering our leaders to own the solutions.







One of the fundamental paradigm shifts that can enable net zero success, involves ensuring sustainability moves from being the responsibility of a handful of experts to being a lens through which every team member makes decisions and takes action.

To show how critical this is to our organization, we have directly linked these budget targets to leadership incentives and bonus remuneration. This program supports a comprehensive pathway to reach our carbon reduction goals.

Deep partnership and knowledge sharing opens pathways to develop projects and processes that truly embed sustainability into every decision across all parts of the organization.

Ensuring sustainability moves from being the responsibility of a handful of experts to being a lens through which every team member makes decisions can enable net zero success.

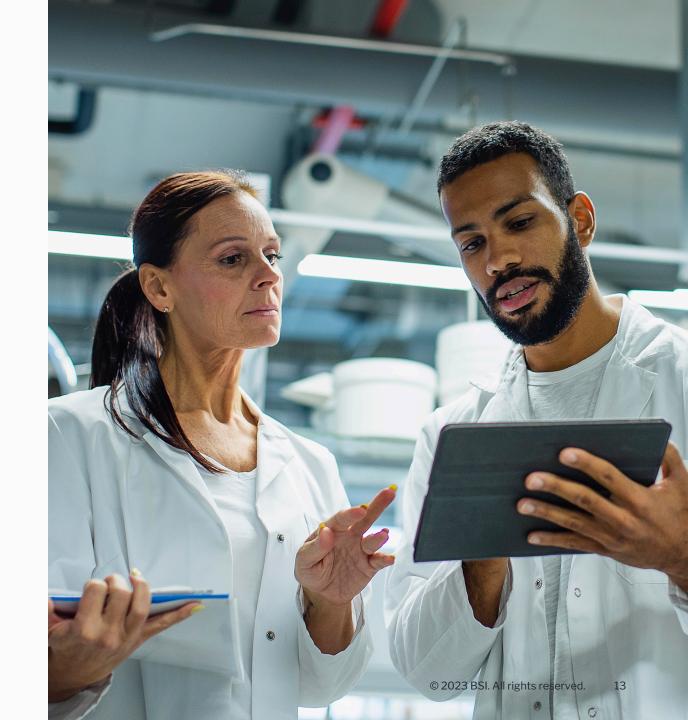


As a result of deep collaboration with our supply chain leads, sustainability now sits at the heart of BSI's procurement questionnaire, risk assessment, and onboarding processes. It is also embedded in our facilities, properties, and energy improvement planning, how leases are approved, and the design process in our lab testing.

We are currently focussing on energy management, working towards implementing our Energy Management Systems standard (ISO 50001) in our Hemel Hempstead, UK lab facility, a fully owned site.

As the world began to re-open to travel, we prioritized the need to address the GHG emissions impact of our movement around the world. Our Travel Policy now includes a practical planning tool for our people when trying to make responsible travel decisions.





We also launched internal Sustainable Events Guidelines, a practical, userfriendly framework (based on **ISO 20121** principles) to help our teams make more responsible, lower-carbon decisions when organizing events and client conferences.

After reviewing our new travel and events guidance, one of our Group Leadership Team members relocated a recent meeting to reduce the footprint of the event, leading to an immediate reduction of 16 tonnes of CO_2e , or 20% of the overall carbon impact.



In 2020, we added electric vehicles to our company car leasing scheme in the UK, piloting the program for rollout as charging grids allow. In 2022, 40% of our UK fleet was either electric or hybrid. We are proud that in 2023, our order book shows electric/hybrid increasing to 99%, a rapidly scaled adoption.



Global consistency

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Sustainability is an all-encompassing commitment. To successfully make progress, all divisions, markets, regions, and teams (regardless of function or geography) must commit to the shared goals.

In 2022, BSI achieved global certification for Environmental Management Systems (**ISO 14001**) and Occupational Health and Safety Management (**ISO 45001**), which helped us build global alignment, manage our impact more effectively and consistently, and reduce risks.

As a result of the certification process, we now have a highly engaged team of internal volunteer advocates, actively involved in sustainable development as well as a reliable, global approach to sustainable improvement that is helping us reach our net zero goals.



Global consistency



We are actively working to achieve our GHG reduction goals 20 years ahead of the UK Government guidelines. We have maintained our carbon neutrality since 2020 by investing in high quality carbon credits to offset the emissions from our operations.

We used guidance on Carbon Neutrality (PAS 2060), Greenhouse gas management and related activities (ISO 14068 draft), and the Oxford Carbon Offset Principles to develop a robust Carbon Offsetting Policy that ensures transparency and accountability.

Now that the Integrity Council for the Voluntary Carbon Market (ICVCM) Core Carbon Principles (CCP)
Assessment Framework has been released, we will prioritize CCP labelled credits.



Focusing on the future

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2030 is only a few short years away. We must act now to accelerate progress towards a safer, sustainable world for coming generations.

At BSI, we are driven by helping organizations and society make progress toward a sustainable world. As a result, we are pulling many levers (strategy, culture, communication, and engagement) to ensure we reach our carbon targets while staying focused on our broader environmental and societal impacts.

We are proud to be your partners, sharing insights from our journey to help you progress yours. We have seen first-hand how laying a foundation that aligns goals, generates quality data, engages employees, instils collective ownership and is consistent across geographies and divisions can shift the sustainability conversation from ambition to action.

We are focused on delivering genuine progress at pace, which we hope will inspire organizations around the world to become sustainability leaders.







How can we help?

We would love to hear more about where you are on your sustainability journey and collaborate with you on your goals. sustainability@bsigroup.com

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