# CORPORATE RESPONSIBILITY REPORT 2018

**SRI** Quality System Registrar

Quality • Environmental • Security
Health & Safety

3R BUILDING SUSTAINABILITY

iQ.Training

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# LETTER FROM THE PRESIDENT

SRI has demonstrated leadership in areas of Corporate Responsibility and Sustainability throughout its 25-year history, and was acknowledged as a Pennsylvania Best Place to Work in 2015 and 2018. SRI's President, Christopher Lake, shares his vision:

"We like to do our part to be a good global corporate citizen, to be a leader in our industry, and to set an example for other small companies. SRI is committed to being a responsible, resilient, sustainable company for our stakeholders, our business, and the environment. As a family-owned company, SRI is always looking for ways to ensure the long-term success of SRI for future generations. Creating our Sustainability Plan offered the framework to assess our current programs and identify opportunities to better help our employees, our customers, and the environment. Sharing our commitment and progress with our clients enables us to bring them along on the journey and educate them on the value sustainability can offer to their companies. To further demonstrate its commitment, SRI signed onto the UN Global Compact and is committed to the UNGC principles in support of human rights, labor, the environment, and anti-corruption. This Sustainability Report serves as our first annual Communication of Progress (COP) to our stakeholders.

SRI began seeing Corporate Social Responsibility (CSR) questions and issues emerging from our clients in the last few years, so we increased our efforts internally, as a member of our clients' supply chain, and in our commitment to be a full-service provider of sustainability solutions. Like our clients, we've been working in this space for years. SRI started our efforts in sustainability for our clients in 1996 when we began offering environmental services with the ISO 14001 standard. Over the years, we've added health and safety, energy management, re-

sponsible care for chemical companies, and other standards that are now part of many companies' commitments to sustainability. SRI started its own internal CSR initiatives in 2006, by making a commitment to employee-focused programs and using outside, independent verification to demonstrate our performance. In 2008, SRI expanded its environmental and sustainability capabilities by establishing SRI Green Building Certification, which has now reviewed more than 8000 LEED project phases and more than 2000 projects around the world.

We see healthy buildings as a key component to help companies meet many of their sustainability goals around employee health and productivity, environment, and energy management. In 2014, SRI created 3R as a wholly-owned subsidiary to help our clients meet their CSR goals involving everything from people and communities, to corporate governance, and the natural and built environment. Most recently, we added social accountability and CSR assurance to our resume.

For SRI, CSR is a great way to bring many of our programs together both internally, for our employees and business strategy, and externally, for our clients, as well as identify additional opportunities for us to create value. We are using a management system approach, built on principles from corporate responsibility frameworks, in line with our accredited ISO 17021:2015 management system. We created our Sustainability Plan in 2017 and this is our first Sustainability Report. This year, we were awarded B Corp certification (which is considered a "gold standard" for demonstrating commitment to CSR), and received our JUST label. We are truly walking the talk.

SRI has always implemented CSR and sustainability initiatives into our practices for our employees and our business, but we hadn't labeled them as such. Having a cohesive CSR/Sustainability Plan gives us the ability to formalize our strategies and measure our goals and targets against a score card, allotting us with exciting opportunities. It truly impacts every part of our business and enables us to think and operate with a sustainability mindset, which motivates our employees and customers by giving them a way to 'do good' as a natural course of business.

One effort that came from listening to our employees during the early phases of stakeholder engagement was that our mission, vision, and values were outdated. They had been created shortly after the founding of SRI in 1991, and had served the company well for 25 years, but it was time to take a fresh look to make sure they could work for (at least) another 25 years. We gathered our employees together and talked about the things that make SRI unique and what gets us excited to come to work each morning. The new mission, vision, and values came from that effort and was adopted by the SRI Board of Directors in September, 2018."

# SRI QUALITY SYSTEM REGISTRAR



## MISSION

Enable our stakeholders to achieve their goals for a sustainable and successful future.

## VISION

Be a respected, full-service leader in sustainability, assurance, and social responsibility by partnering with our stakeholders to improve their business, the environment, and the communities in which we work.

## VALUES

We will do this by...
- Being a flexible, responsive team of well-trained, healthy employees
- Using creativity and our unique abilities to meet customer needs
- Supporting our work with updated technology and culture
- Enhancing communication and stakeholder success

## SUSTAINABILITY GOALS

In order to achieve our corporate strategy, mission, and vision, SRI identified our material topics, defined our sustainability goals, and built our targets into our management system in order to track progress against them. We are committed to:
1. Providing service with the highest level of integrity and ethical conduct
2. Maximizing SRI's impact in supporting clients' sustainability goals
3. Recruiting and retaining the right talent to best meet customers' needs
4. Minimizing environmental footprint

# ABOUT THIS REPORT

This SRI 2018 Sustainability/CSR Report has been created to demonstrate SRI's commitment to build corporate responsibility and sustainability management of its material impacts into its management systems. This report is the next step in the journey to formalize sustainability goals and targets and the actions that are required to meet them. It has been created in support of SRI's corporate strategy and is reflective of work done during 2018 and to be continued in 2019. In some cases (where noted), actual data is not available for new performance metrics, so estimates have been made and will be updated in future reports.

This SRI Sustainability/CSR Report reflects performance for 2018. It is consistent with the Global Reporting Initiative (GRI) sustainability reporting guidelines in accordance with the GRI Standards: Core Option. It aligns to ISO 26000:2010 (Social Responsibility) and the UN Sustainable Development Goals and will satisfy the UN Global Compact Communication of Progress requirements. Relevant sustainability topics and metrics have been identified by benchmarking competitors and other professional service organizations, as well as frameworks such as Sustainability Accounting Standards Board (SASB). Finally, the report is compliant with the AA1000 Assurance standard. Updates to the Sustainability Report will be done bi-annually thereafter.

SRI welcomes any comments and/or questions regarding this report and its corporate responsibility efforts. For questions about this report or its contents, please email info@sriregistrar.com.

## SCOPE AND BOUNDARIES

Since SRI is headquartered in Pittsburgh, Pennsylvania, this report will focus on US operations; however, where global data is available, it has been noted and included.

As a professional services firm with mandated on-site audits, and occasional on-site client visits and training, the largest areas of material impact internally relate to ethics and integrity of SRI's professional services, SRI's people, and the emissions created by traveling to client sites. Externally, SRI has a minimal supply chain of primarily office supplies, which are purchased locally when possible. Looking further down SRI's value chain, there is a strong case to be made for the impact SRI has in supporting clients' sustainability goals, from improving employee health and reducing environmental impact through high-performing buildings, or ensuring clients are managing their environmental impacts through ISO 14001 audits. The impact of these services is currently in the early stages of estimation.

## STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

Input from key stakeholders was gathered to perform a materiality assessment, in order to define impacts of highest importance to the stakeholders and the business. Those impacts which rank high on importance for both stakeholders and the business were classified "material". Employees, auditors, customers, community members, and SRI management, were either interviewed or provided a survey to give feedback ranking the importance level of governance, social, and environmental impacts.
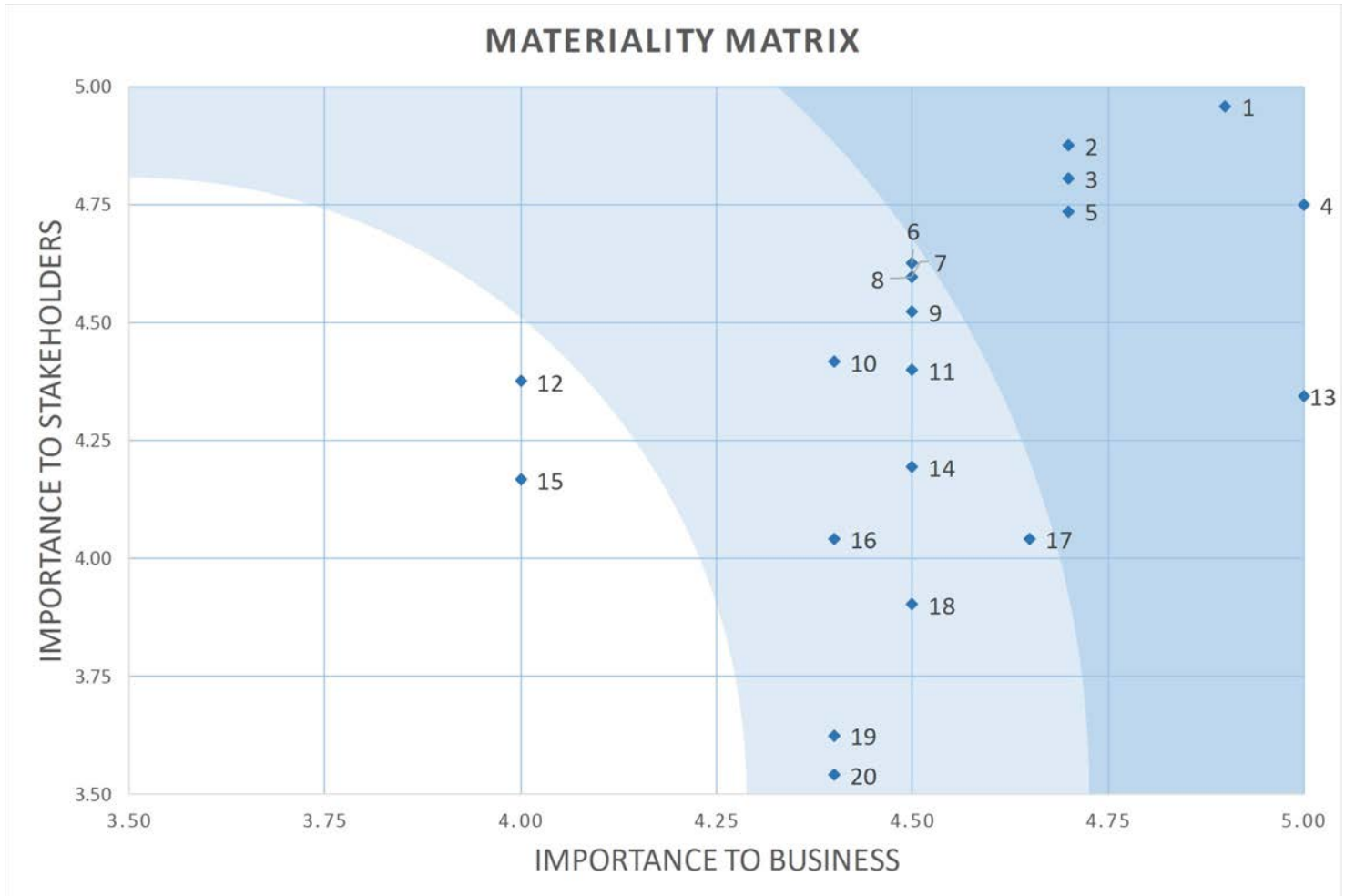
## EMPLOYEES AND MANAGEMENT

Employee Health and Safety
Walking the Talk
Client Data Security and Privacy
Equal Pay for Women and Men
Recruiting and Retaining the Right Talent
Integrity of Audit Services
Having Preventative Social Policies
Strong Economic Performance
Employee Training and Education
Ethical Business Conduct

Walking the Talk
Transparency of Company Performance
Equal Pay for Women and Men
Employee Training and Education
Recruiting and Retaining the Right Talent
Ethical Business Conduct
Client Data Security and Privacy
Integrity of Audit Services
Employee Health and Safety
Having Preventative Social Policies

## OTHER STAKEHOLDERS

# ABOUT THIS REPORT

This chart compares the importance of each impact as the stakeholders perceive it and how management perceives it to focus on topics of primary concern to both parties.



MATERIALITY MATRIX

1. Ethical business conduct
2. Integrity of audit services/anti-corruption
3. Ensuring client data security and privacy
4. Recruiting and retaining the right talent
5. Walking the talk (doing internally what we advise to our clients)
6. Equal pay for women and men for the same job
7. Employee training, continued education, and professional development
8. Employee health and safety
9. Having preventative social policies (discrimination, harassment, etc.)
10. Having transparency of company performance
11. Employee work/life balance
12. Having socially-responsible leadership within the company
13. Having strong economic performance
14. Being a leader/influencer in the industry
15. Reducing environmental impact of daily operations (energy, water, materials, waste)
16. Providing products and services for sustainability
17. Reducing environmental impact of travel (to clients, office, training, meetings, etc.)
18. Employee diversity & inclusion (gender, racial, educational background, etc.) at all levels
19. Working with the local community and local companies
20. Volunteer work and charitable giving

The material topics in the upper right quadrant indicate what is important to both the stakeholders and the company.  The assessment shows that SRI's focus should be on: (grouped into three main areas)

• Governance & Management: Ethical Business Conduct, Integrity of Audit Services, Client Data Security and Privacy, Walk the Talk
• Employees & Community: Recruiting and Retaining the Right Talent, Equal Pay, Training and Development, Health and Safety
• Environment: Emissions related to Travel and Operations

These material impacts guided the development of SRI's sustainability goals.

# ABOUT THIS REPORT

Stakeholder engagement is important to SRI throughout the year.  Engagement with stakeholders provides SRI with the opportunity to gain a stronger understanding of the needs of  customers, industry, and the communities in which SRI works.  In addition to this Sustainability Report, SRI responds to stakeholder issues through customer phone calls and emails, advisory council meetings, newsletters, and community and industry meetings.

| STAKEHOLDER | ENGAGEMENT | TOPIC(S)/ISSUE(S) |
|---|---|---|
| **Employees** | Sustainability Team<br>Health & Wellness Committee<br>Annual Employee Satisfaction Survey<br>Materiality Survey and Interviews | Ethical Business Conduct<br>Having Strong Economic Performance<br>Employee Work/Life Balance |
| **Customers** | Post-event Feedback Surveys<br>Technical Advisory Council<br>Website and Phone Calls<br>Materiality Survey and Interviews | Integrity of Audit Services/Anti-corruption<br>Ethical Business Conduct<br>Ensuring Client Data Security and Privacy |
| **Partners** | Meetings<br>Materiality Survey and Interviews | Walking the Talk (acting  internally as we advise to our clients)<br>Integrity of Audit Services/Anti-corruption<br>Ethical Business Conduct |
| **Communities, Organizations and Associations** | Meetings and Events<br>Materiality Survey and Interviews | Ethical Business Conduct<br>Walking the Talk (acting internally as we advise to our clients)<br>Working with the Local Community and Local Companies |

# SECTION 1 GOVERNANCE AND MANAGEMENT



## 1.1 COMPANY PROFILE

SRI Quality System Registrar is a privately-held ISO Registrar, founded in 1991 and headquartered in Pittsburgh, Pennsylvania. SRI also has offices in Japan and Ireland. SRI has nearly 50 internal employees and approximately 150 contract auditors who perform audits to ISO (and other) standards globally, including ISO 14001 (Environmental Management), ISO 50001 (Energy Management), ISO 45001 (Occupational Health & Safety), LEED (Green Building Certification), and Corporate Social Responsibility (CSR) Assurance to AA1000, to name a few (complete list in Appendix II). As an Accredited Registrar, SRI follows the ISO 17021 management system approach and is accredited by ANAB, RvA, IATF, FSSC, APMG, AA1000, and USGBC (GBCI). SRI is an active member of US Green Building Council (USGBC), Automotive Industry Action Group (AIAG), Association for Iron & Steel Technology (AIST), Independent Association of Accredited Registrars (IAAR), Green Building Alliance (GBA), Sustainable Pittsburgh, International Society of Sustainability Professionals (ISSP), and U.N Global Compact.

SRI has two wholly-owned subsidiaries which provide complementary services: 3R Sustainability, which offers CSR and Built-Environment Consulting, and iQ Training, which provides online and in-person professional skills development training services. The supply chain is relatively small, consisting primarily of office equipment and supplies.

SRI prides itself in being on the leading edge of adopting new standards, so the emergence of CSR-related standards was a natural transition. In addition to CSR Assurance (AA1000) on the auditing side, to provide validation that CSR is built into a company's management systems, 3R provides CSR Assessments to AA1000, ISO 26000 (Guidance on Corporate Social Responsibility), SA8000 (Social Accountability), B Corp Certification, and many of the other CSR frameworks. 3R can also help companies, wherever they are on their CSR journey, through program evaluation, to improve their environmental, social, and governance actions to better meet their CSR goals, and GRI-based reporting. SRI's Chief Sustainability Officer, Jana Lake, led the development of SRI's CSR Plan, engaging stakeholders internally and externally, identifying material impacts, mapping current initiatives, and setting SMART goals in each material area. Inspired by the UN Sustainable Development Goals and the UN Global Compact, this report cross-references impacts and actions across the various standards.

In the past year, SRI has embarked on a series of improvements to further integrate social responsibility into the organizational foundation. For example, the company updated its Mission and Vision Statements and the list of Company Values, as well as the Code of Ethics/Conduct and several related policies. By refining and aligning the company's mission and policies to reflect the company's culture, SRI showcases its commitment to the environment and reaffirms its dedication to social responsibility for its employees and the community. Additionally, the family-owned company has been awarded B Corp certification and is one of fewer than 100 companies globally to be issued the JUST label. In 2018, SRI's 3R division participated in the Sustainable Pittsburgh Challenge and in 2019, SRI will participate in the challenge and apply for the regional Southwestern Pennsylvania Business Compact.

# SECTION 1 GOVERNANCE AND MANAGEMENT

## 1.2 GOVERNANCE STRUCTURE

Christopher Lake, President of SRI, and Peter Lake, Founder and CEO, lead the SRI Board of Directors, which oversees SRI's commitment to sustainability/corporate responsibility and corporate performance.

Employee programs are managed by Lara Eury, SRI Director of Human Resources. Governance issues, such as ethics and compliance are managed by Christopher Lake, including anti-corruption, information privacy, and data security. Environmental initiatives related to client-site travel are managed by Michael Lake, Director of Operations, and office-based environmental initiatives have oversight by SRI's CSR/Sustainability Team.

As SRI's Chief Sustainability Officer, Jana Lake oversees SRI's internal CSR commitments and engages a cross-functional task force of employees (The Sustainability Team) and management to track performance toward sustainability goals and identify opportunities for improvement. The group meets bi-monthly to ensure integration of CSR efforts across the business and conducts workshops and educational sessions on sustainability for SRI's staff.

## SUSTAINABILITY GOVERNANCE

To implement its Sustainability/CSR Plan, SRI has built its sustainability goals and actions into its management system.

- Following initial stakeholder engagement and interviews with the Executive Team, material impacts were identified
- Sustainability strategies and goals were created in line with SRI's corporate strategy and business objectives
- Sustainability Plan, with accountability, was defined to manage, monitor, and drive performance to achieve the sustainability goals
- Sustainability goals, metrics, and initiatives were built into SRI's management system to drive culture change and ownership of the goals throughout the organization
- New and updated policies, procedures, and tools were launched with related training to increase awareness of sustainability goals and communicate changes
- A Sustainability Team was created to serve as an ambassador for sustainable changes and identify opportunities for continual improvement throughout the year
- Sustainability goals were built into performance management discussions to ensure that goals were adopted not only at the division and department level, but
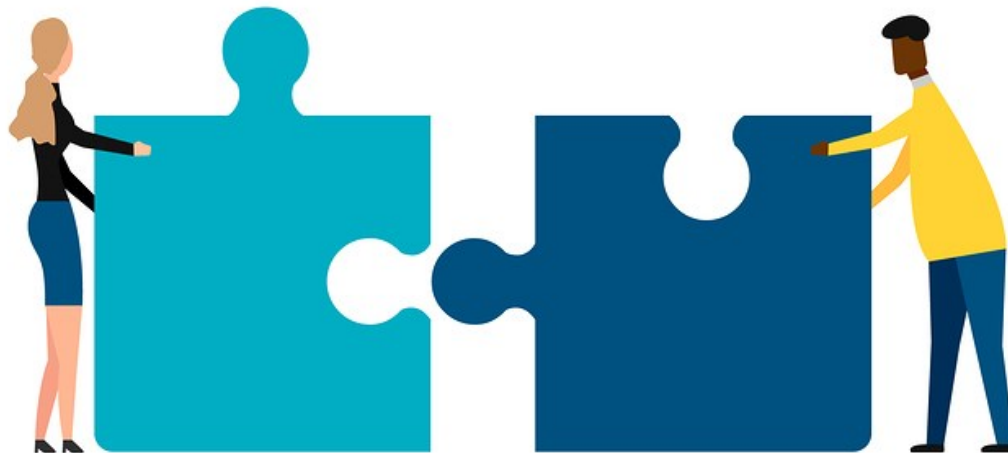
# SECTION 1 GOVERNANCE AND MANAGEMENT

## Sustainable Goal #1: Providing Service With The Highest Level of Integrity and Ethical Conduct



## 1.3 MATERIAL IMPACT: ETHICAL BUSINESS CONDUCT & INTEGRITY OF AUDIT SERVICES

### MANAGEMENT APPROACH

SRI has always operated with the highest ethical standards and integrity, and has earned its valued reputation as an ethical and responsible employer and business partner. To reflect its ongoing commitment to ethical practices and the UN Global Compact, SRI updated its Code of Ethics and related policies to ensure it is living up to the highest standards in areas such as anti-corruption, anti-competitive behavior, whistle-blower actions and data privacy.

SRI is committed to demonstrating honesty, fairness, and accountability in its decisions and actions, including each interaction with its employees, customers, suppliers, and partners. The SRI Code of Ethics applies to every SRI employee, auditor, and member of the Board of Directors; links to relevant policies and procedures; and is available on the company intranet. SRI also rendered the services of a confidential Ethics & Compliance Hotline Provider and encourages employees to speak to their manager or communicate through the hotline if they have a confidential issue.

Employees are responsible for appropriately communicating concerns regarding suspected unethical or illegal conduct to a supervisor, Human Resources, or the Ethics & Compliance Hotline, as outlined in the company's Whis-

tleblower Policy. SRI does not retaliate against anyone who reports suspected violations in good faith. All reports of misconduct are investigated in a timely fashion. Unless the individual chooses to remain anonymous, he or she receives feedback on the results of the investigation, to the extent allowed by applicable law.

### GOAL & METRICS

In 2018, SRI did not have any negative incidents with regard to public policy, privacy, corruption, ethics, bribery, anti-competitive actions, anti-trust violations; or monopoly practices, societal impacts, the environment, labor practices; or employee discrimination or harassment; nor were there any sanctions or fines for noncompliance.

### ACTION PLAN

SRI's Sustainability goals and updated Code of Ethics were introduced to employees at SRI's February, 2019 staff meeting. Ongoing training of SRI's sustainability programs will be conducted at the next Technical Conference in May, 2019.

In order to better track and measure success in this area, SRI will add a question to its post-audit surveys for customer feedback: "Do you feel the audit of your company was conducted with utmost integrity?"

# SECTION 1 GOVERNANCE AND MANAGEMENT

## Sustainable Goal #1: Providing Service With The Highest Level of Integrity and Ethical Conduct

## 1.4 Material Impact: Client Data Security & Privacy
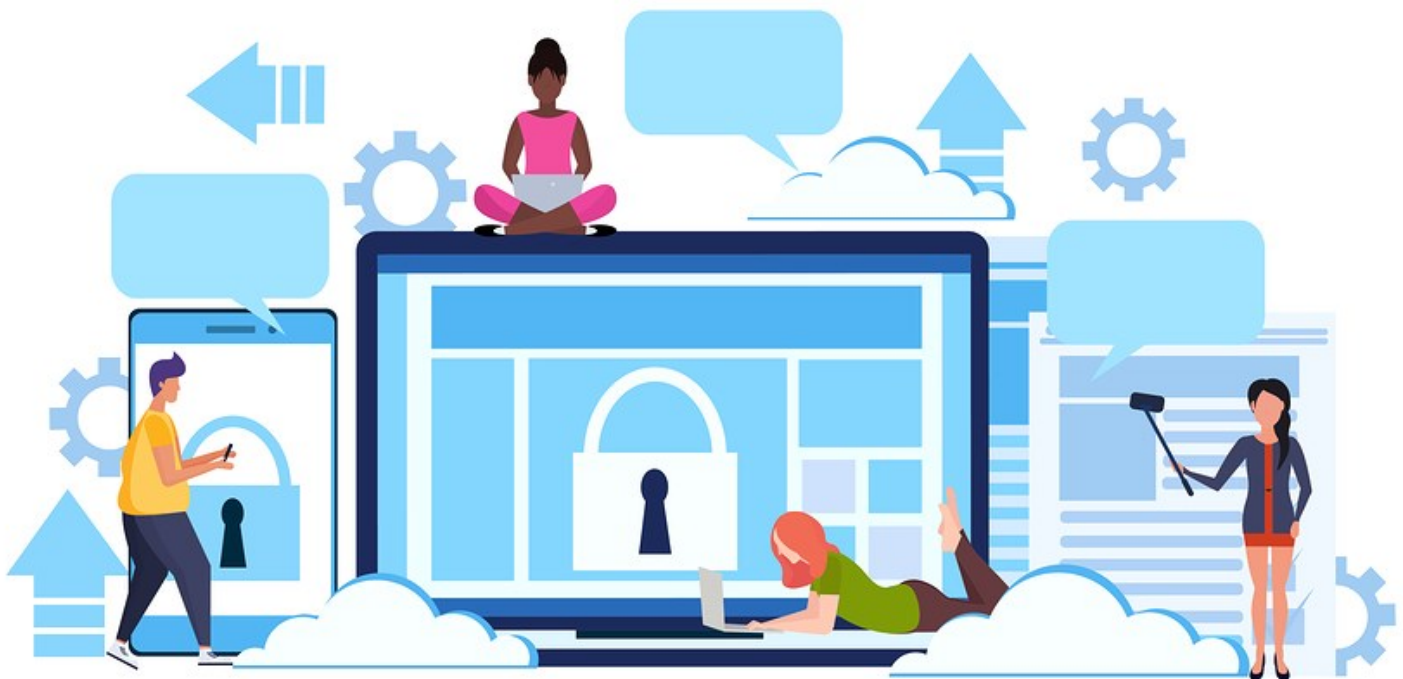
### MANAGEMENT APPROACH

SRI's auditors and Customer Care Team work carefully to manage customer data privacy, in line with SRI's accreditation under ISO 27001 (Information Security), GDPR, and customer requirements. It is SRI's policy not to take any client data from the client site and customers have agreed not to share sensitive data (e.g. HIPA, individual salaries, etc.) with the auditors. If an auditor errantly becomes exposed to sensitive data, the auditor is required to remind the client that sensitive information should not be shared. The Technology Team works to ensure that all employee and customer information is secure. SRI's Human Resources team works to ensure that SRI's internal use of personal data also complies with applicable laws, SRI policies, GDPR, and customer expectations.

### GOAL & METRICS

There have been no claims concerning breaches of customer privacy or loss of customer data.

### ACTION PLAN

GDPR requirements have been incorporated in the relevant policies and procedures, communicated to SRI staff and auditors, and built into ongoing training.

# SECTION 1 GOVERNANCE AND MANAGEMENT

## Sustainable Goal #2: Maximizing SRI's Impact in Supporting Clients' Sustainability Goals



## 1.5 MATERIAL IMPACT: WALK THE TALK

### MANAGEMENT APPROACH

As a signatory of the UN Global Compact, a B Corp certified company, and recognized with its JUST Label, SRI continues to demonstrate its leadership in the industry in corporate responsibility. SRI is an industry leader in offering products and services which support sustainability, such as ISO 14001, RC14001, ISO 45001, Information Security, Food Safety, Green Building Certification (For full list see Appendix II), and is active in industry groups and partners with others to push forward shared objectives, such as sustainability.

Customers and auditors expect SRI to be on the leading edge of new trends. In the last few years, SRI has seen an increase in clients and certifications for such 'sustainability' standards. Many of SRI's clients meet the European Union criteria for Sustainability Reporting, therefore, there is an opportunity to provide external assurance assessments to clients to ensure CSR is built into their management systems and reporting. SRI is a leader in the industry by offering new standards and working with leading-edge auditors and customers. SRI develops partnerships with others in the industry groups to advance shared goals.

Building on the consulting work that the 3R division started in 2014 relating to the built environment, SRI made a commitment to expand its service offerings by hiring a Chief Sustainability Officer and CSR Solutions Lead to coordinate sustainability solutions for clients. In 2018, SRI and 3R began to market its sustainability offerings as such, to support its customers in creating sustainability reports, implementing or assuring a Sustainability Management System, and pursuing sustainability certifications (when appropriate) for areas of material impact.

### GOAL & METRICS

In 2018, 40% of SRI's revenue was related to its sustainability offerings. SRI would like to see this number increase; however, client demand is out of our control. SRI currently spends approximately 50% of its advertising and marketing dollars on sustainability services and commits to spend 10% more in 2019.

### ACTION PLAN

By generating more awareness of the importance of sustainability to business, SRI expects to see an increase in the number of our current clients who add a sustainability focus to their management systems.

# SECTION 2 EMPLOYEES AND COMMUNITY



In the spirit of trying to do the right thing for employees, SRI has implemented a number of programs which address employee needs and expectations over the years. Given the nature of the business as a professional services firm, employees are SRI's most important asset, so these programs are not only the right thing to do, but also a wise investment. The value of having sustainability built into our management system reflects on SRI's focus of continual improvement as well as allows for the evaluation of program effectiveness as they relate to material impacts. SRI particularly holds strength in the areas of employee health & wellness, education and training, and quarterly communications to staff on business strategy and economic performance.

In the past year, SRI has signed the UN Global Compact, became B Corp certified, issued the JUST label, and has implemented a number of actions to further improve its position as an industry leader (See Appendix V) . Due to the rigor and attention to detail embedded into these programs, the HR and Sustainability teams have been working to update policies (such as parental leave, volunteering, etc.), to determine the baseline for new metrics, and build the necessary changes into SRI's management system.

# SECTION 2 EMPLOYEES AND COMMUNITY

## Sustainable Goal #3: Recruiting and Retaining the Right Talent

### 2.1 MATERIAL IMPACT: RECRUITING AND RETAINING THE RIGHT TALENT

#### MANAGEMENT APPROACH

In order to recruit and retain the right talent, SRI has historically held a number of programs in place, including employee training and professional development, equal pay for women and men for the same job, employee health and safety, and a focus on employee work/life balance. One of SRI's more progressive programs is for new parents to help with the transition back to work after the addition of a baby to their family.  Parents (men and women) are eligible to bring their baby to work for six  months in a private workspace. SRI also offers $750 per employee for training each year, in addition to company-sponsored skill development, plus $2000 per employee in tuition reimbursement. SRI offers options in healthcare benefit plans to meet a range of employee needs.

#### GOAL & METRICS

#### EMPLOYEE SATISFACTION

In a 2018 Worker Satisfaction Survey, SRI employees reported the following:

**"Considering all aspects of your job,
how satisfied are you with your company?"**

**Score: 8.7  out of 10**

**"How likely is it that you would recommend
your company as a good place to work?"**

**Score: 8.7 our of 10**

SRI currently scores 8.7 for Employee Satisfaction and Engagement, and has set a goal to reach 9.1 next year.

#### GENDER DIVERSITY

While SRI's total workforce population (employees plus contractors) is quite well balanced, there is variability when analyzed at a more granular level (see Gender Diversity table below).

Diversifying SRI's Board of Directors and in field auditors is one area of CSR that SRI is specifically committed to.

Diversity represents an opportunity to generate new and different ideas. SRI is actively seeking two women with manufacturing and/or audit experience to join its Board of Directors and has set a goal to find five new female contract auditors (one in each business service line).

|  | % Women (Current) | Target 2020 |
| --- | --- | --- |
| Administrative | 84 | - |
| Auditors Staff | 33 | - |
| Auditor Contractors | 10 | +5% |
| Management Team | 57 | - |
| Board of Directors (8 total, 2 open) | 0 | +25% |

#### ACTION PLAN

SRI has always strived to implement ideas solicited from employees in order to improve satisfaction and engagement. In addition to the Health and Wellness Committee, SRI formed a Sustainability Team this year to encourage ideas on a broader range of topics, and has relaunched its Employee Suggestion Box at each location (and through a confidential email box), to encourage employees to help promote continual improvement.

SRI has seen an increase in the pipeline of women in management positions who will have the experience necessary to eventually become auditors. .  In 2005, women represented less than 5% of people in positions in industry who could with the potential to become auditors. Today, that number is estimated to have surpassed 20%. In the same time frame, SRI has grown its percentage of female auditors from 5% to 10% of the total.  SRI developed a path and program to train its internal staff to perform audits, if he/she would like to pursue that career, and actively recruits auditors at conferences and through other networks.  To further demonstrate its commitment, SRI has signed the UN Women's Empowerment Principles.

In the long term, SRI leadership believes STEM (Science, Technology, Engineering, and Math) is a critical skill set for women and men, and is evaluating programs that support school-age girls and boys to pursue careers in robotics, as a necessary skill for the workforce of the future.

# SECTION 2 EMPLOYEES AND COMMUNITY

## 2.2 COMMUNITY

### MANAGEMENT APPROACH

Given the large percentage of women in SRI's internal operations, SRI has made a commitment to address gender-based violence and domestic abuse for its employees. SRI supports the organization, Victim Outreach Intervention Center (VOICe), that helps women and children who are in the process of leaving abusive situations. Donations are collected throughout the year from employees who choose to participate. Donations often include backpacks for school-aged children and Christmas gifts, and SRI matches employee donations. Furniture that is no longer used, or that does not fit into a space after renovations are donated to this organization as well.

The support SRI provides to VOICe, through employee material donations and SRI financial matches, serves both the employees' desire to help others and helps the Pittsburgh community address a very serious problem. SRI employees also engage in the local community through work with organizations, such as Green Building Alliance, to promote sustainability in Pittsburgh. At a February, 2019 training, a team from VOICe will speak to SRI employees about the organization and will provide Active Bystander training.

### GOAL & METRICS

SRI has established the following metrics and targets:

| METRIC | CURRENT | TARGET |
|---|---|---|
| Value of company contributions (% of revenue) | 1% | 1.5% |
| Volunteer Days Involvement (% of total time) | .1% | .5% |

### ACTION PLAN

SRI updated its Volunteer Policy, which launches Q1 of 2019. With it, SRI will now offer one paid day per quarter for employees to pursue individual or corporate volunteer activities. This will build upon individual employee volunteer efforts of a small group by encouraging individuals to publicize upcoming events and coordinate throughout the company to gain additional volunteers. SRI is building environmental and social, including volunteer, metrics into its performance management review process to encourage the development of individual objectives in line with department and company goals. SRI is also active in the Pittsburgh community through its work with local NGO's (e.g. Green Building Alliance and Sustainable Pittsburgh) to increase awareness of sustainability issues and improve the quality of life in Pittsburgh.

In realizing the direct impact of gender-based violence, SRI leadership has decided to expand its support of VOICe by hiring temporary workers from VOICe to fill its seasonal needs, to provide job experience, help with resume development, and share interviewing skills. In 2019, SRI will hire 1-2 candidates from this program and evaluate the program for possible expansion in the future.

As members of Sustainable Pittsburgh, SRI has created a Sustainable Purchasing Policy to address the importance of buying products locally from diverse vendors, as much as possible. In doing so, the local community gains support and the carbon footprint associated with shipping and transportation is reduced.
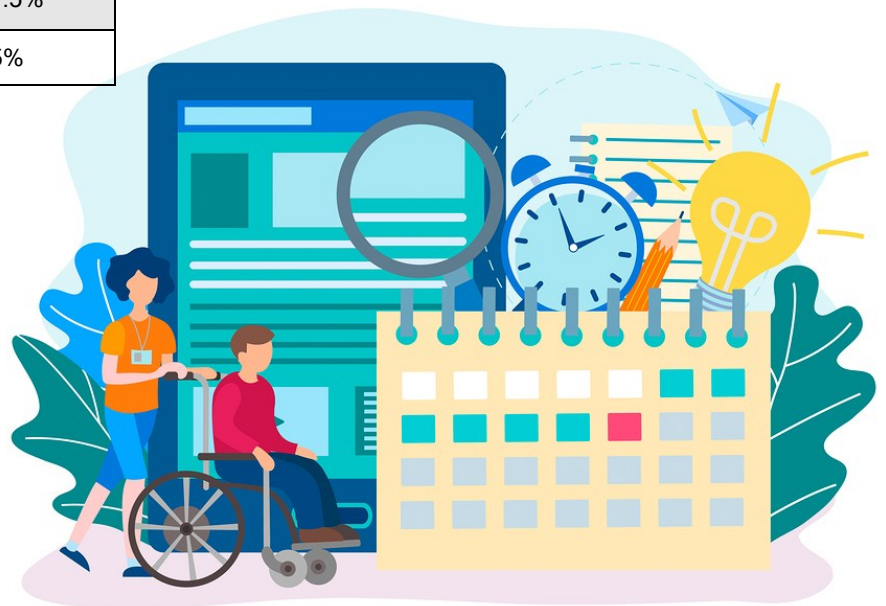
# SECTION 3 ENVIRONMENT

## Sustainable Goal #4: Minimizing Environmental Footprint

SRI has employed a number of initiatives to improve energy efficiency and reduce environmental impact in its corporate headquarters and Pittsburgh office. The new Pittsburgh office was awarded LEED-Gold Commercial Interior status and this will serve as a standard for all new SRI office spaces. The headquarters has implemented many of the same energy efficiency specifications. Both offices have applied a number of programs to reduce waste, compost, and buy local. SRI eliminated plastic bottles and paper plates, reduced the number of times the dishwasher runs, and removed all processed sugars from the company snack room to promote healthier eating choices.

### 3.1 MATERIAL IMPACT: EMISSIONS

### MANAGEMENT APPROACH

Given that most audit activities are required to be completed at a client's site, SRI's largest environmental impact is auditor travel to client facilities and travel to offsite training. On-site inspection is a mandatory part of the audit process, so greenhouse gas emissions cannot be eliminated entirely, yet; however, the Scheduling Department tries to reduce the environmental impact by scheduling local auditors with the right skills to nearby client sites. The benefits include lower travel costs for the client, improved work/life satisfaction of the auditor, and reduced impact on the environment.

Steps have already been made in the area of training to reduce environmental impact by changing the business model from city-based to client-site training. In the past, 100% of training was offered at locations around the country, with nearly all participants traveling to the training event. This year, client-site training was offered, which

greatly reduced the number of participants who needed to travel. Approximately 40% of training is now done at a client site, so the trainer is the only individual traveling. The impact in 2018 alone, was equivalent to the environmental 'savings' of roughly 400 participants who were able to attend training locally without travel.

### GOAL & METRICS

In 2018, SRI launched online training which will further reduce the environmental impact associated with travel and hotels. The target is for 80% of training to be offered on-site or online by 2020.

Scope 1: SRI does not produce Scope 1 emissions. As a professional services organization, we do not manufacture or distribute a product, nor do we burn fuel on-site.

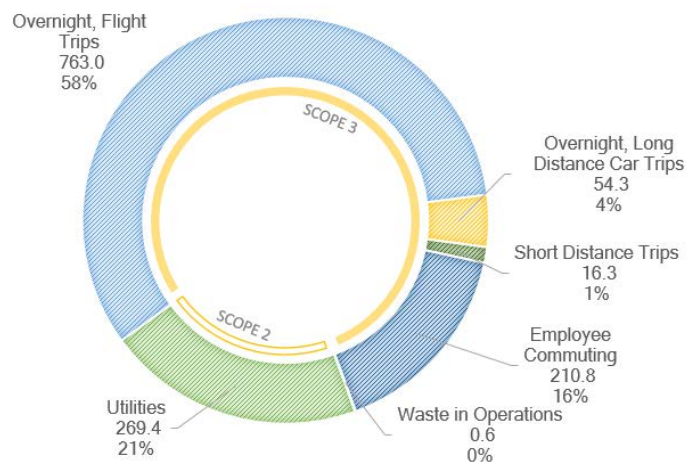Scope 2: Includes utilities of SRI offices = 269 tons of $CO_2$ equivalent.

Scope 3: Includes travel associated with audits and training plus employee commuting and waste in operations = 1045 tons of $CO_2$ equivalent.

SRI's total emissions equate to:
- Housing, feeding and clothing 18 children for a year
- 33,442,426 hours of computer operation
- Powering 113 homes for a year
- 4,544 trees planted per year to reverse our impact

2020 Target Reduction for Scope 2 and Scope 3 = 10%
(See Appendix VI for calculations)

**EMISSIONS PORTFOLIO, TONS OF CO2 EQUIVALENT**



Overnight, Flight Trips 763.0 58%

Overnight, Long Distance Car Trips 54.3 4%

Short Distance Trips 16.3 1%

Employee Commuting 210.8 16%

Waste in Operations 0.6 0%

Utilities 269.4 21%

SCOPE 3

SCOPE 2

# SECTION 3 ENVIRONMENT

## 3.1 MATERIAL IMPACT: EMISSIONS (CONTINUED)



### ACTION PLAN

SRI's first step in assessing material impacts was to calculate baseline GHG emissions (tons) and energy usage (kWh), in line with the Greenhouse Gas Protocol and EPA standards. Information is tracked and collected for reporting (see Appendix VI for calculations).  In addition to a 10% reduction target for 2020 for Scope 2 and 3 Emissions, SRI aims to offset another 10% through client and direct purchases of Renewable Energy Certificates.

To address Scope 2 Emissions:

A Sustainable Purchasing Policy is being implemented to ensure the most environmentally-friendly products are being purchased and utilized at the two offices. The main purchasers will have tools to ensure that they are purchasing energy-efficient equipment, such as computers, water fixtures and kitchen appliances. To further reduce environmental footprint, the employees and auditors are being trained on how to conserve energy and water so they can meet both environmental and financial goals at the office and at home.

To address Scope 3 Emissions:

SRI has embarked on a project called, "Path to Net Zero Emissions," through which SRI identifies opportunities to reduce emissions related to auditor and training travel.  SRI will also evaluate the opportunity to offer carbon offsets for purchase by clients who have their own carbon reduction commitment. SRI will participate in and support the industry's efforts to evaluate options for virtualization and greater use of technology to reduce the greatest impact on the environment. In 2020, SRI will start offering the option on customer invoices to offset the environmental impact of a company's audit or training, which will be used to purchase Renewable Energy Certificates (REC's).

The aforementioned Sustainable Purchasing Policy will also address the purchasing of sustainable and local materials, in a manner that supports the local community. In addition to the incoming products and materials, outgoing waste is being recycled or will be donated to local charities. A waste audit was performed at both offices to set a baseline for waste diversion to allow the company to take action to set goals for continuing reduction. Finally, SRI now offers to pay for a transit pass, in lieu of a parking permit, for its Pittsburgh-office employees, to encourage use of public transportation and reduce emissions related to employee commute.



WASTE DIVERSION, BY WEIGHT

Landfill 62%

Compost 8%

Recycling 30%
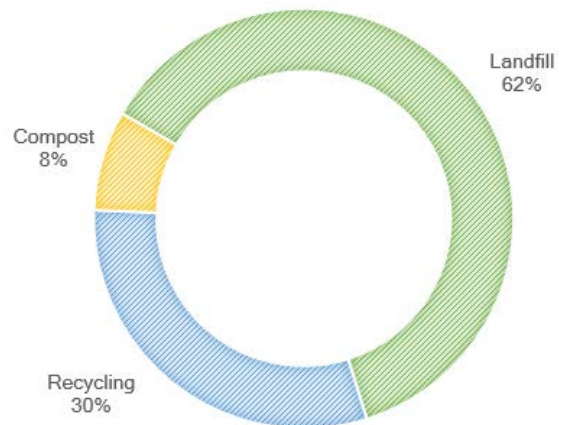
# SECTION 4 SUSTAINABILITY SCORECARD

| GOAL/METRIC | BASELINE (2018) | TARGET (2020) |
|---|---|---|
| Goal #1: Providing Service With the Highest Level of Integrity and Ethical Conduct | | |
| Metric: Code of Ethics violation | Zero | - |
| Metric: Customer Survey Question: Integrity of Audit | No Data/New | |
| Metric: Customer Data Security Breach | Zero | - |
| Goal #2: Maximize Impact for Clients' Sustainability Goals | | |
| Metric: Sustainability Services as % of Revenue | 40% | |
| Metric: Sustainability as % of Marketing Spend | 50% | 60% |
| Goal #3: Recruit and Retain the Right Talent | | |
| Employee Satisfaction (JUST) | 8.72/10 | 9.1/10 |
| Recommend as "Good Place to Work" (JUST) | 8.72/10 | 9.1/10 |
| Volunteer Time (% of total hours) | 0.1% | .5% |
| Charitable Donations (% of net revenue) | 1% | 1.5% |
| Minimize Impact on Environment | | |
| Metric: Total GHG Emissions (Tons) - Scope 2 | 269 | - 5% |
| Metric: Total GHG Emissions (Tons) - Scope 3 | 1045 | - 5% |
| Metric: Energy Use (kWh) | 398,560 | - 5% |
| Renewable Energy Credits and Carbon Offsets | 1.3% | 10% |

# APPENDIX I: SRI AND THE SUSTAINABLE DEVELOPMENT GOALS

## INTERNAL PRACTICES

The United Nations (UN) created the 17 Sustainable Development Goals (SDGs) as a call to action for all countries, both developed and developing, to work toward a sustainable future. While all of the SDGs are interconnected, each one has a specific set of targets and goals to reach by 2030. SRI signed onto the UN Global Compact at the beginning of 2018. The UN Global Compact works together with the SDGs to push companies to "align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals." SRI has identified five of the 17 SDGs, which the organization strongly supports through daily operations and best practices. These five SDGs are #3 Good Health and Well-being, #5 Gender Equality, #12 Responsible Production and Consumption, #13 Climate Action, and #17 Partnerships for the Goals.

At SRI, good health and well-being has always been a priority within the workplace in order to leverage the organization by retaining the best talent. A health and wellness committee is responsible for making fresh fruits and vegetables accessible in the office, afternoon walks, activity competitions, and afternoon tea once a week.

SRI knows that a company is successful when its foundation is diverse. Currently, over half of SRI's management team is female and SRI is looking to increase female representation on the board of directors by 25%.

Responsible consumption and production taken tremendously serious at SRI. Our organization has implemented a Sustainable Purchasing Policy, which emphasizes buying local, chemical-free and sustainably-sourced products. SRI has also made efforts to reduce consumption by using ceramic dishes instead on single use plastic and to divert remaining waste through composting and recycling efforts.

Based on the Materiality Matrix, SRI understands that reducing its environmental footprint is critical to business. One of the largest contributors to SRI's carbon footprint is due to auditor travel. SRI is committed to offsetting our emissions by investing in Renewable Energy Certificates (RECs) and reducing scope 3 emissions through strategically planned travel for our auditors.

SRI is committed to cultivating its partnerships with other organizations across the industry that also share a strong, sustainably-focused vision. SRI has identified a unique opportunity to educate clients and partners on the importance of sustainability from a business management perspective by showing that sustainable measures not only minimize environmental impact, but also cost.

# APPENDIX I: SRI AND THE SUSTAINABLE DEVELOPMENT GOALS

## EXTERNAL PRACTICES

As an organization, SRI is in a unique position to help clients reach their sustainability goals through auditing to sustainability management system standards, and through its 3R Sustainability division through sustainable consulting in the built and corporate environments. Expertise and personal ties to sustainability position SRI to help customers realize business value by ensuring sustainability is built into their management system. With SRI's global presence, hundreds of companies across the world are better able to meet their own goals relating to environmental impact, ethical conduct, human rights, labor, transparent supply chain, quality, energy management, and health and safety. ISO 26000 (Guidance on Social Responsibility) provides a framework to guide companies on goals related to Corporate Social Responsibility and AA1000 Accountability Assurance standard ensures that sustainability has been addressed within a company's management system.  These are comprehensive frameworks that help companies manage their impacts and achieve their progress toward their sustainability goals and the UN SDGs. 3R has successfully consulted companies to shift their business strategy from a traditional bottom line to the triple bottom line (people, planet, profit) in order to incorporate sustainability into their core mission, vision, and values. 3R has also directed clients towards building sustainable spaces through vast knowledge on the LEED, WELL and other high-performance building standards.

SRI realizes that clients and companies, alike, are starting to demand higher standards when it comes to social and environmental practices. We want to be able to meet this new shift, both within the industry and on the global business front, by continuing to be a leader through best practices that translate to clients. SRI's success is linked to its talent, innovation and compliance, but it is also linked to its ability to stand out as an organization. Sustainability is what gives SRI a competitive advantage.

Given SRI's work across a number of standards and frameworks, SRI is positioned to help clients achieve many of their own SDG goals:

Affordable and clean energy, ensures access to affordable, reliable, sustainable and modern energy for all. The SRI Green Building Team has reviewed more than 8000 LEED projects phases, which seeks to reduce energy usage in the built environment.  ISO 50001 (Energy management system) ensures that energy use is being actively managed by a company.

Industry, innovation and infrastructure, builds resilient infrastructure, promotes inclusive and sustainable industrialization and fosters innovation to improve resource-use efficiency and promote adoption of clean and environmental technologies.  SRI's management system approach ensures that companies manage their environmental and other industrial impacts through audits to a number of ISO standards: ISO 9001 (Quality Management); IATF 16949 (Automotive Quality Management); ISO 28000 (Supply Chain Management); ISO/TS 29001 (Oil and Gas Management); ISO 50001 (Energy Management); AS/EN/JISQ 9100/9120 (Aerospace Quality Management); ISO 27001 (Information Security Management); ISO 20000-1 (Information Technology Service Management).

Safe, resilient, inclusive, and sustainable cities can be ensured through safe and affordable housing, access to green spaces, improving municipal waste management and public transport, and minimizing the environmental impact of cities.  The LEED suite of standards addresses not only buildings, but neighborhoods and communities, on topics from building design to access to green spaces and public transport, as well as waste and water management.

Responsible consumption and production, ensures sustainable consumption and production patterns to reduce waste throughout the entire value chain of a product or service, from cradle to cradle.  The TRUE Zero Waste standard provides a framework to reduce waste; RC 14001 (Responsible Care) defines responsible use within the chemicals industry; ISO 28000 (Supply Chain Management) ensures control, security and traceability within a company's supply chain; and FSSC 22000 addresses food safety and management).

# APPENDIX II: SRI STANDARDS MAPPED TO SDGS

| SRI STANDARDS OFFERED | SDG SUPPORTED |
|---|---|
| ISO 9001 (Quality Management System) | 9 , 12, 17 |
| ISO 14001 (Environmental Management System) | 6, 12, 14, 15 |
| RC 14001 (Responsible Care Management System) | 6, 11, 12, 14, 15 |
| ISO 14064 (Greenhouse Gases Management System) | 7, 13 |
| ISO 50001 (Energy Management System) | 7, 9, 13 |
| ISO 45001 (Occupational Health & Safety Management System) | 3 |
| ISO 26000 (Guidance on Corporate Social Responsibility) | All |
| ISO 28000 (Supply Chain Management System) | 9, 12, 16 |
| ISO 31000 (Risk Management System) | 5, 8, 16 |
| ISO 27001 (Information Security Management System) | 9, 12, 16 |
| Green Building Design Assessment (LEED, ASHRAE) | 7, 11, 13, 17 |
| ISO 20000-1 (Information Technology Service Management System) | 9, 12, 16 |
| IATF 16949 (Automotive Quality Management System) | 3, 9, 12, 16 |
| AS/EN/JISQ 9100/9120 (Aerospace Management System) | 3, 9, 12, 16 |
| ISO/TS 29001 (Oil & Gas Management System) | 7, 9, 13, 14 |
| ISO & FSSC 22000 (Food Safety Management System) | 2, 3, 6, 12 |

# APPENDIX III: MANAGEMENT SYSTEM APPROACH

## BUILDING SUSTAINABIL**ITY INTO SRI'S MANAGEMENT SYSTEM**

ISO 26000 (Guidance on Social Responsibility) provided a framework upon which SRI built its Sustainability Goals and defined its management system requirements. During the Planning and Materiality Assessment phase, SRI leveraged multiple frameworks to ensure our completeness in scope and principles, from ISO 26000 to GRI Reporting, the UN Sustainable Development Goals, SASB metrics, B Corp certification, AA1000 Stakeholder Engagement and Assurance, and best practices in other industries, etc. The themes across sustainability frameworks are quite similar. SRI mapped its material impacts and actions to the specific sections within the various frameworks. Below is a high-level ISO 26000 mapping.

| SRI SUSTAINABILITY GOALS | ISO 26000 CORE SUBJECT |
| --- | --- |
| Providing Service with the Highest Level of Integrity and Ethical Conduct | Fair Operating Practices<br>Organizational Governance<br>Consumer Issues |
| Maximize Impact for Clients' Sustainability Goals | Consumer Issues |
| Recruiting and Retaining the Right Talent | Organizational Governance<br>Human Rights<br>Labor Practices<br>Community Involvement and Development |
| Minimizing Environmental Footprint | The Environment |

To ensure that sustainability is built into SRI's management system, the principles of AA1000 for stakeholder engagement and assurance were followed. AA1000 goes beyond a scope framework and provides a principles-based approach to sustainability strategy, governance and operational management. As an AA1000 trained and licensed provider, SRI has incorporated these principles into its own sustainability management system and process for continual improvement.

# APPENDIX IV: GRI INDEX

| GRI DISCLOSURE | SECTION | PAGE |
|---|---|---|
| 101 Foundation | About This Report: Introduction | 5-7 |
| 102 1. Organization Profile (102-1 - 102-13) | Letter from the President | 3 |
| 102 2  Strategy (102-14)<br>        Strategy (102-15) | Letter from the President<br>About This Report: Stakeholder Engagement & Materiality Assessment | 3-7 |
| 102 3. Ethics and Integrity (102-16 - 102-17) | Letter from the President: Values | 3 |
| 102 4. Governance (102-18 - 102-39) | Governance & Management | 8-9 |
| 102 5. Stakeholder Engagement (102-40 - 102-44), | About This Report: Stakeholder Engagement & Materiality Assessment, Internal and External | 5-7 |
| 102 6. Reporting Practices (102-45 - 102-56) | Sustainability Scorecard | 18 |
| 205 Anti-Corruption | Sustainable Goal #1: Providing Service with the Highest Level of Integrity and Ethical Conduct | 10 |
| 302 Energy | Sustainable Goal #4: Minimizing Environmental Footprint | 16-17 |
| 305 Emissions | Sustainable Goal #4: Minimizing Environmental Footprint | 16-17 |
| 404 Training and Education | Sustainable Goal #3: Recruiting and Retaining the Right Talent | 13-15 |
| 405 Diversity and Equal Opportunity | Sustainable Goal #3: Recruiting and Retaining the Right Talent | 14 |
| 418 Customer Privacy | Sustainable Goal #1: Providing Service with the Highest Level of Integrity and Ethical Conduct | 10 |

# APPENDIX V: B CORP CERTIFICATION AND JUST LABEL

**Certified B Corporation®**

B Corp Certification assesses the overall positive impact of a company. Certified B Corporations achieve a minimum verified score on the B Impact Assessment–a rigorous assessment of a company's impact on its workers, customers, community, and environment–and make their B Impact Report transparent on bcorporation.net. Certified B Corporations also amend their legal governing documents to ensure their management and board of directors balance profit and purpose, by considering the triple bottom line impacts of environment, social and governance factors.

The combination of third-party validation, public transparency, and legal accountability help Certified B Corps build trust and value. B Corp Certification is administered by the non-profit B Lab. Today, there are just over 2,500 Certified B Corps around the globe. SRI is proud to join them in redefining success in business, so that one day everyone may use business as a force for good. To learn more about this certification, check out SRI's B Corp profile.

For more information on B Lab and B Corp Certified Companies visit: bcorporation.net.

**Just.**

**Organization Name:** SRI Quality System Registrar
**Organization Type:** Service Provider
**Headquarters:** Seven Fields, Pennsylvania
**Satellite Facilities:** 1
**Number of Employees:** 46

**Social Justice and Equity Indicators:**

**Diversity**
- Non-Discrimination
- Gender Diversity
- Ethnic Diversity

**Worker Benefit**
- Worker Happiness
- Employee Benefit
- Continuing Education

**Equity**
- Full Time Employment
- Pay-Scale Equity
- Union Friendly
- Living Wage
- Gender Pay Equity
- Family Friendly

**Local Benefit**
- Local Control
- Local Sourcing

**Stewardship**
- Responsible Investing
- Community Volunteering
- Positive Products
- Charitable Giving
- Animal Welfare
- Transparency

**Safety**
- Occupational Safety
- Hazardous Chemicals

THE SOCIAL JUSTICE LABEL
SRI-001          EXP. 01/15/2021

INTERNATIONAL **LIVING FUTURE** INSTITUTE℠ justorganizations.com

SRI Quality System Registrar is proud that to now be a part of the International Living Future Institute's (ILFI) JUST™ Program. This program provides a transparent platform of disclosure, and a "nutrition label" for socially responsible organizations and corporations.

Francis Janes, Associate Director, International Living Future Institute praised, "The International Living Future Institute is pleased to announce that SRI has been recognized with the JUST Label. SRI's pursuit of a Social Equity Disclosure Label is consistent with the organization's long-standing support of Corporate Social Responsibility principles and practices."

SRI qualified for the JUST Label through voluntary disclosure of internal policies in key JUST categories such as diversity, equity, safety, employee benefit, local benefit and community stewardship.

SRI has consistently shown what it means to be an innovative company and a role model within the sustainability community. Creating a CSR Plan and applying for B-Corp certification shows dedication and engagement, and the JUST distinction goes on to exemplify SRI's commitment to sustainability and well-being. The goals of the JUST Program and the goals of SRI closely align with one another. SRI recognizes the connection between retaining the best talent and a socially just and equitable work environment.

In addition to exemplifying transparency, SRI continues to grow as a leader in the sustainability industry. The most recently released version of ILFI's Living Building Challenge, LBC v3.1, requires that a JUST labeled organization must have an integral role during the design and construction phase of a project when submitting for Living Certification. 3R, as a subsidiary of SRI, can act as a sustainability consultant on any LBC project.

The JUST label is verification and a convenient summary of SRI's efforts in social justice and sustainability embodied in its working environment and culture. SRI is proud to advocate for and contribute to the success of equitable and just workforces.

# APPENDIX VI: GREENHOUSE GAS EMISSIONS CALCULATION

## SCOPE 3 CALCULATIONS MADE TO CREATE A BASELINE FOR THE GREENHOUSE GAS PROTOCOL
Includes audit/training travel to client sites, staff travel to office, conferences and sales events.

### AUDITS
- 3,103 events (actual from 2018)
- 2.2 days per audit
- Travel Breakdown
  - ◊ 75% Flight Events, 2 hotel nights
  - ◊ 10% Long Distance Car Events (~250 miles), 2 hotel nights
  - ◊ 15% Short Distance Car Events (~50 miles), 0 hotel nights

### TRAINING
- 20 events (actual from 2018)
- 3 days per training
- 100% Flight Events, 3 hotel nights

### OTHER TRAVEL EVENTS (CONFERENCES, SALES, ETC.)
- 10 trips per year
- 3.5 people per trip
- 2 days per trip, 1.5 hotel nights per trip
- Travel Breakdown
  - ◊ 75% Flight Events, 2 hotel nights
  - ◊ 10% Long Distance Car Events (~250 miles), 2 hotel nights
  - ◊ 15% Short Distance Car Events (~50 miles), 0 hotel nights

### EMPLOYEE COMMUTING
- 245 working days
- 50 employees
- 1 day per week for telecommuters or workers with compressed work weeks
- 10 miles on average as a distance to the office (each direction)