BSI Communication of Progress (COP) submittal

Message from the President

This being our first report since we joined the UN Global Compact I wanted to provide some background information about BSI. Since its foundation in 1901 as the Engineering Standards Committee, BSI Group has grown into a leading global independent business services organization. The Group now operates globally through its three divisions: BSI British Standards, BSI Management Systems and BSI Product Services. BSI British Standards publishes over 2,000 standards each year. BSI Management Systems has clients at 60,000 sites in more than 110 countries. BSI Product Services provides a gateway to European trading with CE marking and Notified Body status against 17 European Directives.

Over the years we have continued on our key theme of inspiring confidence and delivering assurance to our customers across the world. We have ensured a strong focus on the key attributes of our brand, namely integrity, independence and innovation. In 2006 BSI made a strong contribution to the continuing development of ISO 26000, the international standard on Social Responsibility, and published a range of titles in contribution to the support of our environmental agenda. We have seen significant developments in the publication of leading edge standards and guidance documents on business continuity (BS 25999), sustainability (BS 8900) and integrated management systems (PAS 99). We also recognize that the protection of the health and safety of our staff, contractors and visitors and of the environment is a vital and integral part of business performance and corporate governance and a prime responsibility of management at every level. This is shown in the progress we have made in the development and implementation of the OHSAS 18001 management system.

From the time BSI began we have had a commitment to corporate social responsibility (CSR) and business sustainability. BSI's approach to CSR is demonstrated by our commitment to our core values and integrity. We strive to maintain sustainable practices in our standard business processes. We exceed expectations and we believe it is important to share a common understanding of CSR matters with our stakeholders and business partners. BSI has taken an international lead in promoting the benefits that CSR can bring to business. We are among the few organizations in the world who are accredited by the Social Accountability International to conduct SA 8000 certification audits. SA 8000 is a recognized international standard for improving working conditions and practices including: child labor, health & safety, freedom of association and the right to collective bargaining, discrimination, disciplinary practices, working hours and compensation. There are numerous additional examples of CSR work undertaken by BSI which are outlined in the Communication of Progress (COP) submittal we are providing.

We trust that you will find value in this report and our continued efforts for the support of environmental and social responsibility.

Gary Pearsons

President

BSI Managements Systems America

Included are the 10 practical actions taken to implement the Global Compact principles during the previous year. BSI has taken an international lead in promoting the benefits that corporate social responsibility can bring to our organization. In the past year BSI has made a strong commitment to implementing the principle guidelines of the Global Compact Program. Outlined below are the 10 principles covering Human Rights, Labor Standards, Environment and Transparency and Anti-corruption. These standards have been integrated into the everyday business environment and the progress of each is measured through the monthly reporting of each principle.

Principles	Progress to Date
Human Rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights.	Basic human rights, occupational health and safety and workplace violence polices re-incorporated into BSI's business conduct and policy manuals. Our customers and suppliers are expected to reflect similar requirements.
2. Businesses should make sure they are not complicit in human rights abuses.	BSI without exception complies with the laws of all countries that we operate in.
Labor Standards	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Changes in businesses and ways of doing business have been executed in compliance with this principle. Management is open to consults with representation regarding forum and/or trade unions, where and when necessary.
4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	All areas of the business have eliminated compulsory labor and abide by Federal laws regarding this matter.
5. Businesses should uphold the effective abolition of child labor.	Child labor provisions exist Federally and are designed to protect the educational opportunities of youth and prohibit their employment in jobs that are detrimental to their health and safety. The law restricts the hours that youth less than 16 years of age can work and lists hazardous occupations too dangerous for young workers to perform. Enforcement of the child labor provisions is handled by the **Wage and Hour Division** of the DOL and monitored locally through Human Resources.
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Employment data is recorded locally and retained in a centralized location, as required by legislation. A policy is in place to preventing and reporting incidents of discrimination and harassment.

Principles	Progress to Date
Environment	
7. Businesses should support a precautionary approach to environmental challenges.	BSI Management Systems, which has committed to becoming carbon neutral in 2005, achieved carbon neutral status in 2006. This was realized through a combination of reducing Client Manager travel (by more than 200,000 miles plus reducing hotels stays) and buying carbon credits to offset our unavoidable carbon footprint. Offset projects which invested in include tree planting projects and funding a micro-hydroelectric power plant. Becoming carbon neutral did not comprise business performance, and at the same time significantly benefited our staff's health and safety. We hope the measure taken will encourage our clients to act on climate change and provide support to the environment management systems we offer.
8. Businesses should undertake initiatives to promote greater environmental responsibility.	In 2006 BSI made a strong contribution to the continuing development of ISO 26000, the international standard on Social Responsibility, and published a range of titles contributing to supporting the sustainability agenda, including: Business Ethics in the 21st Century Organization and a series of environmental management reports focusing on core environmental and Corporate Responsibility Communications; and Focus on Sustainability and its implications for Corporate Social Responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	2006 saw the 12th anniversary of the BSI Sustainability Design Awards Scheme. The Award has evolved from one for standards in design, into a sustainability award, echoing BSI's concern for sustainability issues. Prizes were awarded to the project supporting ecologically and socially sustainable textile production in India; an innovative new cooking method which uses 33 percent less energy than conventional hobs and a project which uses innovative design to rejuvenate unwanted ceramics and textiles into objects of desire, "rescuing" the estimated 1 million tones of textiles thrown away each year.
Transparency and Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery."	BSI retained its status under the SA 8000:2001 standard, as one of the only 14 certification bodies worldwide which is accredited to offer assessments to the most widely recognized global standard for social accountability.

Measurement of Outcomes		
Performance Categories	**2005 Initiatives**	**Current Attainment**
Environment		
Carbon Neutral Status	Commitment to attain status within one year	Carbon Neutral Status attained in 2006
Travel reduction program	Employing personnel in close proximity to clients	Developed P1 territories to eliminate employees driving more than 200 miles per trip
Carbon credits program	Commitment to offset our carbon footprint	Participate in buying carbon credits to offset our unavoidable carbon footprint.
Tree planting projects	Implement program for tree replacement	Replacement of 100% of all trees removed due to construction
Environmental Energy program	Implemented program to develop alternative energy plant to avoid coal or nuclear power polluting plant	Funding Micro-hydroelectric power plant to produce cleaner energy consumption
Building site selection	Selected building with short term commitment to being Green	Building attained green status in 2007
Support of Social Responsibility standards	Contribution to the continuing development of ISO 26000	The guidance standard will be published in 2008
Supporting the sustainability agenda	Began the publication of titles that support business sustainability	Published a range of titles including: Business Ethics in the 21st Century Organization
Focus on core environ-mental and Corporate Responsibility communications	Commitment to develop publication for the support of these initiatives	Published series of environmental management reports on environmental and Corporate Responsibility Communications
Focus on Sustainability and its implications for Corporate Social Responsibility.	Implemented education and practices on sustainability in business	Have a holistic corporate business sustainability program in place
Energy saving program	Support for development and production of new energy saving products	Developmental support for an innovative new cooking method which uses 33 percent less energy than conventional warmers
Innovative design programs	Eliminate the waste created by unwanted objects	Support for a project which uses innovative design to rejuvenate unwanted ceramics and textiles into objects of desire, "rescuing" the estimated 1 million tones of textiles thrown away each year.
Support for social accountability	Commitment to attain global certification status for social accountability	Accomplished being one of the only 14 certification bodies worldwide which is accredited to offer assessments to the most widely recognized global standard for social accountability

Measurements continue next page

Measurement of Outcomes (con't)

Performance Categories	2005 Initiatives	Current Attainment
Health and Safety		
Recognize the importance of the health and safety of staff, contractors and visitors.	Integrate health and safety process into the business performance of the organization	Development of OSHAS 18001 is complete and progress has been made in the implementation of a management system, training, and the improvement of preventative and precautionary measures to meet the standards strategic objectives
Occupational health, safety and workplace policies	Occupational health and safety and workplace violence polices re-incorporated into BSI's business conduct and policy manuals.	Reduction in the total number of last time accidents from 14 in 2005 to 9 in 2006
Communications		
Communication for the disabled	Develop specifications for website use by the disabled	Published PAS 78, a publicly available specification which outlines the good practice in website development which are accessible and usable by disabled people. The communication of this PAS won a Clarion Award form the International Visual Communication Association