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SRI QUALITY SYSTEM REGISTRAR

2019  
CORPORATE  
SOCIAL  
RESPONSIBILITY  
REPORT



Quality • Environmental • Security  
Health & Safety

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LETTER FROM THE PRESIDENT	3
MISSION, VISION, VALUES	4
MATERIALITY	5-6
SECTION 1 GOVERNANCE AND MANAGEMENT	
1.1 COMPANY PROFILE	7
1.2 GOVERNANCE STRUCTURE	8
1.3 ETHICAL BUSINESS CONDUCT & INTEGRITY OF AUDIT SERVICES	9
1.4 CLIENT DATA SECURITY & PRIVACY	10
1.5 WALK THE TALK	11
SECTION 2 EMPLOYEES AND COMMUNITY	12
2.1A RECRUITING AND RETAINING THE RIGHT TALENT	13
2.1B RECRUITING AND RETAINING THE RIGHT TALENT	14
2.2 COMMUNITY	15
SECTION 3 ENVIRONMENT	16
3.1 EMISSIONS	17-19
SECTION 4 SUSTAINABILITY SCORECARD	20
APPENDICES	
APPENDIX I: SRI AND THE SUSTAINABLE DEVELOPMENT GOALS	21-22
APPENDIX II: SRI STANDARDS MAPPED TO SDGS	23
APPENDIX III: MANAGEMENT SYSTEM APPROACH	24
APPENDIX IV: GRI INDEX	25
APPENDIX V: B CORP CERTIFICATION	26
APPENDIX VI: JUST LABEL	27
APPENDIX VII: GREENHOUSE GAS EMISSIONS CALCULATION	28
ABOUT THIS REPORT	29
2018 ADDENDUM	30

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# LETTER FROM THE PRESIDENT

*SRI president reflects on the year and what's to come*



SRI has long realized the potential for positively impacting our clients and the environment by setting an example. Through practicing what we preach and through the services we can offer our clients, industry peers can follow suit. While SRI sparked efforts in sustainability for our clients in 1996 when we began offering environmental services with the ISO 14001 standard, we began a deeper commitment to our own Corporate Social Responsibility (CSR) goals in 2006. As an organization, SRI is in a unique position to help clients reach their sustainability goals and realize business value of sustainability.

We stepped up those efforts in 2017 when we formalized our CSR strategy and plan, implemented changes in our management system to make progress toward our goals, and created our first sustainability report in 2018. To demonstrate our commitment to sustainability and truly “walk the walk”, we applied for B Corp Certification, which is considered the “gold standard” for corporate CSR. In 2019, we were not only awarded B Corp certification, but were also recognized by B Lab as a Best For The World: [Workers] Honoree for our employee focused programs. While we are elated to receive this high recognition, we view our employee programs and employee-centric policies as simply the right thing to do. In addition to B Corp Certification, SRI published its JUST label in 2019, which is a ‘nutrition label for socially equitable and just organizations’ and promotes transparency and accountability regarding our internal operations.

Finally, the efforts we put in place, on top of the good work we were already doing, positioned SRI’s 3R division to win the Sustainable Pittsburgh Challenge in the Micro Business division.

SRI views internal CSR as the drawbridge to our external CSR practices and offerings. Over the years, we’ve added health and safety, energy management, responsible care for chemical companies, and other standards that are now critical components of sustainability programs everywhere. To further support client sustainability commitments, we began working with others in the auditing industry to promote virtual audits whenever possible to reduce greenhouse gas emissions due to travel and have begun to work on defining our own plan toward net zero emissions.

In 2018, we used the opportunity of creating our first CSR report to engage with our stakeholders, focus efforts on our biggest impacts, set targets for key performance indicators, and incorporate sustainability into our management system. Creating our 2019 report positioned us to do a management review of our progress and identify opportunities for improvement. We may not have reached each specific goal from 2018, but we know where we need to increase our efforts and where we can push ourselves and our industry even further to create a healthier future for us all.

SRI realizes that companies are starting to demand higher standards when it comes to social and environmental practices. We want to be able to meet this 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.

*-Chris Lake*





# 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*

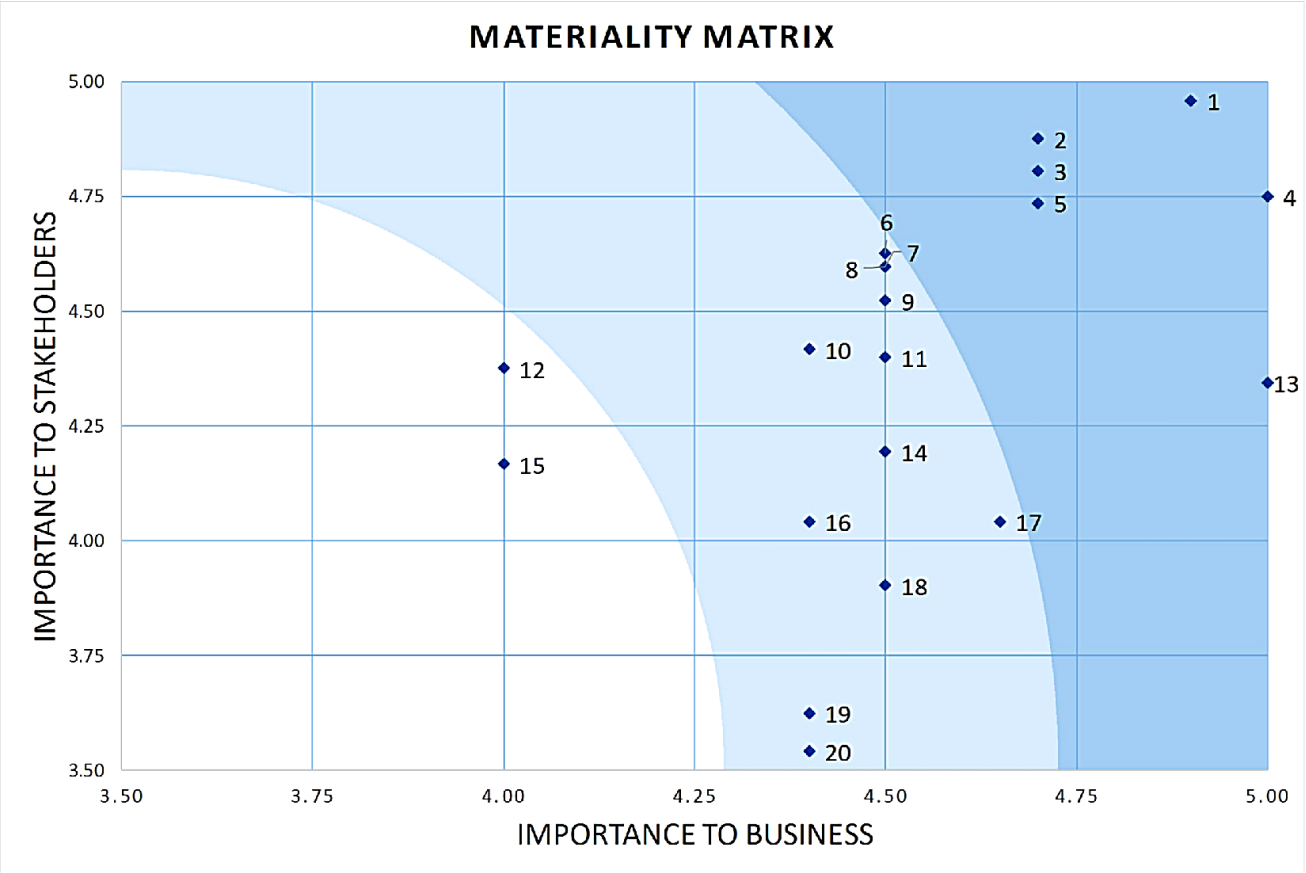
# SUSTAINABILITY GOALS

*To achieve our corporate strategy, mission, and vision, SRI identified material topics, defined sustainability goals, and built targets into our management system to track progress toward these goals. We are committed to:*

- 1. Providing services 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 customer needs*
- 4. Minimizing our environmental footprint*



The matrix below compares the importance of each impact as perceived by stakeholders vs. SRI management to identify topics of primary concern to both parties.



THE MATERIAL TOPICS IN THE UPPER RIGHT QUADRANT INDICATE WHAT IS MOST IMPORTANT TO BOTH THE STAKEHOLDERS AND THE COMPANY, AND GUIDED THE DEVELOPMENT OF SRI'S SUSTAINABILITY GOALS.

- 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 ASSESSMENT SHOWS THAT SRI'S FOCUS SHOULD BE ON:  
(GROUPED INTO THREE MAIN AREAS)

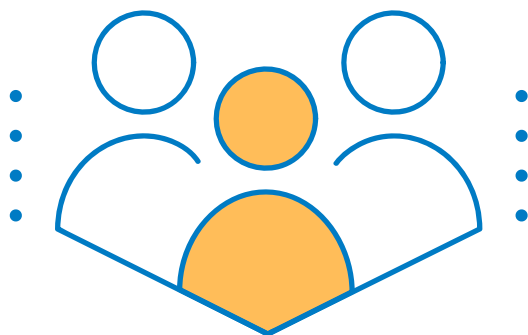
## GOVERNANCE AND MANAGEMENT

1. *Ethical Business Conduct*
2. *Integrity of Audit Services*
3. *Client Data Security and Privacy*
4. *Walk the Walk*



## EMPLOYEES AND COMMUNITY

1. *Recruiting and Retaining the Right Talent*
2. *Equal Pay*
3. *Training and Development*
4. *Health and Safety*



## ENVIRONMENT

1. *Emissions related to:*
  - a. *Travel*
  - b. *Operations*





# Section 1: Governance and Management

## 1.0 COMPANY PROFILE

SRI Quality System Registrar is a privately-held, family-owned certification body, 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, 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, GRI Community, and U.N Global Compact.

SRI's sister company and woman-owned business, 3R Sustainability, provides consulting services as they relate to sustainability within the built environment as well as corporate management systems and social responsibility. SRI's wholly-owned subsidiary, iQ Training, provides online and in-person professional skills development training services, which allows SRI to share its knowledge to advance the industry.

SRI has always stayed on the leading edge of new standard adoption, so the progression of adopting CSR-related standards occurred naturally as benefits were realized and client demand grew over many years. SRI provides management system assessment and validation services to a spectrum of CSR standards and frameworks, including AA1000, ISO 26000 (Guidance on Corporate Social Responsibility), SA8000 (Social Accountability), B Corp Certification, and EcoVadis. Up front strategic planning for these frameworks can be met with assistance from SRI's sustainability-expert, sister company, 3R Sustainability.

In 2019, SRI was awarded B Corp certification and is one of only nearly 100 companies, globally, to be issued the JUST label. SRI was awarded Gold level recognition in the regional Southwestern Pennsylvania Sustainable Business Compact and was named Best For The World: [Workers] Honoree by B lab. Earning this recognition means that SRI scored in the top 10% of all B Corps on the B Impact Assessment in the workers category. 3R Sustainability participated in the Sustainable Pittsburgh Challenge, winning first place in the Micro Business Division.



JANA LAKE, SRI CHIEF SUSTAINABILITY OFFICER, BELOW



## 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 quarterly 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
- A 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 behavior change and ownership of the goals throughout the organization
- New and updated policies, procedures, and tools were launched ('18) with related training to increase awareness of sustainability goals and communicate changes
- Since its inception in 2018, the Sustainability Team has provided sustainability training via lunch and learns, "Sustainability Stories", environmentally focused volunteer days, and various competitions
- Performance discussions include sustainability metrics to ensure that goals were adopted not only at the division and department level, but also for each employee



SUSTAINABILITY GOAL #1: PROVIDE SERVICES WITH THE HIGHEST LEVEL OF INTEGRITY AND ETHICAL CONDUCT

Number of Negative Ethical or Governance Incidents  
Number of Whistleblower Hotline Calls

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

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 Whistleblower 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 2019, 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 reports to the Whistle Blower Hotline. This is one instance where we love to see *zeros across the board!*

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 was conducted at the Auditor’s Technical Conference in September, 2019.

## SUSTAINABILITY GOAL #1: PROVIDE SERVICES WITH THE HIGHEST LEVEL OF INTEGRITY AND ETHICAL CONDUCT

# Number of Customer Data Breaches Loss of Employee or Customer Privacy

### 1.4 MATERIAL IMPACT: CLIENT DATA SECURITY AND PRIVACY

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. HIPAA, 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, and through continuation of systems placed in 2018, SRI plans on retaining these results in the years to come.

### ACTION PLAN

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





## SUSTAINABILITY GOAL #2: MAXIMIZING SRI'S IMPACT IN SUPPORTING CLIENTS' SUSTAINABILITY GOALS

2019

85%

Percent of Advertising Dollars Spent on Sustainability services

2020 goal

60%

### 1.5 MATERIAL IMPACT: WALK THE WALK

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 offers products and services which support sustainability, such as ISO 14001, RC14001, ISO 45001, Information Security, and Green Building Certification (see Appendix II) and is active in industry groups to raise awareness and promote objectives related to 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 data validation and external assurance assessments for 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.

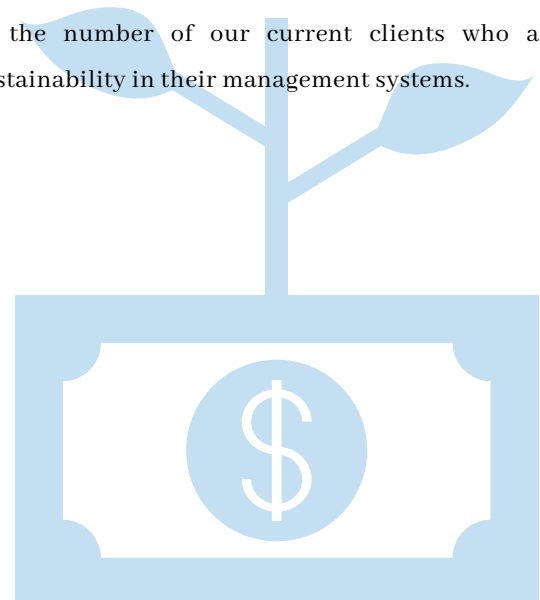
Building on the consulting work that sister company, 3R Sustainability started in 2014, SRI made a commitment to expand its service offerings by hiring a Chief Sustainability Officer and CSR Solutions Lead to coordinate sustainability solutions for clients across its portfolio of services. In 2018, SRI 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

Since 2019, SRI has decreased its overall spending on marketing and advertising, but made sustainability services a main focus. In doing so, we exceeded our goal of a 10% increase of total advertising dollars spent on sustainability services. We plan to maintain this percentage through 2020.

### ACTION PLAN

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



# Section 2: Employees and Community

## 2.0 TEAM DEDICATION

SRI always strives to do the right thing for its employees. Human capital is the most valuable asset a company has, but our commitment to our employees goes far beyond the business case. To demonstrate this belief, a number of programs have been implemented over the years to meet employee desires and needs. In 2019, SRI's investment in its employees earned SRI a Best For The World: [Workers] Honoree by B lab. Every year, B lab recognizes the top-performing B Corps creating the greatest impact through their businesses. Earning a score in the top 10% of all B Corps on the B Impact Assessment in the workers category, SRI is thrilled to be recognized for its dedication to employee health, safety and satisfaction.



Outside of the workplace, SRI helps its employees make a positive impact in the community in which they work by offering paid volunteer days every quarter. In addition, employees are encouraged to attend and host continuing education programs, community workshops and events on behalf of SRI to foster community development and networks.





## SUSTAINABILITY GOAL #3: RECRUITING AND RETAINING THE RIGHT TALENT

8.8

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

9.0

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

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

To recruit and retain the right talent, SRI has historically had 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

### 1. Employee Satisfaction

SRI management distributed an annual employee satisfaction survey that asks the above (2) questions, with hope of increasing each score to over 9/10 in 2020.

## 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 in 2019 to encourage ideas on a broader range of topics, and has relaunched its Employee Suggestion Box (through a confidential email box), to encourage employees to help promote continual improvement.



SUSTAINABILITY GOAL #3: RECRUITING AND RETAINING THE RIGHT TALENT

2019

10%

Percent of Female Auditor Contractors

2020 goal

15%

25%

Percent of Females on Board of Directors

25%

2.1B MATERIAL IMPACT: RECRUITING AND RETAINING THE RIGHT TALENT

GOAL & METRICS

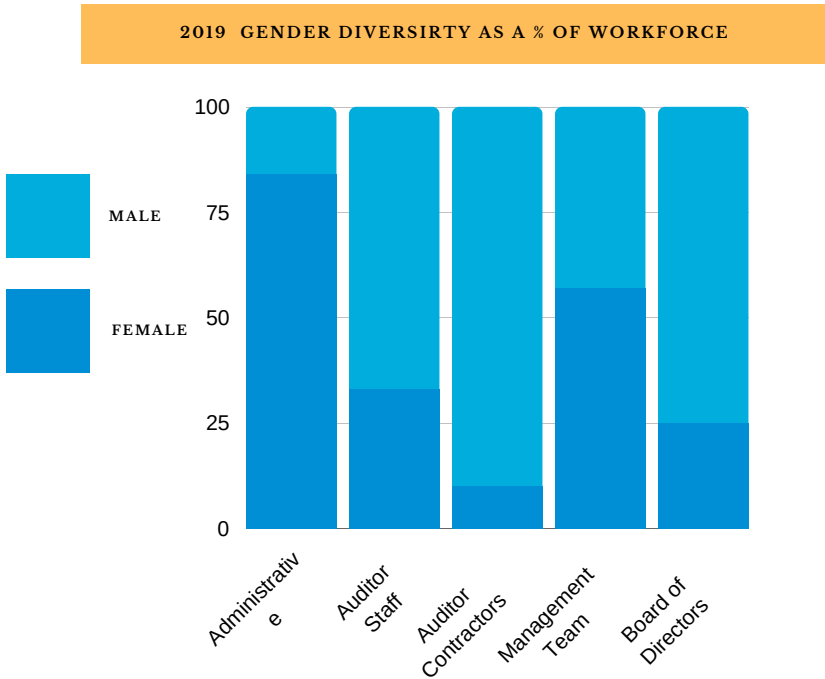
2. Diversity

Diversifying SRI’s Board of Directors and field auditors is one area of CSR that SRI is specifically committed. In addition to interviewing as many diverse candidates as possible for positions when SRI is actively hiring for full-time positions, SRI hires 12-14 interns from various university programs, backgrounds and races for a summer-long project. In 2019, 13/14 interns identified as female.

ACTION PLAN

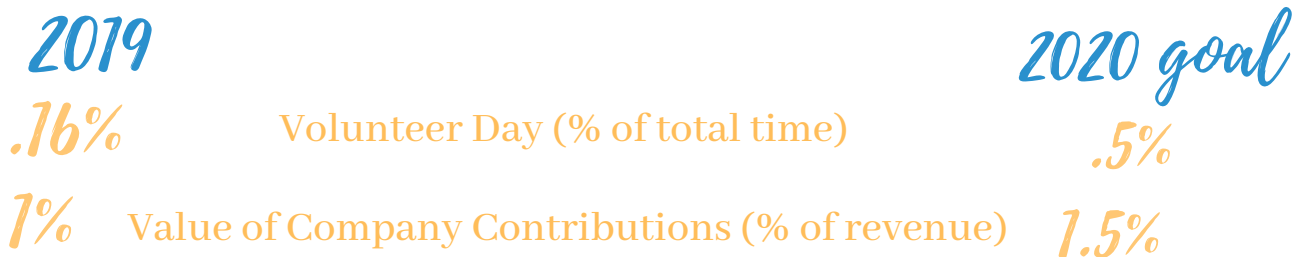
SRI developed a path and program to train its internal staff to perform audits, if someone would like to pursue that career. To further demonstrate its commitment, SRI signed the UN Women’s Empowerment Principles.

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.





## SUSTAINABILITY GOAL #3: RECRUITING AND RETAINING THE RIGHT TALENT



## 2.2 MATERIAL IMPACT: COMMUNITY

SRI has made a commitment to address gender-based violence and domestic abuse for its employees. SRI supports the Victim Outreach Intervention Center (VOICe), which assists 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. At a February, 2019 training, a team from VOICe taught SRI employees about Active Bystander training. In addition sexual trafficking awareness and training is scheduled for SRI employees in 2020.

SRI supports 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 addition, SRI's Sustainable Purchasing Policy requires the consideration and preference for sourcing from local vendors whenever possible. In doing so, the local community is strengthened and the carbon footprint associated with shipping and transportation is reduced.

## GOAL &amp; METRICS

SRI tracks the percent of company revenue allotted to charity organizations and through purpose-based marketing. In addition, to place added focus on our employees community involvement, we choose to offer volunteer days and track the percent of total time our employees spend volunteering.

## ACTION PLAN

As of 2019, SRI offers one paid day per quarter for employees to pursue individual or corporate volunteer activities. SRI anticipates this offering will continue to enhance work/life balance for our employees as they can suggest upcoming events they are interested in partaking in and coordinate with coworkers to gain additional volunteers.

SRI builds environmental and social objectives, including volunteer time, into its performance management review discussion to encourage the development of individual objectives in line with department and company goals.

In realizing the direct impact of gender-based violence, SRI has decided to expand its support of VOICe by hiring temporary workers from VOICe to fill its seasonal needs, provide job experience, help with resume development, and share interviewing skills. In 2019, due to circumstances beyond SRI's control, SRI was not able to implement the VOICe temporary worker program; however, SRI hoped to be able to achieve this goal by 2021.

# Section 3: Environment

## 3.0 OUR ENVIRONMENTAL IMPACT

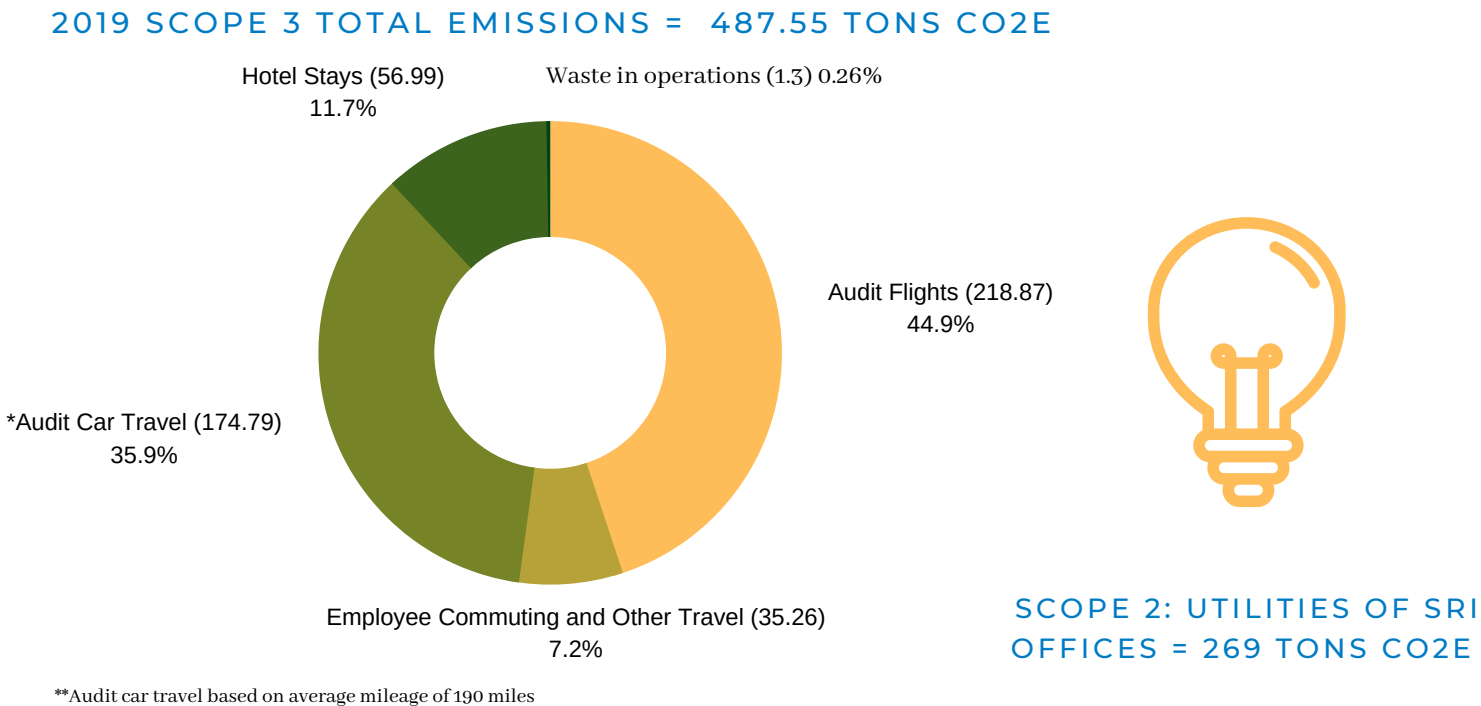
As an organization, SRI is in a unique position to help clients reach their sustainability goals and realize business value of sustainability by auditing to sustainability management system standards, and through its sister company, 3R Sustainability, by consulting in the built and corporate sustainability environments. 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.

As a certification body, SRI provides assessment and verification of standards such as, 26000 (Guidance on Social Responsibility), which provides a framework to guide companies on goals related to Corporate Social Responsibility, and AA1000 Accountability Assurance standard, which ensures that sustainability has been addressed within a company's management system. These are comprehensive frameworks that help companies manage their impacts and achieve progress toward their sustainability goals. This integration of sustainability and social responsibility into management systems begins to shift the business's purpose from a shareholder focus to one that addresses the triple bottom line of environment, society, and governance (ESG).

Outside of its clients, SRI tracks, manages, and attempts to reduce emissions from auditor and other business travel. SRI's Sustainability Team regularly meets to discuss relevant topics and propose ideas to help improve the entire organization's environmental footprint. Whether highlighting co-workers' sustainable actions, creating challenges to reduce personal waste, or even developing new expense reports to better track emissions related to travel and hotel stays, SRI encourages and welcomes ideas from its innovative employees.



SUSTAINABILITY GOAL #4 MINIMIZING OUR ENVIRONMENTAL FOOTPRINT



3.1 MATERIAL IMPACT: EMISSIONS

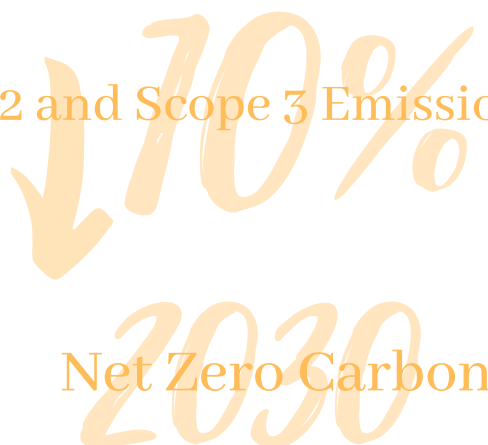
SRI has employed a number of initiatives to improve energy efficiency and reduce environmental impact in its corporate headquarters and in its sister company, 3R’s office. The 3R office was awarded LEED-Gold Commercial Interior status and will serve as a standard for all new SRI office spaces. The headquarters has implemented many of the same energy efficiency specifications. Both offices have applied a number of programs to reduce waste, increase compost, and buy local. SRI eliminated plastic bottles and paper plates, reduced the number of times the dishwasher runs per day, and removed all processed sugars from the company snack room to promote healthier eating choices.

SRI’s largest environmental impact is auditor travel to client facilities and travel to offsite training. On-site inspection has been a mandatory part of the audit process, therefore complete elimination of greenhouse gas emissions is currently unattainable. However, the Scheduling Department reduces environmental impact by scheduling local auditors to nearby client sites when possible. The benefits include lower travel costs for the client, improved work/life satisfaction of the auditor, and reduced impact on the environment. SRI is also working across the industry to incorporate virtual, computer-assisted audit technology (CAAT) to conduct partial or full audits, when possible, to drive change across the industry and make a substantial impact on reducing carbon emissions.

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 60% of training is now done at a client site, so the trainer is the only individual traveling. The impact in 2019 alone, was equivalent to the environmental ‘savings’ of roughly 600 participants who were able to attend training locally without travel. The target is for 100% of training to be offered on-site or online by 2021.

## SUSTAINABILITY GOAL #4 MINIMIZING OUR ENVIRONMENTAL FOOTPRINT

## 2020 Scope 2 and Scope 3 Emissions Reduction Goal



Net Zero Carbon

## 3.1 MATERIAL IMPACT: EMISSIONS (CONT.)

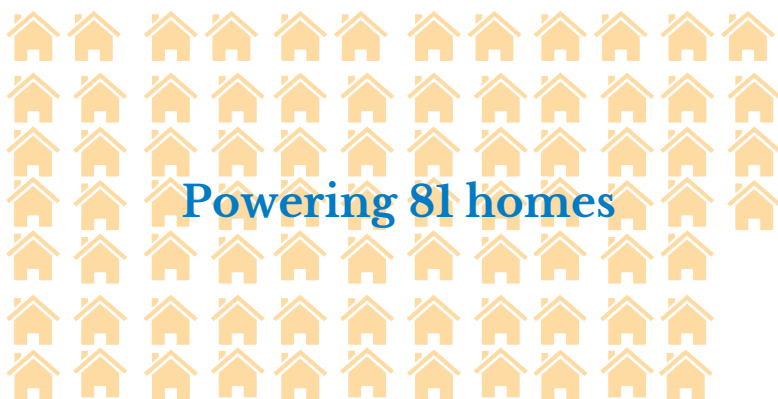
## GOAL &amp; METRICS

- 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
- Scope 3: Includes travel associated with audits and training plus employee commuting and waste in operations

2020 Target Reduction for Scope 2 and Scope 3 = 10%

(See Appendix VI for calculations)

## SRI's total emissions equate to:



Powering 81 homes

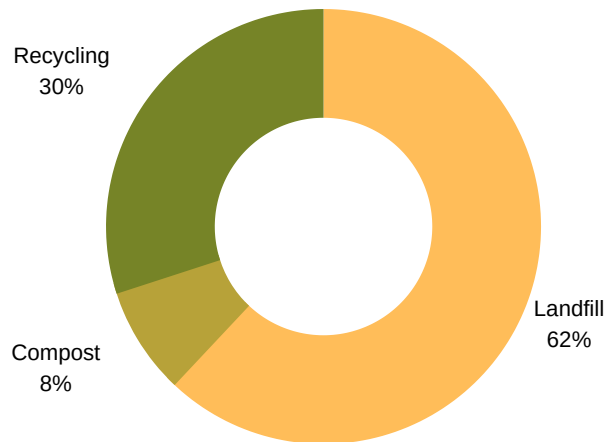
1,330 trees that would need  
to be planted to offset  
internal impact

= 50 trees



SUSTAINABILITY GOAL #4 MINIMIZING OUR ENVIRONMENTAL FOOTPRINT

TOTAL WASTE EMISSIONS = 330.6 TONS (CO2E KG)



WASTE DIVERSION BY WEIGHT: NOTE THAT DATA (ABOVE) IS FROM 2018 AS THE NEXT WASTE AUDIT WILL OCCUR IN 2021

3.1 MATERIAL IMPACT: EMISSIONS (CONT.)

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:

- Sustainable Purchasing Policy implemented in 2019: This ensures the most sustainable products are being considered and purchased for office supplies, luncheons, electronics etc, prioritizing local vendors to reduce emissions and support the local economy.
- Sustainability Team Trainings: Held throughout the year, these trainings highlight and teach SRI employees actions that they can take in the office and at home to reduce emissions.

To address Scope 3 Emissions:

“Path to Net Zero Emissions”: A program started in 2019 that details 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. In the future, SRI plans to offer 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).

**Waste Diversion/Reduction:** SRI recycles unused goods or donates to local charities. A waste audit was performed in 2018 to set a baseline for waste diversion to allow the company to take action to set goals for continuing reduction. Waste audits are scheduled to be conducted every 2 years.

**Transit Passes:** SRI offers to pay for a transit pass, in lieu of a parking permit, for its employees, to encourage use of public transportation and reduce emissions related to employee commute.

## Section 4: Sustainability Scorecard

METRIC	2018	2019 STATUS	2020 GOAL
Code of Ethics Violation	Zero	Zero	Zero
Data Security Breach	Zero	Zero	Zero
Sustainability as % of Marketing Spend	50%	85%	60%
Employee Satisfaction	8.7/10	8.8/10	9.1/10
Recommended as a "Good Place to Work"	8.7/10	9.0/10	9.1/10
Volunteer Time (% of total hours)	0.1%	0.16%	0.5%
Charitable Donations ( % of net revenue)	1%	1%	1.5%
Scope 2 Emissions (Tons)	269	269	-5%
Scope 3 Emissions (Tons)	500.12*	487.55	-5%
Renewable Energy Credits and Carbon Offsets	1.3%	1.3%	Offset of internal operations



# 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.

### 3 GOOD HEALTH AND WELL-BEING

At SRI, good health and well-being have always been priorities within the workplace in order to attract and retain 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.

### 5 GENDER EQUALITY

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

### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible consumption and production are a key focus 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 of single-use plastic and to divert remaining waste through composting and recycling efforts.

### 13 CLIMATE ACTION

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 auditor travel and computer assisted audits when possible.

### 17 PARTNERSHIPS FOR THE GOALS

SRI is committed to cultivating its partnerships with other organizations across the industry that also share a strong, sustainability-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 often reduce cost and increase revenues.

# Appendix I: SRI and the Sustainable Development Goals

## EXTERNAL PRACTICES

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

### 7 AFFORDABLE AND CLEAN ENERGY

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.

### 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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.

### 11 SUSTAINABLE CITIES AND COMMUNITIES

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. SRI emphasizes developing sustainable communities through volunteer days, donations, and educational programs

### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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.



# 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)	1-17
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 SUSTAINABILITY 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 Organizational Governance Consumer Issues
Maximize Impact for Clients' Sustainability Goals	Consumer Issues
Recruiting and Retaining the Right Talent	Organizational Governance Human Rights Labor Practices 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	29
102.1 Organizational Profile (102-1-102-13)	Letter from the President Governancy Structure	3, 7 & 8
102.2 Strategy (102-14) Strategy (102-5)	Letter from the President Stakeholder Engagement and Materiality Assessment	3, 5 & 6
102.3 Ethics and Integrity (102-16- 102-17)	Letter from the President: Values	3, 4
102.4 Governance (102-18-102-39)	Governance & Management	7, 8
102.5 Stakeholder Engagement (102- 40-102-44)	Stakeholder Engagement and Materiality Assessment, Internal and External	5, 6
102.6 Reporting Practices (102-45- 102-56)	Sustainability Scorecard	23
205 Anti-Corruption	Sustainability Goal 1: Providing Service with the Highest Level of Integrity and Ethical Conduct	9-11
302 Energy	Sustainability Goal 4: Minimizing Environmental Footprint	17-19
305 Emissions	Sustainable Goal 4: Minimizing Environmental Footprint	17-19
404 Training and Education	Sustainable Goal 3: Recruiting and Retaining the Right Talent	13
405 Diversity and Equal Opportunity	Sustainable Goal 3: Recruiting and Retaining the Right Talent	14
418 Customer Privacy	Sustainable Goal 1: Providing Services with the Highest Level of Integrity and Ethical Conduct	10



# Appendix V: B Corp Certification and JUST Label

## B CORP CERTIFICATION

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](https://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](https://bcorporation.net).



# Appendix VI: B Corp Certification and JUST Label

## JUST LABEL

The JUST Label is a program by the International Living Future Institute, and provides a transparent platform of disclosure, and a “nutrition label” for socially responsible organizations and corporations.

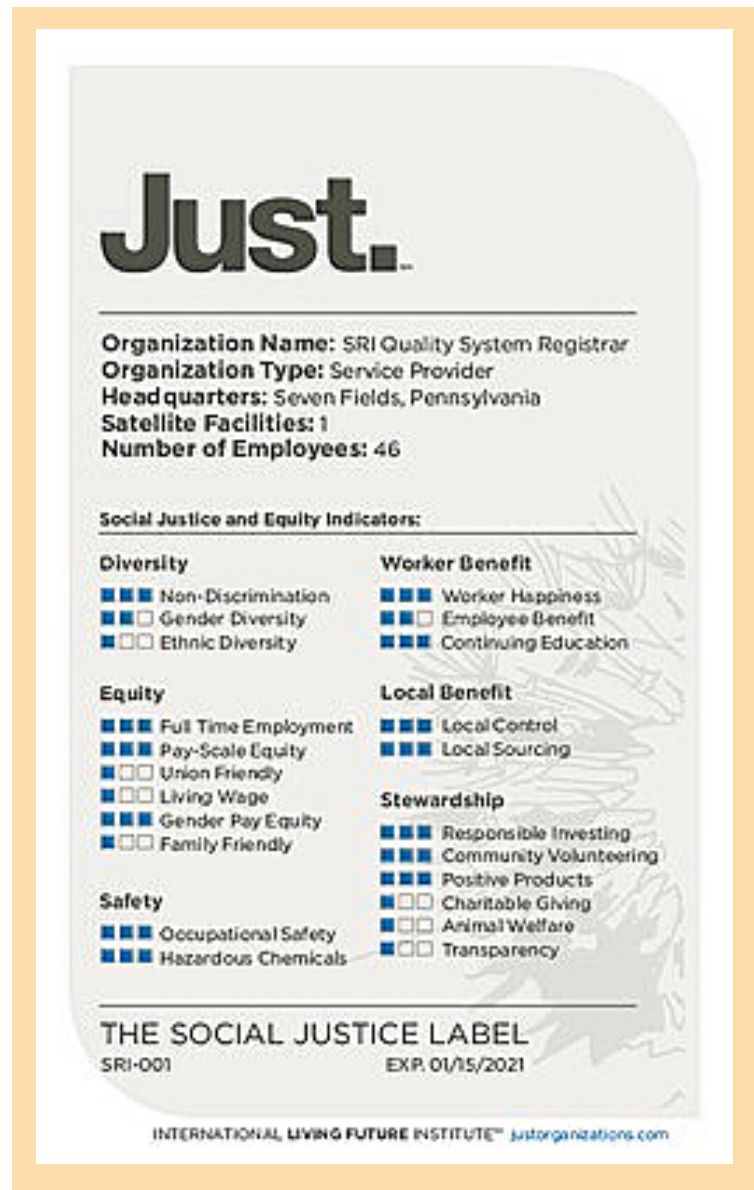
Francis Janes, Associate Director, International Living Future Institute praised, “The International Living Future Institute is pleased to announce that SRI has been recognized with the JUST Label. SRI’s pursuit of a Social Equity Disclosure Label is consistent with the organization’s long-standing support 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 sister company 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 VII: Greenhouse Gas Emissions Calculation

## SCOPE 3 CALCULATIONS MADE TO CREATE A BASELINE FOR THE GHG PROTOCOL

\*\*Includes audit/training travel to client sites, staff travel to office, conferences and sales events.

### AUDITS

- 2,653 events in North America
  - 1.42 Hotel nights per audit
  - 3,767 Hotel nights total
- Travel for audits
  - 56% of audits involved a flight
  - Audits by car averaged 190 miles per event

### EMPLOYEE COMMUTING

- 245 Working Days
- 50 Employees
- 1 day per week for telecommuters or workers with compressed work weeks
- 10 Average Miles as a distance to the office (each direction)

### OTHER TRAVEL EVENTS

- 4 Conference Trips in 2019
  - 2.5 Average People per Event
  - 12.25 Average Hotel Nights per Event



# About This Report

This SRI 2019 Sustainability/CSR Report has been created to demonstrate SRI's commitment to increase corporate responsibility and sustainability management of its material impacts in its management systems. Inspired by the UN Sustainable Development Goals and the UN Global Compact, this report cross-references impacts and actions across the various standards.

This report has been created in support of SRI's corporate strategy and is reflective of work done during 2019 and continued in 2020. SRI's Chief Sustainability Officer, Jana Lake, led the formation of this report through stakeholder engagement meetings, goal setting and internal policy implementation. 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.

The information reported is reflective of 2019 and is in accordance with the GRI Standards: Core Option. It aligns to ISO 26000:2010 (Social Responsibility) 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 conducted annually in line with management reviews to identify opportunities for improvement.

## SCOPE AND BOUNDARIES

Since SRI is headquartered in Pittsburgh, Pennsylvania, this report will focus on US operations. Of note in October 2019, 3R Sustainability changed from a subsidiary of SRI to an affiliate. For purposes of this report, 3R's data has been included in the scope of SRI, but will be broken out in future reports.

## STAKEHOLDER ENGAGEMENT & MATERIALITY

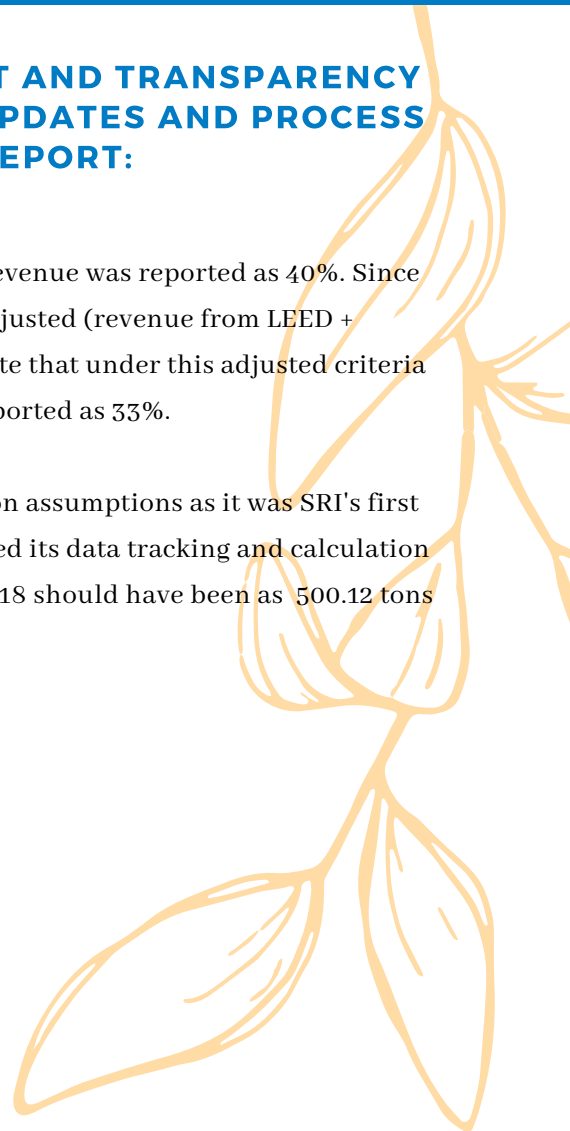
Input from key stakeholders was gathered in 2018 to perform a materiality assessment, which helps define impacts of highest importance to the stakeholders and the business. Employees, auditors, customers, community members, and SRI management, were interviewed or provided a survey to give feedback ranking the importance of governance, social, and environmental impacts. Impacts identified as high priority by both SRI and our stakeholders were deemed "material", and were then used to form goals and metrics. A materiality assessment is scheduled for once every 3 years.

# 2018 Report Addendums

## **SRI IS DEDICATED TO CONTINUAL IMPROVEMENT AND TRANSPARENCY AND WOULD LIKE TO REPORT THE FOLLOWING UPDATES AND PROCESS IMPROVEMENTS SINCE ITS 2018 REPORT:**

\*In the 2018 CSR report, SRI's sustainability services as a percent of total revenue was reported as 40%. Since then, the criteria for what constitutes as sustainability services has been adjusted (revenue from LEED + 14001+45001+Responsible Care+3R+ ISO 26000/Aplix). SRI would like to state that under this adjusted criteria the sustainability services as a percent of total revenue would have been reported as 33%.

\*\*The total green house gas emissions reported in 2018 were heavily based on assumptions as it was SRI's first report, and were reported as 1045 tons of CO<sub>2</sub>e . Since then, SRI has improved its data tracking and calculation methods and would like to report that total green house gas emissions in 2018 should have been as 500.12 tons of CO<sub>2</sub>e.



# Thank You !



**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.**