SRI

Quality System Registrar

Quality • Sustainability • Security

2020

SUSTAINABILITY

REPORT

iQ.Training

3R BUILDING SUSTAINABILITY

LETTER FROM THE PRESIDENT

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

2020 brought an array of challenges and opportunities for SRI and its stakeholders. Globally recognized frameworks and standards for business and accountability received greater attention as corporations, schools, and offices looked outward for guidance on how to react and where to act given the unprecedented circumstances. With the initial shock of the COVID-19 pandemic behind us, and new challenges before us, it is time to look to the future, something that we and our assessment and sustainability communities have always done.

More than ever, we are seeing innovation and collaboration across industries as a way to address these challenges, increase resilience, and create value for all stakeholders. For example, SRI has long been an advocate for working virtually, but the industry wasn't ready or equipped to handle virtual assessments, until it became a necessity. Over the course of the last year, SRI transitioned to conducting virtual assessments whenever possible to ensure the safety of our assessors and clients and the continued success of the industry. The result was a safer, more balanced schedule for our assessors, reduced environmental impacts from travel and lodging, and lower travel costs for us and our clients. SRI continues to encourage and engage the industry to take a serious look at institutionalizing virtual work as much as possible.

SRI has been a signatory of the UN Global Compact since 2018 and remains an active supporter today. The ten principles of the Compact focus on human rights, labor, environment, and anti-corruption, which we support through the way we work with our employees, clients, and the communities in which we live and work. In 2019, SRI was recognized by B Lab as a Best For The World: [Workers] Honoree for our employee-focused programs. SRI continues to hold its B-Corp status as well as its JUST label as demonstrations of the principles that we have always recognized as simply the right things to do.

We are pleased to present this 2020 ESG Report as an update to many of the goals that were targeted for this year, while we prepare to refresh our stakeholder engagements and create an updated materiality assessment for 2021 as part of our commitment to continual improvement.

We wish you much success,

-Christopher Lake

Christopher Lake, President

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.

MATERIALITY MATRIX
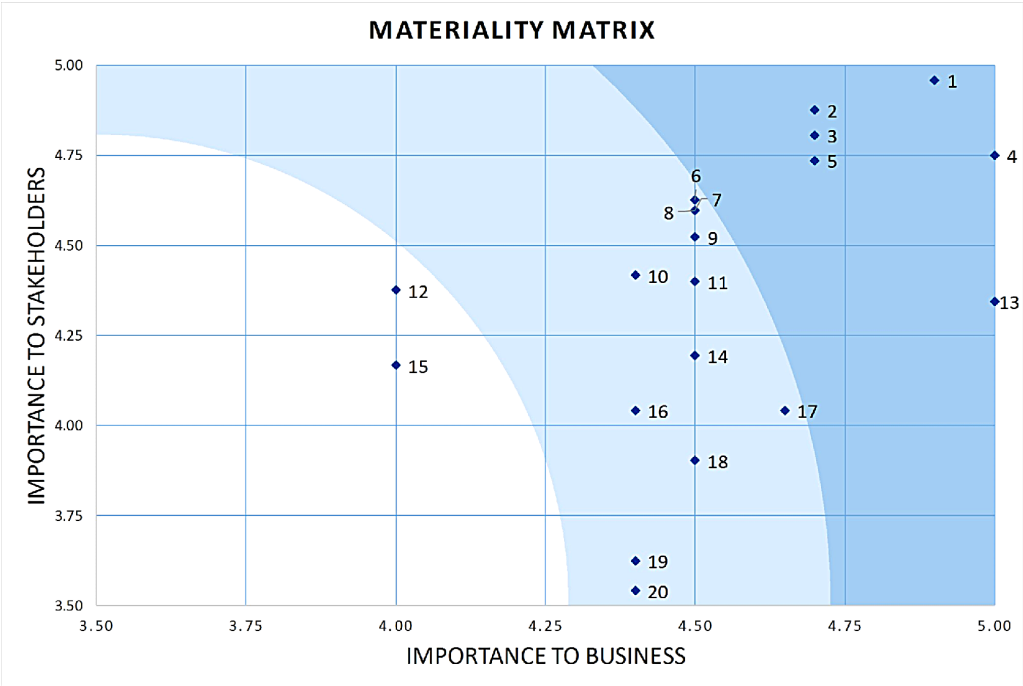
1. Ethical Business Conduct
2. Integrity of audit services/anti-corruption
3. Ensuring client data security and privacy
4. Recruiting and retaining the right talent
5. Walking the talk (doing internally what we advise to our clients)

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.

6. Having socially-responsible leadership within the company
7. Having strong economic performance
8. Being a leader/influencer in the industry
9. Reducing environmental impact of daily operations (energy, water, materials, waste)
10. Providing products and services for sustainability
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*
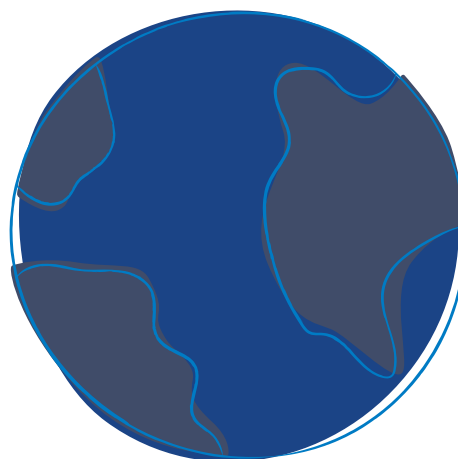3. *Client Data Security and Privacy*
4. *Walk the Walk*

EMPLOYEES AND COMMUNITY

1. *Recruiting and Retaining the Right Talent*
2. *Equal Pay for Equal Work*
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 UN 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.

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's usual quarterly meetings were reduced due to remote work during the COVID Pandemic. To meet SRI's hybrid working model with remote workers, the Sustainability Committee will host virtual meetings in 2022 and plans to research and engage in more remote-option volunteer events.

SUSTAINABILITY GOVERNANCE

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

- Inaugural stakeholder engagement and interviews with the Executive Team were conducted in 2018 to identify material impacts. Updated stakeholder engagements and interviews are scheduled for Q1 of 2022 to reassess sustainability goals and planning
- 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
- The Sustainability Team will review updates ('22) to material topics, assess performance over the last 3 years and inform updates to goals
- 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

	2019	2020
Number of Negative Ethical or Gov. Incidents	0	0
Number of Whistleblower Hotline Calls	0	0

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 in 2018.

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

Again, SRI has not had 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 and continued into 2020.

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

	2019	2020
Number of Customer Data Breaches	0	0
Loss of Employee or Customer Data	0	0

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 diligently 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 continue to be built into ongoing training.

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

	2019	2020
Percent of Advertising Dollars Spent on Sustainability Services	85%	96%

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 since 2018, 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's 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 in 2019. To increase awareness of sustainability for our clients, of the the ads that ran in 2020, sustainability-focused services accounted for 96% of the marketing dollars.

ACTION PLAN

SRI Auditors receive regular communications and training on sustainability topics in areas that might be helpful to clients. With sustainability-literate auditors, SRI hopes to increase awareness and implementation of sustainability throughout client 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 its commitment to its 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. SRI will resubmit for B Corp and the Just Label in 2021/2022.

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

2019 EMPLOYEE SATISFACTION SURVEY	2019 AVERAGE	2020 EMPLOYEE ENGAGEMENT SURVEY	2020 PERCENT
Overall Employee Satisfaction	8.8	Percent of employees surveyed that agree or strongly agree with the statement, "All things considered, I feel engaged at SRI."	100%
Employee Likelihood to Recommend	9.0	Percent of employees surveyed that agree or strongly agree with the statement, "SRI operates in a socially and environmentally responsible manner."	92%

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

Due to COVID-19, SRI management felt that the usual employee satisfaction survey would not be an accurate representation of employee attitudes and rather distributed an Employee Engagement survey in January of 2021. To better understand how employees were feeling in a remote setting, the questions focused on their own engagement and perception of how SRI operates in tumultuous times.

ACTION PLAN

SRI has always strived to implement ideas solicited from employees in order to improve satisfaction and engagement. In 2021, SRI plans to re-engage employees with the Employee Satisfaction survey, updated activities to engage remote workers, and is always encouraging employees to submit opinions and suggestions on team interaction.

SUSTAINABILITY GOAL #3: RECRUITING AND RETAINING THE RIGHT TALENT

	2019	2020 GOAL	2020 ACTUAL
Percent of Female Auditor Contractors	10%	15%	10%
Percent of Females on Board of Directors	14%	25%	17%

2.1B MATERIAL IMPACT: RECRUITING AND RETAINING THE RIGHT TALENT
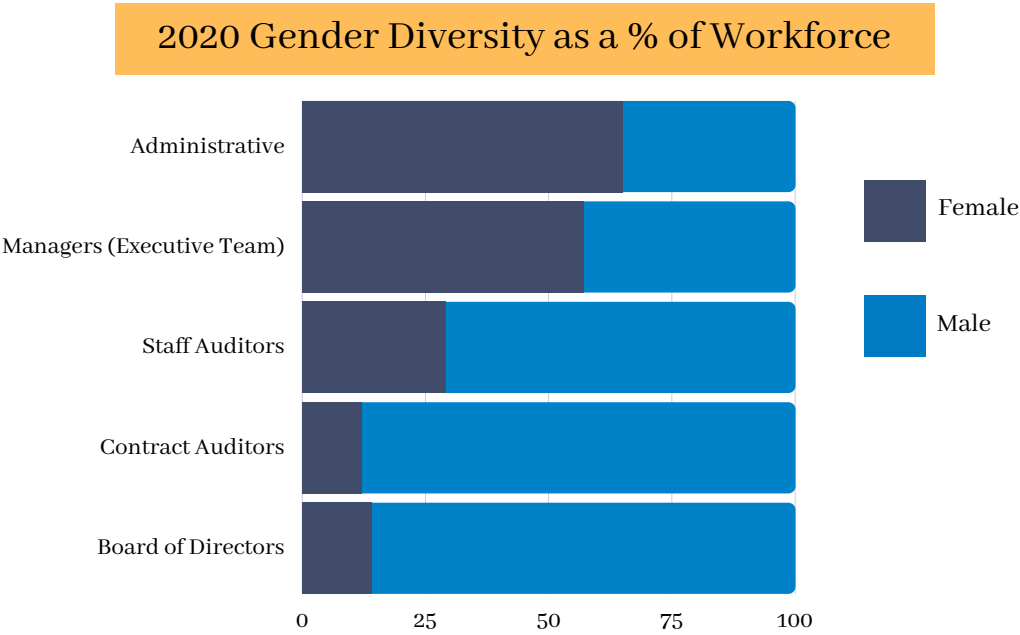
GOAL & METRICS

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, in 2020 SRI hired a diverse pool of 18 interns from various university programs, backgrounds, and races for a summer-long project.

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. SRI 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.

2020 Gender Diversity as a % of Workforce

	2019	2020 GOAL	2020 ACTUAL
Volunteer Time (% of total hours)	.16%	.50%	1.9%
Charitable Donations (% of net revenue)	1%	1.5%	1.07%

2.2 MATERIAL IMPACT: COMMUNITY

In the early days of the Covid-19 pandemic, the rate of food insecurity rose in SRI's community. In response, President of SRI, Chris Lake, made a personal commitment to volunteer every day with 412 Food Rescue, a local nonprofit dedicated to ending both hunger and food waste. As a volunteer, Chris spent each day delivering donated food to community members in need. With most of the community on lock-down, Chris's actions were critical in providing people with much-needed support during uncertain times.

Additionally, SRI continues to support the Victim Outreach Intervention Center (VOICe), which assists women and children who are leaving abusive situations. Donations, including backpacks and Christmas gifts, are collected throughout the year from employees who choose to participate. SRI matches employee donations.

SRI also donated 11 computers to Computer Reach, a Pittsburgh-based nonprofit organization working towards digital literacy for all. Computer Reach refurbished the equipment donated by SRI and made it available to people most in need.

SRI furthermore 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 in Pittsburgh. Finally, 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 & 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. This offering continues 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.

Moving forward, SRI plans to continue and expand its computer donations to Computer Reach. Additionally, SRI will continue its charitable donations to VOICe.

Finally, SRI will continue to build 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.

Section 3: Environment

3.0 OUR ENVIRONMENTAL IMPACT

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, information security, quality, energy management, and health and safety.

As a certification body, SRI provides assessment and verification to ISO 14064 (Greenhouse Gas Validation), ISO 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 all stakeholders and 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

|	2019	2020 (ESTIMATE)
Scope 3 Total Emissions (tons CO2e)	488	224
Scope 3 Emissions from Hotel Stays (tons CO2e)	57	12
Scope 3 Emissions from Audit Flights (tons CO2e)	219	83
Scope 3 Emissions from Audit Car Travel (tons CO2e)	175	55
Scope 3 Emissions from Employee Commuting and Other Travel (tons CO2e)	35	29
Scope 3 Emissions from Teleworking (tons CO2e)	NA	45
Percent of Client-Site Training (approximate)	60%	43%

2020 SCOPE 3 TOTAL EMISSIONS (ESTIMATE) = 224 TONS CO2E

Employee Commuting (29) 13%

Flights (83) 36.9%

Audit Car Travel** (55) 25%

Hotel Stays (12) 5%

Teleworking (45) 20%
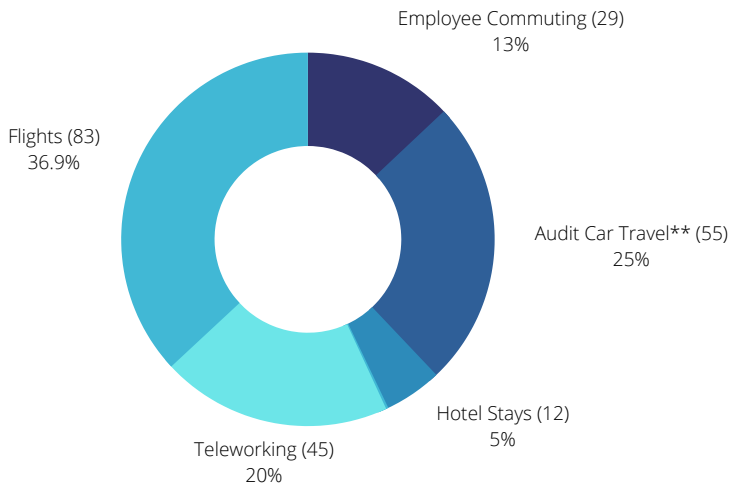
**Audit car travel based on average mileage of 190 miles
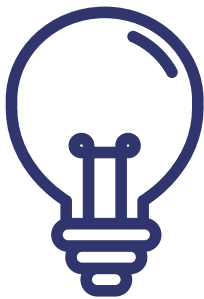
SCOPE 1 + 2: UTILITIES OF SRI OFFICES = 55.06 TONS CO2E

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, 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 client-site training. On-site inspection has traditionally been a mandatory part of the audit process, however Covid-19's travel restrictions made it necessary for industries to rethink this requirement. As a result, in 2020 there was increased acceptance and use of virtual, computer-assisted audit technology (CAAT) in the audit process. CAAT has made it possible to reduce travel costs, reduce emissions and environmental impacts, and improve the work/life satisfaction of the auditors. SRI sees CAAT/virtual audits as a critical step in helping companies achieve their net zero goals and continues to work across the audit industry and with its clients to adopt this lower-impact approach as much as possible.

In the past, 100% of training was offered at locations around the country, with nearly all participants traveling to the training event. In 2019, SRI offered client-site training to reduce the number of participants who needed to travel. This year, 43% of training was done at a client site with the remaining 57% being held virtually.

SUSTAINABILITY GOAL #4: MINIMIZING OUR ENVIRONMENTAL FOOTPRINT

	2019	2020 GOAL	2020 ACTUAL
Scope 1 Emissions - Natural Gas for SRI Offices (tons CO2e)	NA	NA	9.86
Scope 2 Emissions - Electric for SRI Offices (tons CO2e)	269	-10%	45.20
Estimated Scope 3 Total Emissions (tons CO2e)	488	-10%	224

3.1 MATERIAL IMPACT: EMISSIONS (CONT.)

GOAL & METRICS

- Scope 1: Includes natural gas consumed by SRI offices for heat. Natural gas was previously included under Scope 2 in SRI's prior reports
- Scope 2: Includes electricity consumed by SRI offices
- Scope 3: Includes travel associated with audits and training plus employee commuting and waste in operations. New in 2020 is the inclusion of emissions due to employees working from home.

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

(See Appendix VI for calculations)

SRI's total emissions equate to:

Powering 33.5 homes

12,787 trees that would need to be planted to offset internal impact
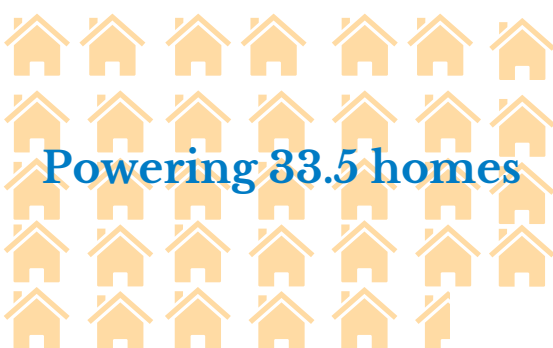
= 500 trees

SUSTAINABILITY GOAL #4: MINIMIZING OUR ENVIRONMENTAL FOOTPRINT

3.1 MATERIAL IMPACT: EMISSIONS (CONT.)

ACTION PLAN

SRI's calculates its GHG emissions in line with the Greenhouse Gas Protocol and EPA standards. Information is tracked and collected for reporting (see Appendix VI for calculations). In 2020, SRI offset all Scope 1 and 2 emissions. SRI has exceeded the 10% emissions reduction goal between 2019 and 2020 and intends to set a 1.5°C-aligned reduction target inline with guidelines set by the Science-Based Target Initiative (SBTi). This reduction target involves reducing Scope 1 and 2 emissions compared to baseline levels by 50% by 2030, and working to monitor and reduce Scope 3 emissions.

To address Scope 2 Emissions:
- **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:
- **Sustainable Purchasing Policy:** Implemented in 2019, this policy ensures the most sustainable products are being considered and purchased for office supplies, luncheons, electronics, etc., prioritizing local vendors to reduce emissions and support local, minority- and woman-owned businesses
- **"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, however the 2020 audit was delayed due to Covid-19 and will be conducted in 2022.
- **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

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 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.

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. SRI regularly engages various local affinity groups at universities and in the community to encourage diverse candidates when there are open positions in the company.

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. 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.

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.

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:

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.

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.

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 Index

GRI #	Disclosure	Page/Response
102-1	Name of organization	1, 7
102-2 102-3 102-4 102-5 102-6 102-7	Activities, brands, products, and services Location of headquarters Location of operations Ownership and legal forms Markets served Scale of the Organization	7, 8
102-8	Information on employees and other workers	12, 13, 14
102-9	Supply Chain	Supply chain is limited mostly to office supplies.
102-10	Significant changes to the organization and its supply chain	No major changes to the organization or the supply chain.
102-11	Precautionary principle or approach	Organizational approach to risk management in operations includes employee training and educational signage. Additionally, SRI is committed to the UNGC's 10 Principles, including Principle Seven, which states, "Businesses should support a precautionary approach to environmental challenges."
102-12	External initiatives	15
102-13	Membership of associations	7
102-14	Statement from senior decision-maker	3
102-15	Key impacts, risks, and opportunities	5
102-16	Values, principals, standards, and norms of behavior	4, 5, 6
205	Anticorruption	9
302 305	Energy Emissions	17-19
404	Training and Education	13
405	Diversity and Equal Opportunity	14
418	Customer Privacy	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. 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. SRI will renew its B Corp Certification in 2021.

For more information on B Lab and B Corp Certified Companies visit: 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. SRI will renew its JUST label in 2021.

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

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

- 1,824 events in North America
  - 1.42 Hotel nights per audit
  - 1,200 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
- 5 days per week for telecommuters or workers with compressed work weeks
- 15 Average Miles as a distance to the office (each direction)

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 2020 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. An updated materiality assessment is scheduled for 2021.

2019 Report Updates

SRI IS DEDICATED TO CONTINUAL IMPROVEMENT AND TRANSPARENCY AND WOULD LIKE TO REPORT THE FOLLOWING UPDATES AND PROCESS IMPROVEMENTS SINCE ITS 2019 REPORT:

**In previous reports, no Scope 1 emissions were reported due to Scope 1 and 2 being grouped together. Moving forward, Scope 1 and 2 emissions will be reported separately to give a more accurate representation of energy consumption resulting from SRI's operations.

**In 2020, an emphasis was placed on quantifying work from home emissions due to the shift from an in-office work environment to a remote work environment after the onset of the Covid-19 pandemic. Although SRI experienced a reduction in Scope 1 and 2 emissions in 2020, this reduction is partially due to fewer employees being present in an SRI office, thereby resulting in lower energy consumption. To account for work from home emissions, employees were surveyed to gather data on the number of days they worked remote versus in an SRI office, the equipment they use for work related tasks, and the general location of their home office to more accurately calculate emissions using location-based emissions factors. As a remote or hybrid work environment will likely continue for many employees moving forward, SRI will continue to include work from home emissions in their Scope 3 calculations in the future.

**Emissions from audit travel were estimated using a combination of actual data for 2020 (e.g., the total number of on-site and remote audits) and trends extracted from 2018 and 2019 audit travel data (e.g., average number of hotel stays per trip, average car travel per trip, percent of short (>300 miles), medium (300-2,300 miles), and long (>2,300 miles) flights.

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.