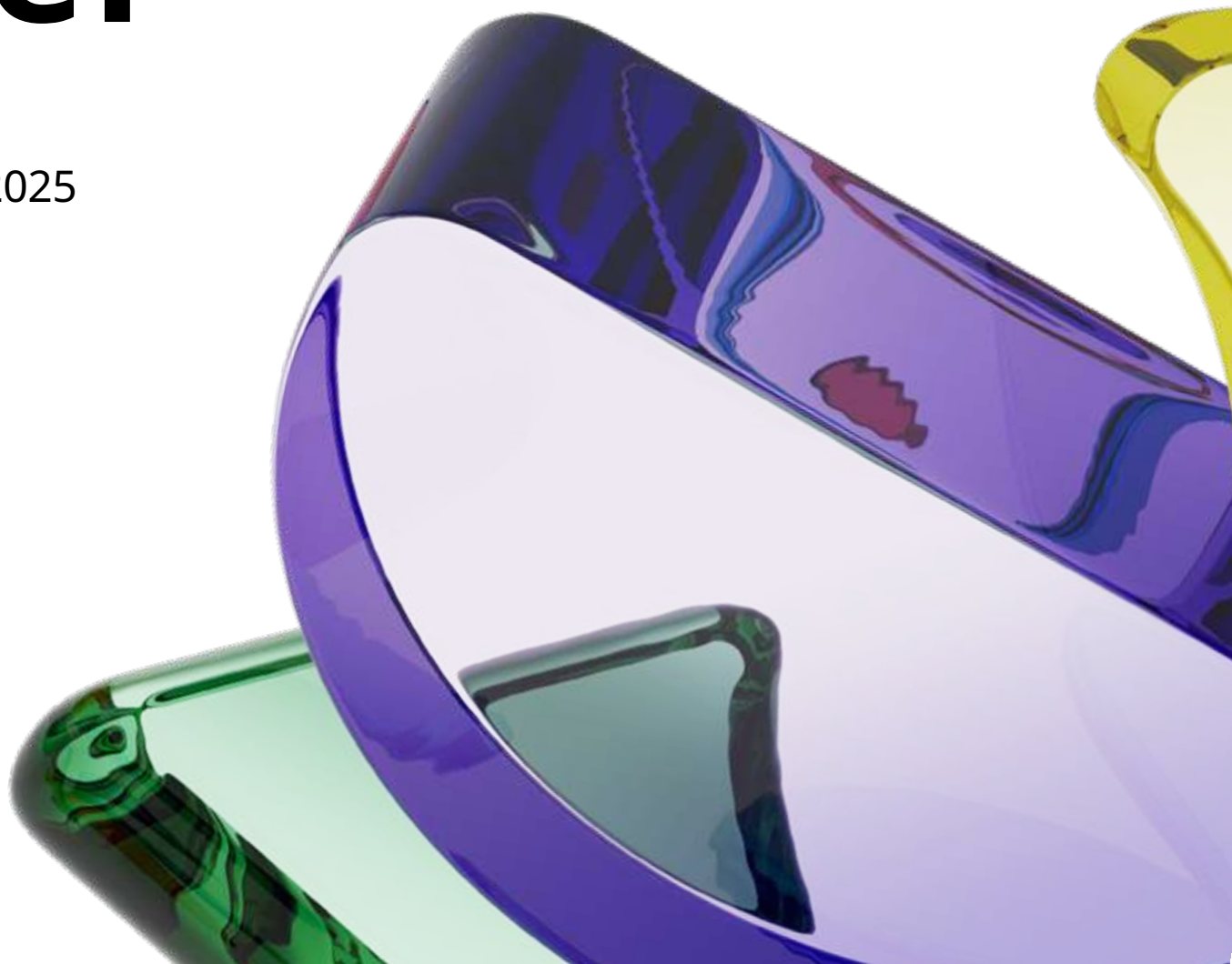
Building the future **together**

BSI – Annual Report & Accounts 2025



125 years of excellence

For more than a century, our purpose has been to help shape a fair society and sustainable world.

Guided by our heritage and driven by forward ambition, we partner with global clients and stakeholders alike, who are committed to making meaningful, lasting progress. Together we strengthen business practices, protect consumers and support governments in building a better tomorrow.

As we mark our 125th year, we honour our legacy by focusing firmly on how we can continue to enable the success of our clients and stakeholders. Our work is designed to help improve performance, enhance the lives of humanity, and build the trust that underpins sustainable, global growth. We provide organizations of every size and sector with the confidence to innovate, expand, and prepare for the opportunities and challenges of the future.

Our independence – enshrined in our Royal Charter granted in 1929 – ensures we always act with integrity and in the public interest. The Charter defines our role and underpins our appointment by the UK government as the National Standards Body, responsible for all British Standards. As the owner of the Kitemark and as a founding member of the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the European Committee for Standardization (CEN) and the European Electrotechnical Committee for Standardization (CENELEC), we bring global expertise, credibility, and assurance to every partnership.

2025 highlights

Clients
74,502

in 184 countries

Client satisfaction
74.3%

'Highly satisfied' from 2025 Voice of the Client survey

Committee members
12,643

in 1,564 Standards Development Committees

Standards development
2,813

standards published in 2025

Supporting quality
20,517

clients certified to ISO 9001

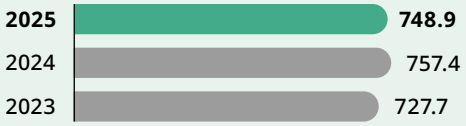
Supporting health
3,351

certificates issued under MDR/IVDR

Financial highlights

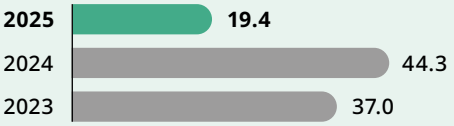
Group Revenue – £m

£748.9m



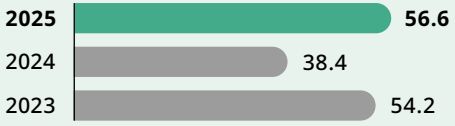
Change & Transformation investment – £m

£19.4m



Operating profit* – £m

£56.6m



Underlying operating profit* – £m

£60.7m

* Operating profit and Underlying operating profit are stated after the Change & Transformation investment of £19.4m (2024: £44.3m). Throughout this report the word 'underlying' is defined as 'before exceptional items'. This is defined in note 6 to the Consolidated Financial Statements.

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BSI Group at a glance

Our purpose

Impact for a fair society and sustainable world

Our domains

Sustainability

Digital Trust

Health, Safety & Wellbeing

Quality

Our alignment to customer needs

Supply chain disruption

Market barriers

Innovation hurdles

Digital & AI risks

Sustainability pressures

Capability issues

Knowledge Solutions

We develop and distribute standards to our clients and stakeholders and provide related consulting and advisory services to help develop standardization approaches around emerging topics.

Assurance Services

We provide independent assurance solutions to ensure that systems, processes and services can be trusted and provide a comprehensive suite of training services.

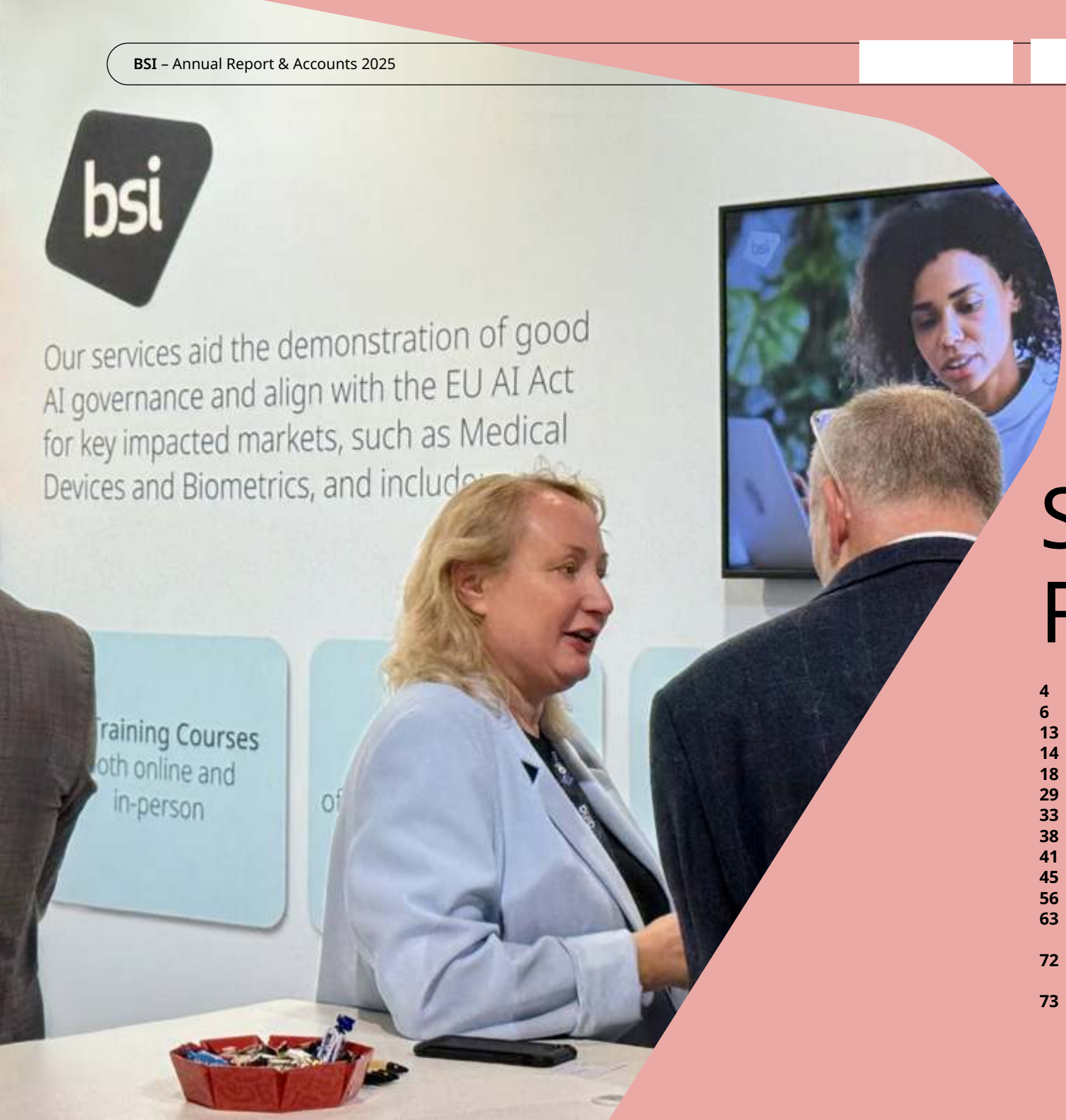
Regulatory Services

We provide independent certification, testing and assurance to help organizations demonstrate that their products, systems and technologies are safe, compliant and ready for market.

Consulting Services

We are an independent advisor delivering bespoke solutions to clients in the areas of Environmental, Health & Safety and Supply Chain & Sustainability.

In this report the 'Company' refers to The British Standards Institution, a Royal Charter Company, Companies House number ZC000202, which is the Parent Company for the financial statements. 'BSI', 'BSI Group' or 'Group' means the Company and its subsidiaries. The BSI logo, Kitemark™ and the 'Kitemark™' device are registered trademarks of The British Standards Institution in the UK and are registered, or in the process of registration, in other jurisdictions.



Strategic Report

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Chairman's statement – John Hirst CBE

Building trust in a changing world

I looked at my Chairman's statement for last year before I sat down to write this time and I have continuing feelings of both concern and assurance. So why do I feel like this?

The geopolitical circumstances in which we operate are still turbulent and none of us are immune from the political decisions of leaders, sometimes halfway round the world. The policy discourse that pushes us to take sides and pulls us apart dominates the news in most of the countries in which we operate. The spirit of peaceful cooperation is less visible to me now than it has been for many years.

I still feel positive because I sit, immensely proudly, at the head of BSI, an organization that has at its very core a commitment to making the world a better place, fostering alignment through consensus, improving prosperity through trade and business improvement. An organization which has the skills and capacity – and the committed and industrious people – to deliver on its very clear and positive purpose.

Chairman's statement continued

Indeed, despite the turmoil we see, we have, together with our colleagues, our partners in stakeholder organizations and our clients, made great strides and delivered some amazing progress. You will read about many of these things in other parts of this report but I am particularly proud of our work on some difficult social issues like suicide awareness and inclusive Personal Protective Equipment and important global issues like climate change and the use of Artificial Intelligence.

Our work in these areas stems from our constitution embedded in our Royal Charter, our freedom to use our profits from running a very successful global business to deliver our purpose and our capacity to mobilize expertise in a wide range of subjects without political or social bias. As a result, we deliver standards that define and drive best practice in so many areas, for the benefit of everyone, not just in the UK but around the world.

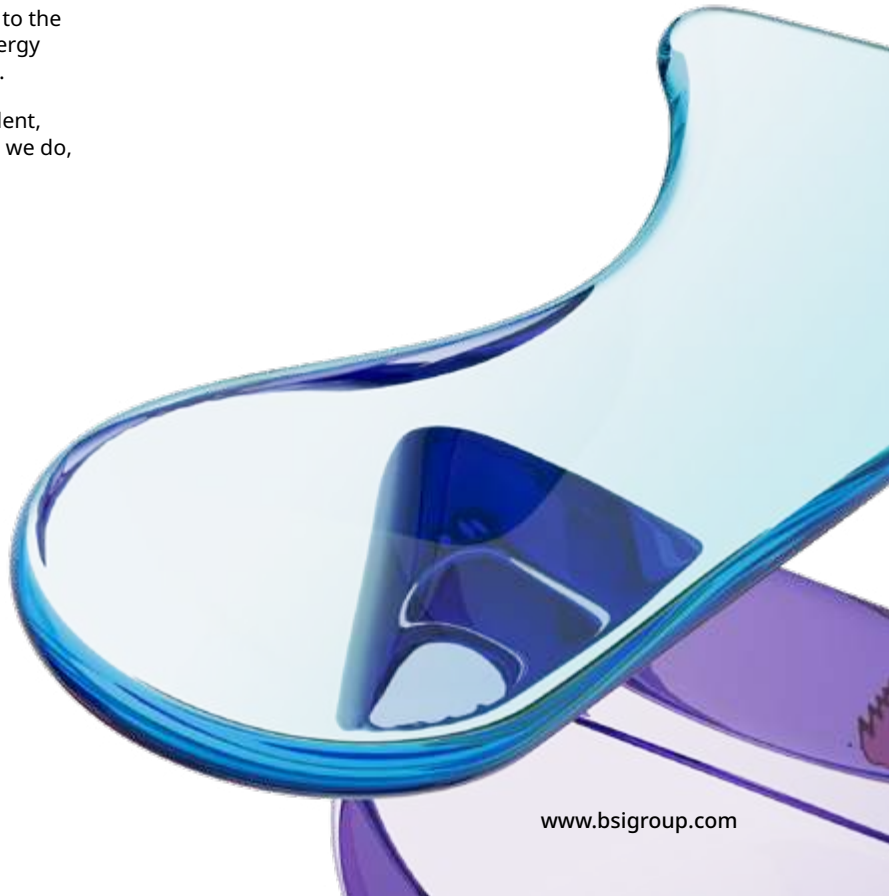
Fairness and sustainability are not just words in BSI. They drive every thought and action. They underpin every Board discussion and, inspiringly, it is hardly possible to overhear any discussion in BSI without those ideas being referenced. One other word has now joined them, and that is impact. We strive not just to do our work as well as we can, but to understand and measure where we can, what difference we have made to our clients, stakeholders and the world in general. Not an easy task but one we are fantastically committed to.

I would like to thank my colleagues on the Board for their support in this endeavour. As always, the Board membership continues to evolve, and I want to thank Ian Lobley and Alison Wood for their contributions over many years. They have both made wise and outstanding contributions and we miss their input. However, I am delighted to welcome Bukky Bird and Peter Simpson, who joined the Board as Non-Executive Director and Board Adviser respectively earlier this year. They have both made great starts to their terms of office. We also saw the departure of Sara Dickinson as Chief Financial Officer (CFO) and we thank Sara for her contribution. We welcome our new CFO, Paul Quested, who has made an excellent contribution in his first year. I feel the governance of the organization is in good and experienced hands.

My particular thanks, however, go as always to our remarkable team of committed colleagues around the world who work so hard to deliver our purpose with such conviction and success. They join us largely because they see BSI is an organization that can really make a positive difference to the world and they deploy their skills with such evident energy and success it is impossible not to be inspired by them.

We may indeed face a world that is strained and turbulent, but we do so with confidence and conviction that what we do, so successfully, will make it better for all.

John Hirst
Chairman



Chief Executive's review – Susan Taylor Martin

Shaping an even stronger future

For over a century we have led with purpose, creating impact for a fair society and sustainable world.

2025 was a year of delivery and continued momentum for BSI. In a world riven with significant challenges, from geopolitical uncertainty to the accelerating pace of technological change, our purpose has never been more relevant. I am incredibly proud of the work we do every day with our clients and stakeholders around the globe – building the future together and delivering impact for a fair society and sustainable world.

As the UK's National Standards Body (NSB), we play a vital role in shaping best practice and driving progress. Over 12,600 committee members have contributed to the development and maintenance of around 40,000 standards. These standards underpin global supply chains, helping organizations access new markets, but also scale innovation and strengthen capability. Standards can accelerate positive systemic change. Our ability to bring together experts, industry, government, and civil society to address global challenges through the development of standards remains one of BSI's most distinctive strengths.

Chief Executive's review continued

'Highly satisfied' clients

74.3%

(2024: 72.0%)

We fund the NSB through the sale of standards and the provision of training, assurance, certification and advisory services related to standards and regulation across four core domains: Quality; Health, Safety & Wellbeing; Digital Trust; and Sustainability. We go to market through four Divisions: Knowledge Solutions (KS) shapes and sells standards; Assurance Services (AS) provides training, assurance and certification related to standards, as well as Internal & Supplier Audit services; through Regulatory Services (RS) we provide certification, testing, assurance and regulatory approvals across a range of products including medical devices; and our Consulting Services (CS) Division delivers advisory services related to Environmental, Health & Safety and Supply Chain & Sustainability.

Resilient performance

In 2025, we delivered a solid performance, which underscores the relevance of our services to our clients and stakeholders, from consumers and small enterprises to global corporates, governments and non-governmental organizations. Our client satisfaction scores continued to strengthen, with our Highly Satisfied score reaching 74.3% (up 2.3% vs 2024) and our Ease of Doing Business score at 70.5% (up 1.8% vs 2024). These record scores reflect the expertise, commitment and passion of our teams around the world.

Underlying operating profit

£60.7m

(2024: £58.0m)

As a purpose with profit organization, without debt or shareholders, our financial performance is critical because it gives us the capacity to invest in that purpose, in our people, and ensure that our technology, processes and operating model enable us to continue to deliver value for our clients and stakeholders. Despite the challenges of the current global geopolitical, tr ading and regulatory environment, we delivered a resilient financial performance in 2025. Revenue declined 1% at reported rates vs prior year, up 1% on a constant currency basis and ended the year at £748.9m. Our top line performance was challenged by economic headwinds affecting those more discretionary services such as Training and Consulting. In addition, the slowing of the transition from the EU Medical Device Directive (MDD) to Medical Device Regulation (MDR), which had fuelled performance of the RS Division in recent years, impacted our top line performance in 2025.

As a result of effective cost control and the standardization and simplification of our ways of working, our Underlying operating profit increased to £60.7m, up 5% from £58.0m in 2024. This improvement was after continued investment in the digital transformation of BSI, digitizing our services for clients, investing in the capability and capacity of our technology function and building our artificial intelligence (AI) capabilities in both RS and AS. In 2025, we invested £19.4m (2024: £44.3m) in our Change & Transformation (C&T) programme, completing several multi-year projects.

These included the upgrade of our Customer Relationship Management system and key service delivery platforms, the global rollout of our new digital presence, and improvements to both our internal People function systems and our Finance operations. In addition, during the year, we prepared for the multi-year upgrade to a new enterprise resource planning (ERP) system and a new standards delivery platform. As a result, we expect our C&T investment to return to 2024 levels in the near term. Excluding C&T, Underlying operating profit reduced to £80.1m (2024: £102.3m) which was in line with our financial year targets.

Following a strategic review, we sold Digital Trust Consulting (DTC), a small part of our CS Division, to GRC Solutions (GRC). We believe that the DTC team and clients will be better served as part of an organization focused on IT and cybersecurity risk management and compliance consulting. Digital Trust remains a strategic focus area for BSI, and we will continue to support clients with services related to information and cyber security as well as trust in AI across KS, AS and RS. We are grateful to the DTC team for their commitment to clients and their professionalism during the transaction and look forward to seeing them thrive as part of GRC.

Chief Executive's review continued

BSI Nature Investment Standards Programme

Nature is in crisis. Up to one million species are estimated to be under threat of extinction, 85% of wetlands have disappeared, and human activity has already altered over 70% of all ice-free land, according to the UN.

Addressing this challenge requires global action and collaboration across society, including mobilizing private investment into nature restoration, biodiversity, and carbon markets. To do this, it is critical to ensure that investors can have confidence that projects will deliver as intended.

BSI's Nature Investment Standards Programme was launched in March 2023 in partnership with the UK government. The first standard was published in 2025 to set a robust, consistent framework for nature markets. By defining 'what good looks like' for nature investment, BSI's work is bringing clarity, consistency and trust to emerging nature markets. By helping to address a major barrier to private finance, the aim is to encourage investment that delivers genuine, measurable, and enduring nature recovery.

The programme aims to unlock £1 billion of private investment annually by 2030, with the potential to restore or protect around 500,000 hectares of nature.

Demonstrating the power of standards

Foundational to BSI is our work as the UK's NSB, developing standards at both a British and international level under a Memorandum of Understanding (MoU) with the UK Government and working closely with UK businesses. Their expertise is represented in over 1,500 Standards Committees, whose members shape standards that underpin global business in areas ranging from hydrogen, net zero and circularity to data governance and product safety. In his report, Scott Steedman, Director-General, Standards, details some of the key achievements during 2025. I am particularly proud of the breadth and depth of our engagement with the UK government, helping key departments turn policy into action through standards. Equally, prioritizing the impact of standards is changing where we focus, how we operate and how we maximize the positive benefits of standards for our clients and stakeholders.

BSI is responsible for maintaining 45,000 technical standards for UK business usage. During 2025, we published over 2,800 across a wide range of topics from BS ISO 21800, which improved clarity and accessibility of online terms and conditions to support fairer digital markets for consumers, to major fire safety standards, including updates to BS 5839 1 (Fire detection and alarm systems in non-domestic premises) and BS 9991 (Fire safety in residential buildings), We also develop a range of 'flagship' standards in areas where businesses, government or civil society have highlighted a need for best practice guidance. A recent example is the UK's first standard on suicide awareness in the workplace (see page 18).

Standards are a powerful way of accelerating positive, practical change to address complex challenges like sustainability. In 2025, we continued to lead the development of ISO 14060 (Net zero aligned organizations) which will set a globally recognized benchmark for what good looks like in net zero delivery, strengthening confidence in climate claims and supporting governments, industries and supply chains to accelerate decarbonization.

To date, ISO 14060 has been developed in one of the largest international working groups in ISO, with hundreds of experts from across ISO's 170+ country members contributing several thousands of comments to shape this pivotal international standard for global market use. We expect this standard to be published in the next twelve months.

During the year, we also worked with the Department for Environment, Food & Rural Affairs (DEFRA) to publish the world's first suite of nature investment standards, and on Innovate UK's £100m BridgeAI programme, supporting organizations across key sectors of the UK economy on the adoption of AI.

During 2025, we increased our investment in Standards that are Machine Applicable, Readable and Transferable (SMART), working in collaboration with colleagues in the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). In tandem, we have invested in our own digital and AI-enabled tools to improve our efficiency and speed up the standards development process. 2025 was also a year of preparation for upgrading our standards delivery platform ready for the rollout of SMART for use by UK businesses.

Chief Executive's review continued

Inclusive PPE

Less than a year since the launch of the landmark standard for the provision of inclusive PPE, its role in improving workplace safety and equality is already evident.

BS 30417 (Provision of inclusive PPE) addresses a longstanding problem: PPE has traditionally been designed around the 'average man', leaving many – including women, people from diverse ethnic backgrounds, older workers, and those with disabilities – using ill-fitting equipment that compromises safety and dignity. Better-fitting PPE can protect individuals while enhancing productivity and job satisfaction and supporting workforce retention.

"It is vital that we work to ensure that everyone can work safely and comfortably, no matter their gender, ethnicity, religion, or disability," commented Katy Robinson, who was named the UK's Most Influential Woman in Construction in 2025 for her campaign to make workplace safety clothing more inclusive. "If you're wearing men's PPE, it's typically oversized, so you can get snagged on items. If you're doing technical work as a tradeswoman, it could get caught in your tools, so there's entanglement issues. So overall, it is a health and safety issue."

By providing practical, evidence-based guidance, BS 30417 is a powerful tool to help organizations reduce injury risk, prevent long-term health issues, and create safer working environments across sectors including construction, healthcare, and policing. The standard is available for free and has already been downloaded over 1,800 times since publication in September 2025.

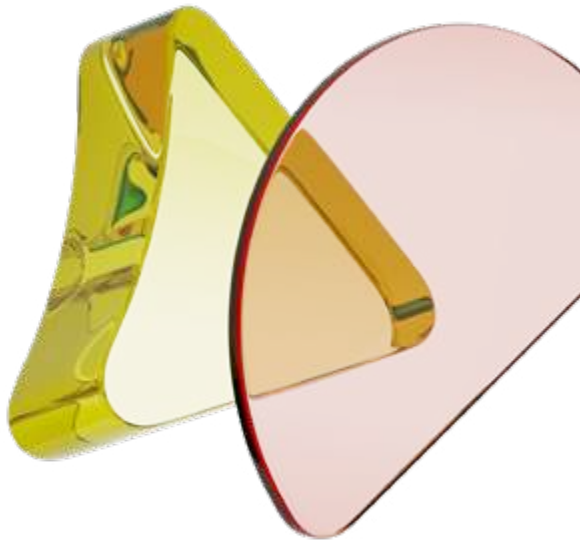
Supporting Quality, Health, Safety & Wellbeing

Our core domains of Quality and Health, Safety & Wellbeing remain essential to clients around the world, and are areas where BSI leads with significant expertise.

Quality remains the cornerstone of our AS Division's offering, with ISO 9001 (Quality management system (QMS)) certification delivered by BSI in 135 countries. In 2025, we certified over 20,000 clients to ISO 9001, assuring their customers of the quality of their products and services and allowing them to be part of tender processes and access new markets. In addition to the core standard, we have also developed related services to provide specific support in key industry sectors, including the automotive and aerospace industries, and nuclear energy.

In the Medical Devices business within our RS Division, ISO 13485 is the medical device quality management system standard, essential for demonstrating compliance with global regulatory requirements throughout a product's lifecycle. In 2025, we certified over 400 new clients to this standard globally, bringing our total to nearly 5,000 organizations certified. In 2025, we also added approximately 100 new clients under the Medical Device Single Audit Programme (MDSAP), taking the total number of organizations we certify to more than 1,260 and making us the number one auditing organization for MDSAP globally.

We continue to be the leading Notified Body, certifying medical device manufacturers to the EU Medical Device Regulation (MDR) and In Vitro Diagnostic Medical Device Regulation (IVDR). Our full-scope offering enabled us to issue over 2,500 certificates during the year, each one representing a product, or suite of products, that has met rigorous safety and performance standards, ultimately helping to protect patients and improve care. During 2025, we expanded our global reach, especially in Asia, and continued to make progress streamlining the client experience. We also invested in key strategic initiatives to further our ambition to provide new cutting-edge digital services for our medical device manufacturer clients.



Organizations are placing greater emphasis on protecting the physical and mental wellbeing of their people, reflected in the strong growth of our Health, Safety & Wellbeing (HSW) domain in 2025. Within AS, BSI certification to ISO 45001, the international standard for occupational health and safety management systems, exceeded all other major standards for the first time. We also strengthened our role in advancing inclusive safety practices. To complement the launch of BS 30417, our Product Certification team convened leaders from across the PPE manufacturing sector, including primes, innovators, regulators and end-users, to accelerate the design and availability of more inclusive equipment.

Chief Executive's review continued

Our Future of Work series of reports continued to explore evolving workforce expectations and their implications for employers. During the year, we were invited to provide evidence to the UK parliament's Home-Based Working Select Committee inquiry, reinforcing our position as a trusted authority on the future of safe, inclusive and productive workplaces.

CS further strengthened our Health, Safety & Wellbeing offering by delivering specialist, end-to-end support to global clients. Engagements included advising in high-risk environments, supporting major incident responses, and leading multi-year transformation programmes designed to enhance operational resilience and improve worker protection.

Building Digital Trust, from AI to Quantum Technology

Digital Trust is a key and growing BSI domain. Our AS Division is the world's leading certification body for ISO 27000, the most widely established standard for building trust in information security management. With the digitization of the transport sector, we have seen significant growth in the aerospace and automotive sectors, where our Trusted Information Security Assessment Exchange (TISAX) and Vehicle Cyber Security (VCS) services have gained real market traction.

The rapid adoption of AI continued to reshape industries and societies in 2025. With the pace of adoption of AI comes both opportunity and risk, and a growing need for the use of standards and independent assurance that BSI provides. Our research into Trust in AI found that while 65% of business leaders say AI has delivered tangible benefits to their organizations, only 24% have an AI governance programme in place. This discrepancy affects how employees, customers, and regulators perceive the technology, and ultimately it will determine whether AI fulfils its potential as a force for good. Significantly, 54% of business leaders told us they would trust AI tools more if validated by an external organization, underlining the key role BSI can play in AI assurance.

In 2025, BSI became the first Certification Body in the world to be accredited by the United Kingdom Accreditation Service (UKAS) to deliver ISO AI certification services. This accreditation, alongside our existing accreditation from Raad voor Accreditatie (RvA) in the Netherlands and our recently achieved accreditation from the ANSI National Accreditation Board (ANAB), gives organizations confidence in the rigour of our work. In a fast-growing market where unaccredited providers are operating, our accreditation reinforces the trust and technical strength behind ISO/IEC 42001 (AI management system) certification and provides a credible pathway for organizations seeking to develop and manage AI responsibly. During the year we also advanced our preparations to become a Notified Body under the EU AI Act, positioning us to help clients demonstrate compliance as this landmark regulation comes into force.

Beyond AI, we introduced new services to address wider digital challenges, including the Smart Cities Kitemark, the Internet of Things (IoT) Cybersecurity Testing and Certification and the Digital Identity Verification Certification, under the UK Digital Identity and Attributes Trust Framework (DIATF).

Chief Executive's review continued

As we look to the future, we are strengthening BSI's leadership in quantum technologies that will redefine how the world computes, communicates, senses, images, and protects information. As the global secretariat for IEC/ISO Joint Technical Committee 3, we are shaping the global standards and governance that will underpin the quantum era. Through our partnership with the UK's National Physical Laboratory (NPL) in co-leading the UK Quantum Standards Network pilot, we are working alongside the UK's Department for Science, Innovation and Technology and key industry stakeholders to shape the UK's national vision for this truly transformative field.

Helping to accelerate sustainability

Sustainability in its widest definition, spanning environmental, social and governance (ESG), is a key area of focus for BSI, from our work on standards to providing training and independent assurance.

In 2025, we led the first impact assessment of the London Declaration, our global initiative to embed climate science into standards development. The results show genuine momentum, and demonstrate the power of standards to drive meaningful change – you can read more on page 31.

We continued to collaborate with UK government departments, notably the Department for Environment, Food and Rural Affairs (DEFRA) and the Department for Energy Security and Net Zero (DESNZ), as well as government agencies and intergovernmental organizations, on their use of BSI and ISO's sustainability standards to support policy and regulation. For example, the UN Climate Champions referenced BSI's work to develop the ISO transition finance standard (ISO 32212) in its 2025 COP30 Outcomes Report and suggested the standard as a climate solution to accelerate net zero action, specifically for the financial sector.

Reduction in BSI Scope 1 and 2 market-based emissions

31%

In our AS Division, we supported manufacturers and infrastructure clients in advancing their carbon neutrality goals through certifications aligned to leading standards such as ISO 14067 (Carbon footprint of products) and PAS 2080 (Carbon management in infrastructure). We further strengthened our sustainability offering with the launch of our Global Product Carbon Footprint (GPCF) programme, giving organizations greater trust and clarity in measuring, managing and reducing product level emissions.

During the year, AS and KS partnered with the British Office in Taiwan and the Taiwan Institute of Economic Research to publish PAS 247 (Carbon-abated electricity -monitoring and quantification for carbon capture, transportation and storage). This is the first globally recognised standard for measuring and accounting for low-carbon power. Formula E also became the first sport to achieve our Net Zero Pathway certification, having made ambitious commitments, cutting emissions across their operations and transforming how they use energy, transport, and logistics. BSI verified that progress and helped chart a credible course for long-term climate action.

In 2025, we saw impressive growth in our Internal and Supplier Audit (ISA) business line supporting clients who need deep insight into internal operations and supply chain performance, particularly with regard to sustainability and social responsibility. Our work with leading global brands and industry associations is driving measurable change, enhancing worker protections, and positively impacting communities.

Our CS Division is focused on supporting clients with a range of advisory services across ESG primarily in the US, including: ESG reporting; Greenhouse Gas (GHG)/carbon reduction programmes; supplier improvement programmes; and sustainable supply chain focusing on human rights, modern slavery risk, climate impact and product life cycles. In 2025, we saw continued appetite for these services and substantial growth in climate risk and climate adaptation support.

In terms of our own operations at BSI, we believe that we should demonstrate our purpose in action by becoming our own best-in-class sustainability case study, using BSI's own sustainability standards and solutions wherever possible. We remain committed to achieving net zero in Scopes 1 and 2, with a 42% reduction in Scope 3 by 2030. In 2025, we reduced our Scope 1 and 2 market-based emissions by 31%, and comparable Scope 3 emissions (excluding employee commuting and working from home) by 21%, reflecting strong progress in reducing business travel and operational emissions. The move to our new global headquarters, The Acre in Central London, has been a positive step forward. The building is fully electric and zero carbon, reflecting our commitment to providing comfortable, functional and sustainable work places for our colleagues.

Chief Executive's review continued

Our Scope 3 emissions are driven by travel required to both serve our clients and stakeholders in 134 countries, and to run an international organization. Our use of remote and hybrid auditing and training, and our travel strategy have helped us make progress on our sustainability ambitions. Use of online training and remote or hybrid assurance and certification not only reduces our carbon usage, it also benefits our clients in terms of greater flexibility and lowering their own Scope 3 emissions.

Our colleagues

The expertise, commitment and adaptability of our colleagues made possible everything we achieved in 2025. I am particularly grateful for the courage and resilience of our colleagues operating across the Middle East region and BSI is providing its full support to all of those impacted at this difficult time.

Talented individuals choose to join, stay and contribute because they believe strongly in the role BSI can play for a fair society and sustainable world. I was delighted that BSI achieved a number of independent awards during 2025, including being recognised in the Financial Times list of Top UK employers. This acknowledges the progress made over several years on our employment proposition and external brand when looking for talented people to join our team. We are attracting and retaining a diverse and global workforce whose passion for our purpose enables us to deliver meaningful impact for and with our clients and stakeholders, and I am deeply grateful for their contributions.

Our 2025 engagement survey saw colleagues express deep pride in working for BSI, a genuine connection to our purpose, and positive feedback about feeling part of a global team where they are supported by their manager. We continued to invest in wellbeing and inclusion, expanding our mental health support and introducing the Rethink Care neurodiversity support service for colleagues and their families.

During the year, we welcomed two new members to our Group Leadership Team, Paul Quested, our new Chief Financial Officer, has made an excellent contribution in his first year, including shaping the roadmap and foundations of our new ERP programme. Jen Burns, our new Chief Commercial Officer, is equally having a significant impact on Brand, Marketing and Commercial optimization across BSI. Also during 2025, Tim Wren took over responsibility for our Consulting Services division, following the disposal of DTC, and is positioning the Division for growth.

125 years of excellence: building the future together

For over a century, we've led with purpose, creating impact for a fair society and sustainable world. The challenges facing our clients, from the ethical use of AI to the transition to net zero, from product safety to organizational resilience, are precisely the areas where BSI can make the greatest difference. By bringing together the right expertise, setting trusted standards, and providing independent assurance, we help organizations build the confidence they need to innovate, grow, and create positive impact. As we honour our legacy during our 125th year, we look ahead with ambition to be the world's partner in progress.

We enter 2026 with good momentum, a clear strategy, and a team deeply committed to our purpose. With continued investment in our people, our capabilities, and our digital transformation, I look forward to another year of progress and impact, as we work with our clients and stakeholders to shape an even stronger future.

Susan Taylor Martin
Chief Executive

Our strategy

As BSI marks its 125th anniversary, we are accelerating our transformation to ensure we remain as influential in the future as we have been throughout our history.

The world is changing at unprecedented speed – driven by global societal challenges, rapid technological advances, evolving regulation and shifting stakeholder expectations. Our strategy responds with clarity and intent: focus where our expertise creates the greatest impact, invest in the capabilities that differentiate BSI, and translate our advantage into measurable outcomes for organizations and the systems in which they operate.

In 2025, we advanced our work across four core domains: **Quality; Health, Safety & Wellbeing; Sustainability; and Digital Trust**. These domains address the most pressing issues facing industries today – from ensuring product and service excellence, to strengthening safety cultures, enabling sustainable operations, and building secure, resilient digital ecosystems. BSI's independence and technical leadership help organizations navigate complexity, anticipate change, and build long-term resilience. We help shape sustainable, fair markets by working with government and industry so that standards underpin regulation, and guide how organizations operate, collaborate, manage supply chains, and build trust with one another.

To deepen and extend this impact, two key focus areas will strengthen how we deliver our service across the four domains: becoming **Deeply Digital** and **Mobilizing Expertise**.

Being Deeply Digital is not about technology for its own sake, but about deploying digital capabilities that amplify impact, expand the outcomes we help clients achieve, and enhance how we work with stakeholders and colleagues. By unifying journeys for clients, using data to generate timely insights, and equipping our people with connected tools that accelerate delivery and sharpen decision making, we make it easier for partners to engage with us and act with confidence.

At the same time, we continue to strengthen our Mobilizing Expertise – bringing together experts, industry, government and academia to shape best practice, build consensus and accelerate adoption. By creating trusted environments where diverse perspectives converge, we help shape practical, scalable solutions that deliver meaningful outcomes across systems and borders. This role – of trusted convener and facilitator – accelerates progress, reduces duplication of effort and enables shared solutions to take root faster.

These strategic capabilities – deep expertise across our four domains, a digital backbone that connects people and data, and the ability to convene the right voices – are powered by our colleagues. Strategy becomes reality only when people are equipped and empowered to deliver it.

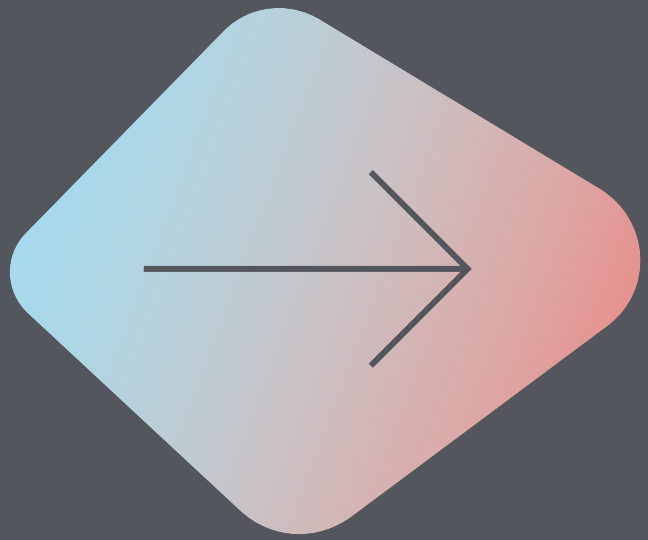
Throughout 2025, we invested in strengthening our culture, developing critical skills and enabling more integrated ways of working. We are building multidisciplinary teams that move faster, share insight more freely and bring the full breadth of BSI to every client engagement. This focus on people and collaboration ensures we remain agile, client-centred and well positioned to deliver today while preparing for tomorrow.

Business model

From **standards**

Setting standards to enable trust in global trade and accelerate innovation.

Standards provide the invisible infrastructure that underpins trust in the products, services and systems we rely on every day. At BSI, we develop these standards through collaboration and consensus, drawing on expertise from industry, government, academia, consumers and subject-matter specialists. We support organizations in adopting and embedding these best practices—helping translate shared agreement into measurable outcomes. The power behind our commercial engine fuels our ability to reinvest in our mission to continue advancing our global impact and deliver on our purpose.



To **solutions**

Delivering tailored solutions for global, long-term growth and impact.

BSI empowers organizations to grow with confidence by helping them address society's most pressing challenges—from climate change to building trust in emerging technologies such as AI. Leveraging deep expertise across our global network, we work alongside clients to unlock immediate performance improvements while supporting their long-term strategic ambitions. Through our core lines of business, we deliver integrated solutions that drive meaningful outcomes, enabling organizations to meet today's expectations and build a stronger, more resilient future.

Driven by our purpose

Empowered by our expertise and relationships

We meet real challenges

Offering innovative solutions and services

To position organizations for sustained, long-term success

Business model continued

Driven by **our purpose**

Empowered by **our expertise and relationships**

Business model continued

We meet **real challenges**

Supply chain disruption

Market barriers

Innovation hurdles

Digital & AI risks

Sustainability pressures

Capability issues

Offering **innovative solutions and services**

Standards

Training

Assessment & certification

Partnership

Consulting

Business model continued

To position **organizations for sustained, long-term success**

By working side-by-side, we develop tailored strategies and tools that unlock measurable outcomes, enabling both immediate performance gains and supporting sustained long-term success.

Our collaborative approach not only strengthens client success but also amplifies our shared ability to create positive global impact.

Achieve organizational goals

Meet global requirements

Enhance business performance

By aligning our expertise with the needs of our clients, we seek to ensure that every solution will deliver tangible and meaningful outcomes. We support organizations in equipping their people with the skills and knowledge needed to stay ahead in a rapidly evolving landscape and achieve sustained, long-term success."

Jen Burns
Chief Commercial Officer

AMR certification

"In 2025, GSK achieved the important milestone of BSI Kitemark certification for anti-microbial resistance (AMR) across our entire antibiotics manufacturing network – spanning sites in the UK and France.

AMR represents a silent pandemic threatening everything from routine surgeries to life-saving treatments. For GSK, achieving the Kitemark certification and aligning with the AMR Industry Alliance framework represents more than a compliance milestone. It is about taking decisive steps in our fight against one of the biggest global health threats of our time.

Our thanks go to the professional and dedicated BSI team for the support provided to GSK in achieving AMR Kitemark certification."

Vice President, GSK

Data centres

"Obtaining the BSI Data Centre Mark of Trust (DCMoT) represents an important and highly indicative recognition for Chunghwa Telecom. It also reflects the years of investment we have made in data centre operations and governance, which now can withstand concrete international-standard inspection and verification.

As the role of data centres continues to evolve, we are not only continuously strengthening the stability of our network, power systems, and overall architecture, but are also simultaneously incorporating sustainability, energy efficiency, and ESG principles into our holistic planning. Moving forward, we will build upon this foundation to continuously refine our data center operational capabilities and provide the market with stable, secure, and trustworthy services."

General Manager, Chunghwa Telecom Information Technology Group

AI certification

"I'd like to personally thank the team at BSI for their exceptional support, professionalism, and expertise throughout the whole process of achieving ISO/IEC 42001 certification. You've been exceptional partners and we're proud to have achieved this milestone with a leading and globally recognised institution – becoming the first UK organization and the first cybersecurity organizations to be certified to ISO/IEC 42001 by BSI."

Chief AI Officer, Darktrace

Division reviews

Knowledge Solutions

Neil Musk
President, Knowledge Solutions

What we do

Knowledge Solutions (KS) develops and distributes standards to our clients and stakeholders and provides related consultancy and advisory services. Our work spans two principal business lines:

— **Solutions:** We develop and distribute British, European, and International standards, primarily to UK clients and stakeholders.

— **Services:** We provide consulting and advisory services to help develop standardization approaches around emerging topics, as well as international development support for standards in developing countries.

2025 performance and highlights

KS revenue for 2025 was £85.6m, a 3% increase compared to 2024 on a constant currency basis.

2025 was a year of significant delivery for KS. These included the publication of the suicide awareness standard, the inclusive standard for Personal Protective Equipment (PPE), new and revised building safety and fire competence standards and international standards addressing impact assessment, transparency, and privacy management in relation to Artificial Intelligence (AI).

Each standard was developed through extensive consultation, often involving hundreds of stakeholders. Our work would not be possible without the expertise of over 12,600 volunteer Committee Members and Chairs working across over 1,500 Standards Committees. During 2025, with their valuable contributions, we published over 2,800 new and revised standards, and provided around 2,300 draft standards for public comment.

Key flagship standards

Two of the year's flagship standards reflect conscious choices by BSI to step into important, challenging areas. The publication of the UK's first standard on suicide awareness in the workplace followed BSI convening employers, charities, clinicians, and people with lived experience. The result was a practical, evidence-based framework that allows organizations to actively address the topic.

Revenue (at reported exchange rates)

3% **increase on a constant currency basis**

Division reviews continued

Supporting menstrual health in the workplace

Menstrual health and menopause are complex and not always well understood or openly discussed in workplaces.

This can make it difficult for people to get support, affecting wellbeing and productivity. BS 30416 provides practical, evidence-based guidance to help organizations better support employees who menstruate and/or experience perimenopause symptoms.

The standard has been downloaded over 12,000 times across 139 countries. Of organizations adopting BS 30416, 42% have implemented or updated workplace practices and 73% report improvements such as increased awareness, better understanding or reduced sickness absence linked to menstruation and menopause.

BS 30416, and the actions organizations are taking, are estimated to have already improved the lives and wellbeing of around 7 million people.

The launch of the inclusive standard for PPE addressed a long-normalized failure in workplace safety. PPE that does not fit is not only inconvenient, but dangerous, and disproportionately affects women and underrepresented groups. By framing inclusive PPE as a matter of dignity, safety, and workforce capability, we helped shift the conversation from compliance to effectiveness.

With our flagship standards we are seeking to break new ground and provide leadership by shaping credible, human-centred standards which respond to major societal challenges in line with BSI's purpose. Please also see the feature titled 'Supporting menstrual health in the workplace' on how the impact of BS 30416 (Menstruation, menstrual health and menopause in the workplace) further increased in 2025.

Sustainable event management

Alongside new standards, we continued to demonstrate BSI's ability to maintain long-term influence through established frameworks. ISO 20121 (Event sustainability management systems) has evolved into a globally trusted framework used by governments, major sporting bodies, and international summits.

Its recent revision strengthened expectations around climate impact, supply chains, and legacy, reinforcing the role of standards in adapting to societal priorities over time.

Division reviews continued

Digital and emerging technologies

In digital and emerging technologies, we combined standards leadership with large-scale programme delivery. Our role in Innovate UK's £100m BridgeAI programme to embed trustworthy AI across UK industry demonstrates our ability to operate at national scale, connecting innovation with governance and accelerating responsible adoption.

Alongside this, we delivered tangible progress on AI and digital standards, including advancing harmonized quality management standards through the European Committee for Standardization (CEN) and the European Electrotechnical Committee for Standardization (CENELEC) and supporting alignment with evolving regulatory requirements.

Built environment

We continued to develop a program of work around changes in the UK's approach to building safety, following the 2017 Grenfell fire and subsequent Public Inquiry. The publication of BS 8674 (Framework for competence of individual fire risk assessors), defining clear competence levels for fire risk assessors, marked a significant step in providing clarity for industry, clients, and regulators, supporting consistent assessment of who is qualified to undertake safety-critical work. This was reinforced by the development of the Built Environment Competence Hub, launched with industry partners to bring together frameworks, guidance, and resources into one accessible platform to support uptake and practical use of standards across the sector.

Supporting UK economic growth

Helping support UK economic growth remains a key priority for BSI. We are very focussed on helping small- and medium-sized enterprises (SMEs) grow faster by ensuring they have easier and more cost-effective access to standards, and that we develop the right new standards, at speed, to support innovation.

Accordingly, BSI continues to partner with Innovate UK on the Business Growth Toolkit, which provides access to standards content, training and e-learning to help SMEs scale quickly, and on the Standards Challenge Fund, which helps identify and fast-track the new standards which innovators need to help build trust in emerging markets. For example, we are now working on standards in areas requested by innovators such as implementation of generative AI, DNA barcoding for engineered biological assets, recycled plastics in laboratory and medical products, and wireless power transmission.

International impact

Up to 90% of global trade is shaped by standards and technical regulations, so building a strong national quality infrastructure, including adoption of international standards, is critical for developing countries to access international markets. BSI is very proud to work with the UK Foreign, Commonwealth and Development Office on the ongoing Standards Partnership program.

In 2025, we worked in countries such as Bangladesh, Egypt, Ghana, Kenya, Mozambique, Nigeria, Rwanda, and in the Pacific and Caribbean, to help governments, national standards bodies and private sector develop quality infrastructure, with the aim of boosting sustainable and inclusive economic growth, and unlocking trade opportunities.

The future of standards

Reflecting our commitment to continuous improvement and future readiness, we sought to explore how digital tools and AI could support the standards development process itself. The work is at an early stage, with early experimentation focused on improving productivity and responsiveness, more efficient analysis of consultation feedback and support for drafting in fast-moving technical areas.

We started the year with fewer than 50% of international/European projects using next-generation authoring tools, which are foundational to our transition to digitally-enabled standards. By the end of 2025, this has grown to 66%, and we expect to reach 80% in 2026 with several projects set to use the new tools.

Our work in 2025 has also focused on the future role of Standards that are Machine Applicable, Readable and Transferrable (SMART) to provide tailored and up-to-date content at the right time to users of standards and supporting our clients on this transition. There is more information on SMART in the Director-General, Standards review on page 29.

Looking ahead

Specific areas of focus for 2026 include the internationalization of previous flagship British standards such as BS25700 (Organizational response to modern slavery), ISO 14060 (Net zero aligned organizations) and ISO 45010 (Menstruation and menopause in the workplace), the launch of ISO 32212 (Sustainable finance – net zero transition planning) and new releases of ISO 9001 (Quality management) and ISO 14001 (Environmental management systems).

During 2026, we will also continue our work developing technical standards such as PAS 4010, which will set out how to maximise productivity in infrastructure design and delivery.

Division reviews continued

Assurance Services

Harold Pradal
President, Assurance Services

What we do

Assurance Services (AS) supports its clients in the following areas:

- **System Certification:** We deliver independent, impartial audit and certification services to give organizations the confidence that their management systems are robust, reliable, and aligned with global best practice.
- **Internal and Supplier Audit (ISA):** We provide ISA programmes that drive value throughout organizations and supply chains, delivering trust, reinforcing governance, and supporting compliance across numerous domains from environmental, safety and health (ESH) to environmental, social and governance (ESG), including social audits.
- **Training:** We deliver a broad learning portfolio that equips companies and individuals to achieve, retain, and unlock the full potential of their audit, verification and certification activities.

2025 performance and highlights

AS revenue for 2025 was £313.9m, a 3% increase compared to 2024 on a constant currency basis. This was primarily driven by growth in the System Certification and ISA businesses. The Training business faced headwinds during the year due to the challenging economic environment which dampened corporate spend on services which are more discretionary in nature.

In 2025, the Training business expanded the use of Content Controller to support scalable digital delivery integration for enterprise clients. This enabled organizations to deploy BSI training content directly within their own learning management systems, reducing administrative effort, accelerating onboarding at scale and enabling licence based access for organization wide capability development and compliance training.

We continued to invest in our client self-serve portal Connect Portal adding new features such as Predictive Assurance Analytics, giving clients access to actionable insights and early visibility of improvement areas, risks, and opportunities.

Revenue (at reported exchange rates)

3% **increase on a constant currency basis**

Division reviews continued

Net Zero Pathway

BSI introduced the Net Zero Pathway (NZP) in 2024. Designed to help accelerate progress towards a sustainable world, the framework supports organizations embarking on achievable and credible net zero journeys. In 2025, the Edinburgh International Festival (EIF) became the first charity and first arts organization to meet its requirements.

Aligning with the NZP, EIF has set a clear roadmap, including a three-phased plan to reach net zero for gas, electricity and staff hired vehicles by 2030, waste, water, coach travel, printed materials and commuting by 2035, and freight, hotels and staff travel by 2045.

Terry Roberts, EIF Sustainability Manager, said: "Our journey to net zero is an ongoing process, and we are actively seeking new ways to reduce our environmental impact. The BSI NZP provides a structure to achieving our ambitions, allowing us to understand where we are and what we need to do to progress. We know this will be difficult and we can't achieve anything alone, but by working together with our artists, suppliers, audiences and the wider community, we are confident we can play our part in creating meaningful change."

System Certification

In 2025, our teams' efforts resulted in growth across sectors in the Digital Trust, Sustainability, Quality, and Health, Safety & Wellbeing domains. Growth in aerospace was driven by demand for assurance on ISO/IEC 27001 (Information security management systems) and business continuity. Work in the transport sector was supported by our expanded Trusted Information Security Assessment Exchange (TISAX) capability and the launch of our Vehicle Cyber Security (VCS) offering.

Within built environment, we introduced the Data Centre Mark of Trust, further supporting companies demonstrate resilience and security. We saw continued demand across our information security and data privacy services including ISO/IEC 27001, payment card security (PCI DSS) and Europrivacy.

On the Sustainability front, we strengthened our leadership across environmental management, energy management, carbon neutrality, and verification services. ISO 20121 (Event sustainability management systems) gained strong traction, with BSI certifying several major global events, and social audit uptake continued to grow as organizations pursued their ESG goals.

In Quality, we launched our Healthcare Quality Certification Programme based on ISO 7101 – the first global standard for healthcare quality management – and introduced our nuclear sector quality assurance programme (ISO 19443). BS 99001 (Quality management systems for the built environment) also supported significant progress in the built environment sector, with several major global contract wins.

Enhancements to the BSI Connect Portal improved how clients access certification, audit and testing insights, delivering 24/7 visibility and better self-service. Our Predictive Assurance Model (PAM 2.0) expanded into Health & Safety, Environment and Information Security, helping clients shift from reactive to proactive risk management. We also piloted Artificial Intelligence (AI) driven solutions to boost productivity, consistency and decision-making across the business.

Division reviews continued

Internal and Supplier Audit

This year, we repositioned our ISA portfolio as a dedicated business line, enabling greater focus on the delivery of a comprehensive portfolio of non-certification, assurance solutions. Our assurance capability now extends end-to-end, supporting clients across their entire value chains with increasingly complex operational, regulatory and sustainability challenges.

We have strengthened our ESG assurance solutions to help clients identify and eliminate human rights violations across their value chains through robust social auditing. Our teams continue to work with leading global brands and industry associations, driving measurable change, enhancing worker protections, and positively impacting communities.

Training

Our Training business made good progress this year, expanding global access, enhancing digital capability, and aligning our Training portfolio with emerging market needs. A major milestone was the launch of our multi-national training delivery programme, allowing delegates to join the same training courses from multiple countries. This significantly expands the choice available and enables learners to build professional networks beyond their local regions.

Investment in BSI qualifications continued to grow, with more than 25,000 people now benefiting from structured development pathways that support global career progression, specifically in the areas of Quality, Digital Trust and Built Environment.

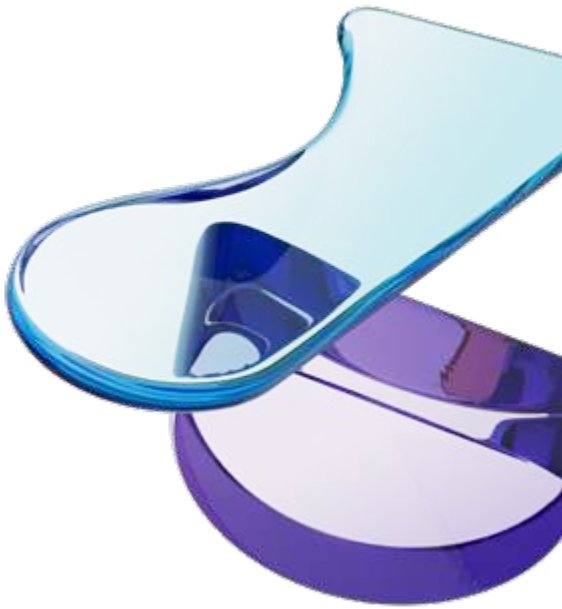
We strengthened our specialist offerings with the launch of the Advance Auditor and ESG Manager Programmes. To elevate the learner experience, we redesigned and rebranded the Training Client Learning Portal, improving accessibility and usability.

Our Training portfolio expanded in key emerging areas, particularly AI governance, with new courses aligned to ISO/IEC 42001 (AI management system), ISO 22989 (AI concepts and terminology), and ISO 23894 (AI – guidance on risk management). Digital enablement remained central to our approach, with our On-Demand e-Learning portfolio introducing a new content controller feature to better support large global accounts with scalable, self-paced learning.

Looking ahead

We continue to standardize and accelerate the digitization of our assurance delivery operations. During 2026, we plan to start implementing new AI-powered tools and processes for our auditors, with the objective to enhance our teams' and clients' user experience all along their journey with BSI, from pre-audit checks to assessment reporting.

We are also ready to support organizations with the ISO 14001 and ISO 9001 transitions, offering various services including training, leadership briefings and self-assessment solutions.



Division reviews continued

Regulatory Services

Manuela Gazzard
President, Regulatory Services

What we do

Regulatory Services (RS) provides independent certification, testing and assurance to help organizations demonstrate that their products, systems and technologies are safe, compliant and ready for market. Our work spans:

- **Medical Devices:** We certify medical devices against global regulatory frameworks, including product approval and quality management system certification to support market access.
- **Product Certification:** We test and certify a wide range of products to ensure they meet safety, quality and performance standards. This includes well-known assurance marks such as the Kitemark, which help build consumer confidence.
- **Artificial Intelligence (AI):** We assess and certify AI systems across industries, including evaluating AI management systems to ensure the responsible, safe and trustworthy use of AI.

2025 performance and highlights

2025 revenue was £287.4m, in line with 2024 on a constant currency basis, with top-line growth negatively impacted by the slowing down of the transition of products from the Medical Device Directive (MDD) to the Medical Device Regulation (MDR), offset by increased demand for AI assessment and certification. Product Certification saw top-line performance in line with prior year, with levels of demand varying across regions.

Revenue (at reported exchange rates)

In line with 2024 on a constant currency basis.

Division reviews continued

Accelerating access to life-changing innovation

In 2025, BSI supported the safe introduction of a wide range of high risk, high impact medical technologies into global healthcare.

These innovations span cardiology, neurology, oncology, urology, metabolic disease, and paediatrics, reflecting the breadth of BSI's role in improving outcomes across all stages of life.

A key example is our work in congenital cardiology. Ventricular septal defects (VSDs) are the most common congenital heart defect worldwide, affecting around 1% of all live births. While small defects may resolve naturally, larger VSDs can lead to serious complications, including pulmonary hypertension and heart failure.

To support safer, earlier treatment, BSI certified a minimally invasive VSD occlusion device – a transcatheter implant offering a non-surgical alternative to open heart repair. This approach reduces trauma and recovery time, enabling clinicians to treat vulnerable infants and children with significantly less risk.

BSI's work in 2025 shows the real world impact of rigorous assessment: helping transformative medical innovations reach clinicians and patients quickly, safely, and with confidence.

Medical Devices

The Medical Devices team focused on progressing MDR and IVDR (In Vitro Diagnostic Medical Devices Regulation) applications for both existing and new partners, issuing 3,351 certificates throughout the year. We retained our position as the market-leading full-scope EU Notified Body based on the number of certificates issued across both regulations.

During the year, we expanded our global presence and made significant progress across the Asia Pacific region. We also streamlined the client experience, reducing lead times, introducing new service levels, improving the transfer process, enhancing onboarding, and providing dedicated support for small- and medium-sized enterprises (SMEs) and start-ups. Together, these improvements are helping clients better understand and navigate the certification journey and prepare for anticipated updates to Annex VII of the regulation.

We made strong progress in strengthening our digital capabilities to give our operational teams greater visibility of technical documentation reviews and clearer insight into pipeline volumes, enabling better planning and more informed decision-making. We also advanced several strategic initiatives to expand our service offering, including early phase work on digital twins and in silico trials, as well as enhancements to our vigilance reporting and completeness checks. Through regulatory approvals, strategic partnerships and pilots in virtual testing, predictive analytics, and AI assurance, BSI is positioned as a leader in integrated digital services. You can read about BSI's work on ventricular septal defects on the feature titled 'Accelerating access to life-changing innovation'.

The team also continued to provide thought leadership, offering timely guidance on evolving regulatory requirements and helping organizations prepare for change within the framework of our role as a Notified Body.

Division reviews continued

Product Certification

Our Product Certification business continued to deliver impact for businesses, people and society by addressing the evolving needs of global markets. A major focus for the year was supporting public health through our work with the pharmaceutical sector to help minimize the risk of antimicrobial resistance (AMR) in the production of essential medicines. Adoption of AMR certification grew significantly and we achieved global momentum, with factory audits completed across 21 countries including China, India, Italy, Egypt, Germany and the UK.

Our commitment to sustainability also remained central to our work. We supported manufacturers and infrastructure clients in advancing their carbon neutrality goals through certifications aligned to leading standards such as ISO 14067 (Carbon footprint of products) and PAS 2080 (Carbon management in buildings and infrastructure). We further strengthened our sustainability offering with the launch of our Global Product Carbon Footprint (GPCF) programme, giving organizations greater trust and clarity in measuring, managing and reducing product level emissions.

With nearly 20 billion connected devices already in use globally and forecasts pointing to around 40 billion by 2034, cybersecurity has become a critical enabler of trust, regulatory compliance, and sustainable growth. Building on our designation against the new requirements of the Radio Equipment Directive (RED), we supported manufacturers across Internet of Things (IoT), consumer electronics, payment systems and industrial equipment in achieving RED cybersecurity compliance, reinforcing the security and resilience of connected products entering the European market. Alongside this, our expanding portfolio of Digital Trust services – covering areas such as Digital Identity and Attributes Trust Framework (DIATF) and Electronic Identification, Authentication and Trust Services (eIDAS) regulatory requirements – has helped to reinforce our position as a leading provider of digital testing and certification.

Artificial Intelligence

We strengthened our position as a global leader, advancing from capability development to scaled delivery and market leadership in AI assurance. With global AI regulation shifting from policy to implementation – most notably with the EU AI Act entering its operational phase – demand for independent, accredited assurance to support the safe and responsible deployment of AI expanded globally. In addition, we built early pipelines for future EU AI Act Notified Body assessments, ensuring our readiness to respond as formal requirements take effect, notwithstanding the proposals currently being discussed at an EU level that may delay implementation dates.

The team achieved several notable firsts. We delivered our first AI performance assessments and issued the first Mark of Trust for AI performance. These engagements demonstrate our ability to assess AI behaviour, performance and outcomes in line with regulatory and client expectations. We became the first company accredited by the UK Accreditation Body (UKAS) for ISO/IEC 42001 (AI management system) and the only organization in the world to hold accreditation from both UKAS, the Netherlands accreditation body Raad voor Accreditatie (RvA) and the US ANSI National Accreditation Board (ANAB).

Our leadership in AI management systems certification also expanded. Delivery of ISO/IEC 42001 scaled significantly, with several certificates issued and many more in the pipeline. To support organizations earlier in their AI governance maturity, we launched ISO/IEC 42001 pre-certification services, which are helping to broaden market access and accelerate readiness. Our growth was underpinned by continued investment in people and expertise. Across AI and Digital Trust schemes – including ISO/IEC 42001, ISO/IEC 27001 (Information Security management systems), ISO/IEC 27701 (Information Security, cybersecurity and privacy protection), ISO 9001 (Quality management systems) and the Digital Information Assessment Framework – we delivered over 500 audit days. We also upskilled our first ISO/IEC 42001 Client Manager for digital certification and launched a UK-based Associate Consultant Programme to build long-term specialist capacity.

Looking ahead

In 2026, we will strengthen our leadership in Medical Device regulation by scaling MDR and IVDR certification, enhancing the client experience and guiding the industry through a rapidly changing regulatory landscape. Our expanded portfolio will enable integrated solutions that bring testing, certification, and AI assurance together for the growing number of software-enabled devices, reinforcing the rationale for aligning Product Certification with Regulatory Services. We will also continue supporting global regulators, particularly in the EU, as future MDR and IVDR proposals develop.

As we shift from building AI capabilities to fully scaled, accredited delivery, we will deepen our role as a trusted partner to governments, regulators and organizations adopting AI and digital technologies safely and responsibly. Recent investments in laboratory digitization have advanced our digital and simulated testing capabilities, strengthening our ability to serve established and emerging markets and positioning BSI at the forefront of innovation, digital assurance, and global product trust.

Division reviews continued

Consulting Services

Tim Wren
President, Consulting Services

What we do

Consulting Services (CS) is an independent, trusted adviser delivering bespoke solutions to clients across the globe. Our work spans:

- **Environmental, Health & Safety (EHS):** We work to understand our clients' operational goals and their regulatory and stakeholder requirements, and deliver solutions that protect people and the environment.
- **Supply Chain & Sustainability (SCS):** We help organizations manage risk through their supply chains, meet regulatory and stakeholder expectations, and build operational resilience.

During 2025, we sold our Digital Trust Consulting (DTC) business.

2025 performance and highlights

CS revenue for 2025 was £62.0m, a 13% decrease on a constant currency basis versus 2024. The decline in Revenue is the result of both the sale of DTC and challenging geopolitical and macroeconomic conditions which reduced demand for our advisory services in EHS. In SCS, this global uncertainty drove strong demand for our services.

Despite the challenging conditions, thanks to the commitment of our people, we continued to provide consistent, high-quality support across all client engagements. As a result, we had a stronger close to the year.

Revenue (at reported exchange rates)

-13% **decrease on a constant currency basis**

Division reviews continued

Helping build trustworthy supply chains

BSI plays a leading role in helping retailers and importers build supply chains that are more secure, efficient, sustainable, and trustworthy. This is reflected in our partnership with the Supplier Compliance Audit Network (SCAN), a not-for-profit association dedicated to advancing global supply chain integrity.

With retailers facing audit fatigue, duplicated factory visits, and escalating costs, SCAN turned to BSI. Supported by BSI's programme management, the initiative has grown to 62 organizations with more than $1.8 trillion in annual sales. BSI has coordinated more than 38,000 audits across 93 countries, enabling a shared model that reduces duplication, enhances transparency, and strengthens the integrity of data across the value chain.

The results are substantial. In 2025, SCAN members avoided over 10,750 duplicative audits, saving an estimated $15.6 million and reducing environmental impact by a collective total of 720 metric tonnes of CO_2. BSI's Supply Chain team also managed the remediation of 54,000 security deficiencies.

By reducing burden, improving efficiency, and embedding integrity at the centre of shared audit practices, BSI is enabling organizations to operate more responsibly and reinvest in building stronger, more transparent, and more resilient global supply chains.

Environmental, Health & Safety

During 2025, the EHS team intensified efforts to build the key account programme and forged strong collaborations across the BSI Group, enabling entry into new markets and sectors. New approaches to optimizing customized training have transformed how we operate and positioned us for a strong trajectory of growth. Our business also adapted to shifting market conditions, with notable growth in the biopharma sector as clients increased domestic production. Data centre construction activity continued to rise, driving increased demand for construction safety support across the US.

Supply Chain & Sustainability

In Supply Chain, we launched our MESH (Mapping, Evaluation, Strategy, Harmonization) proposition – BSI's new, intelligence-led supply chain resilience methodology. MESH brings our world-class consulting, rigorous auditing, and cutting-edge technology together into a unified programme and we saw immediate, strong market uptake particularly across manufacturing, pharmaceutical and retail.

MESH is already delivering tangible impact: helping clients pinpoint areas of misalignment and exposure, strengthen cross-functional collaboration, and build the end-to-end visibility needed to make smarter, risk-based decisions.

Through the Supplier Compliance Audit Network (SCAN) we are also supporting organizations in carrying out high quality auditing of their supply chains with greater efficiency. You can read more about SCAN in the 'Helping build trustworthy supply chains' feature.

Work in Sustainability spans environment, social, and governance (ESG) reporting, carbon reduction and climate impact and sustainable supply chain. It also includes services to manage the impact of products during their use and end-of-life. The Sustainability team collaborates across the entire BSI enterprise to provide the best solutions for our clients. To reduce and mitigate negative impact on the environment and society.

During the year, the team also helped its clients leverage emerging technology to address the forthcoming Extended Producer Responsibility (EPR) and revised climate disclosure requirements for their US operations.

Across CS, BSI's Connect platform underpins many of our solutions and provides our clients with valuable insights at their fingertips. Connect supports consistent global delivery while maintaining the flexibility needed to meet local market requirements, enabling teams to bring new insights into decision-making in order to be more agile and responsive to market demands. By improving the reuse of data, content, and intelligence, Connect will strengthen long-term client relationships and extend value beyond individual engagements.

Looking ahead

In 2026, we anticipate increased demand from clients for digitally-enabled solutions that combine real-time insights with subject matter expertise to help clients drive lasting change and navigate a complex regulatory environment, and we believe we are well placed to meet these needs.

We are seeing renewed growth in EHS and continued robust demand in SCS, as clients navigate the complex, changing regulatory environment in countries, provinces and states and meet the increasing demands of consumers on social responsibility. Through the MESH proposition, we will continue to support clients on reducing the risks in their supply chains.

Director-General, Standards review – Scott Steedman

Serving the public interest in a rapidly changing world

What we do

As the UK's National Standards Body (NSB), we support industry, government and regulators with policy advice, influence, selection and use of standards in the national interest.

We welcomed the publication by the government in January 2025 of its updated policy statement on the role of standards. The Public Policy Interest in Standardization underlines the essential role that standards have in supporting government aims and economic growth, through promoting international development, science, innovation, environmental protection and sustainability, underpinning product safety, fair trading and consumer interests, better regulation, public procurement and national security.

Director-General, Standards review continued

Our work reaches across all government departments, the devolved nations and all sectors of the economy. We manage the UK's interests, both domestically and globally, in the development, maintenance and dissemination of industry standards including British Standards, European regional standards, the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) standards. We also develop agile, fast track Publicly Available Specifications (PAS), Flex and Pathway standards, often with partners, to support new and emerging technologies and to address urgent issues. Our Memorandum of Understanding with the UK Government recognizes our role and sets out the terms by which we operate.

In 2025, we focused on ensuring that standards continue to serve the public interest in a rapidly changing environment. We helped government translate policy ambition into credible frameworks, strengthened the UK's influence in international standards bodies, and demonstrated leadership in areas where trust, safety, and societal impact are under increasing pressure.

Working with government and policymakers as a trusted partner

Throughout 2025, we continued to work closely with government, advising on how to balance policy ambition with operational reality. We engaged with ministers and officials at all levels of government and we improved and widened our relationships with the devolved administrations to highlight to them the relevance of standards to achieve their goals. Among our many touchpoints with government, we responded to the Industrial Strategy White Paper and Construction Products Green Paper. Throughout our engagement with government, we highlighted the UK's influence in international and regional standardization and the importance of engaging with consortia and other standards bodies to generate opportunities for growth. Together with our partners in the National Quality Infrastructure (NQI), the UK Accreditation Body (UKAS) and the National Physical Laboratory (NPL), and assisted by the Office for Product Safety and Standards (OPSS), we convened a special meeting in April of senior civil servants to focus on the potential of standards, metrology and accreditation and the wider quality infrastructure to help government departments to achieve more of their policy goals.

Our activity linked to the Cunliffe Review of the water sector is a good example of our work as a trusted partner with government. While much of this work remains in progress, it illustrates how BSI is increasingly invited into early-stage policy conversations, where we help government explore how recommendations might be implemented in practice through standards and assurance frameworks. This approach was also evident in our leadership on standards and assurance to support the responsible use of Artificial Intelligence (AI) in business.

Through close collaboration with Innovate UK, the Department of Science Innovation and Technology (DSIT), regulators, and policymakers, we worked to embed standards into the UK's national AI innovation ecosystem, ensuring that trust, transparency, and governance were considered alongside growth and competitiveness. At the European and international level, we played a leading role in aligning emerging standards with regulatory trajectories, including work on harmonized quality management standards linked to the EU AI Act. This quiet alignment work helps industry move with confidence, reduces regulatory friction, and reinforces BSI's role as a trusted intermediary between policy and practice.

Our continued partnership with Innovate UK also saw us run our third, and largest ever, Innovation Summit in October, where we convened some 250 attendees, predominantly representatives of innovative small- and medium-sized businesses, at the Science Museum in London to focus on the ISO 56001 (Innovation management system) framework and discuss the potential of standards to deliver tangible benefits for businesses. Our leadership and influence in this area attracted a diverse and international audience.

Ensuring consumer voices shape the standards system

In 2025, we strengthened the role of consumers within standardization, ensuring that standards development continues to reflect the needs, rights, and lived experience of those most affected.

We hosted the ISO Committee on Consumer Policy (COPOLCO) Annual Plenary in London in May, which we linked to a dedicated consumer focus at the BSI Standards Conference during the same week. This enabled us to bring together consumer organizations, NSBs, policymakers, and international partners to consider how consumer interests are embedded throughout global standards programmes. The COPOLCO plenary demonstrated the value of inclusive standardization, with strong attendance from consumer bodies and international stakeholders, and active participation from organizations such as Which?, the Royal National Institute for Deaf People (RNID), the Chartered Trading Standards Institute (CTSI), and the United Nations Industrial Development Organization (UNIDO). Discussions focused on how consumer perspectives influence priority areas of work, including product safety, accessibility, and emerging technologies. Consumer impact was also a central theme of the BSI Standards Conference, particularly in relation to AI and digital technologies, and participants explored how standards can help ensure transparency, safety, and fairness for end users as innovation accelerates.

BSI's focus in COPOLCO has had a tangible influence on work programmes, including consumer-driven priorities such as button battery safety, and has helped reinforce the importance of the NQI and robust market governance in consumer protection.

Director-General, Standards review continued

We have made special efforts to support training and engagement for the next generation of consumer representatives and, by sharing good practice with fellow NSBs, we further helped strengthen long-term consumer participation in the international standards system.

International influence

We saw further growth in BSI's work to represent UK interests and provide a platform for UK experts to participate on the international and European stage, and in special standards initiatives such as the AI Summit in Korea in December, further enhancing the UK's reputation as a thought-leader in standards at home and abroad.

Partnering with the Organization for Economic Co-operation and Development (OECD), BSI played a central role in the development and launch of OECD's landmark report "Reinforcing Regulatory Frameworks through Standards, Measurements and Assurance", which was produced in collaboration with PTB (Germany's metrology body) and BIPM (the international metrology organization). The report highlights the critical role of quality infrastructure (QI) bodies in every country to strengthen market governance, accelerate trade, and tackle the major policy challenges we face today, such as the green and digital transitions. The OECD report provides clear recommendations for governments and QI bodies such as BSI to take a systems thinking approach to optimize the use of the QI in unlocking market potential, delivering economic benefits, easier market access, and consistent consumer trust.

BSI seconded an individual from the Standards Policy team to OECD's Regulatory Policy Division, thereby embedding standards expertise at the heart of the authoring process to deliver practical recommendations. Leveraging both OECD's convening power and BSI's global networks, the report reflects real-world challenges and opportunities across the QI ecosystem. It has since been cited by the United Nations Framework Convention on Climate Change (UNFCCC) and the World Bank, and has raised the global profile of QI, cementing its importance in delivering positive regulatory outcomes. We are proud that this work has helped to underscore UK thought-leadership and BSI's influence in shaping global dialogue on the importance of the QI.

We are supporting the OECD to operationalize the recommendations from the report.

We have supported a wide range of other international activity, including:

- bilateral agreements with fellow NSBs to support trade and standards cooperation;
- delivery of programmes through the Commonwealth Standards Network (CSN); and
- leadership and participation in ISO and IEC committees across AI, privacy, quantum, and sustainability.

These activities ensure that UK expertise continues to shape global standards while supporting practical adoption on the ground.

Embedding sustainability in standards development

The programme of work to implement the London Declaration, which we have run since it was signed during the ISO General Assembly in London in 2021, made excellent progress in 2025.

The commitments under the London Declaration have been translated into action through amendments to all ISO Management System Standards (MSS). See the feature titled 'Driving action to address climate change' for more information on the impact assessment carried out in 2025.

The revised standards, with sustainability considerations built in, are already helping organizations to move from awareness to action, and from intention to implementation. This is a great example of how standards can provide practical business information for organizations, in this case providing the clarity, trust, and structure needed to navigate climate challenges.

Driving action to address climate change

Tackling climate change requires coordinated, global action. The London Declaration, proposed by BSI and approved by ISO, is an international commitment to embed climate considerations into all standards. It also commits to engaging civil society, and those most vulnerable to climate impacts, in the standards development process. This commitment has been translated into action through amendments to all ISO Management System Standards (MSS).

Our 2025 impact assessment showed that among UK organizations that had not previously considered climate change, 90% have now done so or plan to do so because of the London Declaration. We estimate that the London Declaration could prompt approximately 12,500 UK organizations certified to ISO 9001 to consider climate change within their quality management systems. UK organizations taking action as a result of the amendments are already seeing meaningful benefits: 81% report that the changes have helped them embed climate change as a key strategic priority, 79% say the changes have improved organizational resilience and 60% report a positive impact on reputation.

Together, the London Declaration and the MSS amendments are demonstrating how standards can drive real progress towards a sustainable world.

Director-General, Standards review continued

Shaping the future of standardization itself

2025 was a milestone in the international cooperation to create a new, digital basis for all international standards through ISO and IEC. These are known in the international community as Standards that are Machine Applicable, Readable, and Transferrable (SMART), and they will be transformational for companies, Testing, Inspection and Certification (TIC) bodies and regulators. By adding metadata to the original standards content, SMART will provide an enriched experience for users, simplifying their implementation and ultimately enabling dynamic updates in real time, based on user experience. 2025 was the first year of the international Joint Steering Committee (JSC) for SMART which is tasked with overseeing a new Single Delivery Unit for all the national members of ISO and the IEC. I was privileged to be the first Chair of the JSC as we stood up new international advisory groups for content creation, content management and content use, and launched member communications to build confidence in our 'no country left behind' commitment to include all countries in the digital transformation. We are working on the use of AI tools to fragment standards into their component parts, which will then be validated by the relevant technical committees, and building 'SMART from the Start' standards using our online standards development tools.

With the standards information model agreed and the first release of a standard ontology for SMART, we are ready to pivot into a more dynamic, digitally enabled, and responsive mode reflecting the fast-changing world around us. Our influence and leadership in global digital governance for standards extended further during 2025 into areas such as privacy by design and quantum technologies, where UK experts led international committees, secured key secretariats, and helped shape global frameworks in fields that will define the next decade.

Our standards makers

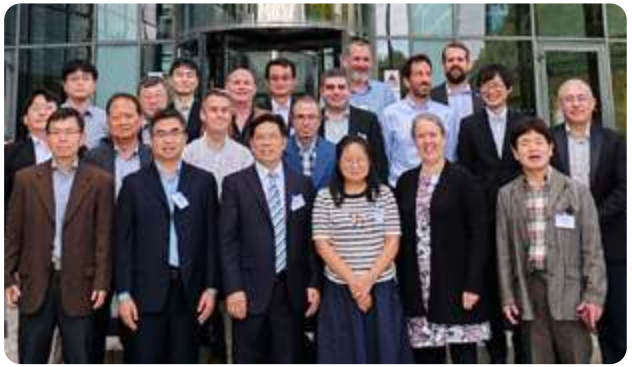
We continue to manage over 1,500 technical committees and sub-committees in BSI for our stakeholders and work with over 12,500 experts who volunteer to participate in standards development, underpinning the UK economy and supporting the public interest. During 2025, the number of standards being worked on in BSI at any time was around 7,000 and I recognize that for many committees this required a lot of input. I am very grateful to all our committee members and the committee chairs who worked tirelessly to keep their standards up to date. We are keen to increase our numbers, and I would encourage anyone interested in the work of our committees from business, academia, the regulator community and civil society to get in touch. Delivery of our obligations as the UK NSB is core to our purpose in BSI and we couldn't do what we do without you.

Looking ahead

The year ahead will test the standards system as never before. Rapid technological change, geopolitical uncertainty and the accelerating pace of the green and digital transitions are reshaping the context in which standards must operate. In this environment, the value of standards as trusted, internationally recognised tools for confidence, safety and market access will only grow.

Our challenge is not simply to keep pace, but to lead: to ensure standards are timely, inclusive and digitally enabled, to strengthen the UK's voice in shaping global frameworks, and to continue translating policy ambition into practical, usable solutions for business, regulators and consumers. By working in partnership across government, industry and international networks, and by supporting those who give their expertise to the standards system, we are well placed to meet these challenges and to ensure that standards continue to serve the public interest in a rapidly changing world

Scott Steedman CBE
Director-General, Standards



Financial review – Paul Quested

I am proud to be writing my first report as Chief Financial Officer of BSI as we enter our 125th anniversary, a major milestone in the Group's history.

In 2025, we delivered a robust and resilient trading performance alongside improved balance sheet management where cash and deposits increased £44.8m, all against a backdrop of continued geopolitical and economic uncertainty alongside changing regulatory environments. This enabled continued investment in both our purpose and strategic change.

This resilience was evidenced by Underlying operating profit improving 5% to £60.7m in 2025 with effective cost control following the standardization, simplification and automation of processes in recent years and lower Change & Transformation investment offsetting various headwinds covered later in this report. Operating profit increased 47% to £56.6m due to lower exceptional costs compared to 2024.

2025 financial performance

	2025 £m	2024 £m	Change £m	Change %
Revenue	**748.9**	757.4	(8.5)	(1)
Underlying operating profit	**60.7**	58.0	2.7	5
Exceptional items	**(4.1)**	(19.6)	15.5	79
Operating profit	**56.6**	38.4	18.2	47
Net finance income	**5.3**	5.1	0.2	4
Profit before tax	**61.9**	43.5	18.4	42
Income tax expense	**(18.9)**	(22.8)	3.9	17
Profit for the year	**43.0**	20.7	22.3	108
Effective tax rate	**31%**	52%	21ppts	
Net assets	**407.9**	369.2	38.7	10
Cash and deposits	**270.2**	225.4	44.8	20

The above table sets out the Group's 2025 financial headlines and the year-on-year movements at reported exchange rates.

Financial review continued

Revenue from our business Divisions

	2025 Revenue £m	**% of Group Revenue %**	2024 Revenue £m	% of Group Revenue %	Change £m	Change %	Constant Currency Change %
Knowledge Solutions	**85.6**	**12**	83.5	11	2.1	3	3
Assurance Services	**313.9**	**42**	309.6	41	4.3	1	3
Regulatory Services	**287.4**	**38**	291.2	38	(3.8)	(1)	0
Consulting Services	**62.0**	**8**	73.1	10	(11.1)	(15)	(13)
Revenue	**748.9**	**100**	757.4	100	(8.5)	(1)	1

At reported exchange rates, Group Revenue performance was challenging compared to prior year, softening by 1% including the impact of unfavourable currency movements.

On a constant currency basis, Group Revenue marginally increased with steady growth delivered by Knowledge Solutions (KS) and Assurance Services (AS) offset by economic headwinds affecting our Consulting Services (CS) Division alongside the disposal of its Digital Trust Consulting business (DTC) part way through the year and the benefit from the Medical Device Regulation (MDR) transition subsiding within Regulatory Services (RS). All Divisional commentary is on a constant currency basis.

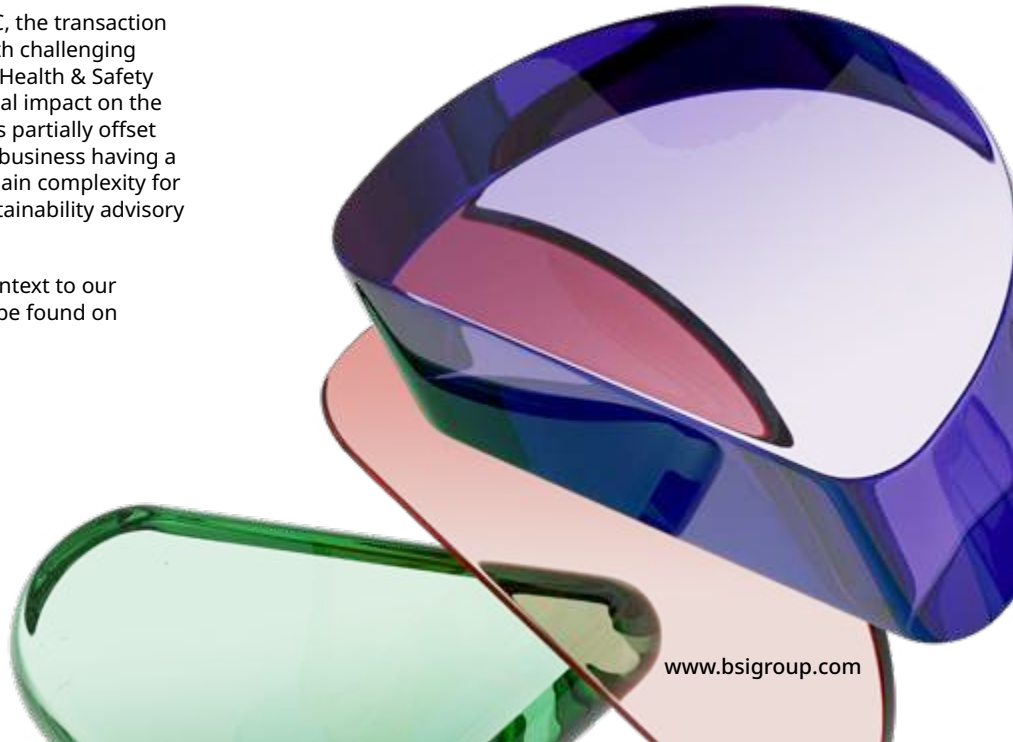
Continued demand for standards subscription services and success in securing direct multi-year subscription deals enabled KS to deliver 3% growth.

AS achieved 3% growth, delivering volume and rate improvements in System Certification and Internal & Supplier Audit, offset by challenging market conditions experienced by our Training business.

RS was flat year-on-year reflecting reduced dedicated review volumes in Medical Devices as we move past the peak MDR transition period, a reduction we had expected and incorporated into our 2025 financial plans. This was offset by artificial intelligence (AI) related services delivering strong growth, albeit from a relatively small base, despite ongoing European regulatory delays.

Following the strategic decision to sell DTC, the transaction completed in October 2025. Combined with challenging market conditions for our Environmental, Health & Safety (EHS) business in the US, this had a material impact on the top-line performance in CS. Whilst this was partially offset by the Supply Chain & Sustainability (SCS) business having a strong year driven by increasing supply chain complexity for multi-national clients and demand for sustainability advisory services, CS overall declined 13%.

Our Division reviews provide additional context to our reported Divisional performance and can be found on pages 18 to 28.



Financial review continued

Underlying Operating Profit summary

	2025			2024			Variance			
	Reported £m	**Change & Transformation Investment £m**	**Reported before Change & Transformation £m**	Reported £m	Change & Transformation Investment £m	Reported before Change & Transformation £m	Reported £m	%	Reported before Change & Transformation £m	%
Revenue	**748.9**	**–**	**748.9**	757.4	–	757.4	(8.5)	(1)	(8.5)	(1)
Gross profit	**380.7**	**(1.8)**	**382.5**	387.7	(5.0)	392.7	(7.0)	(2)	(10.2)	(3)
Gross profit margin	**50.8%**		**51.1%**	51.2%		51.8%				
Other income	**1.1**	**–**	**1.1**	–	–	–	1.1	100	1.1	100
Selling & distribution	**(91.4)**	**(2.0)**	**(89.4)**	(96.1)	(4.7)	(91.4)	4.7	5	2.0	2
Administration	**(229.7)**	**(15.6)**	**(214.1)**	(233.6)	(34.6)	(199.0)	3.9	2	(15.1)	(8)
Expenses	**(321.1)**	**(17.6)**	**(303.5)**	(329.7)	(39.3)	(290.4)	8.6	3	(13.1)	(5)
Underlying operating profit	**60.7**	**(19.4)**	**80.1**	58.0	(44.3)	102.3	2.7	5	(22.2)	(22)
Underlying operating profit margin	**8.1%**		**10.7%**	7.7%		13.5%				
Exceptional items	**(4.1)**	**–**	**(4.1)**	(19.6)	–	(19.6)	15.5	79	15.5	79
Operating profit	**56.6**	**(19.4)**	**76.0**	38.4	(44.3)	82.7	18.2	47	(6.7)	(8)
Operating profit margin	**7.6%**		**10.1%**	5.1%		10.9%				

The Group again delivered growth in Underlying operating profit, reporting £60.7m, an increase of £2.7m and 5% from 2024, with effective cost management including the continued standardization and simplification of our processes alongside lower transformation spend offsetting headwinds covered in the Divisional performance section, and adverse foreign exchange movements.

In 2025, we invested £19.4m in our Change & Transformation investment (highlighted in the table above), completing several multi-year projects including our customer relationship management (CRM) optimization programmes and evolution of our central functions with improvement in both our internal People function systems and our Finance operations.

Importantly, these programmes provide the foundation for the next phase of our longer-term data and technology vision, which will be delivered through a multi-year enterprise resource planning (ERP) programme, approved by the Board in September 2025. At its core, the ERP programme will facilitate further simplification, standardization and automation of our global processes.

Reported Gross profit fell by £7.0m and 2% resulting from lower reported Revenue and a 40 basis points erosion of Gross profit margins (70 basis points excluding Change & Transformation), reflecting challenging market conditions discussed earlier including the negative mix impact associated with lower RS volumes, investment in AI related services and changes in local payroll taxes. On a constant currency basis, Gross profit remained broadly flat year-on-year.

Other income increased £1.1m compared to prior year reflecting the recognition of a Research and Development (R&D) Expenditure credit arising from qualifying R&D activities for the three years ending 31 December 2025.

Excluding Change & Transformation investment, expenses rose by 5% in 2025. Administration expenses increased by 8%, primarily representing wage inflation including higher local payroll taxes, planned investment in our technology function capability and capacity, and dual running property costs as we relocated our headquarters to Covent Garden, the latter accounting for £2.4m of the increase. Effective cost efficiency initiatives delivered a £2.0m (2%) saving in selling and distribution expenses, representing another year-on-year reduction as a percentage of Revenue, from 12.1% in 2024 to 11.9% in 2025.

The reduced Gross profit combined with increased expenses resulted in a reduction of Underlying operating profit before Change & Transformation to £80.1m (2024: £102.3m) which was in line with our expectations for the financial year.

Financial review continued

Exceptional items

The DTC business was sold in October 2025 with the transaction completing in two phases, the second of which, the disposal of the DTC Japan trade and assets, taking place post the reporting date on 31 January 2026. A loss on disposal of £4.1m has been recognized in 2025, with the final position subject to completion accounts which will be finalized no later than 31 March 2026. The disposal does not meet the definition of a discontinued operation under IFRS 5 and as such, the results of DTC remain within continuing operations. More detail is provided in Notes 24 and 27 of the Consolidated Financial Statements.

In 2024, an exceptional impairment charge of £19.6m was recognized relating to the goodwill attributed to the DTC and EH3S (EHS and SCS) cash generating units.

Exchange rates

The international nature of our business means our reported results remain sensitive to movements in global exchange rates, most notably in our major trading currencies of Euro and US Dollar. In 2025, in response to heightened foreign exchange market volatility, particularly during the first half of the year, the Group strengthened its foreign currency risk mitigation strategy, taking actions that included broadening the range of currencies hedged and extending hedge durations.

The Group's hedging strategy continues to target 80% mitigation of foreign exchange risk exposure. Note 4 to the Consolidated Financial Statements sets out the sensitivity of Operating profit to movements in major currencies.

Balance sheet and cash flow

Total cash and deposits increased by £44.8m, a 20% year-on-year increase from £225.4m to £270.2m, primarily from net cash generated from operations of £68.2m.

Working capital management strengthened markedly, supported through targeted actions to reduce debtor days. These benefits were utilized in part to purchase fixed and intangible assets (£13.9m) and fund the principal element of lease obligations (£8.9m). The Group's net assets increased by £38.7m (10%) during the year, comprising the retained profit of £43.0m and net pension plan remeasurements of £0.4m, partially offset by currency translation differences (£4.7m).

Treasury

Group Treasury's mandate is to safeguard the Group's cash reserves while ensuring liquidity and delivering appropriate returns. Despite a 100 basis points reduction in the Bank of England Base Rate during the year, the Group increased income generated on deposits by £2.4m to £9.0m, through higher cash reserves, greater pooling and investment of Group cash and diversifying the nature of our investments to attract higher rates of interest.

During 2025, we enhanced our treasury capability by onboarding additional products and banking platforms to strengthen cash operations and hedging controls. We also diversified our investment portfolio into selected money market funds and medium-term instruments with counterparties predominantly rated AAA.

We also consolidated management of our foreign exchange hedging programme into dedicated system platforms to enhance control and oversight, and further improved market access to hedging products. Despite the volatility in foreign exchange markets during the year, the Group reduced its charges by £1.2m year-on-year through careful management across all currencies and taking a conservative approach to hedging outstanding exposures.

Taxation

The Group effective tax rate (ETR) on Profit before income tax was 31%, a reduction of 21% compared to 2024. This is after the inclusion of irregular items such as irrecoverable withholding tax of £3.8m and reduced provision for uncertain tax positions of £2.7m. We have also made the decision not to recognize £1.0m of deferred tax assets related to losses and other temporary differences. We consider the ETR on profit before irregular items of 26% to be a better indicator of the underlying tax rate for the Group.

Pensions

I am pleased to report that on 29 January 2026, the trustee of the BSI Retirement Benefits Plan (Plan) purchased a policy to insure all members' Plan benefits (buy-in), securing long-term benefits for members.

At the same time, BSI and the trustee entered into a facility agreement to fund the Plan for a maximum of £7.0m. An initial drawdown of £5.9m was made on 29 January 2026 to facilitate payment of the buy-in premium and future expenses.

Work is underway to complete the triennial actuarial valuation of the Plan as at 31 March 2025, the purpose of which is to determine the funding position and agree deficit remediation with the trustee, should it be necessary. This valuation will be formally signed by the trustee and the Group on or before 30 June 2026. The valuation indicates a technical provisions surplus, demonstrating a significant improvement on the £20.0m deficit position as valued at 31 March 2022. The improvement is driven by deficit remediation contributions paid into the Plan, positive performance of Plan assets, and other underlying assumptions such as long-term membership profile over the three-year period, partly offset by higher inflation. Based on this indicative position, and funding arrangements established as part of the buy-in described above, we do not expect the valuation to result in material deficit contributions.

Financial review continued

Following the previous valuation as at 31 March 2022, a funding plan was determined. The funding position subsequently improved and it was agreed with the trustee that the remaining deficit remediation per the funding plan be paid into an account governed by an escrow agreement. The contributions held in this account are to either be paid into the Plan or returned to the Group, dependent on the 31 March 2025 actuarial valuation. Given the indicative actuarial surplus, and as part of the buy-in process, the trustee agreed to release the escrow funds which were returned to the Group on 29 January 2026.

The balance on this account as at 31 December 2025 is £7.8m and the Group recognizes this balance as restricted cash within current assets in line with IAS 7.

The pension buy-in is a non-adjusting post-balance sheet event with further information included in Note 27 of the Consolidated Financial Statements.

As at 31 December 2025, the IAS 19 accounting valuation of the Plan was a net pension surplus of £7.2m (2024: £6.0m). Consistent with prior year, this surplus is not recognized as a net pension asset. For further information see Note 14b.i of the Consolidated Financial Statements.

Control environment

As our business evolves and the risk landscape changes, we continue to adapt and strengthen our approach to financial controls. In 2025, we built on our existing framework by enhancing our financial control environment, embedding consistent control standards across the Group, and developing skills and capabilities across the Finance function. We continue to embed a culture of accountability for financial controls, supported by targeted training and communication.

During the year, we advanced our key control framework and completed the validation of our material key controls, aligned with changes to the UK Corporate Governance Code. This ensures that attention remains focused on the controls underpinning our most significant risks. We also enhanced our assurance activities and improved visibility of control performance across the Group.

Accounting policies

The Group's principal accounting policies are set out in the notes to the Consolidated Financial Statements and are applied consistently year-on-year.

Looking forward to 2026

In an ever-changing world, we continue to evolve with our purpose at the heart of everything we do. We remain focused on meeting the needs of our clients and stakeholders by developing new solutions and services, leveraging digital capabilities and delivering in the most efficient and effective way.

We have exciting strategic multi-year investment programmes in place for 2026 and beyond, including an ERP process and system upgrade and new SMART delivery system, as such we expect Change & Transformation investment to return to 2024 levels in the near term.

Combined, these initiatives will enable further ongoing investment in our purpose, which we are confident will make a positive impact on society, building the BSI legacy for years to come.

Paul Quested
Chief Financial Officer

Working at BSI – Alison Sharp

Building the foundations

2025 was a year of significant delivery for BSI. We maintained strong operational performance, advanced our change and transformation agenda, and supported our clients and stakeholders in delivering their own impacts. All of this work was only made possible by the expertise, commitment and dedication of our colleagues around the world.

In recognition of these achievements, we were proud to receive three awards across 2025 – BSI was included in the Financial Times' list of Top UK Employers, Glassdoor named us as an Engaged Employer, and we received a Champion of Diversity and Inclusion award by Women in AI.

Our delivery during the year was underpinned by three key areas: enabling organizational performance to maximize impact; developing our colleagues and leaders; and improving colleague experience and inclusion.

Working at BSI continued

Enabling organizational performance to maximize impact

In 2025, we made significant progress in simplifying our operating model to support consistent, strong delivery to our clients. We created more efficient leadership structures with broader spans of control and strengthened capacity in operational and delivery-focused roles. These changes support faster decision-making and clearer accountability across the business.

Our change and transformation work delivered significant operational improvements for our managers and colleagues as we continued to digitalize our processes including increasing intuitive self-service solutions. We have also enhanced our performance management process, making it more focused and effective. Additionally, our newly formed global People Relations team has driven greater consistency in how we address employee matters across the business.

Developing our colleagues and leaders

At BSI, we believe that empowering our people is fundamental to delivering excellence for our clients and driving sustainable growth. Our People Development strategy focuses on enabling colleagues to take ownership of their careers through personalized development plans, leadership programmes, and access to a wide range of learning resources. We provide development tools and opportunities which support every stage of a colleague's journey, from mentoring and coaching to targeted capability-building.

In 2025, we strengthened our global learning programme, introduced innovative team development resources and expanded our internal coaching capability. We made progress in developing our leadership population and supporting their career growth with the launch of a new Leadership Framework 360 tool. Engagement in our Careers Week reached record levels, reflecting our commitment to creating a culture of continuous learning and career mobility.

Improving colleague experience and inclusion

Creating an inclusive, supportive environment where colleagues can do their best work drives both engagement and performance. Our Group-wide 2025 engagement survey achieved an impressive 81% participation rate, and an overall engagement score of 64%. Our colleagues expressed a deep commitment to BSI's purpose, a feeling of pride to work for BSI and empowerment to make a positive impact. They also reported a strong sense of feeling part of a team and having the support of their managers. The overall engagement score represented a slight decrease from the previous year, which is broadly consistent with organizations of a similar size and geographic footprint to BSI. However, the engagement survey has provided great insight into those areas that matter most to our people, to shape our 2026 agenda.

Our approach to equality, diversity, and inclusion further matured in 2025. Our three Employee Resource Groups (ERGs) – the LGBT+ ERG, the Black Alliance and Networking Community and the Women's Network – continued to provide great support to the communities they serve and in 2025 were particularly focused on their global reach. As part of our work to promote greater understanding of neurodiversity, we introduced the Rethink Care service to provide education and support to all our colleagues in both their work and family lives.

Global colleagues

6,142

as at 31 Dec 2025

Women in senior leadership

43%

as at 31 Dec 2025

Gender pay gap

11.2%

2025 mean pay gap

Health & Safety

0.1

2025 total recordable incident rate

Engagement survey

81%

2025 participation rate

Engagement survey

64%

2025 engagement score

Working at BSI continued

In 2025, our first global Wellbeing survey was launched and provided great insight from across the organization. As a result, we have expanded our colleague mental health programme, produced new digital content supporting age, family, and men's health and invited specialist speakers to discuss a broad range of current issues and topics relating to Inclusion and Wellbeing.

In April 2025, we published our gender pay gap for 2024. I am very pleased to report our lowest pay gap since we started publishing this information, with BSI's mean gender pay gap falling by 2.6% to 11.2% and its median pay gap falling by 1.7% to 13.5%. There is more progress to make in this area, and we are actively taking steps to attract, retain and nurture more diverse talent. It is pleasing to report that, as at 31 December 2025, BSI had 185 women in senior leadership roles. This represents 43% of all senior leadership roles, an increase of 2% from the prior year. We look forward to publishing the gender pay gap report for 2025 on our website over the next few months.

During 2025, we invested further in our intranet and digital tools to improve and simplify the colleague experience. We have invested in making our intranet site relevant and easy to navigate. The development and launch of the accessibility portal supported all colleagues and leaders to navigate digital tools.

Looking ahead

As we look to the remainder of 2026, we will continue working hard to ensure the skills of all of our colleagues and the support they receive remain aligned with the delivery of our strategic ambitions. We will seek to further improve the quality of our employee data, enabling us to gain greater insight and provide further support to our colleagues. And key priorities will be to develop our own talent and to continue to attract the best and most diverse global talent to BSI.

Our combined achievements in 2025 have established a strong foundation for continued organizational transformation. And our colleagues are a vital part of this journey.

Alison Sharp
Chief People Officer

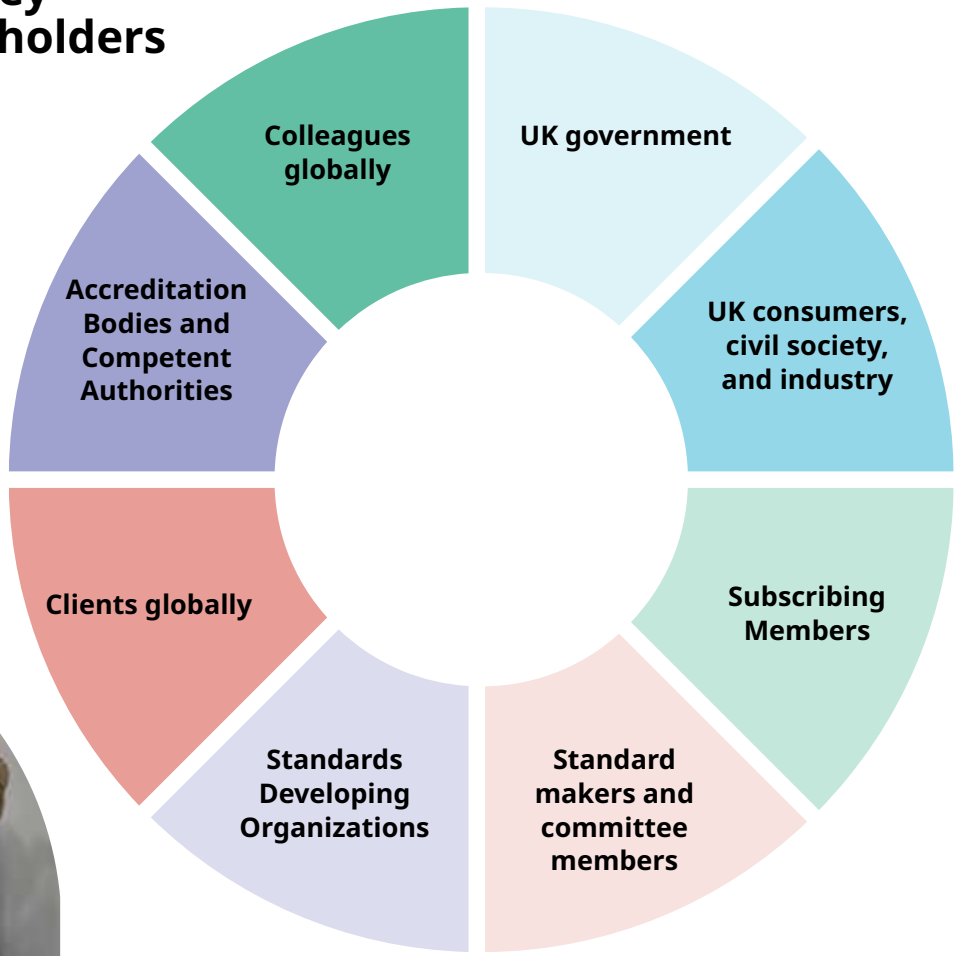
Our combined achievements in 2025 have established a strong foundation for continued organizational transformation. And our colleagues are a vital part of this journey."

Stakeholder engagement

To deliver on its purpose of 'impact for a fair society and sustainable world' it is vital that BSI maintains strong relationships with all of its stakeholders. This report describes how BSI engages with each of its key stakeholder groups, and highlights key outcomes from this engagement in 2025.

Details of how the Board has considered the interests of BSI's key stakeholder groups in the major decisions its has taken in 2025 are set out in the Board activities report on page 90.

Our key stakeholders



Stakeholder engagement continued

UK government

Why we engage:
To fulfil BSI's role as the UK National Standards Body (NSB), in line with its Royal Charter, Byelaws, Memorandum of Understanding (MoU), and the Public Policy Interest in Standardization (PPS).

We engage across government departments, the devolved nations and all sectors of the economy to manage the UK's interests, both domestically and globally, in the development, maintenance and dissemination of industry standards.

How we engage:
Regular meetings take place between senior BSI leaders and government officials, with central coordination by BSI's Government Engagement team. We also participate in All-Party Parliamentary Groups, respond to consultations and provide evidence to parliamentary committees.

Engagement outcomes:
In 2025, BSI has provided support to government departments in key strategic and policy areas, including the Modern Industrial Strategy, the Defence Sector Plan, UK Trade Strategy and the Digital Standards Strategy.

Through our close collaboration with Innovate UK (the UK's national innovation agency), the Department of Science Innovation and Technology (DSIT), regulators, and policymakers, we worked to embed standards into the UK's national AI innovation ecosystem, ensuring that trust, transparency, and governance are key considerations alongside growth and competitiveness.

UK consumers, civil society, and industry

Why we engage:
To promote an effective UK standardization policy and support the realization of socio-economic benefits.

We work to strengthen the role of consumers within standardization, ensuring that standards development continues to reflect the needs, rights, and lived experience of those most affected.

How we engage:
We work across UK industry and society, supporting organizations, workers and consumers, and there is broad representation from these groups on standards committees.

BSI engages with consumer and industry groups like the Confederation of British Industry (CBI), Chartered Trading Standards Institute (CTSI), and the Consumer & Public Interest Network (CPIN) to promote business interests and influence policy.

Engagement outcomes:
In May 2025, BSI hosted the annual meeting of ISO's Consumer Policy Development Committee (COPOLCO). Further information on this important event and its outcomes can be found in the Director-General, Standards review on page 29.

In 2025, BSI further enhanced its offering to micro-enterprises to enable access to the entire catalogue of standards at a low price. A survey of users of the service found that 75% of them had seen their productivity improve, and 60% of them were more competitive thanks to access to the catalogue.

Through our partnership with Innovate UK, BSI ran its largest ever Innovation Summit in October at the Science Museum in London to focus on the ISO 56001 (Innovation management system) framework and discuss the potential of standards to deliver tangible benefits for businesses.

Stakeholder engagement continued

Subscribing Members

Why we engage:
We have more than 11,000 Subscribing Members across all sectors and organization sizes. We fulfil our role under BSI's Royal Charter and Bye-laws to provide these Subscribing Members with access to standards, information, events and expert guidance.

How we engage:
Our dedicated team delivers monthly newsletters, a programme of events, website content and a member portal designed to support standards users and promote standards advocacy.

Subscribing Members are invited to participate and vote at BSI's Annual General Meeting (AGM), held during the May Standards Conference. Members can attend in person or via live-streaming, and can vote on resolutions either in person or by proxy. Feedback from the AGM is collected and shared with the Board. We also gather ongoing member insights through annual surveys and through our client-facing colleagues.

Engagement outcomes:
Feedback from Subscribing Members informs the development of BSI's membership products. Our most recent Member surveys indicate that 95% of Members consider standards essential to their business, and 90% report that standards help them improve the performance, reliability and safety of their products and services.

Standards Developing Organizations

Why we engage:
To play an active role in international and European standardization and fulfil the obligations of the UK NSB as a member of the International Organization for Standardization (ISO), International Electrotechnical Commission (IEC), the European Committee for Standardization (CEN), the European Electrotechnical Committee for Standardization (CENELEC) and the European Telecommunications Standards Institute (ETSI) (together Standards Developing Organizations (SDOs)).

How we engage:
BSI has representation across SDO boards and committees, in preparing proposals for new standards, participation in steering groups, and active engagement with international bodies and national committees. The Director-General, Standards chairs key governance groups in ISO and IEC.

Engagement outcomes:
BSI extended its participation in SDOs during 2025. This included BSI colleagues securing election to roles in CENELEC, ETSI and IEC. BSI also gained the secretariat of key technical committees, including ISO/TC 354/SC 1 (Sustainability in event management).

Standard makers and committee members

Why we engage:
To serve the public interest by involving all relevant stakeholders in consensus-based standards development.

How we engage:
We actively engage with the community of over 12,600 experts who volunteer their time to support in standards development through the day-to-day work of committees, the BSI Committees platform, conferences, webinars, annual surveys and communication on specific subjects.

Engagement outcomes:
The outcomes of our work with standard makers and committee members can be seen in the ongoing publication of new and important standards.

During 2025, BSI published over 2,800 new standards and provided around 2,300 in draft for public comment. This would not have been possible without the engagement and support of our Committee members.

In addition, the Standards Conference in May 2025 brought together standards makers and committee members to discuss new initiatives in standards development.

Stakeholder engagement continued

Clients globally

Why we engage:
To serve clients globally across all sectors, helping them prepare for future challenges and deliver solutions in our core domains of Quality; Health, Safety & Wellbeing; Sustainability; and Digital Trust.

We strive to understand our clients' needs and deliver valuable solutions that drive their organizational outcomes.

How we engage:
Our business teams seek to build strong and impactful relationships in their day-to-day dealings with clients. We also have in place a Global Key Accounts (GKA) programme to provide more tailored support for our larger clients.

We monitor feedback from our clients on an ongoing basis, and also carry out an annual Voice of the Client survey to gain specific and measurable insight and drive continuous improvement.

We also engage with wider client groups through sector/industry convening, client value workshops, commercial insights, senior leader engagement and training academies,

Engagement outcomes:
In 2025, we achieved improvements in our Voice of the Client survey scores across each of the key measures of 'ease of doing business', 'highly satisfied clients' and 'clients highly likely to recommend BSI'.

We successfully deployed a number of GKA initiatives such as the expansion of BSI's Antimicrobial Resistance Manufacturing (AMR) Certification, growth of our supplier audits to identify risks and improvements and further development of our Supplier Compliance Audit Network (SCAN) programme. More information on SCAN can be found in the 'Helping build trustworthy supply chains' feature on page 28.

Accreditation Bodies (ABs) and Competent Authorities (CAs)

Why we engage:
We actively engage with our network of Accreditation Bodies (ABs) and Competent Authorities (CA) to both maintain our existing accreditations and in applying for new accreditations.

We seek to maintain strong relationships and an open dialogue with our ABs and CAs.

How we engage:
Our teams have ongoing engagement with our ABs and CAs on day-to-day business matters.

Representatives of BSI also regularly attend meetings of the advisory bodies of ABs and CAs.

Engagement outcomes:
Strategic engagement with ABs and CAs has strengthened oversight and supported effective management of programmes.

We have sought to increase operational engagement to drive consistency and address emerging scheme level challenges. A particular highlight was BSI hosting the Medical Device Single Audit Programme (MDSAP) Forum in Amsterdam, convening global regulators to share insights, support new authorities and promote broader, more consistent global adoption of MDSAP audits.

Colleagues globally

Why we engage:
We engage with our colleagues globally to support them in their roles, enhance the experience they have working for BSI and help them bring BSI's purpose to life in their everyday work.

How we engage:
Through formal and informal communication, including quarterly global briefings, monthly videos from the Chief Executive and Functional and Divisional 'town hall' meetings. All engagement is supported through the OurBSI intranet pages and we carry out an annual engagement surveys and other 'pulse' surveys to allow colleagues to provide specific feedback.

Our Employee Resource Groups (ERGs) meet regularly to support the communities they serve.

Engagement outcomes:
81% of our colleagues participated in the 2025 engagement survey and an overall engagement score of 64% was achieved. The findings from this survey and other feedback has enabled us to take steps to further elevate the experience of our colleagues globally, to enable them to bring the best of themselves to their work and drive BSI's impacts.

More information on our colleague engagement and the outcomes of this engagement can be found in the Working at BSI report on page 38.

tional sustainability

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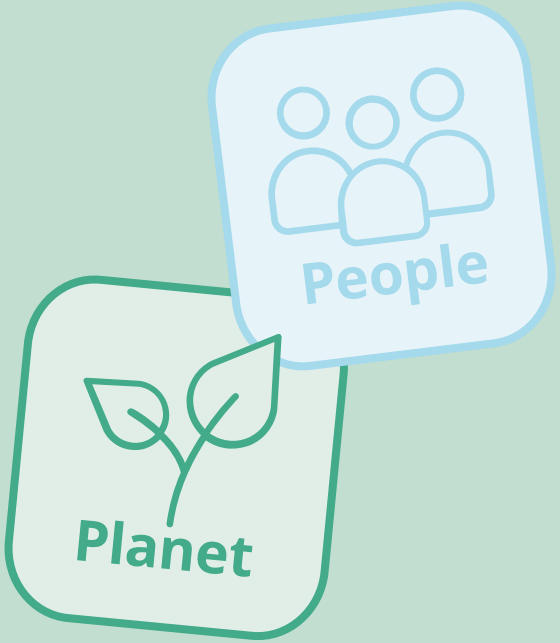
ough our operations



With our purpose at the heart of everything we do, we have a strategic ambition to be a best-in-class case study in sustainability leadership, using standards and our own commercial solutions whenever possible to reach our people and planet goals.

2025 marks the third and final implementation year of BSI's current Operational Sustainability Strategy, and over the past three years, BSI's Operational Sustainability Excellence (OSE) team have worked collaboratively with every Division and Function to clearly define our operational targets, co-create implementation plans and programmes, and deliver the support necessary to achieve our goals.

As a National Standards Body (NSB) and strategic partner to thousands of organizations around the world, it is vital we take a leading role to accelerate progress towards a fair society and a sustainable world, operating with integrity and transparency along our journey.

Our commitment to the UN Sustainability Development Goals (UNSDGs)

BSI targets and tracks our operational activity directly against KPIs linked to the following UNSDGs:

Operational sustainability continued

BSI – for people & planet

BSI's strategic goal is to become our own best-case study in sustainability leadership, using our own commercial solutions wherever possible to fulfil our purpose.

Our people priorities

- Increase sustainability knowledge and confidence at every level, allowing for collective ownership of our operational goals
- Develop proactive, philanthropic initiatives and partnerships that can measurably improve lives

Our planet priorities

- Progress towards net zero across our own operations by 2030
- Develop a circular and socially positive solution for our end-of-life materials
- Support positive outcomes for nature across our sites and local environments

Delivering BSI's purpose within our own operations is essential to our integrity as a solutions provider."

Ghinwa Chammas
Group Director of Sustainability

Why are we taking such a bold step towards net zero? Because we can. And we must."

Susan Taylor Martin,
Chief Executive, British Standards Institution

Operational sustainability continued

Progress against our sustainability ambitions in 2025

Planet

12%

total emissions reductions from 2024*

31% reduction in Scopes 1 and 2*; 11% reduction in Scope 3

98%

98% of the UK fleet comprised electric or hybrid vehicles

renewable energy procured for key UK sites

10,000

trees planted in partnership with Trees for Cities

People

purposeful hours given through Volunteer Day benefit

£485,404

donated to the causes our people care about most

780 colleagues participated in our fundraising initiative 'Steps for Change'

1,430 children and young people whose lives were improved though our NGO partnerships

75%

of line managers voluntarily trained in our sustainable operations

Disclosures

BRONZE | Top 35%
ecovadis
Sustainability Rating
FEB 2026

Our EcoVadis score is 71, and BSI ranks in the 84th percentile

Read more online

BSI has submitted our verified emissions data to the Carbon Disclosure Project since 2022

CDP Discloser 2025

We are proactive participants in the United Nations Global Compact

UN GLOBAL COMPACT
United Nations Global Compact

* market-based emissions

Operational sustainability continued

Planet

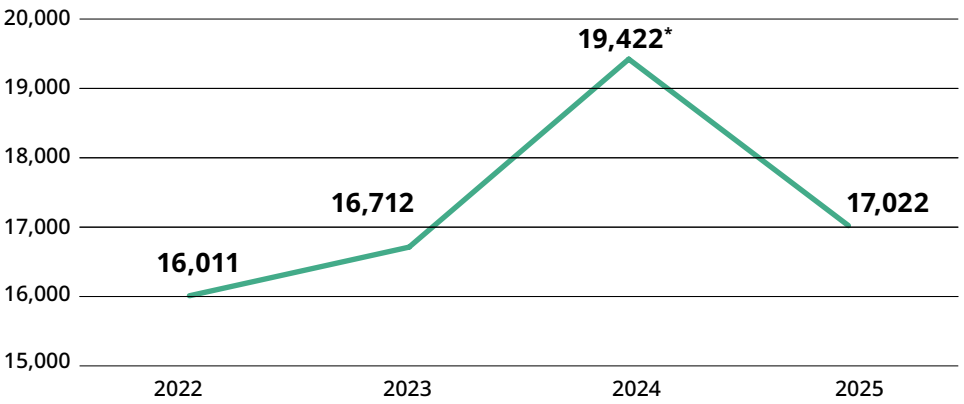
Our pathway to net zero

Environmental sustainability at BSI focuses on how we operate day-to-day. Our approach is grounded in reducing the environmental impact of our activities, enhancing the resilience and efficiency of our operations, and supporting solutions that deliver benefits for both climate and nature.

As a global services organization, our environmental footprint is shaped primarily by how we travel, how we use energy across our sites, and how we manage residual emissions.

The following section outlines how we are addressing these impacts in practice, supported by strong governance, improved data quality, and a commitment to transparency.

BSI is committed to achieving our net zero ambitions – reducing our Scope 1 and 2 emissions by 90% by 2030, alongside a 42% reduction of our Scope 3 emissions in that same timeframe. We continue to make significant progress along our pathway towards the targets set in 2022. We set this ambition because we strive to lead by example, driving the change needed for a sustainable future. Our purpose is clear, and we are working relentlessly to deliver on these goals as quickly as possible.



Total market-based operation emissions (Scopes 1, 2 and selected Scope 3 categories), reflecting progress through emissions reductions and operational changes

* Scope expansion to include Category 7 (employee commuting) from 2024 onwards

In 2025, we achieved reductions of 31% in Scopes 1 and 2 emissions, 11% in Scope 3 emissions, and improved our market-based intensity by 12%.

These results were driven by stronger collaboration, innovative travel-reduction initiatives, and energy efficiency improvements across our sites. Full details on our greenhouse gas (GHG) emissions are available from page 58 of this report.

Structural and operational actions

Increased procurement of renewable electricity at priority sites

Continued transition of the vehicle fleet toward hybrid and electric vehicles

Estate optimization, relocations and space efficiency improvements

Delivery model changes

Growth in hybrid audit delivery and reduced reliance on travel-intensive models

Increased use of virtual internal events and collaboration tools

Data and governance maturity

Improved Scope 3 visibility, including first-time measurement and assurance of employee commuting (Cat.7) in 2024

Strengthened alignment to GHG Protocol categories, ISO 14064-1 and external assurance requirements

Operational sustainability continued

As a global services organization, business travel remains BSI's largest source of operational emissions. In 2025, we continued to build on the strong foundations established the previous year, focusing on delivering for our clients while reducing the carbon intensity of how we operate. Our GHG representatives and GHG reporting leads play a critical role in this effort, strengthening data quality and embedding emissions awareness and impact priorities across Divisions and Functions. Throughout the year, the OSE team continued to guide and support this work to drive sustained progress.

Alongside business travel, the decarbonization of our sites and offices remains a core net zero lever. In 2025, a major milestone was the relocation of our Chiswick headquarters to The Acre in Central London, a fully electric, zero-carbon site. The building is powered by 100% renewable electricity and has achieved both a Fitwel 3-Star certification and a BREEAM rating of Outstanding, reflecting our commitment to healthier, high-performing environments for our people.

Looking ahead, we are continuously exploring additional renewable energy and net zero solutions across our portfolio of sites, supporting ongoing reductions in operational emissions while strengthening resilience across our estate.

Since 2020, BSI has maintained carbon neutrality across its operations. Our approach prioritizes year-on-year emissions reductions, complemented by the responsible use of high-quality carbon removal credits as we transition toward our 2030 GHG reduction commitments. In 2025, 100% of our operational emissions were balanced through verified, durable carbon removal projects, delivering long-term carbon storage alongside environmental and social co-benefits aligned with the UNSDGs.

87%

of furniture in the new London headquarters has been repurposed from our former Chiswick HQ to reduce waste

In 2026, BSI is launching our long-term, net zero strategy, outlining our operational emissions reduction pathway beyond 2030. As part of this work, continued improvements in data quality and methodology will enable us to broaden our emissions boundary over time, incorporating additional Scope 3 categories and providing a transparent view of our overall footprint.

We strive to be as transparent as possible while continuing to deepen our understanding of our strategic risks, opportunities, and impacts. Over the past three years, we have disclosed through EcoVadis, CDP, and the UN Global Compact each year, focusing on strengthening our reporting and improving our scores.

Champion circularity

At BSI, sustainable procurement is critical to the delivery of our operational strategy, woven into every stage of our global sourcing process. Ethical and environmental considerations are integral to our decision-making framework. As a services provider, circularity may not be a material issue to the solutions and services we provide; however, we still endeavour to manage any waste in our supply chain responsibly, providing additional value wherever possible.

Office waste remains our prevailing waste stream, with limited second life opportunities outside of recycling. One of the biggest opportunities to build circularity into our supply chain is through the procurement of our IT equipment. We are addressing this through our partnership with DELL, who facilitates end-of-life recycling through Computer Aid International, one of our Global Giving partner charities. In Q4 2025, we donated 214 laptops, with an initial reuse rate of 80%, higher than Computer Aid's average donation reuse rate of 70%. We are expanding donation collections globally, beginning with South Africa in early 2026. And, through our partnership with Maintel, 165 BSI colleagues received refurbished phones in 2025.

We also embedded circularity principles into the relocation of our global headquarters. 87% of the furniture in The Acre has been repurposed from Chiswick – restored, repaired, and re-upholstered wherever possible to minimize material waste. Many items from Chiswick were also redirected to our Milton Keynes office, including dining tables, coffee tables, booth seating, and pods. Beyond this, chairs and tables were donated to those in need in the local community.

Group Procurement benchmarks its procurement processes against ISO 20400 (Sustainable procurement) and against ISO 25700 (Organizational responses to modern slavery).

Operational sustainability continued

The policies, tools, and procedures that form the foundation of sustainable procurement at BSI were developed and updated to align with best practice standards.

In 2025, BSI strengthened supplier governance by mandating acceptance of its Supplier Code of Conduct, which emphasizes the importance of sustainability, modern slavery, and anti-bribery requirements. The overall average supplier compliance score, including high risk suppliers, remained stable against 2024 at 79%, with 100% compliance from new suppliers and 62% completion across existing suppliers, significantly enhancing supply chain risk coverage.

94% of high-risk suppliers have completed the mandatory modern slavery and sustainability questionnaires. The average compliance score for the sustainability questionnaire stands at 66%. Compliance with modern slavery requirements remained stable at 70% in 2025, remaining within our acceptable threshold. Most BSI suppliers fall under the turnover threshold to publish a modern slavery statement, which impacts the overall score. Additionally, 4% of suppliers are classified within the diversity category, and 100% of our Group Procurement team members have completed sustainable procurement training.

Backing biodiversity

We strive to protect the natural world and remain committed to playing our part. One of the ways we bring this to life is by safeguarding biodiversity in the spaces where we operate. As a service-based organization, our direct environmental footprint is relatively small, however every step we take to co-exist with nature delivers meaningful benefits for our communities and enhances the wellbeing of our colleagues.

For example, our new headquarters, The Acre, is a showcase of biodiversity and biophilic design principles, creating a space where sustainability and wellbeing go hand in hand. A prominent vertical park/living wall designed by Biotecture has been installed on the corner of the building, and the planting selection has been specifically chosen to attract pollinators and to provide a habitat for native birds. The building features several large terraces across the two floors we lease, providing green spaces for our people. The office spaces also feature extensive live planting, made up of low-maintenance, shade-tolerant, and air-purifying species to enhance wellbeing and create a biophilic connection to nature indoors.

Operational sustainability continued

People

We are dedicated to ensuring we create positive social impact through our operations – whether that is through dynamic training sessions or improving lives through our Global Giving programme. Every day, we are empowering people to create change that matters.

Sustainability strength

Even the best sustainability strategy can falter if employees are neither inspired nor equipped to lead the change. Therefore, engaging with our colleagues to build their skills, hone their decision-making, and lead with confidence around the sustainability challenges we face as an organization remains a critical component of our success plan.

In September 2025, we launched our third, annual sustainability engagement survey, Your Sustainability Voice. This survey is a vital way we listen to our colleagues and continue proactively responding to the needs of our people. It also helps us identify where we are making progress.

Our 2025 results show that colleagues who have joined BSI in the last four years continue to report the highest levels of awareness and engagement with our internal sustainability efforts and programmes. This is a direct result of the collaborative efforts made with our People team to engage with and support new hires around our sustainable operations.

In 2025, we sharpened our support for our people managers, closing the year with 75% of our global line managers having completed a live, 90-minute sustainability leadership training. The session outcomes focused on practical actions to boost colleague participation against our sustainability goals. Achieving such a high score for a voluntary module demonstrates our colleagues' interest in the topic and eagerness to participate. The curriculum provided opportunities for dialogue around complex issues and has proved to be significantly more effective than self-led training in inspiring shared ownership and measurable actions.

In addition to supporting our sustainability strength through training and education, BSI is living its purpose through the way we support our colleagues to make sustainable choices. Whether that is through our Plug & Drive electric vehicle (EV) salary sacrifice scheme and interest-free EV charger loan in the UK or through the sustainability credentials of our mortgage and pension providers – BSI is continuously looking for ways to enable our colleagues' transition to a sustainable future.

Global giving

Our revamped Global Giving programme, which launched in 2023, meaningfully aligns our philanthropy goals with our broader sustainability strategy. Over the past three years, we have been steadfastly deepening our proactive charity partnerships, resulting in measurable impact around the world. We have streamlined the participation processes for our colleagues, launching a global platform with Benevity that makes it easier than ever for our people to give back to the communities and organizations they care about most.

In 2025, 445 employees utilized their Volunteer Day, donating 3,018 purposeful hours to beloved charitable organizations. This represents participation increases of 147% and 152% respectively against 2022 (the last full year of our previous community engagement programme).

£53,403 was donated through our BSI Match Fund, which is utilized to boost our colleagues' individual fundraising efforts around the world. This is a 317% increase from where we started three years ago. And through our payroll charitable giving programme, Give as you Earn, our UK colleagues have been able to donate £30,451 in pre-tax contributions for 2025.

Steps for Change

To commemorate the International Day of Charity, in September we launched our most ambitious and inclusive sustainability engagement campaign to date, Steps for Change.

Our goal was to inspire our colleagues to 'pace with purpose' – hoping to reach 50 million steps (or step equivalents) while fundraising for personal causes. Thanks to the viral inspiration from our People + Planet Champions, over 800 colleagues joined the team, and we reached 134.1 million steps moving together around the world.

800+ **colleagues participated**

134.1 **million steps**

£14,500+ **raised for chosen charities**

Operational sustainability continued

BSI also keeps a reserve emergency fund ready in case of environmental or social crises that require us to act fast to support aid organizations on the ground. This year, BSI contributed £76,500 to Médecins Sans Frontières to support the life-saving skills and services they provide across more than 70 locations, including Sudan, Ukraine and Yemen.

Partner for progress

We know that we cannot achieve our sustainability ambitions alone, and our trusted partnerships are vital to delivering everything we do. This is especially true with our social impact endeavours. At an organizational level, this means establishing long-term partnerships with charities that are doing great work in areas of material importance to BSI.

Philanthropy
In 2022, we reset our charitable giving strategy, aligning directly with our strategic sustainability goals. Based on the data from our materiality assessment, we chose to focus our efforts where we could do the most good.

Our BSI charitable partnerships drive impact against two key priorities: Digital Empowerment and the Human Face of Carbon. We felt best positioned to create positive change in these arenas based on our resources and desire for meaningful and immediate impact on the ground.

£485,404

donated to charitable organizations in 2025

The human face of carbon (3 year impact)

One of the reasons why climate change remains a difficult challenge is because people feel disconnected from the concept of carbon – it can be difficult to understand how individual choices make a difference. We believe philanthropic partnership can help us make carbon more personal and give our people opportunities to learn and develop more responsible carbon consumption habits while contributing to our commitment to protect the natural world.

Trees for Cities

Goal: Our goal was to plant at least 30,000 trees to support urban tree canopies. We also worked to generate volunteering opportunities for our teams across the UK.

Impact: This partnership enabled us to achieve meaningful impact through the delivery of tree-planting projects.

- During the 2023-26 tree planting seasons, BSI contributed to Trees for Cities projects throughout the UK, planting over 40,000 trees in Bexhill, Newcastle, Bradford, Ipswich, Renfrewshire, and Sunderland, as well as a Trees in Schools project in Portsmouth. This total includes 2025/26 planting season estimates based on planting expectations.
- Our donation also supports the creation of up to 10 BSI planting days per year. This has resulted in 68 volunteers from BSI contributing to the success of local tree planting projects.
- The volunteering events included dialogue and education about the carbon capture obtained through urban planting, as well as how individual choices can contribute to a more resilient environmental future.

A UK charity planting trees in urban areas to create healthier, greener, and more resilient cities, working with communities to revitalize neglected spaces, improve air quality, combat heat and boost biodiversity. Since 1993, they have planted nearly 2 million trees, engaging up to 261,000 people in tree related activities across the UK.

Trees planted*

40,000

BSI volunteers

68

*2025/26 planting season estimates based on planting expectations

Operational sustainability continued

Widening gaps in digital literacy risk creating a digital underclass.
The digital exclusion of billions of workers worldwide increases the risk of livelihood crises and social cohesion erosion. To help close this gap, BSI entered a three-year partnership with two non-governmental organizations (NGOs) focused on improving lives through digital access and educational support.

Dreams Come True

A wish-granting charity serving children in the most impoverished areas of the UK who are also living with a disability, serious illness, or life-limiting condition.

Goal: Deliver digital access and support to children from deprived communities who need it most.

Impact: Our partnership has enabled the following community dreams:

- **Broadfield Specialist School:** Launched a new immersive, sensory rich 4D room with state-of-the-art technology at a provision for students with generic learning difficulties (1,000 children impacted over five-year project life).
- **Birmingham Children's Hospital:** Four interactive screens were installed across Radiology, Renal, Mental Health and Rare Diseases wards. (It's estimated over 6,000 children a year will benefit from these tools.)
- **Bristol Royal Hospital for Children:** Four mobile interactive projectors have been installed to support children in rehabilitation, and to reduce fear during procedures through therapeutic sensory play. (It's estimated 2,000 children per year will benefit from this dream.)
- **Oldham Autism Support:** Digital equipment delivered to support 50 children aged 5 to 18 with autism and significant learning disabilities. The laptops and iPads funded are being used in sessions and loaned for home learning, supporting communication, learning, reduced anxiety and independence.

Lives impacted: Over 8,000 children will benefit each year from the digital tools provided by the partnership.

8,000 **children benefiting annually**

BSI's partnership is directly transforming the lives of children who are facing the greatest challenges. Their support for digital tools, sensory environments and inclusive learning spaces means children with serious illnesses, disabilities or complex needs can access opportunities that would otherwise be out of reach. We are truly grateful to the BSI team for their kindness, belief and continued commitment to giving children joy, dignity and the chance to thrive."

Lisa King OBE
CEO, Dreams Come True

Operational sustainability continued

Computer Aid

Providing refurbished tech & training to bridge the digital divide in developing nations since 1997, this organization has enabled access to technology for over 14.5 million people.

Goal: To expand digital access to young people across continental Africa, supporting their learning and development to support further education or livelihood development.

Impact: Our partnership with Computer Aid has resulted in the delivery of laptops to those in need across four countries.

- In 2024, our partnership enabled the delivery of 125 laptops to young people in Nigeria, Kenya, and South Africa, with a further 15 laptops funded by BSI South Africa and supplied to Computer Aid's Solar Community Hub (SCH) in Nxarhuni, South Africa. The average age of a beneficiary was 22.
- In 2025, 180 laptops were delivered to young people across Tanzania, Kenya, South Africa, and Zimbabwe. The average age of new beneficiaries in 2025 is 18 years of age.
- The recipients were selected based on a comprehensive set of criteria to establish who was in the most need, would struggle the most to obtain digital access without help, and would benefit the most from the technology.

Lives impacted: In the first two years of project implementation, 320 people have received a laptop, training, and/or achieved certification against digital skills.

320 **lives improved in the first two years of the partnership**

United Nations Global Compact
BSI remains an active and committed member of the United Nations Global Compact (UNGC), demonstrating our transparent commitment to the organization's multi-year strategy to drive business awareness and action in support of the UNSDGs by 2030. As part of this engagement, BSI participates in the UNGC Climate Action Peer Learning Group, supporting shared learning and the exchange of best practice on corporate climate actions.

Earthshot Prize
This year, we continued our collaboration with the Earthshot Prize, supporting its mission to accelerate solutions for the world's most pressing environmental challenges. Through our expertise in standards, measurement, and verification, we help finalists build trust and credibility in their products. We are currently working with three inspiring finalists from the 2021 and 2022 cohorts: Notpla, Low-Carbon Materials, and WOTA.

We set aside £100,000 in 2025 for supporting the Earthshot finalists. Moving forward, we will continue to assess the new cohorts for any more finalists that we can use our expertise to support, in addition to our current three.

Operational sustainability continued

Future focus

We look forward to continuing to live our purpose by leading the way in sustainable operations as we implement our new strategy in 2026 and beyond.

We have received the results from our latest double materiality review, which has set our priorities for the year ahead. Encouragingly, our material priorities remain largely the same, enabling us to continue to build and deepen our existing commitments.

In 2026, we will launch our long-term net zero strategy, setting our pathway to 2030 and beyond.

This work will be informed by continuous improvements in data quality and methodology, enabling us to assess the expansion of our emissions boundary over time and strengthen the transparency of our disclosures.

Alongside this, we will continue to develop our approach to climate adaptation and resilience, ensuring these considerations are embedded within our operational sustainability planning.

We will also be evolving our training and support, enhancing our mandatory global training curriculum while providing additional, dynamic training programmes to targeted Divisions where we can have the highest engagement impact.

Finally, we will be expanding our international NGO partnerships against our environmental pillar, remaining focused on urban reforestation at a global scale. By developing more local planting partnerships in selected regions, we hope to boost international volunteer opportunities for our teams around the world.

Global Greenhouse Gas (GHG) disclosures for 2025

Achieving net zero is a critical component of BSI's sustainable operations strategy.

Our net zero ambition and targets

Our 2030 target is to become net zero in our own operations (Scopes 1 and 2) and to reduce our Scope 3 (categories 3, 6 and 8) emissions by 42% (a science-aligned target).

To support delivery of these commitments, BSI is prioritizing and implementing its own Net Zero Pathway product. This approach ensures our targets are science-aligned with a 1.5°C global warming scenario and supports the identification and prioritization of credible decarbonization actions. In November 2025, BSI successfully completed its Net Zero Pathway audit, confirming our commitment to achieve our reduction targets.

GHG disclosures for 2025 continued

How we manage and report our greenhouse gas emissions

Operational boundary and control approach
We continue to apply the operational control approach. Scope 1 and Scope 2 emissions arise from activities for which BSI has full authority to introduce and implement operating policies, while Scope 3 emissions arise from activities we can influence but do not directly control.

Measurement standards and emission factors
We calculate our greenhouse gas (GHG) emissions using a combination of international standards and the UK government's GHG Conversion Factors for Company Reporting 2025. Emissions are reported as tonnes of carbon dioxide equivalent (tCO_2e). Where primary activity data is not available, emissions are estimated using best-available data sources and standardized emission factors, in line with the GHG Protocol and ISO 14064 requirements. In accordance with GHG Protocol requirements, Scope 2 emissions are disclosed on both a location-based and market-based basis. Reporting on a market-based basis enables BSI to transparently reflect the impact of renewable electricity procurement decisions.

Performance monitoring and governance
In addition to annual GHG reporting, BSI operates a quarterly GHG performance monitoring process across its global operations. This enables timelier oversight of emissions trends, supports early identification of risks or variances, and informs operational decision-making throughout the year. Quarterly reporting supports the effective management of BSI's Net Zero Pathway and underpins the robustness and assurance-readiness of our annual GHG disclosures.

Market-based and location-based emissions
Emissions are reported on both a market-based and location-based basis. We place particular emphasis on market-based emissions to reflect the impact of our renewable energy procurement decisions, including the use of Renewable Energy Certificates (RECs) where applicable.

Renewable electricity sourcing and market-based instruments
Given BSI's predominantly leased estate and limited direct control over electricity procurement in many locations, BSI has undertaken a review of feasible and proportionate renewable electricity sourcing options. During 2025, BSI worked with an external specialist (South Pole) to review its Scope 2 reporting approach and to assess options for the use of Renewable Energy Certificates (RECs) in markets where direct renewable electricity procurement is not currently feasible. This assessment considered alignment with GHG Protocol market-based Scope 2 requirements, RE100 technical criteria, assurance expectations and BSI's estate profile. The review confirmed that a phased and proportionate approach to RECs could strengthen the integrity and transparency of BSI's market-based Scope 2 reporting, while avoiding disproportionate delivery risk or long-term contractual lock-in.

BSI is exploring the phased procurement of RECs from 2026 onwards, subject to governance, assurance readiness and procurement processes Any future use of market-based instruments will be transparently disclosed and will not be presented as a direct reduction in absolute electricity consumption or location-based emissions, which continue to be addressed through efficiency, estate optimization and demand-reduction measures.

Independent verification and assurance

We continually seek to strengthen the quality, consistency and governance of our GHG reporting.

Our 2025 GHG emissions data have been subject to limited assurance by an independent external provider in accordance with ISAE 3000 (Revised) and ISAE 3410. The assurance engagement was performed against the GHG Protocol criteria. The limited assurance report is available at bsigroup.com/ghglimitedassurance25, Improvements made during the year to our data collection processes, controls and methodologies have been informed by insights from prior independent verification and assurance activities.

Strengthening GHG reporting systems and controls

To enhance the robustness, resilience and transparency of our GHG reporting system, we work closely with Reporting Leads across the business to strengthen emissions accounting capability, data controls and governance. Each year, insights from independent verification and limited assurance activities are used to refine methodologies, improve data integrity, and address identified gaps or risks. This ongoing process supports alignment with evolving international standards and underpins continuous improvement in the quality and consistency of our GHG reporting.

GHG disclosures for 2025 continued

Our 2025 GHG emissions performance

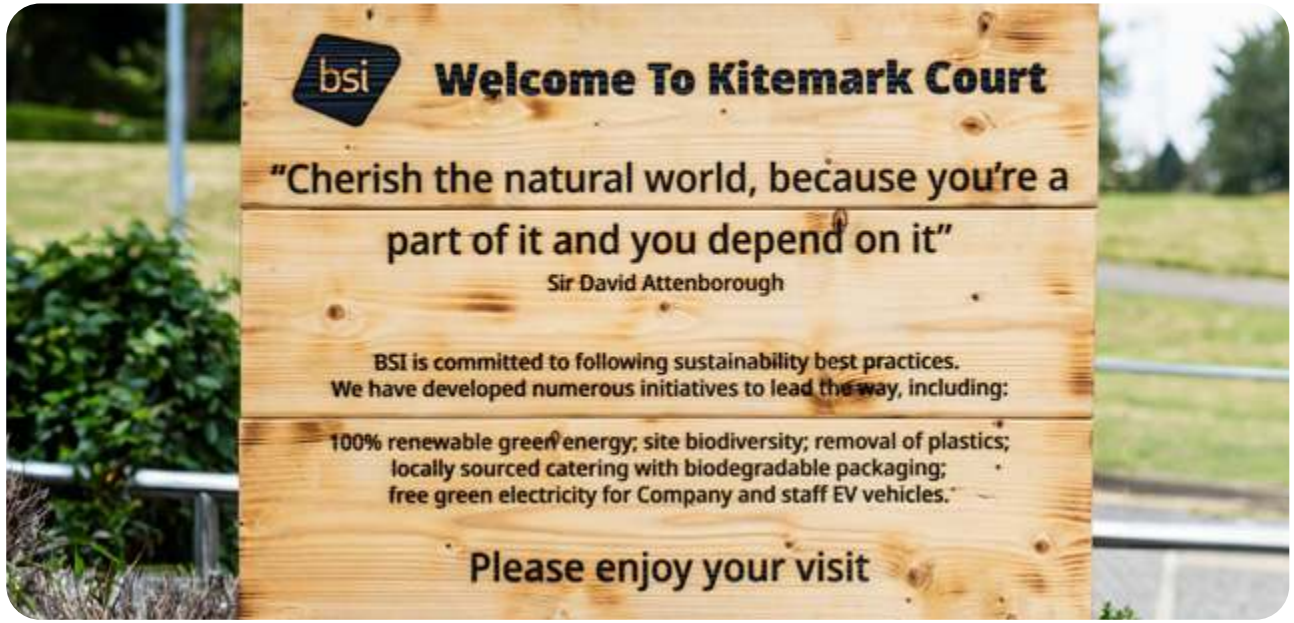
Overview of performance

In 2025, BSI continued to make progress in reducing GHG emissions across its global operations, with total market-based emissions decreasing by 12% year-on-year, reflecting the continued implementation of targeted decarbonisation actions and operational efficiencies. Emissions intensity also improved, with total market-based emissions per £m revenue reducing by 12% year-on-year to 22.7 tCO_2e, demonstrating continued progress in decoupling emissions from business growth.

Scope 1 market-based emissions decreased by 43%, and Scope 1 location-based decreased by 30%, primarily driven by ongoing estate rationalisation, including office consolidations, relocations to more energy-efficient buildings, and the continued transition of the vehicle fleet toward electric and hybrid alternatives.

Scope 2 location-based emissions decreased by 9%, reflecting reduced electricity consumption associated with a reducing footprint, enhanced energy management practices, and improved building performance. Market-based Scope 2 emissions increased slightly year-on-year (8%), largely reflecting the timing and availability of renewable electricity procurement across leased sites.

Within Scope 3, business travel emissions (Category 6) decreased by 20%, reflecting the continued embedding of hybrid audit delivery models and improved travel planning. Emissions from upstream leased assets (Category 8) decreased by 24%, consistent with estate consolidation and reduced occupied floor space. Emissions from employee commuting and working from home (Category 7) increased by 17%, reflecting changes in survey participation rates, reported travel patterns and working behaviours year-on-year. Emissions from fuel and energy related activities (Category 3) decreased by 16%, reflecting reductions in energy consumption across the estate.



Overall, these results demonstrate continued progress toward BSI's 2030 net zero operational target, while highlighting the importance of sustained action on travel demand, commuting patterns and energy performance.

Key drivers of emissions change in 2025 include:

1. **Business travel and Scope 3 emissions**
   Business travel remains BSI's largest operational source of emissions due to the nature of our global assurance and services activities. It is necessary to balance travel efficiency with effective client delivery and colleague wellbeing. During 2025, Divisions and Functions continued to reduce travel through more efficient and sustainable travel practices, including trip consolidation, improved planning, and the use of virtual delivery models where appropriate.

2. **Decarbonization of the property estate**
   During 2025, BSI continued to progress the decarbonization of its property estate through a programme of strategic relocations, office consolidations and decommissions, delivered in close collaboration with Property and Facilities. Over the course of the year, multiple offices were either relocated to more space-efficient, serviced or higher performing buildings, or fully decommissioned, resulting in a reduction in the overall footprint of the estate. Collectively, these actions reduced occupied floor space by several tens of thousands of square feet across key locations, supporting lower energy demand and improved space utilization. Where offices were retained or newly occupied, operational energy was increasingly supplied through renewable energy arrangements across a number of UK and European sites. Estate changes were supported by reuse of existing furniture and fittings where possible, reducing embodied carbon impacts associated with fit-out activity. These measures contributed to an ongoing reduction in Scope 1 and Scope 2 emissions and form a core part of BSI's longer-term estate rationalization and decarbonization strategy.

GHG disclosures for 2025 continued

3. **Head Office relocation**
During 2025, BSI completed the relocation of its UK Head Office from Chiswick to The Acre in Covent Garden as part of a wider property rationalization programme to reduce the operational footprint of the estate. Employees transitioned to the new location from August 2025, with the Chiswick office closing on 1 September 2025. This move resulted in a significant reduction in occupied floor space, decreasing from approximately 66,000 square feet at Chiswick to 29,000 square feet at The Acre. The new Head Office has been designed with sustainability considerations embedded into the building fabric and operations, including high-performance energy systems, efficient space utilization and enhanced waste management processes. Operational energy for the site is supplied via renewable electricity, and over 75% of existing furniture was reused from the Chiswick office, reducing the need for new materials in the fit-out of the new space. The consolidation of office space transition to a more energy-efficient building support BSI's ongoing efforts to reduce Scope 1 and Scope 2 emissions from its property estate.

4. **Energy management and efficiency improvements**
During 2025, BSI continued to strengthen its approach to energy management and operational efficiency across the property estate. ISO 50001 (Energy management) certification was achieved at the Hemel Hempstead site, embedding a structured framework for monitoring energy use, identifying efficiency opportunities and driving continual improvement. Energy efficiency upgrades include the optimization of building management systems at key locations, including Milton Keynes and the new Head Office at Covent Garden, alongside the use of smart metering and digital sub-metering across several UK sites. Enhanced energy monitoring and control systems support improved visibility of electricity consumption, enable more effective operational management and inform targeted efficiency measures. These actions support improved management of energy consumption and contribute to reductions in electricity consumption and associated Scope 2 emissions on both a location-based and market-based basis.

5. **Transition of the vehicle fleet**
BSI has continued to make strong progress in transitioning its vehicle fleet toward lower-emission alternatives throughout 2025, supporting its wider decarbonization objectives. At 31 December 2025, 98% of the UK fleet comprised electric or hybrid vehicles, with fully electric vehicles representing approximately 60% of the live fleet. This reflects continued improvement over the course of the year, increasing from a 31 December 2024 position where 95% of the fleet was hybrid or electric and 56% fully electric. Internal combustion engine vehicles have been removed from company car choices, with full electric vehicles, plug-in hybrids and hybrids offered as standard, supported by internal guidance and challenge processes where hybrid vehicles are selected. As a result of the ongoing fleet transition, average fleet CO_2 emissions remained low at 19 gCO_2/km at the end of 2025, demonstrating the sustained emissions benefits of the fleet electrification programme.

6. **Hybrid audit delivery**
Hybrid delivery, introduced in 2023, remains a critical enabler of BSI's sustainability strategy and operating model. Given that business travel represents one of the largest sources of BSI's Scope 3 emissions, embedding hybrid delivery into service planning is a key lever in reducing travel-related greenhouse gas emissions. It allows us to maintain the rigour and credibility of our assurance and certification services while reducing unnecessary travel associated with global services delivery. By embedding hybrid delivery into service planning and execution, BSI is strengthening operational resilience, improving scheduling efficiency, and supporting inclusive participation across geographies, while contributing to the reduction of travel-related GHG emissions for both BSI and our clients. By 31 December 2025, hybrid and remote delivery across eligible assurance and certification activities accounted for more than 61,000 service delivery days globally. This directly avoided an estimated 4,170,75 tCO_2e, based on a like-for-like comparison with on-site delivery using conservative travel assumptions. Had these activities been delivered entirely in person, associated emissions are estimated to have totalled approximately 14,559.31 tCO_2e, representing a 28.65% reduction compared to full on-site delivery. This demonstrates the tangible impact of integrating hybrid delivery into core service delivery decisions and resulted in the avoidance of over £151,106 in carbon offsetting costs, highlighting both the environmental and financial value. The combination of hybrid delivery and digital capability will remain critical to reducing travel-related emissions, strengthening trust in the BSI brand, and delivering high-quality, sustainable services that support long-term value creation.

GHG disclosures for 2025 continued

High-quality carbon credits supporting people, nature and climate

Investment in high-quality carbon credits enables BSI to maintain carbon neutrality across its operational emissions while progressing our 2030 GHG reduction commitments. In 2025, 100% of BSI's reported operational GHG emissions were balanced through the purchase of high-quality carbon removal credits. Credits were sourced through Cloverly from verified carbon removal projects that deliver durable carbon removal alongside environmental and social benefits. Biochar projects support long-term carbon sequestration through the stable storage of carbon in soils, while also supporting smallholder farmers in India and improved forest management initiatives led by Indigenous communities in Mexico. These projects enhance ecosystem resilience, strengthen community outcomes, and align with the UN Sustainable Development Goals. A significant proportion of the carbon credits within BSI's portfolio are sourced from projects that have achieved the Integrity Council for the Voluntary Carbon Market (ICVCM) Core Carbon Principles (CCP) label, reflecting alignment with emerging global best practice for high-integrity carbon credits.

Emissions boundaries, Scope and inclusions

Scope 1 and Scope 2 emissions

Scope 1 and Scope 2 emissions include emissions from all our BSI operations globally where BSI has operational control. Scope 1 emissions arise primarily from the direct combustion of fuels in all BSI-owned or controlled sources. Scope 2 emissions arise from the indirect generation of purchased electricity and heat consumed across BSI operations.

Scope 1 emissions include:

- Natural gas and other fuels combusted onsite (including supplies managed through third-party or landlord arrangements)
- Fuels used in BSI-owned or leased vehicles
- Gases used for testing in laboratories in the UK
- Refrigerant gas loss and other fugitive emissions

Scope 2 emissions include:

- Purchased electricity and heat consumed across BSI offices, laboratories and other operational sites
- Market-based emissions are reported where Renewable Energy Certificates (RECs) or equivalent instruments are applied to electricity or gas supplies

Where energy supplies are controlled by third parties (for example, landlord managed buildings), market-based instruments applied by BSI or the third party are not included in BSI's market-based accounting unless BSI has contractual control over the energy supply.

Scope 3 emissions

BSI reports emissions from the following Scope 3 categories, selected based on relevance and data availability:

Category 3: Fuel and energy-related activities (upstream emissions, transmission and distribution (T&D) losses not included in Scope 1 or Scope 2)

Category 6: Business travel, including road mileage (colleague-owned vehicles), air travel, hotel stays and other travel

Category 7: Employee commuting and working from home

Category 8: Upstream leased assets, including gas, electricity, other fuels and heat usage at sites where BSI does not have operational control

Market-based instruments are not applied to Scope 3 Categories 3, 6, 7 or 8, and therefore market-based and location-based emissions for these categories are the same.

Scope 3 Category 7 – employee commuting and working from home

Scope 3 Category 7 emissions include emissions from employee commuting between home and contracted offices, as well as emissions associated with working from home.

Activity data for this category is primarily collected through an annual employee survey, which captures information on commuting distance, number of days travelled to BSI offices, travel mode, and working patterns. Survey responses are modelled within BSI's carbon accounting system to estimate commuting emissions.

Emissions associated with working from home are estimated using standardized assumptions related to working hours and typical home office energy use, in line with the GHG Protocol, where primary household energy consumption data is not available. Grid average emission factors are applied, and emissions are not differentiated based on individual household energy tariffs (e.g. renewable versus non-renewable energy).

These emissions were first measured and externally assured in 2024. As a result, 2024 represents the baseline year for Scope 3 Category 7 and comparative prior year data is not available. BSI will continue to review opportunities to enhance data granularity for this category as data quality and availability improve.

Future expansion of Scope 3 reporting

BSI continues to review the relevance and materiality of additional Scope 3 categories in line with the GHG Protocol. As data quality and availability improve, further Scope 3 emissions sources may be incorporated into future reporting, and, where appropriate, into the scope of BSI's GHG reduction commitments.

Changes to boundary and methodology

There have been no changes to reporting boundaries since the 2023 assured measurements for Scopes 1 and 2 and Scope 3 Categories, 3, 6 and 8. Scope 3 Category 7 emissions were first measured and assured in 2024 and are included again in this report. There were no material acquisitions, disposals or organizational changes during the reporting period that resulted in a restatement of prior-year emissions.

Greenhouse gas emissions data and tables

The tables on the following page provide detailed GHG emissions data, intensity ratios and definitions. Where applicable, comparable sub-totals are presented to support consistent year-on-year comparison.

GHG disclosures for 2025 continued

Table 1: Gross global greenhouse gas emissions by scope (tCO_2e)

Scope	Reporting basis	2022 (Base year)	2023	2024 restated	**2025**	% change vs 2024
Scope 1 GHG emissions	Market-based (A)	1,021	834	766	**438**	-43%
	Location-based (A)	1,021	854	816	**569**	-30%
Scope 2 GHG emissions	Market-based (A)	264	345	227*	**245**	+8%
	Location-based (A)	599	628	671*	**612**	-9%
Scope 3 GHG emissions	Category 3 (A)	442	405	415	**348**	-16%
	Category 6 (A)	12,743	13,314	12,118	**9,699**	-20%
	Category 7 – employee commuting and working from home (A)	–	–	4,434	**5,182**	+17%
	Category 8 (A)	1,541	1,813	1,462*	**1,110**	-24%
Total GHG Emissions	Market-based	16,011	16,712	19,422	**17,022**	-12%
	Location-based	16,346	17,015	19,917	**17,521**	-12%
Comparable gross GHG emissions (excluding Scope 3 Category 7)	Market-based	16,011	16,712	14,988	**11,840**	-21%

Note. Scope 3 Category 7 (employee commuting and working from home) emissions were first measured and externally assured in 2024. As a result, comparable year-on-year analysis excludes Scope 3 Category 7 for periods prior to 2024. The 'Comparable gross GHG emissions (excluding Scope 3 Category 7)' line is provided to support consistent comparison across reporting years. Greenhouse gas emissions metrics that have been subject to independent limited assurance are identified in the tables by the symbol 'A'.

* The FY24 emissions relating to the Riyadh site, 15 tCO_2e, were reclassified from Scope 2 to Scope 3 to correct a classification error and to align with the Group's GHG Accounting Framework. The reclassification (15 tCO_2e in FY2024) has no impact on total reported emissions.

Table 2: Global greenhouse gas intensity ratios (tCO_2e/£m revenue)

Emissions intensity ratios are presented to show emissions performance relative to revenue and should be read alongside absolute emissions.

	2022 (Base year)	2023	2024	**2025**
Scope 1 (market-based)	1.5	1.1	1.0	**0.6**
Scope 1 (location-based)	1.5	1.2	1.1	**0.8**
Scope 2 (market-based)	0.4	0.5	0.3	**0.3**
Scope 2 (location-based)	0.9	0.9	0.9	**0.8**
Scope 3 (Categories 3,6 and 8)	21.9	21.3	18.5	**14.9**
Sub-total (market-based, excl. Category 7)	23.8	23.0	19.8	**15.8**
Sub-total (location-based, excl. Category 7)	24.3	23.4	20.5	**16.5**
Scope 3 (Category 7)	–	–	5.9	**6.9**
Total (market-based)	23.8	23	25.7	**22.7**
Total (location-based)	24.3	23.4	26.3	**23.4**

GHG disclosures for 2025 continued

Table 3: UK Streamlined Energy and Carbon Reporting (SECR)
This table presents UK-specific GHG emissions and energy (location-based) in accordance with the UK Streamlined Energy and Carbon Reporting (SECR) requirements. Figures in this table are not directly comparable to the global emissions totals shown above.

	2022	2023	2024	**2025**	% change vs 2024
Scope 1 emissions (tCO_2e)	567	557	440	**343**	-22%
Scope 2 emissions (location-based), tCO_2e)	371	527	499	**441**	-12%
Scope 3 emissions (tCO_2e)	748	866	791	**667**	-16%
Total UK GHG emissions (tCO_2e)	**1,686**	**1,950**	**1,730**	**1,451**	-16%
UK energy use (kWh)	8,193,144	8,785,492	8,211,443	**6,402,640**	-22%
UK GHG intensity (tCO_2e/£m revenue)	7.32	7.67	5.79	**4.89**	-16%

Definitions and notes

For specific details on how we report our GHG emissions, please refer to the BSI GHG Emissions Reporting Framework: https://www.bsigroup.com/en-GB/about-bsi/bsi-group-financial-performance/

Scope definitions
Scope 1 emissions: Direct GHG emissions arising from sources that are owned or controlled by BSI. These include emissions from the combustion of fuels (such as natural gas and transport fuels), emissions from BSI-owned or leased vehicles, gases used for testing in laboratories, and refrigerant gases from equipment where BSI has operational control.

Scope 2 emissions: Indirect GHG emissions arising from the generation of purchased electricity and heat consumed by BSI in its offices, laboratories and other operational sites.

Scope 3 emissions: All other indirect GHG emissions that occur in BSI's value chain, both upstream and downstream, and which are not included in Scope 1 or Scope 2.
BSI currently reports Scope 3 emissions for Categories 3 (fuel and energy-related activities), 6 (business travel), 7 (employee commuting and working from home) and 8 (upstream leased assets), in line with the GHG Protocol.

Scope 3 Category 7 emissions are reported from 2024 onwards. Comparisons for this category are therefore made relative to the 2024 baseline year. BSI will continue to review the materiality and data availability of additional Scope 3 categories in line with the GHG Protocol.

Biogenic emissions: BSI does not have material biogenic CO_2 emissions associated with its operational activities and therefore does not report biogenic emissions separately.

Market-based and location-based emissions
Emissions are reported on both a market-based and location-based basis.

Location-based emissions reflect the average emissions intensity of the grids from which electricity and heat are consumed.

Market-based emissions reflect emissions from electricity and heat that BSI has purposefully chosen through contractual instruments, such as Renewable Energy Certificates (RECs), where applicable.

Assurance markers
Greenhouse gas emissions metrics that have been subject to independent limited assurance are identified in the tables by the symbol 'A'.

Independent limited assurance has been provided by EY LLP over selected global greenhouse gas emissions metrics for the year ended 31 December 2025, in accordance with *ISAE 3000 (Revised)* and *ISAE 3410: Assurance Engagements on Greenhouse Gas Statements*. The limited assurance report is available at bsigroup.com/ghglimitedassurance25, and we recommend that it is read in full.

Rounding
Due to rounding, figures presented in the tables may not sum precisely to the totals shown.

Task Force on Climate-related Financial Disclosures (TCFD) report

Making an impact on sustainability is key to our purpose.

BSI supports the principles of the Task Force on Climate-related Financial Disclosures (TCFD) and is pleased to present its report in alignment with the goals of the Paris Climate Agreement.

Established by the Financial Stability Board, the TCFD provides a framework for companies and organizations to enhance the reporting of climate-related risks and opportunities.

This report is structured around the four core TCFD elements: governance; strategy; risk management; and Metrics and Targets.

TCFD report continued

Governance

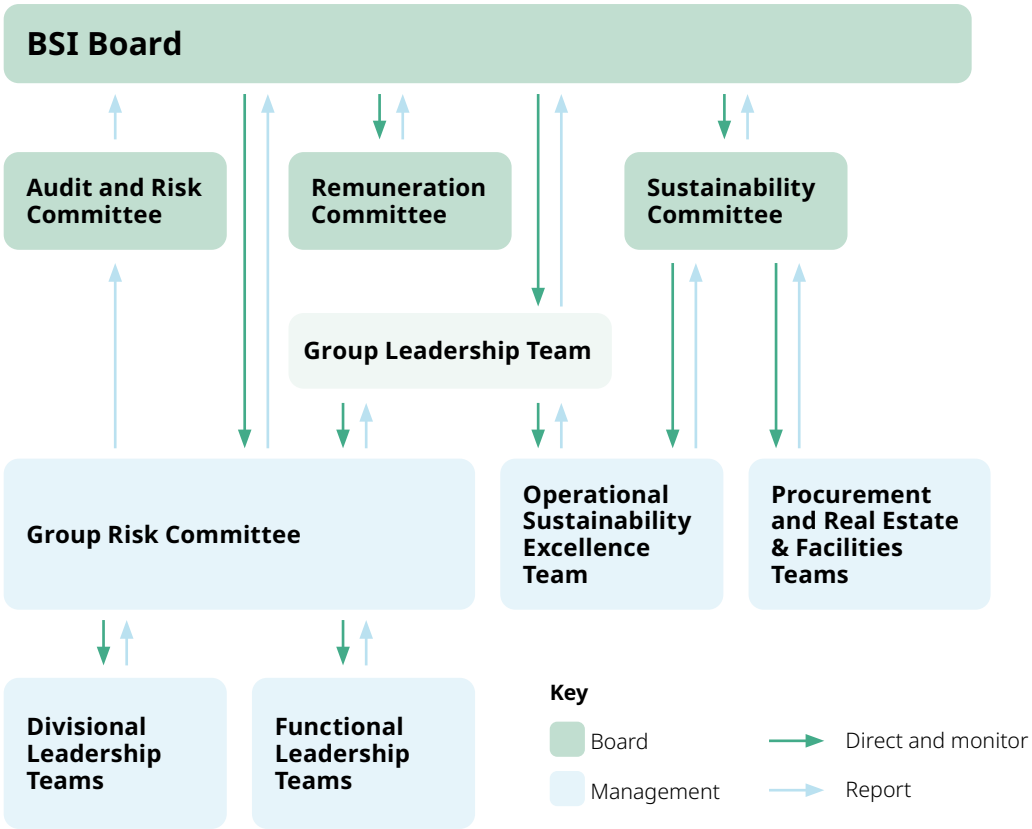
BSI adopts a corporate governance framework in accordance with the UK Corporate Governance Code to support its role as a Royal Charter company. Under this framework, sustainability and climate-related issues are built into BSI's strategy and decision-making at all levels. The Board has delegated specific responsibilities to committees, including the Sustainability Committee, the Remuneration Committee and the Audit and Risk Committee. The Chairs of these committees provide updates at each Board meeting on the committee's activities.

Throughout 2025, the Board and its committees maintained active oversight of sustainability and climate-related matters, which included:

- Reviewing BSI's overall approach to sustainability, with emphasis on the medium to long term (2030 to 2050).
- Conducting deep dives on BSI's operational sustainability matters covering carbon, energy and offsetting at least once a year.
- Reviewing greenhouse gas (GHG) performance and progress towards net zero at a Divisional level three times a year.
- Reviewing and approving key sustainability policies, such as the Modern Slavery Statement and Group Sustainability Position Statement.
- Reviewing BSI's Global Giving programme including spend and budget allocation.
- Reviewing quantified climate scenario analysis and a double materiality assessment (DMA) as input into BSI's overall operational sustainability strategy.

The Group Leadership Team (GLT) oversees day-to-day operations to deliver the strategy approved by the Board. It is supported by the Operational Sustainability Excellence team, who works internally to embed sustainability into operations within every Division and Function (Figure 1).

Figure 1. Overview of BSI's climate-related governance



Strategic decisions are driven by BSI's purpose, which integrates sustainability, including climate, as a key element in the decision-making process. Governance oversight places strong emphasis on BSI's sustainability impact and each Board meeting begins with a video showing recent examples of where BSI has delivered impact. Discussions go beyond financial performance objectives to consider the sustainability impact of decisions and allocating resources based on sustainability outcomes. This integration is achieved through the Board's collective expertise and experience, supported by structured reviews of sustainability performance and risks and opportunities.

The insights gained from the quantified climate scenario analysis and DMA have fed into our overall operational sustainability strategic planning, ensuring that climate-related risks and opportunities were considered alongside political, economic and business factors. For example, environmental and social standards in certain regions have influenced decisions on market entry or exit.

As we continue to evolve our governance and decision-making processes, we plan to progressively enhance our disclosures to reflect the integration of sustainability considerations into strategic planning and market selection.

TCFD report continued

Capability and expertise

In June 2025, the GLT attended a bespoke two-day sustainability programme, Leading for a Sustainable World, delivered by the University of Cambridge Institute for Sustainability Leadership. The training equipped the GLT with a comprehensive and integrated approach to sustainability, practical tools and strategic insights for long-term value creation. It strengthened the GLT's capability to oversee climate-related risks and opportunities and embed sustainability into strategic decision-making.

In addition to the GLT's sustainability capabilities, the Board also benefits from strong sustainability expertise among its members, including:

- Dame Polly Courtice, the founder of the University of Cambridge Institute for Sustainability Leadership, with decades of experience advancing sustainability leadership and shaping global sustainability frameworks.
- Bukky Bird, Group Sustainability Director at Barratt Redrow plc, with extensive experience leading sustainability initiatives and driving business transformation across construction, engineering and retail sectors.
- Peter Simpson, former CEO of Anglian Water, with global expertise in sustainable water management alongside a strong commitment to sustainability and purpose.

Further details of Board members' skills and experience can be found in the Board of Directors section of this report on page 84 to 86.

The following tables describe the responsibilities of the Board and each board and management committee, as well as operational teams, in relation to climate-related risks and opportunities. Specific roles and responsibilities in relation to risk management are discussed in the Risk management section of this TCFD report.

The Board's oversight

Board/Committee	Responsibilities
BSI Board	— Oversee and challenge the GLT to ensure progress is being made towards the established strategy, including climate targets. — Set the organization's risk appetite and ensure climate-related risks are identified, recorded, and mitigated. — Approve the risk management framework on an annual basis. — Conduct annual review of the Principal Risk register, which includes ESG-related risks.
Audit and Risk Committee (ARC)	— Oversee BSI's external financial and narrative reporting. — Oversee the adequacy and effectiveness of BSI's processes to manage risk and the internal control framework, including climate-related risks.
Remuneration Committee (RC)	— Consider appropriate targets for incentive awards, including targets linked to planet and GHG performance.
Sustainability Committee (SC)	— Review and challenge BSI's overall performance and the performance of each Division against agreed sustainability key performance indicators (KPIs) such as BSI's net zero goals three times a year. — Review BSI's GHG performance, Net Zero Pathway at least once a year and impact of BSI's solutions and services in relation to climate three times a year. — Oversee BSI Group's sustainability and climate-related reporting.

TCFD report continued

Management's role

Committee/Operational team	Responsibilities
Group Leadership Team (GLT)	— Ensure BSI fulfils its sustainability purpose in the delivery of its business and operational objectives. — Assist the Board in deciding the risk appetite for the organization. — Monitor existing and emerging regulatory reporting requirements relating to climate. — Regularly engage in GHG performance review, target-setting and strategic discussions to support progress towards net zero GHG emissions.
Group Risk Committee (GRC)	— Coordinate risk management decision-making to ensure alignment with Group strategies and objectives, including in relation to climate-related risks. — Undertake Principal Risk 'deep dives' throughout the year to ensure risks are being managed within Board-approved risk appetites, including in relation to the ESG Principal Risk. — Monitor Principal, key and emerging risks and report significant changes to the risk profile of respective Divisions/Functions.
Operational Sustainability Excellence Team (OSE)	— Report on BSI's progress towards its net zero goals, in addition to formulating and implementing BSI's net zero strategies and adaptation plans. — Monitor existing and emerging regulatory requirements relating to climate change. — Support GLT and inform the SC who advise and challenge BSI on climate-related matters. — Provide updates to SC and GLT prior to their meetings.
Procurement Team	— Ensure sustainability requirements are integrated into the procurement vetting process of new suppliers and communicated to existing suppliers. — Collaborate with the OSE team and report on progress made on integrating sustainability into BSI's procurement process to the SC.
Real Estate & Facilities Team	— Ensure sustainability considerations are integrated into the processes for the renewal of leases and the selection of new properties.

Strategy

Sustainability sits at the core of BSI's purpose and strategy. BSI is committed to serving the public interest and is dedicated to driving meaningful progress towards a fair society and a sustainable world. Our strategy reflects this commitment, recognizing that climate change presents both risks and opportunities that are material to our business. We are committed to integrating climate-related considerations into our strategic planning, risk management and decision-making processes.

In 2025, we conducted a quantified climate scenario analysis, a DMA and a gap assessment against the Transition Plan Taskforce (TPT) disclosure framework. Insights from these exercises are enabling further integration of climate into our business. For example, these insights are enabling a refresh of our operational sustainability strategy, in particular our long-term net zero plan, in line with evolving regulatory expectations and sector practices. BSI recognizes the importance of embedding climate-related risks and opportunities across all aspects of the organization, including commercial and financial decision-making, and is committed to expanding this integration over time.

BSI has made a public commitment to reach net zero in our own operations by 2030. As the UK National Standards Body, BSI also supports the development of standards that will help global stakeholders meet the challenging targets necessary to mitigate the effects of climate change.

Scenario analysis

The quantified climate scenario analysis was conducted to assess the resilience of BSI's strategy under plausible future climate scenarios. The analysis assessed the potential financial impact of significant physical and transition risks, as well as transition opportunities across selected principal sectors and geographies. The selections were based on BSI's revenue profile and strategic priorities, focusing on financially significant sectors, and strategically important regions and sites. Two climate scenarios were applied to model transition and physical risks respectively: temperature-based pathways (transition pathways) and representative concentration pathways (RCPs). Details are provided in Table 1.

TCFD report continued

The analysis was modelled using 2030 and 2050 time horizons, which are commonly applied in climate scenario analysis and represent medium-term and long-term planning horizons respectively. These timeframes are aligned with global climate milestones and support BSI's business strategic planning cycles.

The modelling process compared scenario data outputs against BSI's internal baseline 2024 financial information to quantify BSI's potential climate-related risks and opportunities.

Table 1: Climate scenarios

Scenario	Transition risks	Physical risks	Rationale
High-transition pathway (1.5°C)	✓		Represents a well-managed global transition aligned with the Paris Agreement. Assumes a temperature rise of no more than 1.5°C* and immediate global actions to reduce emissions to achieve a lower carbon economy.
Low-transition pathway (4°C)[1]	✓		Represents a 'business as usual' pathway that assumes a temperature rise of c.4°C* by 2100 and no further climate policy intervention or commitments to reduce global emissions.
Low-concentrations pathway (RCP2.6)[2]		✓	A pathway where GHG emissions are reduced to limit global temperature warming. Supports a global warming limit of 1.5°C*.
High-concentrations pathway (RCP 8.5)[2]		✓	A pathway in which GHG emissions grow unmitigated leading to global temperature rises above 4°C*.

1 Temperature-based pathways – Transition risks and opportunities were modelled using temperature-based pathways (i.e. 1.5°C and 4°C scenarios) aligned with socio-economic and policy trajectories, reflecting varying levels of decarbonization ambition.

2 Representative concentration pathways (RCPs) – Physical risks were assessed using greenhouse gas concentration pathways. These pathways show how much heat-trapping gases could build up in the atmosphere under different futures. Climate models use them to project changes in weather patterns, such as more frequent storms, floods, heatwaves, and rising sea levels.

* The global average temperature increases shown in these scenarios are measured relative to pre-industrial levels (1850-1900), in line with the Paris Agreement.

We measured the potential financial impact of the significant physical and transition risks, and transition opportunities, using BSI's Group risk framework scale (Table 2), ensuring that this evaluation was integrated into our group-wide methodology.

Table 2: BSI Group risk framework scale

Financial impact	Risk classification	Opportunity classification
< £1m	Insignificant	Insignificant
£1m – £5m	Minor	Minor
£5m – £10m	Moderate	Moderate
£10m – £50m	Major	Major
> £50m	Catastrophic	Significant

Transition risks and opportunities

Transition risks and opportunities were quantified by comparing potential financial impacts associated with a high-transition pathway against a low-transition pathway which was taken as the baseline scenario. This approach isolated the effect of climate transition, by excluding the effects of general economic growth assumptions in the scenarios, providing a clearer view of climate-driven impacts. It focused on revenue and cost changes across targeted regions and sectors. The analysis considered the following key inputs:

- Revenue sensitivity: Projected changes in demand for BSI's services across existing and emerging client sectors.
- Cost implications: Exposure to carbon pricing, operational efficiency and supply chain shifts.
- Strategic exposure: Sectoral and geographic focus that reflects BSI's client base and service portfolio.

The modelling assumed that transitioning to a lower-carbon economy will require significant changes to the global economy. As climate-related policy, legal, technological, market, and reputational developments unfold, economic activity is expected to shift across sectors and geographies. These developments may result in changes in market performance and demand patterns, fluctuations in commodity prices driven by supply and demand shifts, and the introduction of carbon taxes as government measures to disincentivize emissions-intensive activities. These assumptions allowed BSI to assess the potential size, scope and timing of transition risks and opportunities that could occur across its operations and client base.

In a high-transition scenario (1.5°C), and across both 2030 and 2050 time-horizons, BSI was modelled to have revenue opportunities across the majority of its key current and future potential client sectors. The potential financial impacts on BSI are detailed over.

TCFD report continued

Table 3: Potential financial impact of transition risks and opportunities

Type of risk/opportunity	Risk or opportunity description	Potential impact on BSI's revenue and/or costs under a high-transition pathway 2030	2050
Business travel	Risk exposure to increased fossil fuel prices due to business travel	Insignificant	Insignificant
Existing Markets	Opportunities for revenue growth in existing client sectors	Major	Significant
Market expansion	Opportunities for revenue growth through expansion into new markets and client sectors driven by climate transition	Minor	Minor

Physical risks
Physical risks were modelled under the RCP2.6 and RCP8.5 scenarios to assess the potential business interruption and site damage from acute and chronic climate hazards including coastal inundation, flooding, extreme wind, and heat stress. Assumptions used included static asset values and revenue baselines, continuity of current operational footprint, and no major adaptation measures implemented at site level. These assumptions were applied consistently across 2030 and 2050 time-horizons to estimate potential financial impacts of 10 strategically important sites, selected based on ownership status, high-value IT infrastructure, and regional importance.

In both scenarios modelled and across both 2030 and 2050 time-horizons, physical risks are unlikely to have a financially material impact across all 10 sites analysed. All physical hazards were classified as 'insignificant', reflecting BSI's low reliance on physical assets and strong business continuity planning. No sites were identified as facing moderate to catastrophic financial risk from physical climate hazards under the scenarios modelled. The potential financial impacts on BSI are detailed below.

Table 4: Potential financial impact of physical risks

Type of risk	Risk description	Potential impact on BSI's revenue and/or costs under both RCP 2.6 & RCP 8.5 2030	2050
Physical risks	Risk of asset damage and revenue loss from business interruption due to climate hazards	Insignificant	Insignificant

BSI manages physical climate risks through robust business continuity plans, remote working technologies, regular review of site occupation contracts, and site-specific adaptation measures. These controls ensure that any disruption from extreme weather events can be mitigated, and service delivery maintained. This approach is supported by the Group's internal control system which is regularly reviewed and updated by the Board, Audit and Risk Committee, and the Operational Sustainability Excellence team.

Identification of climate-related risks and opportunities
The outputs of the quantified climate scenario analysis and DMA resulted in a refined set of material climate-related risks and opportunities for BSI. These refreshed material risks and opportunities, along with their anticipated effect on BSI, financial implications and our response to these to ensure our business remains resilient, are set out in Table 5 on the following page.

BSI has identified the following material climate-related risks and opportunities relevant to the organization. While physical risks, market risks and all opportunities were quantified using scenario-based financial modelling (as detailed above) the remaining risks are qualitative in nature, and the financial implications are described qualitatively for all items. Details are presented in Table 5 on the following page.

TCFD report continued

Table 5: Climate-related risks and opportunities

Risk type	Risk description	Anticipated effect on BSI	Financial implications	Business resilience measures
Physical	Disruption to operations from extreme weather events	BSI's operations and workforce may be disrupted by extreme weather events such as storms and flooding. These events can hinder access to BSI facilities or travel to client sites and may negatively affect the health and safety of our people. Additionally, physical climate hazards pose risks of site damage and business interruption, potentially reducing site value and impacting service delivery.	Extreme weather events may potentially lead to business interruption, site damage, and workforce disruption resulting in reduced site value, impaired service delivery, lower revenue and increased operational costs.	Given the low potential exposure to climate-related hazards, BSI's operations are considered resilient to physical risks. However, BSI has mitigation measures in place should such risks arise, including regular review of its site occupation contracts to ensure flexibility for timely relocation if sites are affected.
Market	Exposure to increased fossil fuel prices due to business travel	Continued dependence on fossil fuels for service delivery could affect BSI's competitive position, particularly in regions where low-emission practices are increasingly expected.	Exposure to rising fossil fuel prices will increase business travel costs.	The greater adoption of hybrid audit, supported by appropriate developments in technology and engagement with oversight bodies and clients, will help us reduce GHG emissions related to business travel by both BSI and our clients.
Policy and legal	Enhanced emissions reporting obligations / exposure to litigation	Changes to government policy or relationships, in any of the jurisdictions in which we operate, could affect our ability to deliver our objectives or provide services to clients.	BSI could face legal action for non-compliance with climate-related regulations, potentially leading to increased costs from fines.	BSI actively monitors emerging climate-related regulations and embeds climate considerations into its strategy and operational processes, going beyond compliance and aligning to best practices.
Reputation	Increased stakeholder concern or negative stakeholder feedback	Business travel remains BSI's most carbon-intensive activity. If BSI is unable to take steps to reduce GHG emissions from business travel, this could be perceived as misaligned with its stated sustainability commitments. This may affect client trust, brand perception, and BSI's positioning as a climate-conscious service provider.	Perceived inconsistency with sustainability commitments may erode client trust and brand reputation, potentially resulting in loss of business and reduced revenue.	Business travel is a key area of focus in supporting BSI's decarbonization ambitions. BSI is taking steps to reduce the emissions from air travel, thereby minimizing potential reputational risk that could erode client confidence and brand credibility.

Opportunity type	Opportunity description	Anticipated effect on BSI	Financial implications	Business strategic responses
Market	Expansion into new markets and client sectors driven by climate transition	BSI can realize opportunities by expanding into new markets and developing new sustainability services for a wider range of client sectors, including in response to evolving client needs and legal and regulatory expectations.	Regulatory-driven market shifts and clients' climate transitions offer revenue growth opportunities for BSI. As more clients in emerging sectors and markets are required to comply with new sustainability requirements, demand for BSI's services is expected to increase, supporting revenue growth.	Climate scenario analysis offers decision-useful insights into potential sustainability-related opportunities across sectors and regions under consideration. This informs BSI's approach to identifying priority areas and services for future expansion, supporting long-term resilience and positioning itself for growth.
Market	Revenue growth from existing client sectors	BSI may benefit from increased demand for sustainability services as existing clients respond to climate-related regulations and transition requirements. This includes supporting clients with their transition journeys through certification, advisory and assurance services.	Rising demand for sustainability services among existing client sectors presents opportunities for revenue growth through innovation and development of new solutions.	BSI's expanding portfolio of sustainability solutions enables us to support our clients to achieve their sustainability ambitions. By helping clients to advance decarbonization and transition plans, BSI can strengthen its market position and support its own long-term resilience.

TCFD report continued

Resilience statement
BSI is committed to following sustainability best practices and being its own best-in-class case study – utilizing standards and BSI's own sustainability solutions wherever possible to lead the way in our sector and beyond.

BSI's strategy places a strong emphasis on client centricity and partnerships to address pressing challenges faced by our clients and stakeholders. By collaborating closely and driving best practices, we aim to not only support our clients in achieving their sustainability goals but also amplify societal impact. This approach strengthens our journey to net zero, ensuring we contribute meaningfully to a more sustainable future.

In 2025, BSI has been actively expanding its offerings of enablers to support the transition to a sustainable economy. We have:

— launched a new framework for high-integrity nature markets, enabling credible nature-based credit trading and investments.
— published a new standard – BS 8887-221 (Manufacture, Assembly, Disassembly, and End-of-Life Processing) – to support the lighting industry's transition to a circular economy.
— continued development of an independently verifiable international standard on net zero, which will provide clarity on net zero transition, enabling robust climate action.
— developed a global sustainable finance standard for net zero transition planning for financial institutions.

Based on the quantified climate scenario analysis, BSI would not be materially affected by the physical climate-related risks identified. While ensuring we remain compliant with our regulatory requirements, we have demonstrated adaptability and resilience in delivering services remotely to our clients with minimal disruption and we are not highly reliant on BSI facilities.

We consider our business resilient to climate-related transition risks. BSI's resilience is underpinned by its diverse client base – spanning multiple sectors and geographies – and by its position as a professional services provider with limited direct exposure to mandatory decarbonization regulations.

The findings from our quantified climate scenario analysis reinforce BSI's strategic direction and demonstrate our ability to adapt to a low-carbon economy while continuing to deliver value to our clients. The analysis identified net financial opportunities under the high-transition (1.5°C) scenario in our key sectors and geographies, highlighting areas where BSI is well-positioned to support clients and expand our sustainability-focused services.

The voluntary completion of the DMA in 2025 marks a significant milestone in BSI's sustainability journey. Our primary purpose was to generate strategic insights that go beyond compliance. Climate adaptation and mitigation were identified as material issues, and the resulting impacts, risks and opportunities (IROs) are informing BSI's strategic planning and risk management processes. Rather than focusing on disclosure alone, BSI is prioritizing value-adding activities that address the material IROs identified through the DMA. These insights will inform future commercial, financial, and operational strategies, reinforcing BSI's commitment to integrating sustainability into core decision-making processes and enhancing long-term resilience.

Insights from the TPT gap assessment have highlighted areas for future improvements, which BSI aims to address over time, including strengthening governance and integrating more granular transition considerations into planning.

Risk management

Climate-related risks and opportunities are identified, assessed, and managed through BSI's multi-disciplinary risk management framework, using the same methodology as all enterprise-level risks. This approach ensures that climate-related considerations are fully integrated into the organization's risk governance and decision-making processes. Please refer to page 73 for details on BSI's broader approach to risk management.

Climate-related risk management operates under Board oversight, supported by a number of committees. The roles and responsibilities of the Board and each committee are set out in the Governance section of this TCFD report.

BSI operates within the defined risk appetite for sustainability and climate-related risks through its internal controls, policies, processes and governance.

The Board sets the Group's appetite in relation to its Principal Risks and these appetites are then applied by relevant committees and teams across the organization. Risk thresholds aligned to these appetites are defined in the risk management framework, and determine when risks require escalation. For the reporting period, no climate-related risks were escalated due to exceeding thresholds. Where risks do exceed BSI's risk appetite, business units, supported by risk champions and the GRC, develop, implement and manage relevant mitigations locally.

Following the DMA undertaken in 2025, material Environment, Social, and Governance (ESG) topics for BSI, including climate change and climate adaptation were embedded into risk registers across the organization. ESG remains a Principal Risk for BSI (see Principal Risk 11 on page 80), and includes climate-related risks.

TCFD report continued

Metrics and targets

We have made a public commitment to reach net zero in our operations (Scope 1 and 2) by 2030 and to achieve a science-aligned target for our Scope 3 emissions (reaching a 42% reduction by 2030). These interim targets for Scope 3 will be complemented by future long-term targets, which we will continue to develop in 2026.

BSI has maintained carbon neutrality in our operations since 2020 by offsetting 100% of our emissions through high-quality carbon credits. While we will continue to invest in these carbon credits to retain this status, we recognize that offsets are not a long-term solution. In line with our 2030 GHG reduction commitment, we are prioritizing direct emission reductions and will progressively reduce reliance on offsets over time. This reflects our strategic focus on real-world decarbonization, supported by credible, transparent data.

We use GHG emissions (Scope 1, 2 and 3) as our primary metrics for setting targets and monitoring progress against our climate action plan. Performance is tracked through both absolute emissions and emissions intensity ratios, providing a clear view of progress and operational efficiency. Reductions across these metrics demonstrate tangible progress towards our net zero commitment and science-aligned targets, as shown in the table opposite. Full details are provided in our Global GHG disclosures on page 56, and the UK Streamlined Energy and Carbon Reporting (SECR) table on page 62.

Table 6: Global GHG emissions (tCO_2e) and intensity metrics

	Progress tracking (tCO_2e)			
	2025	2024	Year-on-year change	Status
Scope 1 (location-based)	**569**	816	-30%	On track
Scope 1 (market-based)	**438**	766	-43%	On track
Scope 2 (location-based)	**612**	671	-9%	On track
Scope 2 (market-based)	**245**	227	+8%	Stable/External factors
Total Scope 1 & 2 (market-based)	**683**	993	-32%	On track
Scope 1 & 2 (market-based) emission intensity (tCO_2e / £m revenue)	*0.9*	*1.3*	*-31%*	On track
Scope 3, Category 3 Fuel & energy-related activities	**348**	415	-16%	Progressing
Scope 3, Category 6 Business travel	**9,699**	12,118	-20%	On track
Scope 3, Category 7 Employee commuting	**5,182**	4,434	+17%	Requires attention
Scope 3, Category 8 Upstream leased assets	**1,110**	1,462	-24%	On track
Total Scope 3 (Categories 3, 6, 7, 8)	**16,339**	18,429	-11%	Progressing
Total Scope 3 (Categories 3, 6, 7, 8) emission intensity (tCO_2e / £m revenue)	*21.8*	*24.3*	*-10%*	Progressing

Emissions intensity ratios are calculated at tCO_2e per £m of revenue and should be interpreted alongside absolute emissions performance.

Status reflects progress against BSI's operational net zero transition pathway and incorporates both emissions performance and underlying operational drivers.

Summary of performance

In 2025, BSI achieved a reduction in greenhouse gas emissions across its global operations, with total market-based emissions decreasing by 13% year on year. This was driven primarily by reductions in Scope 1 emissions (-43%) and continued reductions across key Scope 3 categories, particularly business travel (-20%) and upstream leased assets (-24%). Scope 2 location-based emissions decreased by 9% due to reduced electricity consumption and continued energy efficiency measures, while market-based Scope 2 emissions increased slightly (+8%).

Employee commuting and working from home emissions increased by 17%. Overall these results reflect continued estate rationalisation, increased energy efficiency, fleet transition activities and the continued embedding of hybrid service delivery models, demonstrating ongoing progress toward BSI's 2030 net zero operational target.

Non-financial and sustainability information statement

This section of the Strategic Report constitutes BSI's non-financial and sustainability information statement, produced to comply with Sections 414CA and 414CB of the Companies Act 2006.

The information listed is incorporated by cross reference.

Reporting requirement	Policies which govern our approach	Information necessary to understand our business and its impact, policy support, and outcomes
Environmental matters	Operational Sustainability Position Statement Supplier Code of Conduct BSI Code of Business Ethics – Our Sustainable Practices section	Stakeholder engagement, page 41 Operational sustainability, page 45 Global Greenhouse Gas disclosures, page 56 Task Force on Climate-related Financial Disclosures report, page 63 Report of the Sustainability Committee, page 100
Colleagues	BSI Code of Business Ethics – Our Workplace Responsibilities section Health, Safety, Environment & Quality (HSEQ) Policy HSEQ Risk Management Framework Respect at Work Policy Serious Incident Reporting Policy	Working at BSI, page 38 Stakeholder engagement, page 41 Directors' report, page 114
Respect for human rights	BSI Code of Business Ethics – Our Business Responsibilities section	Modern Slavery and Human Trafficking Statement on bsigroup.com Stakeholder engagement, page 41 Corporate governance report, page 87
Social matters	BSI Code of Business Ethics Charitable Donations Policy Volunteering Policy	BSI Group at a glance, page 2 Stakeholder engagement, page 41 Operational sustainability, page 45 Report of the Sustainability Committee, page 100
Anti-corruption and anti-bribery	BSI Code of Business Ethics – Anti-Bribery and Corruption section Anti-Bribery and Corruption Policy	Stakeholder engagement, page 41 Corporate governance report, page 87 Report of the Audit and Risk Committee, page 92
Additional disclosures		2025 highlights, page 1 BSI Group at a glance, page 2 Our strategy, page 13 Business model, page 14 Risk management, page 73

Risk management

Effective risk management underpins the achievement of our strategic goals

The identification, evaluation, and mitigation of risk is integrated into key business processes from strategic planning to day-today performance management. Our Risk Management Framework includes a continual and dynamic process for identifying, evaluating, and managing risks aligned to ISO 31000 (Risk management).

Our governance

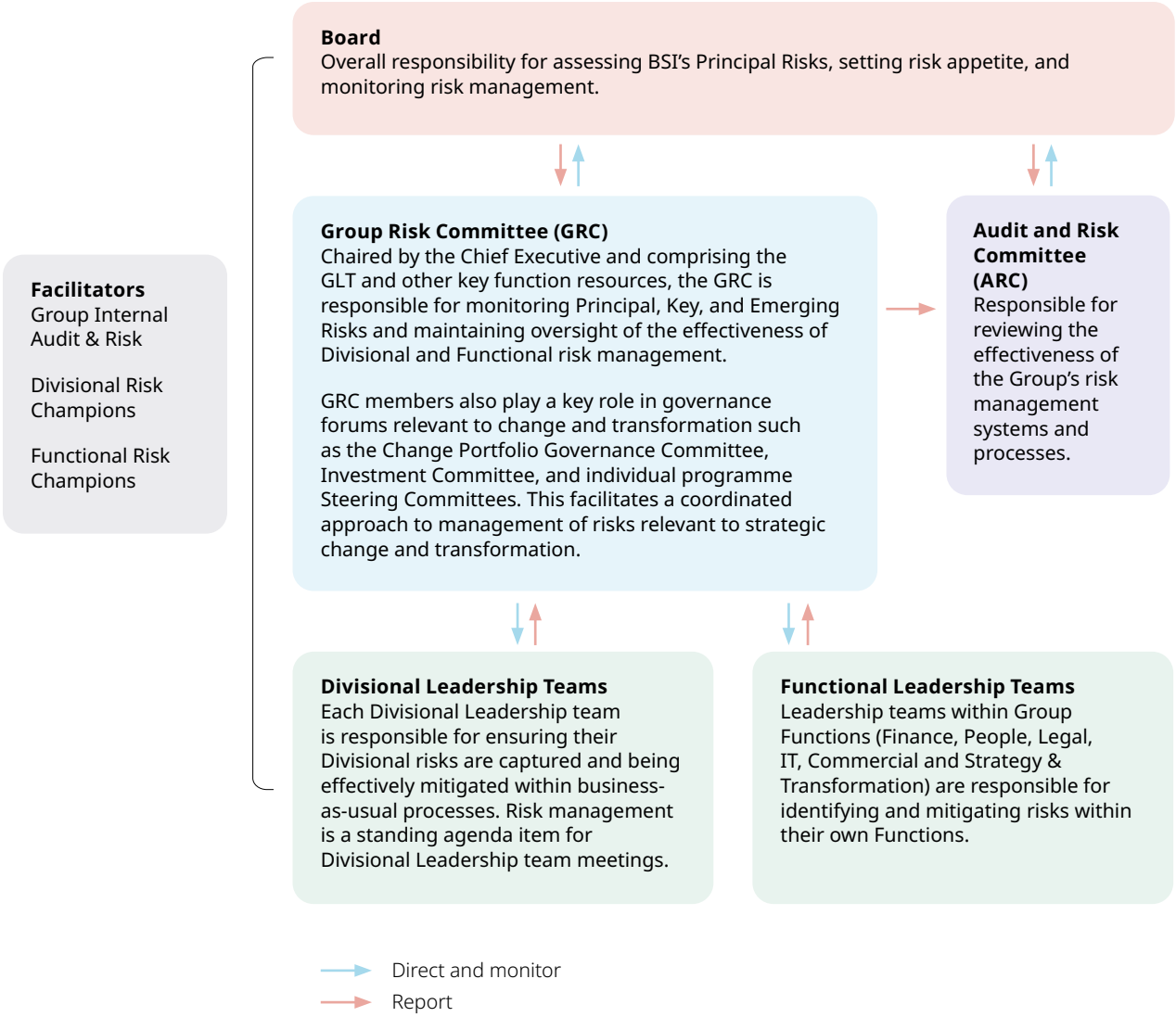
The Board maintains responsibility for the organization's risk management framework and through the Audit and Risk Committee (ARC) assesses the continued effectiveness of risk management systems and processes.

Our Group Risk Committee (GRC), which comprises the entirety of the Group Leadership Team (GLT), sets clear expectations of risk management performance for each Division and Function, including those teams accountable for second-line assurance. Each of the Group's Principal Risks is owned by a member of the GLT, and GLT-nominated risk champions ensure a coordinated approach to risk management across teams.

Divisions and Functions are accountable for managing risks within their areas of responsibility and for sharing information relating to these risks with their colleagues, to support a shared understanding of risks across the organization. Accordingly, each Division and Function maintains a risk register, and conducts periodic risk reviews chaired by the respective GLT lead, with the support of the Group Internal Audit & Risk team. These risk reviews provide an opportunity for identification and escalation of any emerging risks which may impact the Group.

Our network of risk champions meets throughout the year, and with the support of the Group Internal Audit & Risk team, take part in risk workshops and training to remain up to date with best practice. We maintain our risk universe in an enterprise risk management tool to support sharing of information across Divisions, Functions, and geographies.

Our risk governance structure is as follows:



Risk management continued

Our risk management process

Identify
Risks are defined as events, situations, or circumstances that present uncertainty impacting upon the achievement of business objectives. This includes the failure to realize opportunities.

Risks relevant to these objectives are identified through a structured process which includes risk reviews conducted by each of our Divisions and Functions.

Assess
We estimate the likelihood of each risk occurring and the potential quantitative and qualitative impacts before and after mitigating controls.

The impact and likelihood of each risk after taking into account the level of mitigation achieved through internal controls is represented by a residual risk score. All risks are periodically assessed to confirm they remain in line with defined risk appetites.

Manage
Risk owners are identified for each risk. They ensure risks are managed in line with defined appetites. In doing so, they assess the continued effectiveness of controls and supporting processes.

Where necessary, they identify appropriate actions to be taken to better manage risk. Such actions are tracked against agreed timelines.

Monitor
Risks are monitored, tracked, and reported in accordance with our enterprise risk management framework.

Risk owners monitor agreed mitigations to ensure they remain relevant, effective, and based on up-to-date information. This is also informed by monitoring of key risk indicators (KRIs), established for each Principal Risk.

The effectiveness of mitigations and progress of identified actions are periodically reviewed by respective Leadership Teams.

Our Principal Risks

Principal Risks are kept under review by the Board, which is responsible for setting risk appetite. Each Principal Risk is owned by a member of the GLT, providing a key point of contact coordinating our risk response. Each Principal Risk is subject to periodic deep dives in relevant governance forums, led by the respective Principal Risk owner.

A suite of KRIs has been established for each Principal Risk by the respective owner. These are kept under review during the course of the year and refined as deemed appropriate. The GRC and ARC review KRI data to support identification of changes in risk exposure.

Key controls relevant to management of these risks have assigned ownership, and tests of effectiveness are conducted during course of the year. These are reported in various forums as part of monitoring and oversight.

Changes to Principal Risks

As part of our risk governance, the Board has undertaken a robust assessment of our Principal Risks, and confirmed that these reflect the most significant risks that could impact achievement of the Group's strategic objectives.

Key changes in 2025 have included the removal of 'Fraud & Unauthorized Transactions' as a dedicated Principal Risk, reflecting that there are limited specific factors which expose the Group to fraud risk to such an extent it should be reflected in a dedicated Principal Risk.

A further key change is the movement of 'Wellbeing' risk from the existing 'Talent' risk to a combined 'Health Safety & Wellbeing risk', to reflect the linkage between the topics of colleague health and wellbeing.

Geopolitical instability has continued to intensify in 2025, contributing to a marked rise in cybersecurity risk for global organizations. Accordingly, the Group's inherent risk exposure for its Principal Risks relating to Cybersecurity and Geopolitical Instability has risen in 2025.

Taking into account mitigating actions for the relevant Principal Risks, the residual risk exposure relevant to these risks is considered to remain within Board-approved risk appetites, and the Board will continue to keep this under review with the support from the ARC.

In 2026, areas of focus will include ensuring our risk universe stays up to date, including assessment of any emerging risks. Focus will continue to be maintained on validating the effectiveness of mitigation efforts and material controls as part of our risk management framework.

Risk management continued

Principal Risk	Risk description	Mitigating actions
1. NSB Appointment & Obligations Owner: Director-General, Standards	BSI is appointed by the UK government as the National Standards Body (NSB). This status is central to our purpose and formally codified in a Memorandum of Understanding (MoU) between the Government and BSI. An updated MoU was signed in 2024. Failure to comply with the requirements set out in the MoU could put our NSB appointment at risk. Our NSB appointment obliges us to work globally. Changes to government policy or stakeholder relationships, in any of the jurisdictions in which we operate, could affect our ability to deliver our objectives, develop and maintain standards or provide services to clients.	BSI maintains close relations with the UK government to ensure we have a common understanding of our responsibilities as the NSB. A regulatory framework is in place across BSI to ensure we comply with the requirements of the MoU. We review our performance as the NSB through discussions at the Board and Executive Committees including the Standards Policy and Strategy Committee (SPSC), which is an advisory committee to the Board comprising independent members representing industry, government and society. We monitor the processes for standards development to ensure they are suitably robust. We continue to invest in our systems and in the digitization of the services and solutions we offer. We engage with the UK and other governments to ensure that our voice is heard during policy debates. Our business model is kept under review, to anticipate and adapt to changes in policy as necessary across the jurisdictions in which we operate. Relationships are built with our stakeholders and standards bodies, so that they are aware of, and value, our contribution and input on topics in focus such as those in relation to making standards more accessible.
2. Accreditation Compliance Owner: President, AS	A large percentage of global business is dependent on BSI maintaining accreditation or recognition with various accreditation bodies, recognition bodies and scheme owners. Loss of such accreditation or recognition may damage BSI's reputation, impact business performance and potentially trigger contractual claims.	Continual dialogue is maintained with all of BSI's accreditation bodies, recognition bodies and scheme owners. BSI has a strict regulatory framework, with teams dedicated to the management of BSI's compliance. This regulatory framework operates through continuous global reporting procedures, regular training to all relevant personnel, and legal support experienced in the subject matter of this business. Risk to BSI's accreditation is further mitigated through systematic oversight, which includes internal audits from the Quality & Compliance team, regular analysis on accreditation and scheme performance, a whistleblowing hotline, and a thorough complaints and appeals procedure.
3. Designation Compliance Owner: President, RS	The conduct of BSI's regulated businesses relies on statutory authority and accreditation in the relevant jurisdiction in which the Group Company conducting such business is incorporated. Statutory authority is specific only to the relevant Group Company and cannot be assigned. Loss of statutory authority would cause BSI to cease all associated trade. Any failure to meet professional obligations or an actual or perceived conflict of interest could cause loss of relevant authorities on a temporary or permanent basis. This would damage BSI's reputation and cause BSI to suffer contractual claims as well as the possibility of exposure to tortious liability.	BSI maintains strong relations with the authorizing authority relevant to each Group Company concerned. We are a subject matter expert in the regulations governing this business and lead various trade associations that include competitors, proposing interpretation and clarification of governing regulations. We remain in close dialogue with clients, particularly those with their own regulatory departments. Compliance is built into our organizational structure, and we have a strict regulatory compliance framework, with dedicated officers to manage BSI's compliance, and various methods of reporting leading to that team, supported by continued training to all connected personnel, as well as having dedicated legal support qualified in the subject matter of this business.

Risk management continued

Principal Risk	Risk description	Mitigating actions
4. Legal Compliance Owner: General Counsel	Failure to adequately comply with legislation in a country where BSI trades could result in enforcement or legal action. Separately, BSI could be found liable for third-party claims due to client action including claims resulting from ordinary provision of BSI services.	Our Legal team operates globally and maintains relationships with external law firms to support awareness of forthcoming changes to legislation. A detailed risk analysis is maintained of all our global legal entities and used to apply a proportionate and targeted approach to management of risks relevant in BSI's various jurisdictions. Key colleagues receive relevant training and compliance policies and procedures are in place. Our Legal, Compliance & Ethics and Health & Safely functions operate as one team to optimize risk awareness and mitigation. BSI's anonymous whistleblowing reporting line allows colleagues and third parties to Speak Up and report their concerns to the highest level of management. We are committed to a zero-tolerance approach to bribery and corruption and maintain global certification to ISO 37001 (Anti-bribery management systems), incorporating measures to prevent, detect and address bribery.
5. Change Management Owner: Chief Strategy & Transformation Officer	The Group's ability to successfully deliver strategic transformation initiatives, such as the multi-year enterprise resource planning (ERP) programme, is integral to achieving our strategic ambitions. Failure to deliver strategic initiatives and achieve expected outcomes on time and within budget could undermine achievement of the Group's Long Range Plan, and result in increased costs of delivery and unrealized benefits. Further, the impact on our people of the wide-ranging change agenda could lead to engagement challenges with the potential to negatively impact benefits realization.	Robust governance and change management processes are in place to ensure the successful implementation of strategic transformation initiatives. To ensure a consistent approach to delivery of change across the Group, we maintain central change capabilities including a Group Portfolio Management Office (GPMO) to oversee and manage the set-up, resourcing and ongoing delivery of initiatives. Our change governance process involves a series of stage gates applicable for all strategic transformation initiatives. The GPMO's role includes supporting and managing dependencies across multiple programmes, and ensuring an appropriate balance of internal resources and external expertise is leveraged to support change. Oversight mechanisms include a Strategic Portfolio Committee chaired by the Group CEO, responsible for portfolio-level decision-making and prioritization. Additionally, change delivery assurance reviews are completed to ensure that transformation initiatives are managed in line with the Group's approved change governance process. Such governance processes seek to ensure change is implemented carefully and pragmatically, so as not to negatively impact service delivery to clients. Our approach to change management actively engages and empowers colleagues to shape the change experience. This engagement enables teams to define the desired experience for the changes being implemented and ensures business capacity for the absorption of change.

Risk management continued

Principal Risk	Risk description	Mitigating actions
6. Talent Owner: Chief People Officer	An inability to develop, recruit or retain the right skills and diverse workforce in the Group could mean that business performance may suffer, or opportunities are not exploited.	As part of our Engagement and Communication Strategy, we undertake periodic Group-wide engagement. Based on feedback, actions are formulated by respective Leadership teams to further strengthen engagement. We engage with our people throughout the year, working closely with BSI affinity groups, to gather input to support us in promoting diversity, equity and inclusion. We continue to enhance our Company culture by connecting what colleagues do every day with our values and our purpose We continue to enhance our workforce reward, incentive, and benefit solutions to provide a compelling total rewards package and employee experience by implementing competitive pay range structures and policies across our global footprint that provide flexibility to recruit and retain top talent and key skills. Succession planning is in place across senior and critical roles across the organization and we have undertaken work to identify pipelines of talent as part of the focus on development. We have enhanced our ability to draw upon attrition data insights, through improvements in data capture of our exit processes. These insights are leveraged in strengthening our talent proposition.
7. Evolving Market Needs & Dynamics Owner: Chief Commercial Officer	Our business depends on client demand for our services and solutions and stakeholder confidence. This may require adaption or expansion of our offering in response to changes in technology and market trends, or client needs. Broader market dynamics such as the pace of regulatory change may also impact our business model. Failure to stay relevant, or to invest in and evolve our services and solutions to meet changing market, regulatory and client needs could lead to poor business performance.	Through continued investment in our services and solutions offering, and our focus on strategic themes like sustainability, digital trust, quality, health and safety and wellbeing, we are recognized as thought shapers, helping organizations navigate increasingly complex landscapes and giving them the confidence to grow. Through our strategy and planning processes, we consider broader market needs and dynamics and incorporate insights from a wide range of stakeholders, including clients, to ensure our services and solutions remain relevant. Our policy engagement and close working with government, industry and consumer organizations, our many technical committees and our international relationships are fundamental to identifying shifts that may impact our business. These activities allow us to adapt our business model as needed to maintain the relevance of our services and solutions. Our sector and domain experts and Group innovation team provide insights into trends in new and emerging technologies including the use of artificial intelligence. These insights inform development of our services and solutions. We monitor the relevance of BSI services and solutions through stakeholder consultation and feedback mechanisms, including Voice of the Client surveys. This provides an ongoing feedback loop on our products, customer success and sales processes.

Risk management continued

Principal Risk	Risk description	Mitigating actions
8. Cybersecurity & Data Protection Owner: Chief Information Officer	BSI is dependent on IT systems for day-to-day operations. Failure to protect against cyber breaches, ransomware attacks, or other security incidents, whether from state-sponsored, criminal or other sources, could result in disruption or suspension of IT services, impacting our trading operations and loss of data. Failure to protect against inadvertent loss of our, or our clients' or other stakeholders' data could result in BSI receiving fines, a loss of client confidence, adverse impact to our reputation, and/or litigation.	We continue to invest in our cybersecurity capability which includes mitigation and risk reduction activities across people, process, and technology. Our Information Security team capabilities are complemented by access to third-party cybersecurity expertise. This includes a Global Security Operations Centre (SOC) that provides 24x7x365 monitoring, detection, alerting and response. BSI is globally certified to ISO/IEC 27001 (Information security management systems). Regular vulnerability and penetration testing is conducted for all external-facing and business-critical Group services, applications, and websites. IT disaster recovery and back-up plans are in place and tested regularly. Other measures include enhanced endpoint protection, encryption of data, network firewalls and web and email content protection. Multi-factor authentication for remote access and cloud-based services is in place and cybersecurity awareness training is undertaken by all colleagues. The Group has a data privacy compliance programme, which includes key measures to ensure the processing of personal data is conducted in compliance with data protection laws, and risks associated with privacy and data protection regulations are effectively managed.
9. Health, Safety & Wellbeing Owner: General Counsel	The health and safety of our colleagues is of the highest priority for the Group. Failure to meet safety standards in the workplace, or safeguard colleagues whilst travelling on Company business, could result in injury or death and lead to adverse financial, legal or reputational consequences. The mental and emotional wellbeing of our workforce is a priority. Failure to give colleague wellbeing due consideration could result in injury, death, increased absence, reduced productivity and lowered employee engagement.	We have a Health and Safety Management System and are certified globally to ISO 45001 (Occupational health and safety management systems). We maintain a comprehensive hazard identification and risk assessment process covering activities across the business and colleagues undertaking business travel. This is supported by a comprehensive suite of health and safety guidance and training that is available to all our colleagues. We have a globally consistent employee benefit and wellbeing experience, which includes an employee assistance programme, recognition platform, benefit hub discounts, Volunteer Day, and Global Giving platform, as well as free premium access to world-class menopause support, and access to a leading mental health app. We place flexibility as a dimension of workplace wellbeing. We have a flexible framework to support all teams across BSI in developing their ways of working with a focus on wellbeing and work-life balance. Ergonomic risk assessments and training have also been extended to incorporate flexible working.

Risk management continued

Principal Risk	Risk description	Mitigating actions
10. Environmental, Social and Governance Owner: Chief Strategy & Transformation Officer	The evolving corporate landscape continues to drive adaptations in the approach taken by companies to environmental, social and governance (ESG) initiatives. Failure to meet stakeholder expectations or comply with applicable regulation and non-financial reporting requirements could adversely impact the Group's business performance and reputation.	As the UK NSB, BSI is at the core of several initiatives centred around climate action. The London Declaration, which BSI signed with ISO, will help ensure climate science is fully considered in all new and existing international standards. Sustainability is one of BSI's top strategic priorities. The Board receives regular updates on progress against specific operational sustainability objectives, including climate mitigation in our own operations and philanthropy activities. The Board also receives regular updates on the impact of our sustainability-related commercial solutions and services across the Group. We are globally certified to ISO 14001 (Environmental management systems) and as such are subject to both internal and external audits. We are carbon neutral and have a target to be net zero in our own operations (Scopes 1 & 2) by 2030. Our reporting on global emissions is subject to limited assurance procedures by a third party and has also been externally verified against ISO 14064-1 (Greenhouse gases). We monitor applicable regulatory and non-financial reporting requirements on an ongoing basis to ensure we meet our obligations. We maintain a proactive approach to identifying and managing potential human rights risks across our operations and third party relationships, supported by established due diligence processes. Key mitigations include policy frameworks, mandatory training, risk assessments, supplier due diligence, incident reporting mechanisms, and ongoing monitoring activities. Together, these measures help us address modern slavery, labour rights, and wider social-related risks in line with the International Labour Organization (ILO) Core Labour Standards and UN Global Compact principles. The Board is committed to the highest standards of corporate governance. BSI applies the principles of the Financial Reporting Council (FRC) UK Corporate Governance Code where applicable and has established internal governance procedures that reflect best practice.

Risk management continued

Principal Risk	Risk description	Mitigating actions
11. Geopolitical Instability and Macroeconomic Uncertainty Owner: Chief Financial Officer	As a global business, changes to economic conditions or industry and trade policies in the jurisdictions where we operate have the potential to impact us and how we service our clients. This may arise in the form of geopolitical instability, protectionist trade policies, inflationary pressures, or exchange rate fluctuations. Failure to anticipate or adapt to global events and macroeconomic uncertainty may impact our performance.	The breadth of BSI's service offering, innovation capabilities and its diversification across sectors and geographies provides resilience against the potential impact of economic downturns or protectionist trade policies. Our Group strategy and long-range planning processes take into account the changing world that we operate in, and this supports how we prioritize our activities and initiatives. We conduct regular strategic business reviews looking at the trading environment and local economic conditions that each business unit operates in. This includes regular cost and pricing reviews to manage inflationary pressures across our footprint. We maintain a focus on our crisis management capabilities and undertake preparedness activities to build resilience. Throughout the year, the Board considers specific geopolitical and macroeconomic events and any potential impact to BSI. Business continuity planning is undertaken across our global footprint to prevent interruptions to essential functions. Treasury activities are conducted in accordance with policies approved by the Board. This includes active management of financial risk arising from the international nature of our business, particularly in terms of cash management and interest rate impacts. We look to natural hedging wherever possible and prompt settlement to mitigate foreign exchange risk.

Corporate Governance

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Governance at a glance

The Board of BSI is committed to the highest standards of corporate governance, which it considers fundamental to the organization's success.

The British Standards Institution (BSI) is a private company incorporated by Royal Charter, which awards it independent legal personality, defines its objectives, constitution and powers to govern its own affairs. BSI's Royal Charter is supplemented by its Bye-laws which governs how BSI must be run. BSI's Royal Charter and Bye-laws are available to view at https://www.bsigroup.com/en-GB/about-bsi/bsi-royal-charter/.

The Board applies the Financial Reporting Council (FRC) UK Corporate Governance Code (Code), a globally recognized framework representing best practice in corporate governance. As BSI is a Royal Charter Company without shares or shareholders, a number of the provisions of the Code cannot be directly applied. The Board has determined that, throughout 2025, BSI has complied with those provisions and principles of the 2024 Code which are applicable to it as a Royal Charter Company.

BSI's business is founded on its reputation for high standards of business conduct. The BSI Code of Business Ethics encompasses workplace behaviours, anti-bribery and corruption practices, business responsibilities, sustainable practices, and responsible use of information. It embodies the high standards of business conduct that are fundamental to the way in which the Group operates, as well as the high standards of behaviour required from all colleagues in the Group.

Board at a glance

	Committee membership			
Board meeting attendance	Audit and Risk	Nominations	Sustainability	Remuneration
John Hirst		●	○	○
Susan Taylor Martin		○	○	
Scott Steedman			○	
Dame Polly Courtice		○	●	
Diane Bitzel	○			○
Tim Livett	●	○		○
Robert MacLeod	○	○		●
Paul Quested				
Bukky Bird	○		○	
Peter Simpson				○

● Chair of committee ○ Member of committee

Governance framework

Board of Directors

- Chairman
- Senior Independent Director
- Independent Non-Executive Directors
- Executive Directors

Company Secretary

Board Committees

- **Audit and Risk Committee** – Read more on **pages 92-97**
- **Nominations Committee** – Read more on **pages 98-99**
- **Sustainability Committee** – Read more on **pages 100-101**
- **Remuneration Committee** – Read more on **pages 102-104**

Executive Leadership

BSI Group Leadership Team
With support from the Impartiality Oversight Committee, Information Security Steering Committee and Group Risk Committee

Independent Oversight of Standards Policy and Strategy

Standards Policy and Strategy Committee

Responsibilities of the Board

The Board is the governing body of BSI. It sets the organization's strategy and oversees its long-term sustainable success. It monitors how BSI satisfies its obligations to its various stakeholders, and ensures BSI fulfils its public interest responsibility according to its Royal Charter. The Board oversees BSI's culture to ensure alignment with the Group's objectives, values and strategy. It also oversees a framework of internal controls to ensure that Principal Risks are assessed and managed.

Division of responsibilities

The Board collectively operates in accordance with a schedule of matters reserved for its decision. The Board delegates specific responsibilities to its Committees, each of which has clear written terms of reference. Key operational decisions are delegated to the Chief Executive, who leads the Group Leadership Team (GLT).

Individual responsibilities are as follows:
Chairman
Leads and manages the Board. Sets the agenda, style and tone of discussions and promotes open debate, effective, decision-making and a unitary culture.

Non-Executive Directors
Constructively challenge the performance of management in the execution of strategy. Advise and contribute to Board debate based on their broad business experience and professional skills.

Senior Independent Director
Non-Executive Director who provides a sounding board for the Chairman, deputizing for him where necessary. Also acts as intermediary for other Directors, if needed.

Executive Directors
Responsible for the operational implementation of the Group's strategy.

Company Secretary
Oversees the provision of clear information to the Board. Supports the Chairman and committee chairs in convening meetings and setting agendas. Advises the Board on governance matters.

Responsibilities of Board Committees are as follows:
Audit and Risk Committee
Oversees the integrity of the Group's external financial reporting, and the adequacy and effectiveness of the internal controls and risk management systems.

Nominations Committee
Ensures effective succession planning for the Board and GLT and managing the process for recommending to the Board the appointment of new directors.

Remuneration Committee
Oversees the setting and implementation of BSI's remuneration policy to support the delivery of its strategy and purpose.

Sustainability Committee
Oversees how well sustainability is embedded into BSI's business strategy and operations.

Standards Policy and Strategy Committee (SPSC)
Oversees BSI's work as the UK National Standards Body (NSB). The SPSC consists of representatives of the Board and industry, government, academia and other persons or bodies concerned with BSI's work as the NSB.

Full terms of reference can found be found online

Board of Directors

John Hirst (N) (S) (R)

Chairman

Skills and experience

John Hirst was appointed to the Board in October 2018 as Non-Executive Director and became Chairman in January 2019. John has a wealth of experience leading and transforming complex organizations. His early career was with ICI, beginning in finance before progressing into various leadership roles and serving on the Group leadership team as Chief Executive of the speciality chemicals division. He was Group Chief Executive of Premier Farnell, a FTSE 250 electronics distribution company, and Chief Executive of the UK's Met Office. John was Chairman of Anglian Water Services from 2015 until 2024.

Other appointments

SMi Drug Discovery, IMIS Global Limited and the epilepsy charity SUDEP Action. John is also a Director of Afon Technology Ltd.

Susan Taylor Martin (N) (S)

Chief Executive

Skills and experience

Susan Taylor Martin joined the Board and was appointed Chief Executive in January 2021. Susan has led a range of information, publishing and software businesses, first at Reuters and then at Thomson Reuters. As President of Thomson Reuters' Global Legal Business based in New York, she led the transformation of its online information service into an AI-enabled suite of digital and SaaS offerings. She has experience of the consumer, leisure and hospitality sector, having been a Non-Executive Director of Whitbread plc. She also possesses a strong network across a wide range of businesses, as former Chair of the London Council of the Confederation of British Industry.

Other appointments

Susan is a Non-Executive Director of the University of Cambridge Press & Assessment Board.

Paul Quested

Chief Financial Officer

Skills and experience

Paul Quested joined the Board as Chief Financial Officer (CFO) in May 2025. He has significant experience in commercial, strategic and financial leadership roles across listed and investor-backed companies. Prior to joining BSI, Paul worked for eight years as CFO of the equipment hire business HSS Hire Group plc where he oversaw multiple transformation initiatives to support its transition to a digitally-driven business and led several M&A transactions. Previous to HSS, Paul worked at the industrial and electronics distributor RS Group plc in senior finance, general management and corporate development roles, and at InBev in senior finance and strategic business roles.

Other appointments

None

Scott Steedman (S)

Director-General, Standards

Skills and experience

Scott Steedman joined the Group in January 2012 and was appointed to the Board in October 2012. An engineer by profession, he started his career as a Fellow and Lecturer at the University of Cambridge before moving to industry where he spent over 20 years as a consultant working in the built environment sector. He was a Non-Executive Board Member of the Port of London Authority from 2009 to 2015 and served as Vice-President (Policy) for the European Committee for Standardization (CEN) from 2013 to 2017 and the International Organization for Standardization (ISO) from 2017 to 2021.

Other appointments

Scott is a Council Member of ISO and Board member of the International Electrotechnical Commission (IEC) and of CEN.

Committee membership

- ● Committee Chair
- (A) Audit and Risk Committee
- (N) Nominations Committee
- (S) Sustainability Committee
- (R) Remuneration Committee

Board of Directors continued

Bukky Bird (A) (S)

Non-Executive Director

Skills and experience

Bukky Bird joined the Board as a Non-Executive Director in June 2025. She is Group Sustainability Director at Barratt Redrow plc and a member of its Executive Committee. She brings a breadth of experience acquired from leadership roles in sustainability, strategy and business transformation, engineering, construction and operations. She was previously at Tesco PLC, and before that at WSP Group PLC.

Other appointments

None

Diane Bitzel (A) (R)

Non-Executive Director

Skills and experience

Diane Bitzel was appointed as a BSI Board Advisor in July 2024 and subsequently as a Non-Executive Director in September 2024. Diane has considerable global management experience, particularly in the areas of Digital and IT strategies, IT Operations, digital transformations and business process management. Diane has previously served as Chief Digital and Information Officer for Vodafone Group plc. She was also Group Chief Information Officer for Intertek plc, the FTSE 100 testing, inspection and certification company, and she has served as Chief Information Officer for global life science and food companies, including Syngenta AG, Apetito AG and Lonza Group. Prior to those roles, Diane was a senior leader in management consulting for organizations including Capgemini.

Other appointments

None

Dame Polly Courtice (S) (N)

Non-Executive Director

Skills and experience

Polly Courtice joined the Board as Advisor in June 2020 and was appointed a Director on 1 September 2022. Polly was Founder Director of the University of Cambridge Institute for Sustainability Leadership (1988-2021) and has been the recipient of numerous awards for her contribution to sustainability. She is a member of the Supervisory Board of Mercedes-Benz Group AG and serves on its Legal Affairs Committee. She is a sustainability advisor to Terra Firma Capital Ltd, a member of the judging panel for the King's Award for Sustainable Development, and a Trustee of Cambridge Past, Present and Future, a local charity dedicated to protecting and enhancing the Cambridge area and its green landscapes.

Other appointments

Polly is Chair of the Faculty Board of Engineering, University of Cambridge, and is a Deputy Lieutenant for Cambridgeshire.

Committee membership

- ● Committee Chair
- (A) Audit and Risk Committee
- (N) Nominations Committee
- (S) Sustainability Committee
- (R) Remuneration Committee

Board of Directors continued

Tim Livett (A) (N) (R)

Non-Executive Director

Skills and experience

Tim Livett was formerly the Chief Financial Officer at Caledonia Investments plc, a FTSE 250 company. Prior to this role, he was Chief Financial Officer at Wellcome Trust, the global charitable trust focused on health research, and at Virgin Atlantic Limited. Tim is a Non-Executive Director of Worldwide Healthcare Trust plc and of Oxford University Endowment Management, plus a Trustee of Babraham Institute and also of Shell Foundation; he chairs the respective Audit and Risk Committees of these institutions. He has an extensive and broad financial background covering commercial businesses, investments and charitable activity.

Other appointments

Tim is Audit Committee Chair and serves as Non-Executive Director of Worldwide Healthcare Trust plc as well as of Oxford University Endowment Management. He is an appointed trustee of the Shell Foundation.

Robert MacLeod (R) (A) (N)

Non-Executive Director
(Senior Independent Director)

Skills and experience

Robert MacLeod joined the Board as Non-Executive Director in March 2024. He was the Chief Executive Officer of FTSE 250 international chemicals company, Johnson Matthey. Previously, he was the organization's Group Finance Director and played a key role in the Group's strategy and business development. Prior to that, he worked for WS Atkins, latterly serving as Group Finance Director.

Other appointments

Robert serves as Non-Executive Director of Vesuvius plc. He is also Audit and Risk Committee Chair and Non-Executive Director of Balfour Beatty plc. Robert is a Non-Executive Member of the Defence Science and Technology Laboratory (DSTL) Board and the Chair of its Audit, Risk and Assurance Committee.

Peter Simpson (R)

Board Advisor

Skills and experience

Peter Simpson was appointed as Board Advisor in June 2025. He spent more than 35 years at Anglian Water, serving as Chief Executive Officer from 2013 to 2023, and has held senior roles including Chairman of Anglian Venture Holdings Ltd and Director of Morrison Ltd. Earlier in his career, he worked internationally across the Americas, Central Europe, and South East Asia. Peter holds degrees in Chemistry and Business Administration, an honorary doctorate from the University of East Anglia, and is a Chartered Water and Environmental Manager, Scientist, and Environmentalist.

Other appointments

Peter is a Director of WaterAid Ltd, Chair of the Resilient Water Accelerator Ltd, and President of the International Water Association's Global Congress in 2026.

Committee membership

- ● Committee Chair
- (A) Audit and Risk Committee
- (N) Nominations Committee
- (S) Sustainability Committee
- (R) Remuneration Committee

Corporate governance report

Governance framework

Corporate governance in BSI

The Board of The British Standards Institution is committed to the highest standards of corporate governance, which it considers fundamental to the organization's success.

The British Standards Institution is governed by its Royal Charter and Bye-laws and, in addition, applies the Financial Reporting Council (FRC) UK Corporate Governance Code (Code), a globally recognized framework representing best practice in corporate governance.

In this corporate governance report, information is provided on how BSI has applied the principles and provisions of the 2024 Code. The 2024 Code is available on the FRC's website.

The Board has determined that, throughout 2025, BSI has complied with those provisions and principles of the 2024 Code which are applicable to it as a Royal Charter Company. The following table shows how BSI has addressed changes under the 2024 Code.

Reporting against the 2024 UK Corporate Governance Code

Key changes to principles & provisions	Our response	Status
Board leadership and Company purpose		
New: Principle C. Governance reporting should focus on board decisions and their outcomes in the context of the company's strategy and objectives. Where the board reports on departures from the Code's provisions, it should provide a clear explanation.	Board decisions are taken in line with the Company's strategy and objectives and reported in the Annual Report and Financial Statements. See Board activities report on page 90.	Compliant
Provision 2 has been amended to include that boards should not only assess and monitor culture, but also how the desired culture has been embedded.	The Board monitor's BSI's culture through its ongoing reporting. It also specifically receives reports from the Chief People Officer on the findings from culture and engagement surveys and on the work of the Employee Resource Groups. The Sustainability Committee receives reports on how inclusion and wellbeing and strong human rights practices form part of BSI's culture. See the Working at BSI report on page 38 and the Reports of the Sustainability Committee on page 100 for more information.	Compliant

Key changes to principles & provisions	Our response	Status
Composition, success and evaluation		
Principle J has been amended to continue to require board and senior manager appointments to promote diversity, inclusion and equal opportunity, without referencing specific groups.	There are formal, rigorous processes in place, overseen by the Nominations Committee, for Board appointments and Board and Group Leadership Team succession planning. See the Report of the Nominations Committee on page 98.	Compliant
Provision 23 requires the annual report to include the work of the nomination committee, and has been amended to reflect the fact that companies may have additional initiatives in place alongside their diversity and inclusion policy.	Details on the work of the Nominations Committee, including its oversight of diversity and inclusion, are found in the Committee's report on page 98.	Compliant

Corporate governance report continued

Key changes to principles & provisions	Our response	Status
Audit, risk and internal control		
Principle O has been amended to make the board responsible not only for establishing, but also for maintaining the effectiveness of, the risk management and internal control framework.	The Board, with authority delegated to the Audit and Risk Committee, oversees the maintenance of an effective risk management and control framework to enable appropriate management of BSI's Principal Risks. See the Risk management report on page 73 and the Report of the Audit and Risk Committee on page 92.	Compliant
New: Provision 29 The board should monitor the company's risk management and internal control framework and, at least annually, carry out a review of its effectiveness.	BSI are taking steps to enable compliance with this provision, for reporting in the 2026 Annual Report and Accounts and thereafter. See the Report of the Audit and Risk Committee on page 92 for more information.	Compliant

Key changes to principles & provisions	Our response	Status
Remuneration		
Provision 37 has been amended to include that directors' contracts and/ or other agreements or documents which cover director remuneration should include malus and clawback.	Information on the inclusion of malus and clawback provisions in incentive awards can be found in the Directors' remuneration report on page 105.	Compliant
New: Provision 38 requires companies to include in the annual report on remuneration a description of its malus and clawback provisions.	Further information on malus and clawback in incentive awards can be found in the Directors' remuneration report on page 105.	Compliant

Board leadership

The role of the Board

The Board is the governing body of BSI. It sets the organization's strategy and oversees its long-term sustainable success. It monitors how BSI satisfies its obligations to its various stakeholders, and ensures BSI fulfils its public interest responsibility according to BSI's Royal Charter. The Board oversees BSI's culture to ensure alignment with the Group's objectives, values and strategy. It also oversees a framework of internal controls to ensure that Principal Risks are assessed and managed.

The Board operates in accordance with a schedule of matters reserved for its decision. It delegates specific responsibilities to the Board's Committees, each of which has clear written terms of reference. Key operational decisions are delegated to the Chief Executive who leads the Group Leadership Team (GLT).

The schedule of matters reserved and committee terms of reference are reviewed annually and updated as required in accordance with best practice or operational changes.

See division of responsibilities on page 83 for further information on the role of the Board and its Committees.

Board balance and independence

The Board, with support from the Nominations Committee, ensures that it maintains an appropriate balance of skills, knowledge and experience for both the current and future state of BSI. The Board has determined that the Chairman was independent on his appointment and considers that all of the Non-Executive Directors are independent for the purposes of the Code.

BSI's Bye-laws require that the total number of Executive Directors may not exceed the total number of Non-Executive Directors. In following this requirement through 2025, BSI has also remained compliant with the requirements of Provision 11 of the Code, whereby at least half of the Board shall comprise Non-Executive Directors.

The Senior Independent Director meets regularly with the other Non-Executive Directors without the Chairman being present.

Board meetings

Six scheduled meetings of the Board were held during 2025. In addition, the Board attended an annual strategy review meeting and the Annual General Meeting (AGM). There were also ad-hoc meetings of the Board and sub-committees held during 2025 to consider specific matters.

Directors are provided with meeting papers in advance of each Board or committee meeting. If a Director is unable to attend a meeting, they are asked to provide any comments to the Chairman or committee Chair prior to the meeting.

Members of the GLT and other members of senior management are invited to attend Board meetings to provide regular updates or present on specific matters. Private meetings of the Non-Executive Directors are also scheduled through the year to allow the Non-Executive Directors to discuss relevant matters.

Corporate governance report continued

	Board	Audit and Risk	Remuneration	Sustainability
Chairman				
John Hirst CBE	6/6	–	–	4/4
Executive Directors				
Sara Dickinson*	1/1	–	–	–
Paul Quested*	3/3	–	–	–
Dr Scott Steedman CBE	6/6	–	–	3/4
Susan Taylor Martin	6/6	–	–	4/4
Non-Executive Directors				
Bukky Bird*	3/3	1/1	–	2/2
Dr Diane Bitzel	6/6	5/5	3/3	–
Dame Polly Courtice	5/6	–	–	4/4
Tim Livett	6/6	5/5	3/3	–
Robert MacLeod	5/6	5/5	3/3	–
Board Advisor				
Peter Simpson*	2/2	–	1/1	–
Alison Wood*	4/4	–	–	–

* Where a Director joined or stood down from the Board or its Committees during the year, only the number of meetings following appointment or before standing down are shown.

Re-election of Directors

In accordance with the Company's Bye-laws, Directors are required to submit themselves for re-election at the next AGM following their first appointment by the Board. Additionally, one third, rounded down, of the other Directors are required to retire by rotation and stand for re-election at each AGM. The Bye-laws also require the Chairman to be elected annually by the Board. Details of Directors subject to re-election and rotation at the 2026 AGM can be found on page 114.

Board effectiveness

Board evaluation

An evaluation process is carried out annually to enable an ongoing assessment of the effectiveness of the Board and each Board Committee and identify any areas for improvement. The last external review was carried out in 2023 and, in accordance with the Code, the Board agreed that it was appropriate for the review to be carried out internally in 2025.

Overall, the 2025 review concluded that the Board and each of the Committees had operated effectively throughout the year. As part of the review, Directors provided feedback on areas where improvements could be made. The Company Secretary has discussed this feedback with the Chairs of the Board and each Committee, and action plans have been agreed.

Board induction and training

On appointment, each new Director participates in an induction programme through which they receive information on BSI's business and the specific obligations it has as a Royal Charter company and the UK National Standards Body. Each Director also meets with members of management in order to understand their roles and the roles of their teams. The induction programme is tailored for each Director, in light of the role they will be undertaking and their own prior knowledge and experience.

As is the case for all employees, each Director is required to complete training on various risk and compliance topics, both on appointment and on an ongoing basis, to ensure they understand BSI's processes and procedures and their individual responsibilities. These topics include BSI's Code of Business Ethics, its policies and procedures on impartiality and how it mitigates against bribery and corruption, information security and other risks.

Support and independent advice

The Board is supported by the Company Secretary, who is available to give ongoing advice to individual Directors on Board procedures and corporate governance matters. Each Director may take independent professional advice, if necessary, at the Company's expense.

Directors' conflicts

Each Director is required to give written notice of any situation or transaction which may create a conflict of interest with their role on the BSI Board. Any such situation must be approved by the Board, subject to any conditions which it feels to be appropriate. Each Director also has legal responsibilities to mitigate against personal conflicts of interest.

Internal control and risk management framework

The Board has overall responsibility for the continued effectiveness of the Group's internal control framework. The internal control framework addresses operational, compliance, and financial risks. The Group's framework of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The internal control framework has been in place during the year under review and up to the date of approval of the 2025 Annual Report and Financial Statements, and no significant failings or weaknesses have been identified.

There is a formal and ongoing process of risk management review in each area of the Company's activities. The Board has delegated oversight of BSI's risk management framework to the Audit and Risk Committee. The Audit and Risk Committee regularly reviews the Company's Principal Risks and its internal controls, and provides updates to the Board.

Further information on the risk management processes, the Principal Risks the Group faced during the year and the steps taken to mitigate these risks is provided in the Risk management report on page 73.

Stakeholder engagement

The Board oversees effective engagement with BSI's key stakeholder groups, in order that their views can be considered in its decision-making. Further information on BSI's engagement with its key stakeholders is provided in the Stakeholder engagement report on page 41. Information on how the views of these stakeholders have been considered by the Board in its key decisions in 2025 is provided in the Board activities report on page 90.

Board activities

The Board of Directors confirm that during the year ended 31 December 2025, they have discharged their duties to act in a way that they believe promotes BSI's long-term success, whilst having regard to the matters set out in Section 172 of the Companies Act 2006. Further information is provided in this report on how these duties have been discharged by the Board in its decision-making in 2025.

The Board is responsible for ensuring that the principal decisions it takes promote BSI's long-term success for its members as a whole and have regard to the matters set out in Section 172 of the Companies Act 2006. Section 172 states that:

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term,

(b) the interests of the company's employees,

(c) the need to foster the company's business relationships with suppliers, customers and others,

(d) the impact of the company's operations on the community and the environment,

(e) the desirability of the company maintaining a reputation for high standards of business conduct, and

(f) the need to act fairly as between members of the company.

The Board has determined BSI's key stakeholder groups to be the UK government; consumers, civil society and UK industry; its Subscribing Members; Standards Developing Organizations; standard makers and committee members; our clients; Accreditation Bodies and Competent Authorities; and our colleagues. How BSI engages with these stakeholder groups and how the views of these stakeholders are communicated to the Board to support its decision-making are described in the Stakeholder engagement report on page 41.

Key Board decisions in 2025

Approval of BSI's Long-Range Plan and 2026 Annual Financial Plan

A key role of the Board is to annually review BSI's strategy and approve its Long-Range Plan (LRP) and the Annual Financial Plan (AFP) for the forthcoming year. Prior to formally approving the LRP and AFP at its December 2025 meeting, the Board and members of the Group Leadership Team (GLT) attended a strategy day in July to carry out an in-depth review of key elements of BSI's strategy, consider risks to delivery and debate how the business should best position itself for the future.

In its review and approval of the LRP and AFP, the Board assessed how various change and transformation initiatives would support BSI's sustainable success in helping its clients and stakeholders deliver their own impacts.

Oversight of BSI's change and transformation initiatives

At each meeting, the Board assesses progress across a number of change and transformation initiatives. To ensure a consistent and rigorous approach, each initiative is overseen by the Group Strategy & Transformation team, with responsibility for delivery sitting in the relevant business areas.

A key element of the portfolio is the Enterprise Resource Planning (ERP) programme, consisting of a phased programme of work to improve the Group's management of financial transactions and financial reporting, simplify our core business processes and ultimately achieve improved experiences for our clients.

The Board monitors the progress of current change and transformation initiatives and the impact of completed initiatives. The Board has also asked the Audit and Risk Committee to oversee elements of delivery of the ERP programme and review the findings of programme assurance.

The Remuneration Committee has also determined that strong delivery of the change and transformation initiatives is a key enabler in supporting BSI's sustainable growth and has set this as a performance metric for 2026 awards under the Long-Term Incentive Plan (LTIP). More information on this is contained in the Report of the Remuneration Committee on page 102 and the Directors' remuneration report on page 105.

Overseeing the delivery of BSI's purpose and supporting the impacts of its stakeholders

The Board plays a vital role in ensuring that BSI delivers its purpose as a Royal Charter company to serve the public interest and maximize its impact towards a fair society and sustainable world. Much of BSI's work is to support the impacts delivered by its clients and various stakeholders. You can read about a number of key impact areas through the Strategic Report.

During 2025, the Board and Sustainability Committee have received updates on the work carried out across BSI in delivering impact. At each Board meeting, the Board watches videos from members of the BSI team reporting on the areas where they have delivered impact. The Board also approved the establishment the 125 Global Impact Fund, separate from 'business as usual' activities, to support globally impactful initiatives aligned to BSI's purpose.

The Remuneration Committee has considered impact as a key performance measure for 2026 LTIP awards. More information on this is contained in the Report of the Remuneration Committee on page 102 and the Directors' remuneration report on page 105.

Board activities continued

Supporting BSI's sustainability
BSI is committed to being its own best case study in sustainability. The Sustainability Committee oversees how well sustainability is embedded into BSI's strategy and how well BSI as a Group and each Division delivers against its sustainability commitments.

Throughout 2025, the Sustainability Committee has debated how best it can carry out this role and as a result, it has modified its annual pattern of work for 2026.

Approving the sale of the Digital Trust Consulting business
During the year, the Board made the decision to approve the sale of the Digital Trust Consulting (DTC) business to GRC Solutions. DTC was formed through three acquisitions made by BSI between 2016 and 2019 and, whilst small in terms of Group Revenue, was an important element of our Consulting Services business. The Board took the decision to sell the business very carefully and with particular consideration to the needs of DTC's clients, BSI's wider client base and the DTC team.

Ultimately, the Board agreed that GRC Solutions had strong alignment with the specific needs of DTC's clients and the DTC team. In addition, the Board remained confident that BSI could continue to support its current and future clients and partners around the world in digital trust services offered across the wider business.

Approval of a buy-in to the UK defined benefit pension scheme
BSI has in place a legacy defined benefit pension for a small number of current and former UK colleagues – the BSI Retirements Benefit Plan (Plan). To help support the ongoing management and administration of the Plan, the Board approved an insurer buy-in of the Plan by Rothesay. In approving this buy-in, the Board carefully considered the recommendations of the Plan trustee and advisors and gained assurances that none of the Plan members would be disadvantaged.

Further information on the Plan buy-in is found on page 94.

Approving the appointment of new Directors
The Board is committed to ensuring that it has the right composition and skills to support BSI now and in the future. The skills needed from the Board as a whole to support BSI were considered by the Nominations Committee when recommending to the Board new Directors to be appointed in 2025. Further information is provided in the Report of the Nominations Committee on page 98.

Report of the Audit and Risk Committee

Tim Livett
Chair

Committee membership

During the year ended 31 December 2025, the Committee comprised:

Tim Livett (Chair)

Dr Diane Bitzel

Ian Lobley (to 31 January 2025)

Robert MacLeod

Bukky Bird (from 25 September 2025)

The biographies of Committee members can be viewed on pages 85 and 86. This shows the overall competence of the Committee, including the recent and relevant financial experience.

The Audit and Risk Committee (Committee) has responsibility for overseeing the integrity of the Group's external financial reporting, in compliance with laws and regulations, and ensuring the continued adequacy and effectiveness of the Group's internal control and risk management systems. The Committee's full responsibilities are set out in its terms of reference, which are reviewed by the Committee and submitted to the Board for approval on an annual basis. The terms of reference are available on the BSI website at www.bsigroup.com/about-bsi/governance.

The Committee's work during 2025 included oversight of the conclusion of the 2024 external audit, being the first full-year audit of BSI conducted by Ernst & Young LLP (EY), and the commencement of work on the 2025 external audit. The Committee also oversaw work towards BSI's readiness to provide a declaration of the effectiveness of internal controls for the 2026 financial year, in accordance with Provision 29 of the 2024 Corporate Governance Code (Code). Further information on the Committee's work in 2025 is provided in this report.

In determining the composition of the Committee, the Nominations Committee has recommended to the Board Non-Executive Directors who bring an independent mindset to their roles as well as the necessary range of skills, experience and knowledge. Of its current membership, both Tim Livett and Robert MacLeod have recent and relevant financial experience through their previous executive roles. Collectively, through the breadth of their professional backgrounds, the Committee is deemed to have relevant competence in the sector in which the company operates.

The Chairman of the Board, Chief Executive, Chief Financial Officer, Group Financial Controller, Group Tax Director, Group Director of Internal Audit & Risk, Head of Compliance & Ethics, External Audit Partner, External Audit Director and other individuals are invited by the Committee to attend its meetings, as appropriate. The Committee met on five occasions during 2025.

Report of the Audit and Risk Committee continued

Activities of the Committee in 2025

February

- Reviewed matters in relation to the 2024 year-end, namely critical accounting estimates and judgements, progress on the external audit and the report of the Committee's activities for inclusion in the 2024 Annual Report and Financial Statements.
- Annual review of the Risk Management Framework and updates to the Principal Risk Register.

March

- Received an update from EY on the findings from the 2024 external audit.
- Approved matters in relation to the 2024 year-end, namely the 2024 statutory results of the Group and the Company, critical accounting estimates and judgements, and disclosures.
- Assessed the draft 2024 Annual Report and Financial Statements as being fair, balanced and understandable and recommended them to the Board for approval.
- Reviewed the proposed approach for the 2025 renewal of BSI's Group insurance programme.
- Received updates on the activities of the Group Compliance & Ethics, Group Internal Audit team and Group Risk Management.

June

- Reviewed compliance with the financial obligations of the National Standards Body.
- Reviewed arrangements in relation to the UK defined benefit pension scheme.
- Reviewed EY's management letter and responses from management.
- Approved changes to the policies for management exceptional items, Treasury and IT asset management.
- Received an update on the Finance transformation programme.

June continued

- Received updates on the activities of the Group Treasury, Group Compliance & Ethics team, Group Internal Audit and Group Risk Management teams.

September

- Approved the plans for the 2025 external audit.
- Received updates on the activities of the Group Tax, Group Compliance & Ethics, Group Internal Audit and Group Risk Management teams.
- Received an update on the activities of the Group Risk Management team, including a review of the draft catalogue of material controls in preparedness for Provision 29 of the Code.

November

- Received an update from EY on progress with the 2025 external audit.
- Approved various matters in relation to the 2025 full year and external audit, including the list of companies to receive 'full scope' audits and the proposed approaches for assessing impairment and long-term viability.
- Received an update on Information Security and steps to mitigate cyber risk.
- Recommended to the Board the catalogue of material controls, and changes to the Risk Management Framework, the Principal Risk Register and the Committee's terms of reference.
- Reviewed and approved plans for the 2025 letter of assurance exercise.
- Received an update on plans in relation to the UK defined benefit pension scheme.
- Approved BSI's Group Tax Strategy, with no changes and the Committee's 2026 annual pattern of work.
- Received updates on the activities of the Information Security, Group Compliance & Ethics, Group Internal Audit and Group Risk Management teams.

Financial reporting

The Committee's primary responsibility in relation to the Group's financial reporting is to review, with management and the external auditors, the appropriateness of the annual financial statements. The Committee focuses on:

- the quality, acceptability and consistency of the accounting policies and practices;
- the clarity and consistency of the disclosures, including compliance with relevant financial reporting standards and other reporting requirements;
- significant issues where management judgements and/or estimates had been made that were material to the financial statements or where discussions had taken place with the external auditors in arriving at the judgement or estimate; and
- whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Company's position and performance, business model and strategy.

Further detail on key areas of activity is provided in the following sections. The review work undertaken by the Committee concluded satisfactorily, allowing a recommendation to be made to the Board on the appropriateness of the Annual Report and Financial Statements.

Disposal of Digital Trust Consulting trade and assets

The Digital Trust Consulting (DTC) business was sold in October 2025 with the transaction completing in two phases, the second being the disposal of the Japan trade and assets on 31 January 2026, after the reporting date. Management assessed the disposal against the criteria for classification as a discontinued operation provided within IFRS 5 'Non-current assets held for sale and discontinued operations', and concluded the criteria are not met.

Report of the Audit and Risk Committee continued

DTC does not represent a major line of business or geographical area, and its financial metrics fall below materiality thresholds. As such, the results of DTC up to the date of disposal are presented within continuing operations. The loss on disposal of DTC meets management's definition of an exceptional item and is excluded from Underlying operating profit. The disposal of DTC Japan trade and assets is disclosed as a non-adjusting post-balance sheet event within the financial statements.

The Committee considered management's assessment, was satisfied it is appropriate and approved the accounting treatment and disclosures required in the financial statements.

Significant issues and material judgements

Under its terms of reference, the Committee has authority delegated by the Board to oversee critical accounting judgements and estimates. It discusses with the external auditors, where appropriate, the proper application of accounting rules and compliance with disclosure requirements.

The significant accounting judgements considered by the Committee when recommending the 2025 Annual Report to the Board are summarized below.

Impairment review

Management undertakes an annual review, or at other times if circumstances indicate a possible issue, to determine if the carrying value of goodwill and other intangible assets is impaired. This impairment review requires the exercise of judgement and application of assumptions by management, including estimates used in deriving future cash flows and discount rates applied to these cash flows. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting.

As part of the annual impairment review of goodwill and acquired intangible assets, the Committee reviewed the potential indicators of impairment and gained an understanding of the headroom between the value-in-use and the carrying value for each cash generating unit (CGU).

In 2024, there was a £19.6m impairment of goodwill in the Digital Trust Consulting (DTC) and Environmental, Health, Safety, Sustainability and Security (EH3S) CGUs within the Consulting Services Division. Given this prior year impairment, for the year ended 31 December 2025 the Committee placed particular focus on, and further challenged, the assumptions underpinning the value-in-use calculation for the EH3S CGU. DTC was excluded from the assessment following the disposal of the business during the year.

The Committee reviewed and challenged the basis of the estimates used in deriving future cash flows, discount rates and growth rates applied and the value-in-use calculation. The Committee also examined the sensitivities applied, including reasonably possible changes, that could lead to a material adjustment to goodwill in the next financial year.

After significant discussions with management and the external auditors, the Committee agreed with management's conclusion that no impairment charge was required for the year ended 31 December 2025.

Retirement benefit surplus

BSI operates a funded defined benefit pension scheme in the UK – the BSI Retirements Benefit Plan (Plan) – administered by an independent trustee. As at 31 December 2025, the scheme had assets and liabilities of £266.7m and £(259.5)m respectively. Pension liabilities remain a significant source of estimation uncertainty and judgement. Given the judgements associated with the pension assumptions used to calculate the scheme surplus, including the discount rate, mortality rates and future salary increases, management engages an independent and qualified actuary to undertake the accounting valuation.

As at 31 December 2025, the scheme had a surplus of £7.2m (31 December 2024: surplus £6.0m). The Committee reviewed and challenged the assumptions used in the calculation of the surplus contained in the independent actuarial report. The Committee also considered the external auditor's review of the pension assets and liabilities, including the views of EY's in-house expert valuations and actuarial teams (in respect of key assumptions and methodologies applied in the valuation of the liabilities and certain assets). In line with the prior year, this surplus is not recognized as an asset in the Group's balance sheet due to the absence of an unconditional right of return.

Following the review, the Committee was satisfied as to the accuracy and accounting treatment of the defined benefit pension scheme's reported accounting position and impact on the financial statements.

On 29 January 2026, the Trustee of the Scheme purchased a policy with Rothesay to insure all members' Scheme benefits (Buy-in). The Committee reviewed the arrangements of the buy-in, including the insurer selection process and future funding requirements together with the disclosure of the buy-in within the financial statements as a post-balance sheet event.

The Committee was satisfied that, given the buy-in transaction occurred after 31 December 2025 but before the signing of the Annual Report and Accounts, in line with IAS 10 'Events after the reporting period', the buy-in is appropriately disclosed as a non-adjusting post-balance sheet event.

Taxation

Recognition of deferred tax

At 31 December 2025, BSI is recognizing a net excess of deferred tax assets over deferred tax liabilities of £2.5m (31 December 2024: net excess of deferred tax assets over deferred tax liabilities of £0.2m). BSI is not recognizing deferred tax assets of £6.4m in respect of losses and other assets. Recognition of deferred tax losses and other attributes is a matter of judgement. The Committee has reviewed and challenged the assumptions used in the recognition of losses in particular and is satisfied that the tax value of losses and other attributes are recognized appropriately in the financial statements.

Report of the Audit and Risk Committee continued

Provision for uncertain tax positions
During 2025, the provision for uncertain tax positions recognized in the financial statements has reduced to £4.9m (31 December 2024: £7.6m). The decrease in the provision has been made by management having regard to the multinational nature of BSI's business and continuing developments in the international tax environment which place increasing compliance burdens on multinational enterprises. The provision for uncertain tax positions is a matter requiring considerable judgement involving interpretation of tax laws when filing tax returns and associated information returns with tax administrations. The Committee has reviewed and challenged management in relation to the calculation of uncertain tax positions, and is satisfied that the level of provision in the financial statements is appropriate.

Following discussions with management and the external auditor, the Committee approved the disclosures required in the 2025 Annual Report and Financial Statements.

Going concern statement and viability statement

The Committee considered BSI's going concern and viability statement. The Committee reviewed and approved the stress testing scenarios to be used in the viability assessment and challenged the nature, scale and effects of the combination of the severe but plausible threats to the business model, future performance, solvency, and liquidity of the Group.

As a result of its review, the Committee was satisfied that the going concern statement and viability statement had been prepared on an appropriate basis. The 2025 going concern statement and the 2025 viability statement are contained within the Directors' report on pages 115 and 116.

Fair, balanced and understandable

The Board is required to confirm to the Company's members that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the necessary information and key messages to enable members and other stakeholders to assess the Group and the Company's position, performance, business model and strategy.

The Committee advises the Board on whether this confirmation can be made and the Committee assesses whether it can make this recommendation to the Board by following its regular, robust approach which includes:

- ensuring regulatory requirements of the Annual Report and Financial Statements were thoroughly understood and that all required disclosures have been made;
- reviewing draft copies of the Annual Report and Financial Statements to assess and advise on direction and key messages, with a near final version provided to the Committee and Board prior to sign-off of the Annual Report and Financial Statements;
- assessing management's fair, balanced and understandable review.

Reviewing the use and disclosure of alternative performance measures (APMs) and confirming its belief that separate disclosure of these measures enables readers of the Annual Report and Financial Statements to understand better the underlying financial and operating performance of the Group. The APMs are consistent with prior years; the definitions and reconciliation of the APMs to the Financial Statements are set out in note 24 on page 168.

Risk Management and Internal Control

Internal control
The key features of the Group's internal control system, which provides assurance on the accuracy and reliability of the Group's financial reporting, are detailed in the Corporate governance report on page 87.

The Committee assists the Board in overseeing the internal control system, with support from BSI's Internal Audit & Risk function, BSI's Compliance & Ethics function and the external auditors during the course of their audit. In 2025, the Committee approved steps taken to further develop and mature the internal control framework, in preparedness for requirements under Provision 29 of the Code coming into force in 2026. This included the adoption of a catalogue of material controls, containing descriptions of these controls and their owners, mapped against the relevant Principal Risk. This will support the Board in providing an annual declaration of the effectiveness of BSI's internal controls, commencing in the 2026 Annual Report.

In 2025, as is carried out each year, senior financial, operational and functional leaders provided a letter of assurance to self-certify that governance and compliance matters have been properly addressed for the areas of the business under their responsibility, as well as to confirm the existence of adequate internal control systems throughout the year.

The work undertaken during the year indicated the existence of an appropriate control environment. Accordingly, the Committee was able to provide assurance to the Board on the effectiveness of internal financial control within the Group, and on the adequacy of the Group's broader internal control systems.

Whistleblowing and prevention of fraud and bribery
On behalf of the Board, the Committee ensures the adequacy of the Group's whistleblowing arrangements and that, where appropriate, necessary investigations and corrective actions take place.

A key aspect of the Group's internal control framework is to mitigate the risk of fraud, and this is a key focus area for the Committee. At each meeting of the Committee, the Head of Compliance & Ethics reports on any incidence of non-compliance with the Group's systems and controls for preventing and detecting fraud and bribery. The importance of ensuring the workforce is properly trained to identify and combat such activity is recognized by the Committee which receives regular reports from the Compliance function on the status of compliance training across the Group.

Report of the Audit and Risk Committee continued

Internal audit
BSI's Internal Audit function operates on a global basis through professionally qualified and experienced individuals. The Internal Audit team reports to the Director of Internal Audit & Risk who reports to the Chief Financial Officer and the Chair of the Committee.

Throughout 2025, the Internal Audit function performed an extensive programme of audits in accordance with a plan agreed in advance with the Committee. This plan applied a risk-based approach to cover the Group's control environment, and included audits of various location-specific, Divisional and Group-wide matters. The function also undertook additional audits in response to matters of concern. In 2025, a total of 27 audit assignments were undertaken (22 in 2024). At its November 2025 meeting, the Committee approved the 2026 Internal Audit plan.

At each of its meetings, the Committee receives a report from the Director of Internal Audit & Risk detailing observations from recently completed audits, key trends, progress against the agreed audit plan and progress made towards resolving issues identified. The Committee invites members of senior management as necessary to provide commentary on audit observations and update on progress against any high-priority audit actions.

Internal Audit has responsibility for ensuring that remediation has been appropriately assigned and for monitoring the progress made by management in closing actions identified in audits.

The Committee considered the work of the Internal Audit function during 2025, including progress against the 2025 Internal Audit plan and the quality of reports provided to the Committee, and concluded that the Internal Audit function was operating effectively.

Risk management
The Board has ultimate responsibility for BSI's risk management and internal control systems. On its behalf, the Committee keeps under review the adequacy and effectiveness of those systems.

During the year, the Committee received regular reports from management reviewing the Group's Principal Risks and considered whether the mitigating actions were adequately addressing the risks in order to contain them within the Board's defined risk appetite. The Committee undertook its annual review of the Group's risk management framework, recommending to the Board the Group's Principal Risks and monitoring of these risks through key risk indicators approved by the Committee.

Details of BSI's risk management processes, Principal Risks and mitigating actions are provided in the Risk management report on page 73. The Committee believes that the Group's process for identifying and understanding its Principal Risks and uncertainties remains robust and appropriate.

External audit
The Committee is responsible for the relationship with the external auditors and their quality, expertise, and judgement as well as for assessing the effectiveness of the audit process. The Committee is responsible for ensuring that possible conflicts of interest with the external auditors are identified and adequately mitigated, including by monitoring the operation of the Group's policy on the engagement of the external auditors to supply non-audit services.

A key risk area which the Committee focussed its attention on during the year was cybersecurity. At its November meeting, the Committee received an update from BSI's Chief Information Officer and Chief Information Security Officer on the mitigation and risk reduction activities to help protect BSI from the impacts of cyber breaches, ransomware attacks and other security incidents.

The Committee reviewed the work of the external auditor, EY, in relation to the 2024 and 2025 year ends, including the audit plan, the key audit risks, and the auditor's assessment of the Group's key accounting judgements and disclosures.

2025 audit plan
EY's 2025 year-end audit plan was agreed in advance with the Committee based on agreed objectives. The audit focused on areas identified as representing significant risk and requiring significant judgement. EY maintained a dialogue with the Committee throughout the year providing regular updates, including commentaries on significant issues and its assessment of consistency and appropriateness in the judgements and estimates made by management. The Chair of the Committee met with EY on a number of occasions to monitor the progress of the audit and address questions that arose.

The Committee held meetings with EY without management being present and EY confirmed that its work had not been constrained in any way and that it was able to exercise appropriate professional scepticism.

The Independent auditors' report on page 119 includes EY's assessment of the key audit matters which have been discussed in the significant issues and material judgements section above. The report also summarizes the scope and materiality levels applied by EY in its audit.

As part of the audit planning process, and based on a detailed risk assessment, the Committee agreed those components of the Group which would be subject to full scope audits. The Committee also agreed an overall Group materiality figure of £3.75m (2024: £3.20m), based on 0.5% of revenue for the year ended 2025. The move to determine materiality based on revenue, rather than from profit before tax as used in 2024, aligned BSI more closely with comparable entities. Any misstatement at or above £0.19m (2024: £0.16m) was reported to the Committee.

Report of the Audit and Risk Committee continued

Independence
There are a number of robust policies in place, all of which aim to safeguard the independence of the external auditors. There are no contractual obligations that restrict the Company's choice of external auditors.

Non-audit services
Any proposed provision of non-audit work by the external auditors is subject to thorough review by the Chief Financial Officer, in conjunction with the external auditors, to ensure there is no threat to the independence or objectivity of the external auditors and is then approved by the Committee, subject to a de minimis delegation to the Chief Financial Officer.

In addition to its work as external auditor, EY has continued to support BSI in the provision of limited assurance of 2025 greenhouse gas emissions data. The Committee was comfortable that EY could carry out this work as it is in accordance with the Financial Reporting Council's Revised Ethical Standard and is in line with current market practice.

The fees paid to the external auditors for audit and non-audit work are set out in Note 6 to the Consolidated financial statements.

External auditors' effectiveness
The Committee reviews and monitors the effectiveness of the external audit process on an annual basis. Overall, the Committee concluded that EY had provided effective, independent and objective audits for 2024 and 2025.

Committee effectiveness review

The 2025 effectiveness review concluded that the Committee continued to operate effectively. See page 89 for more information.

Key tasks for 2026

In 2026, the Committee will oversee the operationalization of measures to support Provision 29 of the Code. This will include reviewing reports from the Risk Management team on the operation of material controls to support the Board in providing a declaration of effectiveness for the 2026 year end.

A further area of focus for the Committee in 2026 will be oversight of the implementation of a new ERP system, which will manage and control the financial transactions and resulting financial reporting for the Group. This implementation presents a significant opportunity to improve financial processes and controls across the Group; the Committee will focus on ensuring that these critical improvements are delivered in an effective manner.

Tim Livett
Chair of the Audit and Risk Committee

Report of the Nominations Committee

John Hirst
Chair

Committee membership

During the year ended 31 December 2025, the Committee comprised:

John Hirst CBE (Chair)

Dame Polly Courtice

Ian Lobley (to 31 January 2025)

Tim Livett

Robert MacLeod

Susan Taylor Martin

Alison Wood (to 31 August 2025)

The Nominations Committee (Committee) plays an important role in overseeing the leadership needs of the organization. This includes ensuring effective succession planning for the Board and Group Leadership Team (GLT), and managing the process for recommending to the Board the appointment of new Directors.

The Committee's full responsibilities are set out in its terms of reference, which are reviewed by the Committee and submitted to the Board for approval on an annual basis. The terms of reference are available on the BSI website at www.bsigroup.com/about-bsi/governance.

During 2025, Ian Lobley stood down as Senior Independent Director, Sara Dickinson as Chief Financial Officer and Alison Wood as Board Advisor. The Committee oversaw the appointments of Robert MacLeod as Senior Independent Director, Paul Quested as Chief Financial Officer, Bukky Bird as Non-Executive Director and Peter Simpson as Board Advisor.

In recommending to the Board each appointment, the Committee considered the skills and experiences required of the Board and each Committee as a whole. Further information on the Committee's processes around Board appointments is contained later in this report.

The Committee carried out its activities in 2025 alongside Board meetings and through separate discussions. The Committee has already met formally in 2026 to review succession planning, as noted later in this report.

Report of the Nominations Committee continued

Activities of the Committee

January/February

- Concluded the assessments of potential candidates to fill Director and Board Advisor vacancies in light of the current and future needs of BSI and made recommendations to the Board for the appointments of Paul Quested, Bukky Bird and Peter Simpson.
- Recommended the appointment of Robert MacLeod as Senior Independent Director.

March

- Determined the Directors to be proposed for re-election by rotation at the Annual General Meeting, in accordance with BSI's Bye-laws.

September

- Recommended to the Board a number of appointments to Board Committees following the Director and Board Advisor changes.
- Recommended to the Board the appointment of Debrah Harding as Chair of the Standards Policy and Strategy Committee (SPSC), following the conclusion of Dan Byles six-year period as Chair of the SPSC.

Director recruitment

In 2025, the Committee carried out selection processes for a Non-Executive Director, a Chief Financial Officer and a Board Advisor. The Committee worked with Heidrick & Struggles, Spencer Stuart and Russell Reynolds Associates for support with identifying candidates for these appointments, none of whom has any other connection with BSI or individual Directors.

For each selection process, the Committee required that a long list of suitable candidates from diverse personal and business backgrounds be provided. Shortlists of candidates were then put forward by the Committee to be interviewed by Directors and members of the GLT. Recommended candidates were then proposed to the Board by the Committee.

The Board agreed to the recommendations of the Committee, appointing Paul Quested as Director and Chief Financial Officer on 22 May 2025, Bukky Bird as a Non-Executive Director on 1 June 2025 and Peter Simpson as a Board Advisor on 1 June 2025. Both Bukky and Peter were deemed to be independent on appointment.

Induction

On appointment, each new Director and Board Advisor participated in an induction programme through which they received information on BSI's business and the specific obligations it has as a Royal Charter company and the UK National Standards Body. Each individual met with members of management in order to understand their roles and the roles of their teams, and with their fellow Directors to understand the operation of the Board. They each also attended Board Committee meetings to help gain an understanding of that Committee's role within BSI's governance structure. The induction programme was tailored for each individual, in light of the role they will be undertaking and their own prior knowledge and experience.

Succession planning

As part of its assessment of potential new Directors and Board Advisors, the Committee assessed the current and future needs of BSI and undertook to ensure that there would be no gaps in the collective expertise of the Board and its Committees. In January 2026, the Committee carried out a full review of the succession plans in place for the GLT.

Diversity

BSI seeks to create an inclusive environment that reflects the many locations and cultures in which it operates. BSI recognizes that having a diverse workplace promotes a positive working environment and supports the delivery of its strategy. BSI has in place a Group Equality & Diversity policy to record and communicate its commitments in this area, which the Committee follows when carrying out selection processes for new Directors.

As at the date of this report, the Board consisted of five males and four females. The Board included one Director from an ethnic minority background.

Key tasks for 2026

In 2026, the Committee will continue to focus on ensuring that succession plans for Board and GLT roles are appropriate, in light of BSI's purpose and strategy and the current and future capabilities required of the Board and GLT.

John Hirst
Chair of the Nominations Committee

Report of the Sustainability Committee

Dame Polly Courtice
Chair

Committee membership

During the year ended 31 December 2025, the Committee comprised:

Dame Polly Courtice (Chair)

Bukky Bird (from 17 September 2025)

John Hirst CBE

Ian Lobley (to 31 January 2025)

Dr Scott Steedman

Susan Taylor Martin

The Sustainability Committee (Committee) oversees sustainability and climate-related practices at BSI. It reviews and challenges how well sustainability is embedded into the Group's strategy, and the sustainability policies and practices BSI adopts in relation to its own operations. It acts as a champion for sustainability on behalf of the Board, reviewing external trends and recommending best practice.

The Committee's full responsibilities are set out in its terms of reference which are reviewed annually by the Committee and submitted to the Board for approval. A copy of the Committee's terms of reference is available on the BSI website at www.bsigroup.com/about-bsi/governance.

The Chief Strategy & Transformation Officer, Director of Group Sustainability, Purpose & Impact Director and other presenters are invited by the Committee to attend its meetings, as appropriate.

Report of the Sustainability Committee continued

Activities of the Committee in 2025

February

- Approved revisions to the Anti-Slavery and Human Trafficking policy.
- Reviewed reports on sustainability for inclusion in the 2024 Annual Report and Financial Statements.

May

- Reviewed and discussed BSI's overall approach to sustainability through its internal and external activities.
- Reviewed an update on the work of the Regulatory Services Division to support the impacts of its clients and stakeholders, and on performance against its greenhouse gas (GHG) targets.
- Received an update on how BSI manages GHG usage across its own operations, including Group-level performance against plans and targets.
- Received an update on activity under BSI's Global Giving programme.
- Reviewed and approved changes to key policies relating to the ethical and sustainable practices of BSI and its suppliers.

September

- Received an update of the work of the Assurance Services Division to support the impacts of its clients and stakeholders, and on performance against its GHG targets.
- Received an update on how BSI manages water, biodiversity, and waste in its own operations, including its performance against plans and targets.
- Received a report on the findings from the Climate Scenario Analysis and the Net Zero Transition Planning Gap Analysis.
- Received an update on activity under BSI's Global Giving programme and recommended activity for 2026.

December

- Reviewed the work of the Knowledge Solutions and Consulting Services Divisions to support the impacts of their clients and stakeholders, and on performance against their GHG targets.
- Received an update on how BSI manages diversity & inclusion, employee wellbeing and human rights in its own operations, including its performance against plans and targets.
- Discussed the role to be played by the Committee in 2026 in assessing how sustainability is embedded into BSI's strategy.
- Reviewed the description of the ESG Principal Risk.
- Reviewed a draft of the 2025 report in accordance with the Task Force on Climate-related Financial Disclosures (TCFD).

Charitable donations

The Committee oversees charitable donations made by the Group under its Global Giving programme. Further information on the programme and its impacts can be found in the Operational sustainability report on page 45.

Key tasks for 2026

The Committee's role will further develop in 2026 to enable it to assess how well sustainability is embedded into BSI's strategy. This will include specific reviews of how well the work being carried out across BSI supports its purpose of 'impact for a fair society and sustainable world'.

Dame Polly Courtice
Chair of the Sustainability Committee

Report of the Remuneration Committee

Robert MacLeod
Chair

Committee membership

During the year ended 31 December 2025, the Committee comprised:

Robert MacLeod (Chair)

Dr Diane Bitzel

John Hirst (from 23 January 2025 to 25 September 2025)

Tim Livett

Peter Simpson (from 25 September 2025)

The Remuneration Committee (Committee) has responsibility for overseeing an appropriate remuneration policy to support BSI in achieving sustainable success. The Committee benchmarks executive remuneration and reports in accordance with UK listed company best practice and the UK Corporate Governance Code (Code). The Committee maintains oversight over wider workforce remuneration and considers remuneration trends across the organization when setting levels of executive reward.

A key task that the Committee carried out in 2025 was to approve separate performance frameworks for both the Annual Bonus Plan (ABP) and Long-Term Incentive Plan (LTIP). This has enabled the Committee to make awards under each plan which are better aligned to both BSI's shorter-term performance and longer-term impact.

The Committee's full responsibilities are set out in its terms of reference, which are reviewed by the Committee and submitted to the Board for approval on an annual basis. The terms of reference are available on the BSI website at www.bsigroup.com/about-bsi/governance.

John Hirst served on the Committee for eight months during 2025 to support the transition to the Committee's current composition. John was considered independent on his appointment as Board Chairman, and hence his appointment to the Committee was in accordance with the Code.

When appropriate, the Chairman, Chief Executive, Chief People Officer, Reward & Performance Director and Chief Financial Officer have attended Committee meetings during the year. The Committee has retained Willis Towers Watson (WTW) to provide specialist, independent advice and benchmarking data to support in its decision-making when required.

Report of the Remuneration Committee continued

Activities of the Committee in 2025

February

- Approved 2024 outcomes for the Annual Bonus Plan (ABP).
- Approved 2022 Long-Term Incentive Plan (LTIP) award vests.
- Approved 2024 deferred cash awards under the 2023 and 2024 LTIPs.
- Approved 2025 salary increases for Executive Directors and other Group Leadership Team (GLT) members in accordance with their 2024 personal development review ratings.
- Recommended for approval at the 2024 Annual General Meeting an increase to the Chairman's fee in line with the UK wider workforce and the UK rate of inflation.
- Reviewed the draft Committee and Director's Remuneration Reports for inclusion in the 2024 Annual Report and Financial Statements.

September

- Carried out the annual review of the Executive Remuneration Policy.
- Reviewed the findings from independent benchmarking of the salaries and incentive packages of Executive Directors and other GLT members.
- Reviewed the proposed incentive frameworks for 2026 awards under the ABP and LTIP.
- Approved adjustments to the 2025 financial performance targets under the ABP and LTIP to reflect the disposal of the Digital Trust Consulting (DTC) business.
- Reviewed BSI's approach to wider workforce remuneration.

December

- Further reviewed the proposed incentive frameworks for 2026 awards under the ABP and LTIP and specifically discussed appropriate targets for each performance metric.
- Specifically discussed metrics for measuring 'impact' for the 2026 LTIP awards and approved steps to commence measuring against these metrics.
- Discussed and approved amendments to the 2026 personal performance metrics for each Executive Director.
- Approved changes to the remuneration package for the Chief Executive.
- Approved changes to the ABP and LTIP opportunities for members of the GLT.
- Approved proposed changes to the Committee's terms of reference for presentation to the Board.
- Approved the Committee's 2026 annual pattern of work.

Changes to executive remuneration

The Committee recognizes that BSI operates in a competitive business environment and must be able to attract, retain, and motivate Executive Directors, senior leaders and other members of the workforce with the necessary skills, experience and behaviours to enable BSI to deliver its strategy and purpose.

In line with its normal practice, the Committee carried out benchmarking of the remuneration packages of Executive Directors and other GLT members in 2025, with support from WTW. Following this work and considering sustained strong performance, the following changes to Executive Director and GLT remuneration were approved by the Committee to ensure continued alignment with performance, market competitiveness, and long-term value creation.

- For the Chief Executive, a competitive adjustment to base pay of 7% (inclusive of 3% merit), effective 1 January 2026. Annual target bonus opportunity for 2026 has been increased from 60% to 75% of salary. Maximum opportunity remains the same at 150% of salary. In 2026, the Chief Executive will receive an LTIP award equivalent to 150% of salary (compared with the previous 125% opportunity) which is subject to a three-year performance period and performance conditions tied to growth and impact.
- For the Chief Financial Officer, annual target bonus opportunity for 2026 has been increased from 40% to 60% of salary and maximum opportunity from 100% to 120%. In 2026, the Chief Financial Officer will receive an LTIP award equivalent to 120% of salary (compared with the previous 120% opportunity) which is subject to a three-year performance period and performance conditions tied to growth and impact.
- For the Director-General, Standards, annual target bonus opportunity for 2026 has been increased from 40% to 50% of salary. Maximum opportunity remains the same at 100% of salary. In 2026, the Director-General, Standards will receive an LTIP award equivalent to 100% of salary (compared with the previous 80% opportunity), which is subject to a three-year performance period and performance conditions tied to growth and impact.

Report of the Remuneration Committee continued

The increases were justified by retention considerations, increased role complexity and organizational scale, and alignment with peers in comparable organizations. No changes have been made to Executive Director incentive quantum since 2021 and total cash compensation opportunity and outturn prior to the changes was reported as below lower quartile of comparable organizations.

Aligning incentives to the delivery of BSI's purpose

As identified in the 2024 report, in 2025 the Committee reviewed the single performance framework as it applies to the ABP and LTIP. Following this review, the Committee has approved the adoption of separate performance frameworks for the 2026 awards under both schemes.

The performance framework for each of the ABP and LTIP contains a combination of financial and non-financial performance measures, and further information on each performance framework can be found on page 113.

For 2026 awards, financial performance measures have been set for both schemes based on Group Adjusted EBITDA and Revenue performance. Non-financial performance measures applicable to the ABP cover BSI's overall performance in the annual Voice of the Client survey and individual performance measures to be determined for each Executive Director in accordance with their role and where it can deliver greatest impact, including people and planet metrics as appropriate. The non-financial performance measures applicable to the LTIP cover progress in the delivery of BSI's enterprise resource planning (ERP) programme and in the delivery of BSI's purpose.

A suite of metrics has been developed to measure BSI's impact across several key areas aligned to its purpose. The Committee will monitor performance across these metrics during 2026 and will set specific performance targets in 2027 for years two and three of the LTIP performance period.

The combination of performance measures across the ABP and LTIP seeks to achieve better alignment with the delivery of BSI's purpose over the shorter and longer terms and in turn support our clients and other stakeholders to maximize their own impacts. The specific performance metrics to be applied to each ABP and LTIP award will be carefully considered prior to each award.

Executive reward outcomes in 2025

BSI achieved performance against the agreed 2025 financial and non-financial performance measures in the ABP and LTIP, as follows:

- Adjusted EBITDA Plan achievement was delivered above target.
- Revenue growth was marginally below target. This was a resilient performance in the face of market headwinds.
- Transformation performance was assessed as achieved at maximum, with all four of the programme delivery metrics set achieving target or above target outcomes.

In determining the level of payout under the Executive Director 2025 ABP and 2025, 2024 and 2023 multi-year deferred cash payments LTIP's, the Committee considered BSI's overall performance and approved pay-outs as set out on pages 106 and 107. Details of the resulting payouts to Executive Directors including each year of the 2023 LTIP which will vest for payment in April 2026, are set out on page 107.

The Committee has reviewed the salaries for the Executive Directors and has approved increases for the Chief Financial Officer and Director-General, Standards aligned to the performance related guidance ranges applied to the wider workforce. The competitive adjustment reported earlier for the Chief Executive was inclusive of a performance-related increase aligned to the performance-related guidance ranges applied to the wider workforce. Further details are set out on page 106.

2025 Annual General Meeting vote on Chairman and Non-Executive Director Fees

I am very grateful to our members for voting at the 2025 Annual General Meeting (AGM). This included voting of 70% in favour of resolution 6, which proposed increases to the Chairman and Non-Executive Director fees of 3%, in line with the average increases to BSI's UK wider workforce. Although resolution 6 was passed, a level of voting of more than 20% against the resolution resulted in the Committee taking steps which they feel to be appropriate for a Royal Charter Company to best align with Provision 4 of the Code.

The Committee asked WTW to carry out a benchmarking exercise on the resulting level of fees following the 3% increases. The benchmarking was carried out against the FTSE 250, in order to provide a relevant market reference point against large, commercial organizations operating under the Code.

WTW concluded that the resulting 2025 fees to BSI's Chairman and Non-Executive Director were below the lower quartile of the FTSE 250. In consideration of these findings, the Committee determined that the 2025 increases were appropriate and that no further action should be taken.

Committee effectiveness review

The 2025 effectiveness review concluded that the Committee continued to operate effectively. See page 89 for more information.

Key tasks for 2026

In addition to its normal tasks, in 2026, the Committee will monitor performance across the suite of impact metrics during 2026 in order that specific performance targets can be set in 2027 for years two and three of the LTIP performance period.

I would like to note my thanks to those individuals who have served with me on the Committee during 2025 and into 2026, and to the members of BSI executive management for the support they have provided. I look forward to meeting with our members at the 2026 AGM and would be happy to respond to any questions from them on the work of the Remuneration Committee.

Robert MacLeod
Chair of the Remuneration Committee

Directors' remuneration report

2025 remuneration single figure total (audited information)

Director	Salaries and fees		Taxable benefits		Pension benefits[1]		Bonus		LTIPs		Total fixed remuneration		Total variable remuneration		Total remuneration	
	Year ended 31 Dec 2025 £'000	Year ended 31 Dec 2024 £'000	**Year ended 31 Dec 2025 £'000**	Year ended 31 Dec 2024 £'000	**Year ended 31 Dec 2025 £'000**	Year ended 31 Dec 2024 £'000	**Year ended 31 Dec 2025 £'000**	Year ended 31 Dec 2024 £'000	**Year ended 31 Dec 2025 £'000**	Year ended 31 Dec 2024 £'000	**Year ended 31 Dec 2025 £'000**	Year ended 31 Dec 2024 £'000	**Year ended 31 Dec 2025 £'000**	Year ended 31 Dec 2024 £'000	**Year ended 31 Dec 2025 £'000**	Year ended 31 Dec 2024 £'000
Executives																
Susan Taylor Martin	**626**	604	**19**	11	**0**	0	**410**	262	**383**	294	**645**	615	**793**	555	**1,438**	1,170
Paul Quested[2]	**295**	–	**4**	–	**7**	–	**163**	–	**–**	–	**306**	–	**163**	–	**469**	–
Dr Scott Steedman	**403**	389	**7**	6	**9**	11	**173**	144	**155**	119	**419**	405	**328**	263	**747**	668
Sara Dickinson	**54**	434	**1**	2	**0**	0	**0**	0	**0**	0	**55**	436	**0**	0	**55**	436
	1,378	1,427	**31**	19	**16**	11	**746**	406	**538**	413	**1,425**	1,456	**1,284**	818	**2,709**	2,274
Chairman																
John Hirst	**192**	187	**1**	2	**0**	0	**0**	0	**0**	0	**193**	189	**0**	0	**193**	189
Non-Executives																
Alison Wood	**33**	51	**2**	2	**0**	0	**0**	0	**0**	0	**35**	53	**0**	0	**35**	53
Dame Polly Courtice	**57**	55	**0**	1	**0**	0	**0**	0	**0**	0	**57**	56	**0**	0	**57**	56
Diane Bitzel	**50**	24	**0**	0	**0**	0	**0**	0	**0**	0	**50**	24	**0**	0	**50**	24
Douglas Hurt	**–**	39	**–**	1	**–**	0	**–**	0	**–**	0	**–**	39	**–**	0	**–**	39
Ian Lobley	**0**	54	**0**	1	**0**	0	**0**	0	**0**	0	**0**	55	**0**	0	**0**	55
Robert MacLeod	**62**	44	**0**	0	**0**	0	**0**	0	**0**	0	**62**	45	**0**	0	**62**	45
Tim Livett	**57**	52	**0**	1	**0**	0	**0**	0	**0**	0	**57**	53	**0**	0	**57**	53
Peter Simpson[3]	**29**	–	**0**	–	**0**	–	**0**	–	**0**	–	**29**	–	**0**	–	**29**	–
Dr Stephen Page	**–**	41	**–**	1	**–**	0	**–**	0	**–**	0	**–**	42	**–**	0	**–**	42
Bukky Bird[3]	**29**	–	**0**	–	**0**	–	**0**	–	**0**	–	**29**	–	**0**	–	**29**	–
Total	**1,887**	1,974	**34**	28	**16**	11	**746**	406	**538**	413	**1,937**	2,012	**1,284**	818	**3,221**	2,830

1. Contributions made by the Company outside of salary sacrifice arrangements.
2. Appointed in May 2025.
3. Appointed in June 2025.

Salaries and fees shown above are before any reduction in respect of salary sacrificed pension contributions made by the Company. None of the Directors waived emoluments in respect of the year ended 31 December 2025 (2024: none).

Directors' remuneration report continued

Discretionary decisions made relating to 2025

No exercise of the Committee's discretionary powers was required in relation to 2025.

Fixed pay

Base salary during 2025

Per annum base salary	From 1 April 2025	From 1 April 2024
Susan Taylor Martin	**£561,548**	£545,192
Paul Quested[1]	**£400,000**	–
Dr Scott Steedman	**£354,287**	£342,306

1 From May 2025.

Variable pay

Annual bonus for 2025

Annual bonuses for the year ended 31 December 2025 were provided under the Group Annual Bonus Plan to Susan Taylor Martin, Paul Quested and Scott Steedman by the Committee, in accordance with the current Policy. Personal goals are set and measured by the Chairman for the Chief Executive and by the Chief Executive for the other Executive Directors. All are reviewed by the Committee.

The table below sets out the basis upon which potential 2025 annual bonuses were determined:

	Proportion of total award			On-target BSI performance		
	On-target award as a % of base salary	Maximum award possible as a % of base salary	Group Adjusted EBITDA	Group Revenue	Transformation	On-target personal objectives
Susan Taylor Martin	60%	150%	50%	15%	15%	20%
Paul Quested	40%	100%	50%	15%	15%	20%
Dr Scott Steedman	40%	100%	50%	15%	15%	20%

2025 Annual bonus targets

Prosperity Measures	Payment Gateway	Threshold	Target	Maximum	Actual 2025
Group Revenue[1]		£701m	£779m	£857m	achieved
Group Adjusted EBITDA[2]	£99m	£105m	£117m	£129m	achieved

1 Group revenue represents amounts earned from the provision of the Group's principal activities to external parties. See note 5 to the Consolidated Financial Statements.

2 Adjusted EBITDA is earnings before interest, tax, depreciation and amortization, adjusted to exclude foreign exchange gains and losses, transformation costs, impairment charges, and other non-operating or management-identified exceptional items not considered part of underlying performance.

Transformation	Threshold	Target	Maximum	Actual 2025
Enterprise Resource Planning		100%		achieved
Customer Relationship Management		80%		achieved
People Evolution Programme		70%		achieved
Salesforce integration		100%		achieved
Programme target measures achieved	2 of 4	3 of 4	4 of 4	4 of 4

The target levels set for 2025 were Group EBITDA of £117m and Group Revenue of £779m at budgeted exchange rates. These targets were adjusted to reflect the sale of DTC. A transformation delivery measure was set aimed at incentivizing leadership to support the execution and realization of benefits against the investment business cases for our four largest programmes. Actual Group EBITDA at budget exchange rates achieved for 2025 was £117m (100% of target). Actual Revenue target achieved for 2025 was £754m at budget exchange rates (97% of Revenue target). All four transformation delivery targets were achieved.

2025 Annual bonus payments (unaudited information)

			Breakdown of actual award as a % of salary by performance measure					
	On-target opportunity	Maximum opportunity	Group Adjusted EBITDA	Group Revenue	Transformation	Personal Objectives	Total actual award as a %	Total actual award value
Susan Taylor Martin	60%	150%	31%	8%	23%	12%	73%	£410,172
Paul Quested*	40%	100%	21%	5%	15%	20%	61%	£162,962
Dr Scott Steedman	40%	100%	21%	5%	15%	8%	49%	£172,521

* Award pro-rated to 1 May 2025 start date

Long-Term Incentive Plans (LTIP)

In 2025, awards were made to the Executive Directors under the LTIP. This was done in accordance with the Policy set-out in the 2024 Directors' remuneration report. Under the single performance framework, one third of the maximum award for LTIP 2025, LTIP 2024 and LTIP 2023 is earned in 2025 based on achievement against 2025 Group financial and non-financial targets and personal objectives mirroring the same measures and weightings as the Annual Bonus for 2025. Amounts earned are deferred for payment at the end of the three-year performance period. LTIP 2023 deferred cash awards will vest for payment in April 2026. LTIP 2024 and LTIP 2025 awards will be deferred for payment (subject to still being employed by BSI) in April 2027 and April 2028 respectively.

Directors' remuneration report continued

LTIP awards held	LTIP awards granted at maximum			
	Awarded 2025	**Awarded 2024**	**Awarded 2023**	**Total held**
Susan Taylor Martin	**£681,490**	£642,915	£615,230	£1,939,635
Paul Quested	**£284,444**	–	–	£284,444
Dr Scott Steedman	**£273,845**	£260,805	£249,574	£784,224
End of performance period	**31-Dec-27**	31-Dec-26	31-Dec-25	

2023 LTIP payments

2023 LTIP	Salary on 1 Jan 2023	Target LTIP as a % of salary	Target LTIP value	Maximum LTIP as a % of salary	Maximum LTIP Value	Performance period	Deferred cash award value	Deferred cash award as a % of salary	Total deferred cash pay-out	Total deferred cash award as a % of salary
Susan Taylor Martin	£492,184	62.5%	£307,615	125%	£615,230	2023	£184,569	37.5%	£383,185	77.9%
						2024	£82,030	16.7%		
						2025	£116,586	23.7%		
Dr Scott Steedman	£311,968	40.0%	£124,787	80%	£249,574	2023	£64,465	20.7%	£155,435	49.8%
						2024	£43,676	14.0%		
						2025	£47,294	15.2%		

LTIP 2024 & LTIP 2025

LTIP	LTIP	Payout year	Maximum LTIP as a % of salary	Maximum LTIP Value	Performance period	Deferred cash award value	Deferred cash award as a % of salary	Total deferred cash pay-out	Total deferred cash pay-out
Susan Taylor Martin	2024	April 2027	125%	£642,915	2024	£85,722	16.7%	£207,554	40.4%
					2025	£121,832	23.7%		
					2026	–	–		
	2025	April 2028	125%	£681,490	2025	£129,142	23.7%	£129,142	23.7%
					2026	–	–		
					2027	–	–		
Paul Quested	2025	April 2028	80%	£284,444	2025	£63,374	17.8%	£63,374	17.8%
					2026	–	–		
					2027	–	–		
Dr Scott Steedman	2024	April 2027	80%	£260,805	2024	£45,641	14.0%	£95,064	29.2%
					2025	£49,423	15.2%		
					2026	–	–		
	2025	April 2028	80%	£273,845	2025	£51,894	15.2%	£51,894	15.2%
					2026	–	–		
					2027	–	–		

Directors' remuneration report continued

Pension contributions
The Company operates a defined contribution pension arrangement for all eligible employees, including Executive Directors. For the year ended 31 December 2025, Executive Directors were eligible to receive a pension contribution (or cash allowance in lieu of pension, where applicable). Selected pension age is assumed to be 65, which means that funds will automatically start to be moved from age 59 and be entered into the 'pre-retirement' phase.

The Company paid the equivalent of 11% of Susan Taylor Martin's base salary as salary supplements in lieu of pension contributions. The Company paid a total of 11% of Paul Quested's base salary and 15% of Dr Scott Steedman's base salary into the BSI UK Pension Plan and as a salary supplement in lieu of pension contributions. Salary supplements were calculated as the equivalent cost to BSI, taking into account the National Insurance paid.

No Executive Director receives any special or enhanced pension provision, and no Executive Director participates in any legacy schemes. No additional pension benefits, unfunded arrangements, or early retirement enhancements were provided during the year.

Loss of office payments (audited information)
No payments for loss of office were made in 2025 (2024: Nil).

Payments to past Directors (audited information)
No payments made to past Directors for 2025 performance year.

Executive Directors' Non-Executive Directorships
In order to encourage professional development, Executive Directors may, with the agreement of the Board, take on an external Non-Executive Directorship. Susan Taylor Martin is a Non-Executive Director of the University of Cambridge Press & Assessment Board.

Remuneration of the Chief Executive

Table of historic data (audited information)

Year	Chief Executive	Single figure remuneration total £'000	Annual bonus payout against maximum	LTIP vesting rates against maximum
2025	Susan Taylor Martin	1,438	49%	62%
2024	Susan Taylor Martin	1,171	32%	50%
2023	Susan Taylor Martin	1,729	88%	80%
2022	Susan Taylor Martin	983	59%	0%
2021	Susan Taylor Martin (from 20.01.21)	1,238	100%	0%
2021	Howard Kerr (to 20.01.21)	121	0%	25%
2020	Howard Kerr	1,069	98%	7%
2019	Howard Kerr	792	50%	30%
2018	Howard Kerr	1,043	50%	100%
2017	Howard Kerr	1,156	92%	100%
2016	Howard Kerr	1,151	99%	100%
2015	Howard Kerr	1,119	98%	100%

Chief Executive Pay Ratio

Year	Method	25th Percentile Pay Ratio	Median Pay Ratio	75th Percentile Pay Ratio
2025	Option B	29.51	21.26	16.47
2024	Option B	46.12	32.28	24.59
2023	Option B	27.39	19.84	15.02

Notes:
2025 median pay for BSI was £55,777.

To calculate the CEO pay ratio, we looked at the most recent hourly rate gender pay gap information, collected at April 2025 and officially reported in April 2026.

Option B has been selected by BSI as the method to review pay data, to determine the total full time equivalent (FTE) employee population remuneration of all BSI's UK employees; rank all those employees based on their total FTE remuneration from low to high; and identify the employees whose remuneration places them at the 25th, 50th (median) and 75th percentile points of this ranking.

Methodologies:
Option A: Calculates the pay of UK employees in the same way as for the Chief Executive and determining the lower quartile, median and upper quartile staff values from this sample.

Option B: Uses UK gender pay gap data to determine the best equivalents for the quartile and median staff pay levels.

Option C: Uses other available pay data to determine the same three statistics.

Fees
Effective 1 May 2025 Board annual fees were as follows:

Role	**2025**	2024
Chairman's fee	**£194,500**	£188,500
Non-Executive Director base fee	**£50,200**	£48,700
Committee Chair	**£7,300**	£7,100
Senior Independent Director	**£6,900**	£6,700

Directors' remuneration report continued

As recommended by the Board, the Members agreed at the Annual General Meeting (AGM) on 21 May 2025 to increase the fees payable to the Chairman and the Non-Executive Directors of the Company, including supplementary fees paid for performing additional duties. The Company recognizes that it has individuals of stature and experience in those roles and is aware that, in order to retain and recruit individuals of appropriate quality, it must ensure their remuneration reflects the skills and knowledge they bring to the Board, as well as being comparable with the fees paid in similar organizations. An increase of 3% was approved for the Chairman's fee, which was aligned to the average increase for the BSI UK wider workforce of 3%, positioning the Chairman's fee at the lower quartile for FTSE 250. An increase of 3% was approved for the Non-Executive Directors and Committee Chair to position the fees more competitively against lower quartile FTSE 250, without going above the guidance range for the wider workforce.

Remuneration policy 2026

The Directors' remuneration policy is set out in the table on pages 112 and 113. It applies to remuneration awards made from 1 January 2026 and is set for a period of one year. There are changes to the targets for ABP and LTIP and to quantum. The Committee aims to maintain a Directors' remuneration policy that is stable and clearly defined but which evolves, over the longer term, to remain relevant to the needs of the Group's business and to reflect the wider employment market. The policy establishes demanding performance targets that align incentives with the Group's short- and long-term objectives. The Committee reviews the policy in advance of the remuneration policy year to ensure it is appropriate and effective in meeting these requirements.

Policy discretion

The Committee retains discretionary power with regard to certain areas of Directors' remuneration. For variable pay, the Committee retains the discretion to adjust payments up or down in exceptional circumstances. If employment ceases during a vesting period, LTIP awards will normally lapse in full; however, the Committee reserves the discretion to allow some or all of the awards to subsist in appropriate circumstances. In addition, the Committee reserves the right to apply discretion in exceptional circumstances, as it sees fit, regarding payments on appointment and for termination.

Statement of principles for new Executive Director recruitment

The Committee oversees the setting, within the Directors' remuneration policy, of the total remuneration package of new Executive Directors. This comprises the fixed pay elements of base salary, benefits and pension plan contributions and the variable pay elements of annual bonus and Long-Term Incentive Plan awards, all of which are internally and externally benchmarked. The maximum level of variable pay is set within the Directors' remuneration policy. BSI does not normally either offer 'sign-on' awards or compensate recruits for forfeited amount; however, the Committee reserves the right to apply discretion in this area as it sees fit.

Policy on notice periods

No Director has contractual rights for compensation on early termination beyond payment of the contractual notice period. Executive Directors have rolling contracts setting out notice periods as shown in the following table:

	Appointment commenced	Notice period provided for
Susan Taylor Martin	1 January 2021	12 months by either party
Paul Quested	1 May 2026	6 months by either party
Dr Scott Steedman	1 October 2012	6 months by either party

The Chairman is re-appointed by the Board each year upon the recommendation of the Nominations Committee. Except where indicated, the appointment of Non-Executive Directors is for periods of three years but is subject to re-appointment at AGMs in accordance with the Bye-laws. The Non-Executive Directors do not have service contracts. Details of their letters of appointment are as follows:

	Date of original appointment	Role
John Hirst CBE	15 October 2018	Chairman
Dame Polly Courtice	1 September 2022	Non-Executive Director
Tim Livett	1 January 2024	Non-Executive Director
Robert McLeod	1 March 2024	Senior Independent Director
Dr Diane Bitzel	1 September 2024	Non-Executive Director
Bukky Bird	1 June 2025	Non-Executive Director
Peter Simpson	1 June 2025	Board Advisor

Approach of the Company in setting Non-Executive Director fees

BSI is justifiably proud of the calibre of the Non-Executive Directors on its Board. In order to retain and, when the need arises, recruit Non-Executive Directors of high quality, the Company must ensure their remuneration recognizes the knowledge and experience they bring to the Board, their time commitment as well as being comparable with the fees paid in similar organizations. Their fees are determined by the Board (with the Non-Executive Directors not present) on the recommendation of the Chairman and Chief Executive. The Chairman's fee is determined by the Committee.

Directors' remuneration report continued

Policy on termination payments

The Company may, at its absolute discretion, terminate the employment of Executive Directors by paying a sum equal to the salary and benefits to which they would have been entitled during their notice period. Alternatively, an individual may be asked to work some or all of the required contractual notice period. Ancillary payments such as those to cover out-placement consultancy may also be made.

Redundancy payments are made based on the local employment legislation and prevailing terms in force within the Company at that point in time. Compensation for any outstanding bonus payments is determined by reference to the terms of the individual's current bonus letter. Non-Executive Directors have no right to any termination payments other than in the case of one month's fee paid in lieu of notice. The Board is responsible for any such Non-Executive Director termination arrangements. The Committee, overseen by its Chairman, is responsible for the setting of any termination payments for the Chairman and Executive Directors and it reserves the right to apply discretion as it sees fit in relation to the above.

Illustration of the application of the Directors' remuneration policy for 2026

The charts below provide an illustration of what could be received by each Executive Director for 2026, which is the year of application of the stated remuneration policy:

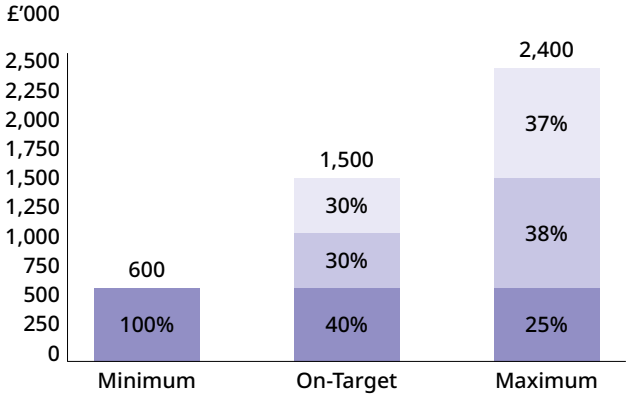
Consideration of employment conditions elsewhere in the Group

Salaries and benefits are regularly reviewed and benchmarked against the external market, using analysis of organizations of a similar size and financial profile to BSI. The survey data is compiled from both generic third-party surveys and specific, targeted research. In considering the salary levels for the Executive Directors, the Committee also considers the employment market conditions and the pay levels across the UK Group. Performance-related annual increases for Executive Directors are consistent with those offered at all levels across the UK Group.

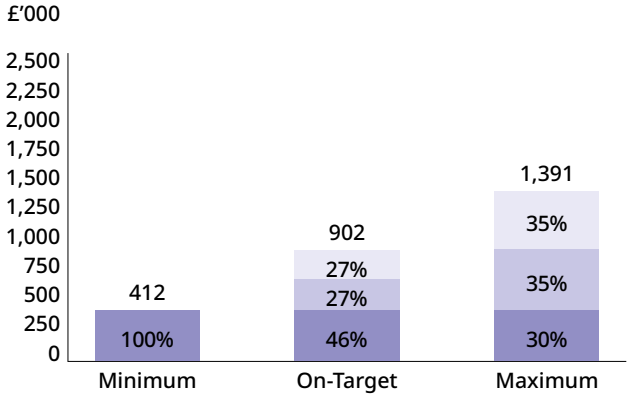
Relative importance of spend on pay

	%	2025	2024
Colleague expense	3.6%	**437.6**	422.5
Revenue	-1.1%	**748.9**	757.4
Underlying operating profit	4.7%	**60.7**	58.0
Headcount	-1.9%	**6,544**	6,674

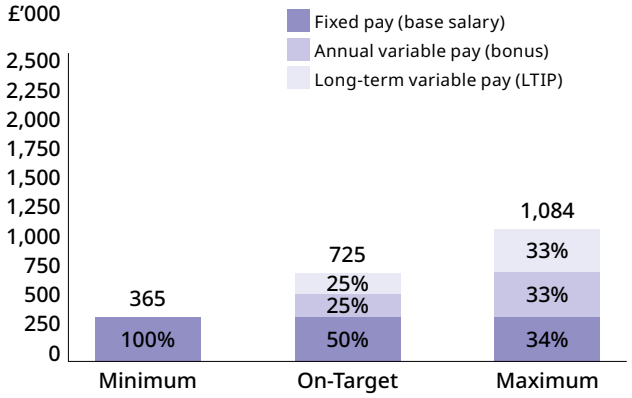
Susan Taylor Martin



Paul Quested



Scott Steedman



Notes

Minimum means fixed pay only (base salary), i.e. below the payment threshold for variable pay awards.

On target means, fixed pay, an award equivalent to 75%, 60% and 50% of base salary to Susan Taylor Martin, Paul Quested and Scott Steedman, respectively under the Annual Bonus Plan and pay-out of 50% of the LTIP Awards granted, 75%, 60% and 50% of base salary respectively to Susan Taylor Martin, Paul Quested and Scott Steedman as a % of total on-target opportunity.

Maximum means, fixed pay, an award equivalent to 150%, 120% and 100% of base salary to Susan Taylor Martin, Paul Quested and Scott Steedman, respectively under the Annual Bonus Plan and pay-out of 150% of the LTIP awards granted, 150%, 120% and 100% of base salary at 1 January 2026 respectively to Susan Taylor Martin, Paul Quested and Scott Steedman as a % of total maximum opportunity

For the purpose of this illustration pay is based on base salary at 1 April 2026; annual bonus awards with potential payment with respect to the 2026 financial year calculated on base salary as at 1 April 2026 and LTIP based on the 2026 awards potentially paid for the performance period ending 31 December 2027.

Directors' remuneration report continued

Director percentage change versus employee group

The table below shows how the percentage increase in each Director's salary/fees, taxable benefits, pension costs and incentives between 2023 and 2024 compared with the average percentage increase in each of those components of pay for the UK-based employees of the Group as a whole.

	% change 2025/24			% change 2024/23			% change 2023/22			% change 2022/21		
Director	% change in salaries and fees	% change in taxable benefits[1]	% change in bonus	% change in salaries and fees	% change in taxable benefits[1]	% change in bonus[2]	% change in salaries and fees	% change in taxable benefits[1]	% change in bonus	% change in salaries and fees	% change in taxable benefits[1]	% change in bonus
Executives												
Susan Taylor Martin[4]	**3.5%**	**75.4%**	**56.7%**	5.5%	7.8%	-61.3%	4.5%	438.4%	56.2%	3.4%	6.0%	-38.6%
Paul Quested[5]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
Dr Scott Steedman	**3.7%**	**25.1%**	**20.0%**	4.4%	259.9%	-43.2%	3.4%	4.5%	33.9%	4.7%	-37.8%	-28.5%
Sara Dickinson	**-87.7%**	**-78.5%**	**-**	5.6%	50.4%	-100.0%	9.9%	57.4%	65.5%	-	-	-
Chairman	**–**	**–**	**–**									
John Hirst	**3.1%**	**-37.9%**	**–**	3.2%	-6.2%	-	4.1%	9.2%	-	0.8%	79.6%	–
Non-Executives	**–**	**–**	**–**									
Dame Polly Courtice[6]	**3.7%**	**-81.7%**	**–**	4.8%	-9.8%	-	8.5%	-35.9%	-	13.5%	26.8%	–
Diane Bitzel[7]	**104.1%**	**–**	**–**	–	–	–	–	–	–	–	–	–
Robert MacLeod[7]	**40.1%**	**–**	**–**	–	–	–	–	–	–	–	–	–
Tim Livett[7]	**9.4%**	**-100.0%**	**–**	–	–	–	–	–	–	–	–	–
Peter Simpson[8]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
Bukky Bird[8]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
Employees	**11.8%**	**25.8%**	**36.5%**	19.3%	45.7%	-38.3%	10.9%	-8.4%	48.4%	23.3%	-4.2%	5.0%

1 The change on the year-on-year increases reflect large variations due to the small value of benefits.
2 Lower bonus achievement in 2024 in comparison to 2023.
3 Private Medical Insurance in 2023; adjustment made for previous year's deduction.
4 Susan Taylor Martin was appointed Chief Executive in 2021.
5 Paul Quested was appointed Executive Director in 2025.
6 Dame Polly Courtice was appointed Non-Executive Director in 2022.
7 Diane Bitzel, Robert MacLeod and Tim Livett were appointed Non-Executive Directors in 2024.
8 Bukky Bird and Peter Simpson were appointed Non-Executive Director and Board Advisor respectively in 2025.

Directors' remuneration report continued

Remuneration policy 2026

Element and how it supports long and short-term strategy	Operation and recovery	Maximum opportunity	Performance metrics	Changes from 2025 policy
Salary and fees (Fixed) By attracting, retaining and motivating individuals of the quality required to further the interests of the Company.	The base salaries of Executive Directors are determined by reference to an individual's responsibility and performance and are reviewed annually. Consideration is given to remuneration in comparable organizations when appropriate and external benchmarking is carried out biennially. Executive Directors may, by agreement with the Board, serve as Non-Executive Directors of other companies and retain any fees paid for their services. Non-Executive Directors receive a fee for their services to the Company which is reviewed annually.	While no maximum salary is prescribed in the policy, increases will typically align with those awarded to the wider workforce. However, higher increases may be made in specific circumstances including material increase in role scope, sustained performance, or to address market positioning.	Not applicable, although overall individual and business performance is considered when setting and reviewing base salary.	Following an independent benchmarking review against a comparator group of FTSE 250 companies, the Committee approved a salary increase of 7% effective 1 January 2026, positioning the Chief Executive at approximately the lower quartile of the peer group. This adjustment reflects sustained Company performance and increased role complexity.
Benefits (Fixed) By providing a benefits package appropriate to the role of the individual and competitive with similar organizations.	Benefits in kind for Executive Directors principally include, where appropriate, the provision of a company car and fuel, annual leave and medical and life insurance. The Non-Executive Directors do not receive benefits in kind except reimbursement of the costs of travel to meetings at the Company's principal office and grossed-up tax thereon.	Not applicable	Not applicable	None
Pension benefits (Fixed) By providing a cost-effective retirement benefit as part of an overall remuneration package.	For Executive Directors, the Company makes contributions into defined contribution pension arrangements or provides a cash alternative.	Not applicable	Not applicable	None

Directors' remuneration report continued

Remuneration policy 2026 continued

Element and how it supports long and short-term strategy	Operation and recovery	Maximum opportunity	Performance metrics	Changes from 2025 policy
Bonuses (Variable) By providing Directors with incentive to align their performance to the delivery of the shorter-term goals of the business.	Awarded to Executive Directors subject to the fulfilment of specific short-term criteria, determined with reference to BSI's objectives. Awards are subject to clawback provisions. The Remuneration Committee retains the discretion to adjust payments up or down in exceptional circumstances where it feels this course of action is appropriate.	Maximum bonus for the Chief Executive is 150% of base salary. 120% of base salary for the Chief Financial Officer and 100% for the Director-General, Standards.	Performance is assessed based on the achievement of financial and non-financial targets weighted as: EBITDA 50%, Revenue 20%, Client Satisfaction 10%, Individual Objectives 20%.	Competitive adjustments made to target and maximum ABP opportunities. In addition, the performance measures and their respective weightings were refined to ensure continued alignment with BSI's strategic priorities. The weighting of the Revenue measure increased from 15% to 20%, and a new Client Satisfaction measure was introduced with a 10% weighting. This replaces the previous Transformation Delivery measure (15%), which has been removed from the ABP and will instead be assessed under the LTIP.
LTIPs (Variable) By providing Directors with incentive to align their performance to the delivery and execution of strategic aims and goals of the business and to retain senior Executive talent.	These are awarded to Executive Directors subject to the fulfilment of financial and nonfinancial performance criteria, determined with reference to BSI's strategic objectives. The targets are established annually and amended if necessary. Awards are subject to malus and clawback provisions. The Remuneration Committee retains the discretion to adjust payments up or down in exceptional circumstances where it considers this course of action is appropriate. If employment ceases during the vesting period awards will normally lapse in full.	Maximum LTIP for the Chief Executive is 150% of base salary, 120% of base salary for the Chief Financial Officer and 100% for the Director-General, Standards.	Performance is assessed based on the achievement of 50% financial and 50% non-financial targets weighted as: Group Adjusted EBITDA Growth 30%, Revenue Growth 20% ERP Milestone Delivery 15%, Impact measures 35%.	Competitive adjustments made to maximum LTIP opportunities. LTIP redesigned to align with a new three-year performance framework focused on financial growth, transformation, and impact. Performance measures and weightings have been updated to a 50% financial / 50% delivery and impact split. Awards will now pay out solely based on performance against these three- year measures, with the removal of annual deferred cash awards to reinforce longer-term value creation.

Audited information

The Directors' remuneration report is unaudited with the exception of the sections marked to show that they contain audited information.

Robert MacLeod
Chair of the Remuneration Committee

Directors' report

Alex Campbell
Company Secretary

The Board

The members of the Board who held office during 2025 and/or to the date of this report were as follows:

John Hirst CBE

Susan Taylor Martin

Sara Dickinson (resigned 14 February 2025)

Paul Quested (appointed 22 May 2025)

Dr Scott Steedman

Bukky Bird (appointed 1 June 2025)

Dr Diane Bitzel

Dame Polly Courtice

Tim Livett

Ian Lobley (resigned 31 January 2025)

Robert MacLeod

Peter Simpson was appointed a Board Advisor on 1 June 2025 and Alison Wood stepped down as a Board Advisor on 31 August 2025. The Company Secretary is Alex Campbell.

The BSI Board operates and reports in accordance with UK corporate governance best practice.

The Directors submit their report and audited financial statements for the BSI Group for the year ended 31 December 2025.

Strategic Report

The Strategic Report, set out on pages 1 to 80, includes:

- a description of the Group's business model and strategy;
- disclosure of the key performance indicators used to manage the business;
- an overview of the principal risks and uncertainties faced by the Group;
- factors likely to affect the Group's future development;
- environmental, employee and human rights disclosures; and
- engagement with suppliers, customers and other stakeholders, and the impact of this on decision-making;

as well as details of other factors affecting the Group's performance, position and prospects.

Corporate governance

The Corporate governance report is set out on pages 87 to 89.

More information about the Directors can be found on pages 84 to 86. The Directors may exercise all powers of the Company, subject to statute, relevant regulation and the restrictions set out in the Royal Charter and Bye-laws. The Bye-laws give the Directors the power to appoint additional or replacement Directors within the limits set out.

The Company's Bye-law 8 requires Directors to submit themselves for re-election at the next Annual General Meeting (AGM) following their appointment by the Board. As new Directors, Bukky Bird and Paul Quested will therefore be standing for election at the 2026 AGM. In addition, under the Company's Bye-law 9, one-third (rounded down) of the other Directors are required to retire by rotation and stand for re-election and Polly Courtice, John Hirst and Tim Livett will be standing for re-election at the 2026 AGM.

Annual General Meeting

The 2026 AGM will be held at 11.30am on Thursday 21 May 2026 at The Landmark Hotel, London as well as online. The business to be considered at the 2026 AGM is set out in a separate Notice of Meeting dispatched to the members.

Independent auditors

Ernst & Young LLP (EY) has indicated its willingness to continue in office as the Group's external auditors, and a resolution for their reappointment will be proposed at the 2026 AGM.

Directors' and Officers' liability

The Group has maintained Directors' and Officers' liability insurance cover throughout the year in respect of the acts or omissions of its Directors and continues to do so. In common with other companies, the Group has made qualifying third-party indemnity provisions, for the benefit of its Directors, against liabilities incurred in the execution of their duties.

Colleague engagement

Strong engagement with the workforce is fundamental to the Group's success. Further information on colleague engagement is provided in the Working at BSI report on page 38 and the Stakeholder engagement report on page 41.

The Group is committed to providing a work environment free from harassment and discrimination. The organization accepts its obligations to people with disabilities and endeavours to treat them fairly in relation to job applications, training, promotion and career development.

If colleagues become disabled while employed, every effort is made to enable them to continue working either in their original job or some suitable alternative role.

Donations

The Company made no political donations during the year (2024: £nil).

Directors' report continued

Financial instruments

Details of the use and materiality of financial instruments are provided in Notes 4 and 22 to the consolidated financial statements.

Streamlined Energy and Carbon Reporting

BSI also publishes an annual Streamlined Energy and Carbon Reporting (SECR) disclosure in line with UK Government expectations. This details our UK-based Scope 1, 2 and 3 emissions. Please refer to page 62 for our SECR disclosure table and commentary.

Directors' interests

Apart from Executive Directors' employment contracts and Non-Executive Directors' letters of appointment, there was no contract with the Group, during or at the end of the financial year, in which a Director is or was materially interested and which is or was significant in relation to the Group's business during the period under review. No Director has any beneficial interest in the Company.

Post-balance sheet events

Details of post-balance sheet events are provided in note 27 to the Consolidated financial statements.

Going concern

Despite an ongoing backdrop of macroeconomic challenges, the Group has delivered a robust financial performance. The Group has ended the year with no debt and cash and cash equivalents, restricted cash, and fixed-term deposits of £270.2m (2024: £225.4m).

As discussed further in the financial review, the year-on-year increase in cash and cash equivalents arises primarily from net cash generated from operations which reflects an improvement in debtor days and includes £9.0m of interest earned on cash reserves (2024: £6.6m).

The Group maintains an effective risk management framework and approach based on ISO 31000 (Risk Management) and the Board takes reasonable steps to manage the risks faced by the business. This includes managing and mitigating any liquidity risks that may arise, through a number of key controls, including a robust business planning cycle, formal cash management and financial reporting.

The Group's planning cycle comprises a long-term five-year Long-Range Plan, an annual financial plan and two in-year forecasts. These processes generate income statement and cash flow projections for assessment by Group management and the Board. Each forecast is analyzed to ensure key assumptions are valid and appropriate for the business, assisted by comparisons against prior forecasts, the previous year and actual results, so as to understand the drivers of the changes, their future impact on the business and allow management to take action where appropriate to manage risks.

The Group also operates a formal treasury policy, effectively managing the Group's cash balances and investing in money market funds and fixed-term deposits with key relationship banks predominantly rated AAA. Through weekly and monthly reporting, the Chief Financial Officer and Group Treasury, monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs in all markets.

These rolling forecasts enable visibility of the expected Group cash flow together with the Group's liquidity reserve, comprising cash and cash equivalents.

In assessing going concern, management used the Board-approved Financial Plan for 2026 and five-year Long Range Plan as a foundation. The Plan shows revenue growth accelerates above recent levels driving uplifts in profitability and cash generation in the outer years. Early trading in 2026 to date has been in line with these expectations. While we expect to invest in our discretionary Change & Transformation programme, cash is expected to remain above £200m in 2026 and over the going concern assessment period ending 31March 2027.

Sensitivity analysis was performed using severe but plausible downside scenarios in line with the viability scenarios discussed below. In all scenarios, the Group maintains significant liquidity for at least 12 months from the balance sheet date and does not need to raise external funding. A reverse stress test was also modelled to understand how severe a trading loss would need to be to eliminate our cash reserves, but the conditions of the reverse stress test were considered implausible. The reverse stress test did not take into account any possible mitigating actions available to the Directors.

As a result of the financial position, controls in place, and current financial performance, the Directors have a reasonable expectation that the Group and the Company will have adequate resources to continue in operational existence for the period through to 31 March 2027, a period of at least 12 months from the approval of this Annual Report and Financial Statements. Accordingly, the Directors have adopted the going concern basis in preparing the Group and the Company financial statements.

Viability statement

The Directors have considered the ongoing viability of the Group. The preparation of this viability statement includes an assessment of the Group's long-term prospects and ability to meet future commitments and liabilities as they fall due over our long-term plan period of three years.

Directors' report continued

Viability assessment

Throughout the year, the Board has undertaken an assessment of the Principal Risks affecting the Group and also emerging risks, particularly those that could threaten the business model and the Group's viability over an extended period, including an assessment of the likelihood of them materializing. These risks, and the actions being taken to manage or mitigate the risks, are explained in detail in the Risk management report on page 73. This analysis has then been applied to allow the Board to assess the ability of the Group to continue in operation and have an adequate level of liquidity to meet its obligations.

Each year, the Board agrees a strategic plan for the business. The 2026 to 2028 plan was based on the expected economic environment across all our markets over the plan period together with the Group's updated strategic objectives, initiatives as agreed by the Board, and reflects the risk appetite also set by the Board. BSI has a long history of underlying revenue growth, operating profit stability, and investing short-term profits for the long-term benefit of the business. The latest strategic plan showed a continuation of these trends.

The viability assessment has been undertaken in line with the Group's planning horizon of three years (2024: three years). Although BSI is a mature business and the Directors have no reason to believe that the Group will not be viable over a longer period, the Board has chosen to conduct the viability assessment over a three-year period because:

- significant investments are being made over the next three years to realize the Group's strategy over the medium to long term;
- the Group's business model does not necessitate regular investment in large capital projects that would require a longer time horizon;
- the Group's business model means that it can respond in a timely manner to reasonably possible Group-specific and market events, as evidenced by the COVID pandemic; and
- given the current volatility of the economic and geopolitical environment, implicitly it is harder to accurately forecast the latter years of a five-year plan.

The viability assessment consisted of stress testing the forecasts underlying the strategic plan by modelling severe but plausible downside scenarios in which a number of the Group's principal risks and uncertainties materialize within the viability period. These scenarios included external factors such as changes in UK regulation or public policy and internal factors such as our strategic change programme failing to deliver the level of digital transformation required to maintain our market share.

In preparing these scenarios, consideration was given to the direct revenue and contribution impact of the affected Division and the potential halo effect on the wider business together with the likely time frame over which the scenario would affect the business. In relation to the digital transformation scenario, assumptions reflected the erosion of market share over time reducing revenue growth and contribution.

The main severe but plausible scenarios are set out in the table below, including their linkage to the Group's Principal Risks (as described on pages 75 to 80).

Viability scenario	Linkage to Principal Risks
Change in UK regulation or public policy could adversely affect BSI's National Standards Body (NSB) activities	NSB appointment & obligations Environmental, Social and Governance
The Regulatory Services business suffers a material device failure and associated loss of business	Designation compliance Evolving market needs Legal compliance
Our Assurance business suffers a loss of a significant accreditation, leading to suspension in key markets	Accreditation compliance Evolving market needs Legal compliance
Our digital transformation fails to keep pace externally resulting in loss of market share	Change management Evolving market needs Geopolitical instability and macroeconomic uncertainty Health, Safety & Wellbeing Information Security

Conclusion

The Board assessed the prospects and viability of the Group considering the Group's strategy and business model, and the Principal Risks to the Group's future performance, liquidity and reputation. As a result of the review of the strategic plan up to the end of 2028 and an assessment of the impact of severe but plausible scenarios on that plan, in addition to our current strong financial position, the Directors have a reasonable expectation that the Group will be able to continue to operate and meet its liabilities as they fall due at least to the end of the viability period to December 2028.

Directors' report continued

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102 have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Parent Company's auditors are aware of that information.

Other matters disclosed

The following matters are disclosed in the notes to the financial statements:

Financial risk management objectives and policies including credit risk, liquidity risk	Note 4 (page 139)
Details of hedge accounting and derivative financial instruments	Note 4 (page 139)
Capitalization of development costs	Note 12 (page 151)
Recent developments and post-balance sheet events	Note 27 (page 169)
Details of any overseas branches	Note 28 (page 170)

By order of the Board

Alex Campbell
Company Secretary

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Independent auditor's report

To the Members of The British Standards Institution

Opinion

In our opinion:

- The British Standards Institution's Group financial statements and Parent Company financial statements (financial statements) give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The British Standards Institution (Parent Company) and its subsidiaries (Group) for the year ended 31 December 2025 which comprise:

Group	Parent company
Consolidated balance sheet as at 31 December 2025	Balance sheet as at 31 December 2025
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Related notes 1 to 17 to the financial statements, including a summary of significant accounting policies
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 28 to the financial statements, including: material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Independent auditor's report continued

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Parent company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of Management's going concern assessment process in conjunction with our walkthrough of the Group's financial statements close process and ensuring that the factors taken into consideration were consistent with our own independent risk assessment.
- Obtaining Management's assessment of going concern, being for a period to 31 March 2027, including the underlying forecast models used in the assessment. For the period assessed, we confirmed that the forecasts used were consistent (for the relevant periods) with the longer term forecasts used in the impairment assessment.
- Considering whether the going concern assessment period was appropriate given the size and nature of the business and whether it captures all relevant events and conditions pertaining to the going concern assumption.
- Challenging the appropriateness of Management's forecasts and consideration of downside sensitivities. This involved:
  - Confirming that the forecasts used were the same as those which were approved by the Board
  - Challenging the forecasts by comparing key assumptions (including revenue, costs and cash flows) against current business activity
  - Ensuring that Management's downside scenarios were reflective of the principal risks of the business and had been quantified within the modelling in a sufficient manner
  - Assessing Management's ability to forecast accurately by reviewing Management's previous assessments against actual results
- Performing our own independent testing procedures, which included:
  - Verifying the cash positions as at 31 December 2025 to bank statements and bank confirmations as appropriate, and the cash position as at 28 February 2026 to the general ledger
  - Confirming the Company was formed by Royal Charter and thus has no external shareholders or the ability to pay dividends and validating that the Company has no external debt
  - Testing the clerical accuracy of cash flow calculations and determined through inspection and testing of methodology and calculations that the methods utilised were appropriate to make an assessment for the Group
  - Evaluating the number of months before cash reserves would be extinguished if the Company sustained current operating expenses with no associated cash inflows
  - Considering the controllable mitigations to reduce cash outflows if required that are available to the Group
  - Considering whether there are other potential downsides for the Group which are not modelled in Management scenarios and the potential impact of these
  - Performing an independent reverse stress test to determine the relevant combination of downturn factors during the period under assessment and considering whether this is possible
- Considering whether any contradictory evidence exists that indicates additional uncertainty in Management's forecast, including reviewing board minutes, press reports and making other enquiries of Management. We additionally reviewed external forecasts in relation to the underlying industry verticals and economic forecasts to identify inconsistencies with Management's assessment.
- Considering the potential impact of wider macroeconomic and geopolitical developments and assessing whether these give rise to additional risks to the going concern assessment, noting that they do not materially impact the Group's ability to continue as a going concern given the level of cash held and liquidity headroom reflected in the forecasts.
- Reviewing the appropriateness of Management's going concern disclosure in describing the risks associated with its ability to continue to operate as a going concern until 31 March 2027.

Given the Company's status as a Royal Charter Company (thus no dividends payable), the absence of external debt or related covenants, the amount of cash held both at the balance sheet date and as at 28 February 2026, combined with the absence of any other events or conditions which would cause us to question the going concern assumption, we consider Management's approach to be reasonable. We believe that appropriate scenarios were evaluated and considered and concur with the conclusion that the reverse stress test position is sufficiently remote.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent company's ability to continue as a going concern for a period to 31 March 2027.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	We performed an audit of the complete financial information of 7 components and audit procedures on specific balances for a further 8 components and central procedures on existence of Cash and Cash Equivalents, Impairment of Group Goodwill and Intangible assets and Parent Company Investments, Defined Benefit Pensions, Equity, Intercompany eliminations, and Taxation.
Key audit matters	Overstatement of revenue recognition as a result of management override Impairment of Goodwill of the Environment, Health, Safety, Sustainability and Security (EH3S) cash-generating unit (CGU)
Materiality	Overall Group materiality of £3.8m which represents 0.5% of revenue.

Independent auditor's report continued

An overview of the scope of the Parent company and Group audits

a. Scoping

Tailoring the scope

We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralized processes, applications and any relevant internal audit results.

We determined that centralized audit procedures can be performed on components in the following audit areas:

Key audit area on which procedures were performed centrally	Component subject to central procedures
Cash and Cash Equivalents	All components of the Group
Impairment of Group Goodwill and Intangible assets	Consolidated group
Parent Company Investments	The British Standards Institution (Parent Company)
Defined Benefit Pensions	The British Standards Institution (Parent Company)
Equity	Consolidated group
Intercompany eliminations	All components of the Group
Taxation	Consolidated group

We then identified seven components as individually relevant to the Group due to due to materiality or financial size of the component relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralized procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected eight components of the Group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component. Of the 15 components selected, we designed and performed audit procedures on the entire financial information of seven components (full scope components). For the remaining eight components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component (specific scope components).

Our scoping to address the risk of material misstatement for each key audit matter is set out in the key audit matters section of our report.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by the component auditor operating under our instruction.

The Group audit team based in the UK conducted audits of all full scope components identified above, and all specific scope components identified above with the exception of BSI Management Systems Certification (Beijing) Co. Ltd (China) which was performed by EY China. The seven full scope component locations included the UK (four components), USA (two components) and the Netherlands (one component).

During the current year's audit cycle, no visits were undertaken by the primary audit team to the component team in China given the specific scope nature, limited contribution of the component balances to the Group, and prior year visit already having been conducted. The Group audit team interacted regularly with the component team where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Independent auditor's report continued

Climate change
Stakeholders are increasingly interested in how climate change will impact The British Standards Institution. The Group has determined that the most significant future impacts from climate change on its operations will be from extreme weather events, changes to government policy or relationships, changes in client relationships due to regulatory changes and reputational risk from failure to meet stakeholder expectations regarding ESG obligations. These are explained on pages 67 to 69 in the Task Force On Climate Related Financial Disclosures and on page 79 in the principal risks and uncertainties. They have also explained their climate commitments on page 56. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information."

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in Note 2, the Basis of Preparation, how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating Management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 67 to 69 and whether these have been appropriately reflected in future cash flows used to assess the carrying value of Goodwill and intangible assets with indefinite useful economic lives, the carrying value and useful economic lives of intangible assets, property, plant and equipment, right of use assets, the measurement of deferred tax assets and provisions, including post-employment retirement benefits and the going concern period and viability of the Group following the requirements in UK adopted international accounting standards. As part of this evaluation, we performed our own risk assessment supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

b. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report continued

Risk	Our response to the risk
Overstatement of revenue recognition as a result of Management override (FY25 Consolidated Revenue: £748.9m, FY24 Consolidated Revenue: £757.4m) Refer to the Report of the Audit and Risk Committee Report (page 92); Accounting policies (page 142); and Note 5 of the Consolidated Financial Statements (pages 142 to 144) Revenue is a key metric when evaluating the performance of the Group. The recognition of revenue across the Group's revenue streams is primarily comprised of a large volume of low value transactions. There is a risk that revenue may be manipulated through Management override, with fictitious revenue recorded through topside journal entries.	For all significant revenue balances which we deemed to be in scope, we: — Performed detailed walkthroughs for each significant revenue stream to understand the key systems, processes and controls in place — Took a data-led approach centrally to correlate the activity in revenue accounts through to Trade Receivables and Cash — Checked that the methodology applied in recognizing revenue is consistent with the Group's accounting policy and accounting framework — Performed detailed testing of any topside revenue postings made in the consolidated extended trial balance, as well as any journals identified as higher risk in the general ledger population.

Key observations communicated to the Audit and Risk Committee

As part of our procedures, we noted no indication of deliberate or other manipulation of revenue or management override.

We concluded that Management's disclosures in relation to revenue, including disclosed accounting policies, are appropriate.

How we scoped our audit to respond to the risk and involvement with component teams

EY UK performed audit procedures over this risk in all material revenue generating full scope components, which covered 76% of the risk amount.

The EY China component team (specific scope) was responsible for the audit procedures performed in relation to Revenue attributed to BSI Management Systems Certification (Beijing) Co. Ltd (China).

Additional centralized audit procedures were then undertaken by EY UK over the residual Group revenue balance, including a combined Revenue-to-Cash correlation analysis for components outside full and specific scope designation, analytical reviews and data-driven journal entry testing covering journal activities from all Group locations to identify indicators of heightened risk of management override of controls.

Independent auditor's report continued

Risk	Our response to the risk
Goodwill impairment of the EH3S CGU (FY25 Goodwill net book value: EH3S (£5.6m), FY24 Goodwill net book value: EH3S (£6.3m). FY25 Impairment charge: nil, FY24 Impairment charge: £19.7m) Refer to the Report of the Audit and Risk Committee (page 94); Accounting policies (pages 151 and 153); and Note 12 of the Consolidated Financial Statements (pages 151 to 154). Management applies judgement in assessing the valuation of Goodwill, particularly in calculating value in use by estimating future cash flows, and deriving the appropriate discount rates and terminal growth rates. Given the limited headroom of the value in use calculation over the carrying amount, the calculation and resultant conclusion (that no impairment is required in FY25) is sensitive to reasonably possible changes in assumptions.	We performed the following general procedures on the overall impairment review which were relevant to the EH3S CGU and also helped validate our risk assessment that this CGU was most sensitive and should be the focus of our further testing: — Performed detailed walkthroughs of Management's processes and controls in relation to the annual Goodwill impairment process — Assessed whether the CGU determination and impairment model has been prepared consistently compared to prior year — Audited the impairment model which included: – Testing the clerical accuracy and methodology applied and considered the appropriateness compared to the relevant standard – Assessing the methodology used to allocate central assets and central overheads to CGUs, including challenging items not allocated. For the EH3S CGU, we evaluated whether the value in use outcome was sensitive to alternative allocation methodologies. — Assessed the forecasts and judgements used in the calculations including tying the forecasts used back to the board-approved Long Range Plan and assessing Management's historical forecasting accuracy. — We performed sensitivities based on current results going into perpetuity and determined that for all CGUs other than EH3S a significant and sustained deterioration of results would be required to cause impairment which we concluded was not reasonably possible based on our understanding of the business, its historic results and discussions with Commercial leaders in the business. For EH3S in particular, we performed a combination of the below detailed procedures taking into consideration our audit materiality: — In conjunction with our valuation specialists, we assessed the discount rates used by independently determining a range of acceptable rates for EH3S CGU, considering market data and comparable organizations, and comparing these ranges to the rates used by Management. We also independently assessed the long-term growth rate for EH3S and concluded that both of these inputs were reasonable. — Assessed historical forecasting accuracy and performance against the market and challenged Management on how this was factored into future forecasting. This also included an assessment of the variability of direct costs with revenue movements. — Engaged our EY Economic Advisory specialists to independently assess Management's growth assumptions for FY26–FY30 relative to third-party economic, sector, and regulatory data sources. — Performed detailed procedures over the FY26 budget, including assessing performance over the most recent period and understanding the amount of forecast that was already secured by purchase orders and pipeline. — Held detailed discussions with the Finance and Commercial leads to understand the market environment, strategic initiatives in place and the expected impact of US Federal Government policy on the order book. — Assessed the disclosures in the financial statements relating to the impairment review. We concluded that there was a reasonably possible change in assumptions that could impact the headroom available in EH3S and therefore have ensured appropriate disclosures have been made.

Independent auditor's report continued

Risk	Our response to the risk
Key observations communicated to the Audit and Risk Committee	
No impairment was recognised by Management in the year in relation to the Goodwill balance of the EH3S CGU. Based on our procedures performed, we are satisfied Goodwill is appropriately stated and concluded that the disclosure in the Consolidated Financial Statements in relation to the impairment review of Goodwill is appropriate. The impairment test for the EH3S cash-generating unit is sensitive to adverse changes in the underlying assumptions. Management describes the sensitivities appropriately in note 12 to the financial statements, in accordance with IAS 36.	
How we scoped our audit to respond to the risk and involvement with component teams	
All audit work performed to address this risk was undertaken by the Group audit team.	

c. Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £3.8m (2024: £3.2m), which is 0.5% of revenue (2024: 5% of profit before income tax after adding back exceptional costs). We believe that revenue provides us with the most appropriate materiality basis based on the expectations of the users of the financial statements and taking into account the Group's status as a Royal Charter Company. Revenue is more commensurate with the Group's activity levels in a given year, rather than profit before tax after adding back exceptional costs, which may be impacted by changes in transformation costs patterns from year to year.

We determined materiality for the Parent Company to be £6.8m (2024: £11.0m), which is 2.5% (2024: 2.5%) of total assets. The Parent company's operations are that of a holding company, holding the Group's pension scheme and investments in subsidiaries. The Parent company is not profit focused and therefore an earnings-based measure is not considered appropriate. We consider the Parent company's investment in subsidiaries and Group's pension scheme activities to be the most significant balances, and we have therefore identified total assets as the most appropriate benchmark on which to base materiality.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2024: 50%) of our planning materiality, namely £2.8m (2024: £1.6m). We have set performance materiality to take into account the limited prior year audit differences and Group's supportive control environment.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.4m to £2.0m (2024: £0.2m to £1.4m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.19m (2024: £0.16m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Independent auditor's report continued

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

— the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

— the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Opinions on other matters in accordance with the terms of our engagement letter

In our opinion, based on the work undertaken in the course of the audit:

— the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

— adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from components not visited by us; or

— the Parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

Corporate governance statement

ISAs (UK) require us to review the directors' statement in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules, as if the Parent Company were a listed company.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

— Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 95;

— Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 95;

— Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on pages 95;

— Directors' statement on fair, balanced and understandable set out on page 95;

— Board's confirmation that it has carried out a robust assessment of the emerging and Principal Risks set out on page 96;

— The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 95 to 96; and

— The section describing the work of the Audit and Risk Committee set out on pages 92 and 93.

Independent auditor's report continued

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 117, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group, Parent company and Management. Our procedures included:

— We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (namely UK-adopted IAS, FRS 102, the Companies Act 2006, the UK Corporate Governance Code) and the relevant tax compliance regulations in the jurisdictions in which The British Standards Institution operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements relating to health and safety, employee matters, environment and data protection and bribery and corruption practices.

— We understood how The British Standards Institution is complying with those frameworks by making enquiries of Management, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes, internal audit reports and papers provided to the Audit and Risk Committee.

— We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with Management, internal audit and those charged with governance to understand where it considered there was a susceptibility to fraud. We also considered performance targets and the propensity to influence efforts made by Management to manage earnings. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing higher risk journal entries including specific revenue journals in response to our fraud risk, to source documentation or independent confirmation, ensuring appropriate authorisation of transactions.

— Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing Board minutes to identify non-compliance with such laws and regulations, reviewing reports issued to the Audit and Risk Committee on compliance with regulations, enquiries with legal counsel, Group Management and internal audit, as well as performing journal entry testing, with a focus on consolidation journals and journal entries indicating large or unusual transactions based on our understanding of the business. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code 2024. We also engaged EY forensics specialists to assist with the performance of our journal entry testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ryan Squires (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading
25 March 2026

Consolidated income statement

for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Revenue	5	**748.9**	757.4
Cost of sales		**(368.2)**	(369.7)
Gross profit		**380.7**	387.7
Other income	2h	**1.1**	–
Selling and distribution expenses		**(91.4)**	(96.1)
Administrative expenses		**(229.7)**	(233.6)
Underlying operating profit	6	**60.7**	58.0
Exceptional costs	6	**(4.1)**	(19.6)
Operating profit	6	**56.6**	38.4
Finance income	9	**9.0**	7.0
Finance costs	9	**(3.7)**	(1.9)
Profit before tax		**61.9**	43.5
Income tax expense	10	**(18.9)**	(22.8)
Profit for the year		**43.0**	20.7

All amounts in the Consolidated Income Statement relate to continuing operations.

The accompanying notes on pages 133 to 172 form an integral part of the Consolidated Financial Statements.

Consolidated statement of comprehensive income

for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Profit for the year		**43.0**	20.7
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit surplus, net of taxes	14b iii	**0.4**	(9.4)
		0.4	(9.4)
Items that may subsequently be reclassified to profit or loss			
Currency translation differences		**(4.7)**	(5.5)
		(4.7)	(5.5)
Total other comprehensive loss for the year, net of taxes		**(4.3)**	(14.9)
Total comprehensive income for the year		**38.7**	5.8

The accompanying notes on pages 133 to 172 form an integral part of the Consolidated Financial Statements.

Consolidated balance sheet

as at 31 December 2025

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Property, plant and equipment	11	**23.8**	17.8
Goodwill	12	**39.1**	41.1
Intangible assets	12	**19.4**	25.2
Right-of-use assets	13	**39.4**	43.9
Deferred tax assets	15	**6.9**	6.6
Other receivables	16	**13.5**	14.2
Costs to obtain a contract	17	**22.6**	20.0
Total non-current assets		**164.7**	168.8
Current assets			
Inventories	18	**0.1**	0.1
Trade and other receivables	16	**173.2**	189.7
Current tax assets		**42.7**	33.3
Fixed-term deposits	19a	**20.0**	4.4
Restricted cash	19b	**7.8**	7.6
Cash and cash equivalents	19c	**242.4**	213.4
Total current assets		**486.2**	448.5
Total assets		**650.9**	617.3

	Note	2025 £m	2024 £m
Liabilities			
Non-current liabilities			
Deferred tax liabilities	15	**(4.4)**	(6.4)
Net retirement benefit obligations	14b ii	**(1.5)**	(2.3)
Provisions	20	**(5.2)**	(5.0)
Trade and other payables	21	**(9.7)**	(11.1)
Lease liabilities	13	**(36.3)**	(36.3)
Total non-current liabilities		**(57.1)**	(61.1)
Current liabilities			
Trade and other payables	21	**(162.4)**	(158.0)
Lease liabilities	13	**(7.4)**	(10.4)
Derivative financial instruments	19e	**(0.5)**	(0.2)
Current tax payables		**(14.8)**	(18.0)
Provisions	20	**(0.8)**	(0.4)
Total current liabilities		**(185.9)**	(187.0)
Total liabilities		**(243.0)**	(248.1)
Net assets		**407.9**	369.2
Reserves			
Retained earnings		**417.0**	373.6
Translation reserve		**(9.1)**	(4.4)
Total equity		**407.9**	369.2

The accompanying notes on pages 133 to 172 form an integral part of the Consolidated Financial Statements. The Consolidated Financial Statements on pages 128 to 132 were approved by the Board of Directors on 25 March 2026 and were signed on its behalf by:

Paul Quested
Chief Financial Officer

25 March 2026

Consolidated statement of changes in equity

for the year ended 31 December 2025

	Retained earnings £m	Translation reserve £m	Total £m
Balance at 1 January 2024	362.3	1.1	363.4
Profit for the year	20.7	–	20.7
Total other comprehensive loss for the year, net of taxes	(9.4)	(5.5)	(14.9)
Total comprehensive income for the year	11.3	(5.5)	5.8
Balance at 31 December 2024	**373.6**	**(4.4)**	**369.2**
Profit for the year	**43.0**	–	**43.0**
Total other comprehensive profit/(loss) for the year, net of taxes	**0.4**	**(4.6)**	**(4.2)**
Disposal of overseas business	–	**(0.1)**	**(0.1)**
Total comprehensive income for the year	**43.4**	**(4.7)**	**38.7**
Balance at 31 December 2025	**417.0**	**(9.1)**	**407.9**

The accompanying notes on pages 133 to 172 form an integral part of the Consolidated Financial Statements.

Retained earnings

Retained earnings are used to record the changes in retained profit/(accumulated loss), actuarial gains/(losses) relating to retirement benefit surplus, and the corresponding deferred tax (see Note 14b iii).

Translation reserve

The translation reserve is used to record the foreign exchange differences arising from the translation of the Financial Statements of foreign subsidiaries and net investments. On disposal of an overseas business, the cumulative exchange differences relating to that foreign operation, previously recognized in Other Comprehensive Income, are reclassified to profit or loss.

Consolidated statement of cash flows

for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Cash flows from operating activities	23	**91.3**	78.5
Interest received	9	**9.0**	6.6
Interest element of lease payments	13	**(3.2)**	(1.9)
Income tax paid		**(28.9)**	(25.2)
Net cash generated from operating activities		**68.2**	58.0
Cash flows from investing activities			
Purchase of property, plant and equipment		**(10.4)**	(3.4)
Purchase of intangible assets	12	**(3.5)**	(7.2)
Proceeds on disposal of trade and assets		**1.0**	–
(Increase)/decrease in fixed-term deposit	19a	**(15.6)**	2.2
Increase in restricted cash	19b	**(0.2)**	(0.1)
Net cash used in investing activities		**(28.7)**	(8.5)
Cash flows from financing activity			
Principal element of lease payments	13	**(8.9)**	(12.3)
Net cash used in financing activity		**(8.9)**	(12.3)
Net increase in cash and cash equivalents		**30.6**	37.2
Opening cash and cash equivalents		**213.4**	176.9
Exchange loss on cash and cash equivalents		**(1.6)**	(0.7)
Closing cash and cash equivalents	19c	**242.4**	213.4

The accompanying notes on pages 133 to 172 form an integral part of the Consolidated Financial Statements.

Notes to the consolidated financial statements

1. Corporate information

The British Standards Institution is the ultimate Parent Company of the BSI Group and is a company incorporated by Royal Charter in the United Kingdom and domiciled in the United Kingdom. The address of its registered office is the Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England.

The principal activities of The British Standards Institution (Company) and its subsidiaries (together the Group) are the development and sale of private, national and international standards; second and third-party certification of management systems; testing and certification services both for products and services; provision of performance management software solutions; a range of training services in support of standards implementation and best practice; and business consultancy services.

2. Material accounting policy information

The material accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The Consolidated Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006. The Consolidated Financial Statements have been prepared on a going concern basis as set out on pages 115 and 116 of the Directors' report.

The Consolidated Financial Statements are prepared on the historical cost convention basis, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of Consolidated Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the Group's accounting policies. The areas involving higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, are discussed in Note 3.

The Consolidated Financial Statements are presented in British Pounds Sterling (£) and all values are rounded to the nearest £100,000 except when otherwise indicated.

b. Going concern

The Directors have reviewed the Group's in-year performance together with the Long-Range Plan (LRP) covering the period 2026–2030. The LRP shows trading revenue and profit growth underpinned by strategic and commercial initiatives and that the Group will continue to maintain significant cash reserves.

In continuing to adopt the going concern basis when preparing the Consolidated Financial Statements, the Directors have considered the activities of the Group and its Principal Risks and Uncertainties within the context of the current operating environment.

The Group ended the year with no debt, with cash and cash equivalents, restricted cash and fixed-term deposits of £270.2m (2024: £225.4m).

In assessing the Group's viability, the Directors have considered the sensitivity of the assumptions underpinning its LRP. Further details regarding the going concern and viability assessments are disclosed on pages 115 and 116.

To support the going concern conclusion, the Group has prepared several working capital models covering the 12 months to 31 March 2027, being the formal going concern assessment period established by the Directors. The specific scenarios modelled are:

Scenario	Outcome
Base case Based on the most recently Board reviewed and approved LRP using only the first 15 months of forecast to 31 March 2027. These are the same forecasts used in the viability assessment as disclosed on pages 115 and 116.	The Group is able to meet all of its liabilities as they become due, without the need to consider additional sources of financing. The lowest forecasted cash position during the assessment period is £261.4m.
Sensitized case A severe downside scenario, with a reduction in revenue and profit across four different scenarios, impacting both business division and Group-wide revenues.	Despite the downside scenarios applied, the Group continues to be able to meet its obligations as they fall due and retains positive cash headroom. The lowest forecasted cash position during the assessment period under this scenario is £227.1m.
Reverse stress test A scenario created to model the circumstances required to remove the Group's cash surplus within the going concern assessment period. The Group modelled a 27% reduction in revenue in FY26 and FY27 together with a reduction in contribution (revenue less cost of sales and direct costs) margin from 36% to 12% in FY26 and 36% to 13% in FY27 with no mitigating actions within the cost base.	The conditions of this reverse stress test were considered implausible. Given the potential mitigating actions that the Group could take and its adaptability to business change, the Group will be able to meet its liabilities as they fall due.

The going concern assessment consisted of stress testing the forecasts underpinning the LRP by modelling severe but plausible downside scenarios which included external factors such as changes in UK regulation and public policy and internal factors such as strategic execution risks.

Notes to the consolidated financial statements continued

2. Material accounting policy information continued

The scenarios and sensitivity testing have been applied to the LRP, and forecast revenues, operating profit and cash flows were reviewed against the current and projected liquidity position. In all scenarios modelled, the Group maintains significant liquidity for at least 12 months from when the Consolidated Financial Statements are authorized for issue and does not require access to external funding. A reverse stress test was also performed to determine the level of trading deterioration that would be required to eliminate the Group's cash reserves. The Directors concluded that the conditions of the reverse stress test were implausible. The reverse stress testing did not take into account any possible mitigating actions that would be reasonably available to the Directors.

Based on this assessment, the control environment in place and the Group's current financial performance, the Directors have concluded that the Group will continue to operate on a going concern basis for the period through to 31 March 2027, a period of at least 12 months from when the Consolidated Financial Statements are authorized for issue. Accordingly, the Consolidated Financial Statements are prepared on a going concern basis.

c. Recent accounting developments

The following amended standard was effective during the year, which did not have a material impact on the Consolidated Financial Statements of the Group:

— Amendments to IAS 21: Lack of Exchangeability

d. Other new pronouncements

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting period and have not been early adopted by the Group. These standards, amendments and interpretations are listed below:

Standards and amendments	Title	Mandatory application: annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to several topics: — IFRS 1 – Hedge Accounting by a First-time Adopter — IFRS 7 – Introduction, Gain or Loss on Derecognition, Disclosure of Deferred Difference between Fair Value and Transaction Price, Credit Risk Disclosures — IFRS 9 – Lessee Derecognition of Lease Liabilities, Transaction Price — IFRS 10 – Determination of a 'De Facto Agent' — IAS 7 – Cost Method	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
* IFRS 19	Subsidiaries without Public Accountability	1 January 2027
* Amendments to IFRS 10 and IAS 28	Sale or Contribution of Asset between an investor and its Associates or Joint Venture	Available for optional adoption/ effective date deferred indefinitely

* These standards and amendments are yet to be endorsed by UK-adopted International Accounting Standards (UK-adopted IFRS).

The amendments to IFRS 9 and IFRS 7, Annual Improvements to IFRS Accounting Standards – Volume 11, IFRS 19 and amendments to IFRS 10 and IAS 28 are not expected to have a material impact on our Consolidated Financial Statements. Management has not yet completed the full impact assessment on these new pronouncements.

Management is finalizing its impact assessment of IFRS 18 particularly with respect to the Group's Income Statement, classification of income and expenses into five categories (previously three), classification of foreign exchange gains/losses into operating, financing or investing categories, grouping of information, the Statement of Cash Flows and additional disclosures required for Management defined Performance Measures (MPMs). The impact of IFRS 18 is presentational in nature and has no impact on profit or net assets.

IFRS S1 and IFRS S2 were issued by the International Sustainability Standards Board (ISSB) on 26 June 2023. The UK government is currently assessing the suitability of the ISSB for endorsement and consulted on the exposure drafts of the UK versions of IFRS S1 and IFRS S2 (UK SRS S1 and UK SRS S2). Following the consultation process, the UK government is aiming to publish finalised versions of UK SRS S1 and UK SRS S2 for voluntary use in early 2026.

e. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders gives the Group power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Notes to the consolidated financial statements continued

2. Material accounting policy information continued

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, and the liabilities incurred to the former owners of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any Non-Controlling Interests (NCI) in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the NCI's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date and classified as a financial liability. Those amounts classified as a financial liability are subsequently re-measured to fair value, with changes in fair value recognized in profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of the NCI over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated in full. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated in full.

ii. Changes in ownership interests in subsidiaries without change of control
Transactions with NCI that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of NCI are also recorded in equity.

iii. Disposal of subsidiaries
When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in Other Comprehensive Income are reclassified to profit or loss.

iv. Disposal group
A disposal group constitutes a group of assets and associated liabilities whose carrying amount will be recovered principally through disposal rather than continuing use and the sale is highly probable. Upon completion of a divestment, the Group recognizes a profit or loss on disposal calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest less costs incurred in disposing of the asset or disposal group and (ii) the carrying amount of the asset or disposal group (including goodwill). The profit or loss on disposal is recognised as an exceptional item.

f. Foreign currency translation

i. Functional and presentation currency
Items included in the Consolidated Financial Statements within each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Consolidated Financial Statements are presented in British Pounds Sterling, which is the Group's presentation currency.

ii. Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss, except when deferred in Other Comprehensive Income as qualifying cash flow hedges.

iii. Group companies
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in Other Comprehensive Income.

Notes to the consolidated financial statements continued

2. Material accounting policy information continued

f. Foreign currency translation continued

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate. Exchange differences are recognized in Other Comprehensive Income.

No adjustments have been made to account for hyperinflation in Turkey as the impact is not material to the Group.

g. Fair value measurement

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

— in the principal market for the asset or liability; or

— in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

— **Level 1** — quoted (unadjusted) market prices in active markets for identical assets or liabilities;

— **Level 2** — valuation techniques for which the lowest level input that is significant to the fair value measurement is directly (i.e. as prices) or indirectly (i.e. derived from prices) observable; and

— **Level 3** — valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

— Quantitative disclosures of fair value measurement hierarchy – Note 4b.

— Financial assets and liabilities – Notes 4b and 22.

h. Other income

The Group claims Research & Development Expenditure Credit (RDEC) in respect of qualifying research and development activities. The credit is recognized within 'Other income' when reasonable assurance exists that the relevant conditions have been met and that the credit will be received. The RDEC is accounted for on a gross basis and is subject to corporation tax.

i. Interest income

Interest income is recognized on a time-proportion basis using the effective interest method; that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

j. Alternative performance measures

Alternative performance measures (APMs) are used as supplemental measures in monitoring the performance of our business.

Underlying Operating Profit is the key measure used by the Group. The adjustments applied in calculating Underlying Operating Profit reflect certain exceptional items that the Directors believe are not related to the underlying performance of the Group. In the view of the Directors, the Underlying Operating Profit provides a meaningful supplement to the reported numbers to explain how the business is managed and measured on a day-to-day basis. A reconciliation of Underlying Operating Profit to Profit Before Tax is shown on page 168.

In determining whether an item is included in the reconciliation to underlying results, the Group considers items which are significant because of their size or their nature, and which are irregular. They are typically material amounts relating to costs, gains or losses that are not considered part of the core operations of the business. These may include costs or proceeds and/or gains or losses directly related to acquisitions or disposals, costs related to restructuring programmes and significant impairment losses.

The Directors compare performance between reporting periods on a constant currency basis, whereby prior period financial performance is retranslated at current period exchange rates. The Directors consider the constant currency basis to be a valuable addition to reported performance as it eliminates the impact of fluctuations in exchange rates, providing insight into and understanding of the organic, comparable period on period movements. A calculation of the percentage change in Revenue between actual and constant currency is included on page 34.

Notes to the consolidated financial statements continued

2. Material accounting policy information continued

k. Climate change

The Directors recognize climate change and the potential impact it may have on both the wider world and the success of the Group. The threat continues to evolve, and businesses globally have a responsibility to take meaningful action to mitigate and prevent further climate change. The Directors remain committed to reducing the impact of the Group on the environment.

In preparing these Consolidated Financial Statements, the potential impacts of climate change risks, particularly in the context of the TCFD statement on pages 63 to 71, have been considered. These considerations primarily focused on the impairment assessments for goodwill and intangible assets with indefinite useful lives; the carrying value and estimated useful life of intangible assets, property, plant and equipment and right-of-use assets; the measurement of deferred tax assets and provisions, including post-employment benefits; and the Group's assessment of going concern and viability over the next three years.

The impact of climate change risks was considered as part of the Group's impairment assessment review, as set out in Note 12.

The impact of climate change will continue to evolve in future periods, and the Group will keep its assessment under ongoing review.

3. Critical accounting estimates and judgements

The preparation of Consolidated Financial Statements in conformity with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgements in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a. Impairment of goodwill and finite-lived intangible assets

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as Cash Generating Units (CGUs). The determination of our CGUs involves identification of the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The performance of the Group's impairment assessments requires management to make judgements in determining: — whether an asset or CGU shows any indicators of impairment that would require an impairment test to be carried out as well as identifying the relevant CGUs to be assessed; and — allocation methodology of central overhead costs. For the annual test, management judged that the value-in-use calculation provides the most robust estimate of the recoverable amount, as market comparables for specific CGUs are not readily available.	The Group estimates the recoverable amount based on value-in-use calculations. These calculations are based on a discounted cash flow model covering a five-year assessment period, including a terminal value assumption. The performance of impairment testing requires management to make a number of estimates and assumptions in determining the recoverable amount of the CGUs. These include forecast future cash flows estimated based on the Board approved LRP, pre-tax discount rates, long-term growth rates and the terminal growth rates. Future cash flows are determined using the latest available Board approved LRP to FY30. These reflect management's best estimates of future cash flows, including assumptions about future growth (long-term growth rates), price increases and defined strategic initiatives, as well as the historical results of each CGU and external market information. Discount rates are based on the Weighted Average Cost of Capital (WACC) of a typical market participant on a pre-tax basis. These inputs are critical in estimating the present value of future cash flows. Were there to be significant changes to these estimations, this could result in a change in the assessed recoverable amount of the CGUs or impairment charges recognized in the previous years may be reversed, except in the case of impaired goodwill which cannot be reversed. Further details of key assumptions and a sensitivity analysis are disclosed in Note 12.	If the Group's estimation of the key inputs into the model were incorrect, the outcome of the impairment review may be significantly different (see Note 12).

Notes to the consolidated financial statements continued

3. Critical accounting estimates and judgements continued

b. Deferred tax assets

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Deferred tax assets are recognized for all unused tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which losses and temporary differences can be utilized. Management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon historical financial performance, the likely timing and level of future taxable profits shown in the latest approved financial projections, together with future tax planning strategies. The deferred tax assets recognized and not recognized are detailed in Note 15.	Determining the recoverability of deferred tax assets requires significant estimation in assessing the probability of future taxable profits based on the Board approved LRP and the expected timing and reversal of the temporary differences. The Group has recognized gross deferred tax assets of £25.4m (2024: £21.5m). The deferred tax asset will be utilized against deferred tax liabilities and future projected profits.	If the Group's estimation of future profits is incorrect, then the related deferred tax assets may be derecognized in future financial years.

c. Retirement benefit surplus

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
The Group operates a funded defined benefit scheme in the UK, administered by an independent Trustee. The actuarial valuation involves making judgements and assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates, and future pension increases.	The cost of defined benefit pension schemes is determined using actuarial valuations. Due to the long-term nature of these schemes and the complexities involved in the valuation, such estimates are subject to significant uncertainty. Pension scheme liabilities vary with changes in long-term interest rates, inflation and the life expectancy of scheme members. Pension scheme assets vary with changes in interest rates and inflation expectations. The liabilities have been calculated by, and the underlying assumptions set, on the recommendations of an independent qualified actuary. The liabilities allow for the indexation of benefits in line with the Consumer Prices Index (CPI).	If the Group's judgements and assumptions prove to be incorrect, the pension scheme liabilities could differ materially (see Note 14).

d. Provision for uncertain tax positions

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
The Group operates in multinational tax environment and is subject to uncertain tax positions and changes in legislation in the jurisdictions in which it operates. Provision for uncertain tax positions is a matter requiring considerable judgement involving interpretation of tax laws when filing tax returns and associated information returns with tax administrations and Management's expectation of the likely outcome of the review of returns by tax authorities. Uncertain tax positions have been calculated by applying the expected value method.	Provision for uncertain tax positions of £4.9m (2024: £7.6m) has been recognized as at 31 December 2025 and included within the current and deferred tax balances. Management has recognized the provision in light of the multinational nature of the Group's business and evolving international tax environment, which places increasing compliance burdens on multinational enterprises. Key estimates relate to transfer pricing and the ultimate allocation of taxable profits or losses between different jurisdictions. Where an estimate needs to be made in respect of potential additional tax payable in one jurisdiction, a key judgement arises where the Group has assumed that the Mutual Agreement Procedure ('MAP') will apply to avoid any exposure to double taxation.	If the judgement applied in the interpretation of tax laws when filing tax and associated information returns with tax administrations was incorrect, or the fact pattern on which they were based changes, this could result in an additional tax charge or credit.

Notes to the consolidated financial statements continued

4. Financial risk management

Financial risk factors

The Group's principal financial assets include trade and other receivables, cash, and fixed-term deposits. The Group's principal financial liabilities, other than derivatives, comprise lease liabilities and trade and other payables. The Group also enters into derivative transactions with various counterparties, principally financial institutions with investment grade credit ratings.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk. As part its overall risk management programme, the Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Financial risk management is undertaken by the Group's central treasury department (Group Treasury) under the treasury policy approved by the Board of Directors. The Board approves principles for overall risk management, foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, credit risk, and investment of excess liquidity. Operating within these guidelines, Group Treasury identifies, evaluates and, where appropriate, hedges financial risks in close cooperation with the Group's operating entities.

a. Market risk

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency.

To manage the foreign exchange risk arising from known future commercial transactions and material recognized assets and liabilities, the Group transacts the relevant swap and forward contracts, approved by Group Treasury.

The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk. The Group does not seek to hedge these net assets and recognizes that an element of balance sheet volatility is inherent in managing foreign operations.

The following table details the sensitivity of the Group's operating profit to movements in the major currencies in which it operates. This analysis illustrates the impact of the British Pound Sterling strengthening by 10% against those currencies, alongside the average exchange rate movements observed in the previous annual reporting period for comparison.

Currency	**2025 average exchange rate**	**Absolute average exchange rate movement***	**Adverse impact on operating profit of 10% rate movement**	2024 average exchange rate	Absolute average exchange rate movement*	Adverse impact on operating profit of 10% rate movement
Euro	**1.17**	**0.8%**	**£3.2m**	1.18	1.6%	£4.3m
US Dollar	**1.32**	**5.0%**	**£2.5m**	1.28	5.4%	£1.6m
Japanese Yen	**197.92**	**8.0%**	**£0.4m**	194.15	8.6%	£0.3m
Chinese Renminbi	**9.48**	**4.4%**	**£0.8m**	9.20	5.8%	£0.5m
Australian Dollar	**2.05**	**7.2%**	**£0.3m**	1.95	4.6%	£0.2m

* These movements indicate the absolute average exchange rate movement over the last three years to indicate volatility, whether positive or negative.

The Group's exposure to foreign currency changes for all other currencies is not material.

A 10% weakening in the absolute average exchange rate in British Pound Sterling against all currencies would result in a favourable operating profit impact of £10.4m (2024: £8.9m) while a 10% strengthening in the absolute average exchange rate in British Pound Sterling against all currencies would result in an adverse operating profit impact of £8.5m (2024: £7.0m), before considering the impact of hedging activity. This analysis assumes all other variables remain constant.

There is no impact on equity as hedge accounting is not applied to the derivative trades entered into by the Group. As these instruments are not designated in a hedging relationship, all gains or losses are recognized directly in profit or loss.

Interest rate risk

The Group has interest-bearing assets and liabilities arising from its cash pooling arrangement. The Group operates a cash sweep to enable the concentration of cash, whereby cash from subsidiaries is swept into centralized bank accounts in BSI Limited (the nominated in-house bank) to improve cash management and reduce costs. As at 31 December 2025, over 50 bank accounts across 16 countries were participating in the sweep arrangement (2024: 40 bank accounts across 15 countries).

Notes to the consolidated financial statements continued

4. Financial risk management continued

There is interest rate risk associated with the Group's cash deposits. The Group's overall objective with respect to holding these deposits is to maintain an appropriate balance between security of funds, accessibility, and competitive rates of return. The Group's deposits are liquid and can be moved to an alternative counterparty should more favourable rates become available. The following table details the sensitivity of the Group's Profit Before Tax to a reduction in interest rates. Given the Group's high level of cash concentrated within BSI Limited in the UK, changes in interest rates outside the UK will have an immaterial effect on the Group's finance income.

Impact on finance income	**2025 £m**	2024 £m
1 percentage point increase/(decrease) in interest rates	**2.3/(2.3)**	1.7/(1.7)

b. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from cash and cash equivalents, restricted cash, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to clients, including outstanding receivables. The Group considers its maximum exposure to credit risk at 31 December to be as follows:

	2025 £m	2024 £m
Cash and cash equivalents, restricted cash and fixed-term deposits (Note 19)	**270.2**	225.4
Trade receivables (Note 16)	**105.4**	115.7
Other receivables (Note 16)	**18.9**	19.9
Accrued income (Note 16)	**45.1**	51.0
Total credit risk	**439.6**	412.0

Quantitative disclosures of fair value measurement hierarchy

The table below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments at 31 December:

		Carrying amount		Fair value	
		2025 £m	2024 £m	**2025 £m**	2024 £m
Financial assets					
Trade and other receivables (Note 16)	**Level 1**	**169.4**	186.6	**169.4**	186.6
Fixed-term deposits (Note 19a)	**Level 1**	**20.0**	4.4	**20.0**	4.4
Restricted cash (Note 19b)	**Level 1**	**7.8**	7.6	**7.8**	7.6
Cash and cash equivalents (Note 19c)	**Level 1**	**242.4**	213.4	**242.4**	213.4
Derivative financial instruments	**Level 2**	**105.6**	119.2	**105.6**	119.2
Total		**545.2**	531.2	**545.2**	531.2
Financial liabilities					
Trade and other payables and accruals (Note 21)	**Level 1**	**111.2**	109.9	**111.2**	109.9
Lease liabilities (Note 13)	**Level 1**	**43.7**	46.7	**43.7**	46.7
Derivative financial instruments	**Level 2**	**106.1**	119.4	**106.1**	119.4
Total		**261.0**	276.0	**261.0**	276.0

i. Risk management

The Group's principal source of credit risk relates to financial exposures to banks and financial institutions holding the Group's cash balances. These exposures are managed by Group Treasury in accordance with the Group's treasury policy, and the associated risk is assessed as low. The maximum credit exposure relating to cash and cash equivalents and restricted cash is equal to the carrying amount, as disclosed per Note 19. For derivative financial instruments, the maximum exposure is described in the Liquidity Risk section in Note 4c.

Each operating entity is responsible for assessing and managing the credit risk associated with new clients before standard payment and delivery terms and conditions are offered. New clients are evaluated for creditworthiness with credit terms adjusted where appropriate. The majority of the Group's trade receivables are due for payment within 14–60 days of the invoice date. Concentrations of credit risk with respect to trade receivables are limited, given the Group's large and diverse client base. Where appropriate, provisions are made against individual accounts receivable balances. Accordingly, management believes no additional credit risk provision is required beyond the expected credit loss allowance recognized on trade receivables.

Notes to the consolidated financial statements continued

4. Financial risk management continued

ii. Expected credit losses

An allowance for expected credit losses is maintained for expected lifetime credit losses that result from the failure or inability of clients to make required payments. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued income. To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics (i.e. by geographical region and business division) and the days past due. The expected loss rates are based on the payment profiles of trade receivables over a period of 24 months to the balance sheet date and the corresponding historical credit losses experienced within these periods. The historical loss rates are adjusted to reflect current and forward-looking information, including economic and geopolitical factors such as interest rate and inflation forecasts that may affect the ability of clients to settle their receivables. On that basis, the loss allowance was determined as follows for trade receivables.

At 31 December 2025	**Current**	**More than 30 days past due**	**More than 90 days past due**	**More than 150 days past due**	**Total**
Expected loss rate	**0.2%**	**2.3%**	**7.7%**	**45.4%**	**3.4%**
Gross carrying amount – trade receivables (£m)	**85.6**	**13.2**	**3.9**	**6.4**	**109.1**
Loss allowance (£m)	**0.2**	**0.3**	**0.3**	**2.9**	**3.7**

At 31 December 2024	Current	More than 30 days past due	More than 90 days past due	More than 150 days past due	Total
Expected loss rate	0.2%	1.6%	7.7%	28.2%	3.2%
Gross carrying amount – trade receivables (£m)	92.0	12.6	3.9	11.0	119.5
Loss allowance (£m)	0.2	0.2	0.3	3.1	3.8

The reconciliation of the opening to closing loss allowance on trade receivables is shown in Note 16.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage with the operating entity, and impending bankruptcy. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Credit risk on accrued income is considered to be consistent with the ageing profile of trade receivables past due up to 90 days. Accordingly, the expected credit loss provision for accrued income has been estimated using the weighted average expected loss rate applicable to trade receivables aged up to 90 days. The resulting loss allowance on accrued income is £0.5m (2024: £0.2m).

Offsetting of financial instruments

The following table shows the amount recognized for financial assets and liabilities which are subject to offsetting arrangements on a gross basis, and the amounts offset in the balance sheet.

Gross amounts of recognized financial assets/(liabilities)	**2025 £m**	2024 £m
Derivative assets	**105.6**	119.2
Derivative liabilities	**(106.1)**	(119.4)

The Group held net-settled derivative financial liabilities as at 31 December 2025 of £0.5m (2024: £0.2m). Counterparty risk is managed under the Group treasury policy, which specifies minimum acceptable credit ratings and establishes related exposure thresholds.

c. Liquidity risk

Cash flow forecasting is performed by the Group's operating entities and aggregated by Group Treasury. A number of subsidiaries pool their cash surpluses to Group Treasury, which uses these funds to meet the requirements of other subsidiaries or invests externally when a net surplus arises, while also managing the Group's overall net currency positions. Group Treasury monitors liquidity reserves to ensure adequate headroom is maintained.

The Group invests surplus cash in interest-bearing current accounts, fixed-term deposits and money market funds, choosing instruments with maturities or liquidity profiles that align with forecast requirements. At the reporting date, the Group held fixed-term deposits of £20.0m (2024: £4.4m).

Notes to the consolidated financial statements continued

4. Financial risk management continued

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings, based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table represent contractual undiscounted cash flows. As the majority of 'Trade and other payables excluding deferred income' are short-term in nature, their fair values approximate their carrying values, as the impact of discounting is not significant.

At 31 December 2025	Less than 1 year £m	Between 1 and 5 years £m	Over 5 years £m	Total £m
Trade and other payables excluding deferred income (Note 21)	**116.7**	**2.6**	**6.2**	**125.5**
Lease liabilities	**9.5**	**24.3**	**27.6**	**61.4**

At 31 December 2024	Less than 1 year £m	Between 1 and 5 years £m	Over 5 years £m	Total £m
Trade and other payables excluding deferred income (Note 21)	111.9	4.0	6.0	121.9
Lease liabilities	11.2	23.9	29.5	64.6

Discounted cash flows for lease liabilities, as reported under IFRS 16, are shown in the table below.

Lease liabilities	Less than 1 year £m	Between 1 and 5 years £m	Over 5 years £m
At 31 December 2025 (Note 13)	**7.4**	**16.1**	**20.2**
At 31 December 2024 (Note 13)	10.4	14.8	21.5

5. Revenue

a. Revenue policy

Revenue is measured based on the consideration specified in a contract with a client net of sales-related tax, returns, rebates, discounts, and amounts collected on behalf of third parties and after eliminating intercompany revenue within the Group. The Group recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a client.

Any payments received in advance are included in deferred income and released to profit or loss over the period to which they relate. Accrued income is recognized for services provided but not yet billed and transferred to trade receivables once the right to consideration is billed under the contractual agreement.

The Group has generally concluded that it is the principal in its revenue arrangements.

Divisional revenue information can be found on page 34.

b. Nature of goods and services

The following is a description of the principal activities by business division, from which the Group generates its revenue.

i. Knowledge Solutions

The Group's Knowledge Solutions business division comprises Standards Development, Services and Information Solutions businesses.

The main sources of external revenue and basis for revenue recognition are set out below:

— *Document revenue*

Document revenue originates from the sale of publications in hard and/or digital copy. Revenue is recognized at the point in time when control of the goods passes to the customers. Control passes when access to the digital copy is made available to the customer or when the hard copy is dispatched to the customer.

— *Subscription revenue*

Subscription revenue mainly derives from providing access to BSI's intellectual property and support services, during the subscription period, e.g. access to BSI's digital information services and published standards information. BSI membership is sold as an annual subscription which gives access to newsletters, advisory and support services, discounts on BSI products, and invitations to events and seminars.

Where there is an ongoing performance obligation for the Group to maintain the intellectual property being accessed, e.g. to keep it up to date and maintain its value to the client, revenue is recognized over the duration of the subscription period as the customer simultaneously receives and consumes the benefits of access over the subscription period.

— *Copyright and royalties*

Copyright revenue relates to the grant of a licence to use Knowledge Solution's intellectual property over the licence period, e.g. for use of all or part of a specific publication within a client document. Such revenue is recognized at the point the right-to-use licence is granted. Royalty revenue arises from licences allowing access to Knowledge Solution's intellectual property. Royalty revenue is recognized at the point in time when the license is granted to the client.

— *Services (commissioned content, research, advisory, consultancy and technical assistance)*

Standards Services revenue within Knowledge Solutions arises from contracts of varying lengths, including some that extend beyond one year. Revenue is recognized over time where performance obligations are satisfied over time, either based on time incurred or achievement of contractual milestones; or linked to project delivery or the achievement of specified project milestones.

Notes to the consolidated financial statements continued

5. Revenue continued

— *Other revenue (international projects, standardization, and innovation assistance)*
The Group receives grant income, in line with its principal activities, from the UK government to support various initiatives that are aligned with its policy objectives. Government grants are recognized in the Consolidated Income Statement on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Grants are recognized on an accruals basis when there is reasonable assurance that the conditions associated with the grants have been complied with or when any performance-related obligations are met, and the grants will be received. Where grants are received in advance of the related expenses, they are initially recognized as liabilities within trade and other payables and released to match the related expenditure. Grant income is recognized within revenue as it arises from the principal activities of the Group.

ii. Assurance Services
The Group's Assurance Services business division comprises Systems Certification and Training businesses.

Assessment and Certification Services
These comprise a number of more discrete services, the main constituents of which are:

— *Application fee*
The fee covers advancing the client's application to the point of assessment, provision of a quotation, audit programme, service cycle and the scope. Revenue is recognized at this point in time.

— *Assessment and certification*
Assessment service contracts are time and materials-based, generally delivered by a number of audit visits (on site and/or remote assessments) by appropriately qualified staff. Revenue is recognized over the period of delivery, with the performance obligations linked to the time worked by the staff delivering the audit as the customer simultaneously receives and consumes the benefits of access over the subscription period.

— *Annual management fee (AMF)*
The AMF grants clients the right to access the Group's intellectual property, providing them with a range of assessment and certification tools, as well as ongoing planning and information. The Group has an ongoing performance obligation to deliver and maintain the information and services being provided throughout the certification cycle covered by the AMF. Revenue is recognized on a straight-line basis over the related certification cycle as the customer simultaneously receives and consumes the benefits of access over the subscription period.

— *Training services*
Delivery of both public and in-house training courses and conferences, utilizing both classroom and web and/or digital formats. Revenue from in-house training courses is recognized on delivery of the training digital products. Revenue from on-demand training courses is recognized at the point of sale.

iii. Regulatory Services
The Group's Regulatory Services business division comprises Systems Certification and Product Certification.

Regulatory assessment and certification services and the discrete constituent services within these are as set out above under 'Assurance and Certification Services – assessment and certification'.

— *Application fee*
The fee covers advancing the client's application to the point of assessment, provision of a quotation, audit programme, service cycle and the scope. In respect of work carried out as a notified body, the fee covers advancing the client's application to the point of assessment, technical review and assessment of the client's eligibility in line with relevant regulation. Revenue is recognized at this point in time.

— *Assessment and certification*
The revenue for assessment and certification services is recognized over the period of delivery of the services based on time worked.

— *Annual management fee*
The revenue for the annual management fee is recognized over its annual period on a straight-line basis.

— *Conformité Européenne (CE) marking – document and technical file reviews*
This service comprises the audit review of documents and technical files and the issuance of a conclusion on whether the requirements of the relevant directives or regulations have been met. Revenue is recognized over the review period based on time worked, triggered by the submission of timesheets.

— *Provision of testing services*
Testing services assess whether a product conforms to required specifications. Revenue is recognized based on a percentage of work completed, on performance obligations linked to time worked, hence revenue recognition is triggered by the submission of timesheets. The provision of testing services is based on labour hours incurred as this matches the pattern of delivery of the performance obligations.

— *Provision of certification of conformity services (Notified and Approved Body)*
Certification of conformity services assess and certify whether a product conforms to required schemes, regulations or directives. Revenue is recognized over the period of the testing to achieve certification, based on work completed.

Revenue from all of the above services is recognized over time as the customer simultaneously receives and consumes the benefits of access over the subscription period.

— *Kitemark licence fee*
The annual Kitemark licence once granted does not require any further obligation on the Group over the licence period. Revenue is recognized at the point the licence is granted.

Notes to the consolidated financial statements continued

5. Revenue continued

iv. Consulting Services

The Group's Consulting Services business division comprises two business lines, Environmental, Health, Safety, Sustainability and Security (EH3S) and Digital Trust Consultancy (DTC). The DTC business was disposed of during the year.

— *Services (consulting, testing, reviews)*
Services, such as environmental, health and safety or sustainability consulting, digital advisory and data governance reviews, penetration testing, and reviewing client systems are contracted on a time and materials or fixed-fee basis. Revenue is generally recognized as services are performed or on a percentage of completion basis.

— *Provision of software licences and sale of software*
Revenue is recognized on a contract-by-contract basis for services that involve the granting of software licences or the sale of software. Immediate recognition of the revenue is appropriate where the Group has no ongoing performance obligations following the granting of a licence. Revenue is spread over the duration of ongoing performance obligations arising under all other contracts.

— *Supply Chain Solutions*
Supply Chain Solutions include grants of licences to access the Group's Connect Screen integrated platform, consulting, training services, and Software as a Service (SaaS). These tools are typically sold as annual licences with revenue recognized evenly over the licence period.

— *Multiple services contracts*
For contracts with multiple components such as consulting, training and SaaS, management applies judgement to consider whether those promised goods and services are:

(i) distinct – to be accounted for as separate performance obligations;

(ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct.

The obligations identified will depend on the nature of the individual customer contracts and the services provided, such as training and consultancy. The Consulting Services' offerings typically include separate obligations for training, consulting and software access. Where goods and services have a functional dependency, for example, where software can be provided with the implementation support, this does not, in isolation, prevent them from being assessed as separate obligations.

— *Other consulting*
Revenue is recognized over time where the contract relates to a time and materials based contract, or when project milestones are achieved.

Revenue from all of the above services is recognized over time as the customer simultaneously receives and consumes the benefits of access over the subscription period.

— *Training services*
Training revenue is recognized when the training is delivered.

The Group applies the practical expedient, in accordance with IFRS 15 paragraph 120, in relation to the disclosure of the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied. This is permitted where the performance obligation is part of a contract less than a year in duration or where the Group has a right to consideration from a customer in an amount that corresponds to the value of the Group's performance.

Costs to obtain contracts

These are costs that are incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Costs that would have been incurred regardless of whether the contract was obtained are expensed when incurred, unless they are explicitly chargeable to the customer regardless of whether the contract is obtained. Incremental costs to obtain a contract, such as incremental sales commissions, are generally recognized as an asset and amortized on a straight-line basis over the estimated duration of the contract life, beginning when the customer first benefits from the goods or services that the Group has agreed to provide. Where the amortization period is less than one year, such costs are expensed as incurred.

Capitalized incremental costs to obtain a contract are derecognized when the related contract is cancelled or terminated, or when no further economic benefits are expected to flow from their use or disposal.

Notes to the consolidated financial statements continued

5. Revenue continued

c. Disaggregation of revenue

In the table below, revenue is disaggregated by business division, primary geographical market and timing of revenue recognition.

2025	Knowledge Solutions £m	Assurance Services £m	Regulatory Services £m	Consulting Services £m	Total £m
Primary geographical markets					
EMEA	**85.4**	**135.5**	**138.0**	**5.3**	**364.2**
Americas	**–**	**52.2**	**125.7**	**55.0**	**232.9**
Asia Pacific	**0.2**	**126.2**	**23.7**	**1.7**	**151.8**
Total revenue	**85.6**	**313.9**	**287.4**	**62.0**	**748.9**
Revenue from external clients	**78.1**	**313.9**	**287.4**	**62.0**	**741.4**
Other revenue – government grants	**7.5**	**–**	**–**	**–**	**7.5**
Timing of revenue recognition					
At a point in time	**32.3**	**50.1**	**11.9**	**2.9**	**97.2**
Over time	**53.3**	**263.8**	**275.5**	**59.1**	**651.7**
	85.6	**313.9**	**287.4**	**62.0**	**748.9**

2024	Knowledge Solutions £m	Assurance Services £m	Regulatory Services £m	Consulting Services £m	Total £m
Primary geographical markets					
EMEA	83.4	135.4	126.1	13.1	358.0
Americas	–	54.6	138.0	58.1	250.7
Asia Pacific	0.1	119.6	27.1	1.9	148.7
Total revenue	**83.5**	**309.6**	**291.2**	**73.1**	**757.4**
Revenue from external clients	75.5	309.6	291.2	73.1	749.4
Other revenue – government grants	8.0	–	–	–	8.0
Timing of revenue recognition					
At a point in time	33.3	50.6	15.9	3.5	103.3
Over time	50.2	259.0	275.3	69.6	654.1
	83.5	309.6	291.2	73.1	757.4

A presentational error was identified in the prior period relating to the classification of the disclosure on the timing of revenue recognition. The comparative information has been re-presented to correct this classification. This is a presentation-only change and has no impact on the recognition or measurement of any amounts reported in the primary Consolidated Financial Statements.

The Group transacts with a large and diversified client base, with no single customer accounting for 10% or more of revenues in the current or prior year.

During 2025, the Directors made a strategic decision to sell the trade and assets of the DTC business within the Consulting Services Division to a third party for consideration comprising £1.0m of fixed amounts and £0.4m of additional consideration in respect of a working capital true-up. Revenue in respect of the DTC business is reported up until the transaction date of 31 October 2025. As a result, the comparative amounts presented in the table to the left are not fully comparable, as they include the DTC business' full-year results.

The Directors have determined that the DTC business does not meet the definition of a discontinued operation under IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' and therefore separate disclosure has not been included within these Consolidated Financial Statements

d. Contract balances

The following table provides information about receivables, accrued income and deferred income from contracts with clients.

	31 December 2025 £m	31 December 2024 £m
Receivables, included in 'Trade and other receivables' (Note 16)	**109.1**	119.5
Accrued income (Note 16)	**45.1**	51.0
Deferred income, included in 'Trade and other payables' (Note 21)	**(46.6)**	(47.2)

An amount of £46.1m (2024: £43.7m) of revenue recognized during the period was included in the deferred income balance at the beginning of the period.

Notes to the consolidated financial statements continued

6. Operating profit

Operating profit is stated after charging/(crediting) the following:

	Note	2025 £m	2024 £m
Employee expense	7	**437.6**	422.5
Depreciation of property, plant and equipment	11	**5.7**	5.7
Loss on disposal of tangible assets	11	**0.1**	0.1
Loss on disposal of intangible assets	12	**–**	0.7
Amortization of intangible assets	12	**9.8**	10.1
Impairment of goodwill	12	**–**	19.6
Loss on disposal of trade and assets		**3.3**	**–**
Depreciation of right-of-use assets	13	**11.1**	10.0
Net loss/(gain) on lease termination including lease termination costs	13	**0.4**	(2.1)
Expense relating to short-term and low-value leases	13	**0.1**	0.4
Decrease in loss allowance on trade receivables	16	**(0.1)**	(0.3)
Increase in loss allowance on accrued income	16	**0.3**	0.2
Bad debts written off		**2.6**	2.0
Exchange (gains)/losses		**(1.3)**	3.9
Costs to obtain a contract derecognized	17	**–**	(0.5)
Increase in dilapidations	20	**0.3**	0.2
Increase in other provisions	20	**0.6**	0.9
Charitable donations		**0.4**	0.3
Loss on fair value change in derivatives – unrealized		**0.3**	–
Loss on fair value change in derivatives – realized		**2.4**	4.7
Auditors' remuneration:			
Fees payable to the Company's auditors for the audit of the Parent Company and Consolidated Financial Statements		**1.0**	1.0
Fees payable to the Group's auditors and their associates for other services:			
– The audit of the Company's subsidiaries pursuant to legislation		**0.2**	0.1
– Other advisory services		**0.1**	0.1

A reconciliation of Operating Profit to Underlying Operating Profit is provided as follows:

	2025 £m	2024 £m
Operating profit	**56.6**	38.4
Exceptional items	**4.1**	19.6
Underlying operating profit	**60.7**	58.0

Exceptional items, excluding the impact of tax, for the year ended 31 December 2025 relate to a £4.1m loss arising on the disposal of the trade and assets of the DTC business, comprising a loss on the sale of business of £3.3m and early lease termination costs of £0.8m (2024: impairment charges of £19.6m relating to the goodwill attributed to DTC and EH3S CGUs).

Management considers that separate presentation of these non-trading items provides useful information in understanding the financial performance of the Group and its businesses. These items have therefore been excluded from Underlying Operating Profit to reflect performance on a consistent basis and in a manner aligned with the way the business is managed day-to-day. For further information about exceptional items see Note 2j.

The Group disposed of the trade and assets of the DTC business for a consideration comprising £1.0m of fixed amounts and £0.4m of additional consideration in respect of a working capital true-up, incurring costs on disposal of £1.6m. The disposal consisted of net assets with a carrying value of £3.2m, including goodwill of £1.6m (Note 12) and net working capital of £1.7m (Notes 16 and 21). Upon disposal, the cumulative exchange gain of £0.1m was recycled to profit or loss. As a result of the transaction, the Group incurred early lease termination costs including the disposal of right-of-use assets and lease liabilities of £0.4m and £0.5m respectively (Note 13).

Management assessed the disposal against the criteria for classification as a discontinued operation provided within IFRS 5 'Non-current assets held for sale and discontinued operations', and concluded the criteria are not met as DTC does not represent a major line of business or geographical area, and its financial metrics fall below materiality thresholds.

Notes to the consolidated financial statements continued

7. Employee expense

Employee benefits policies

i. Termination benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as part of an offer made in respect of voluntary redundancy arrangements. Benefits falling due more than one year after the balance sheet date are discounted to their present value where significant.

ii. Bonus plans
The Group recognizes a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

iii. Long-Term Incentive Plan
The Group has a Long-Term Incentive Plan (LTIP) as referred to in the report of the Remuneration Committee. The costs of the plan are accrued and charged to profit or loss over the period of the plan so as to accrue, on a pro rata basis, the anticipated incentive payments that may vest.

Employee expenses comprise the following:

	Note	**2025 £m**	2024 £m
Wages and salaries (including termination benefits of £5.0m (2024: £3.2m))		**371.9**	350.7
Social security costs		**46.2**	42.4
Long-Term Incentive Plan expense		**3.8**	2.2
Other pension costs – defined contribution plans		**15.7**	27.2
Employee expense charged in arriving at operating profit		**437.6**	422.5
Net pension finance cost/(income)	9	**0.1**	(0.4)
Total employee expense charged in arriving at profit before income tax		**437.7**	422.1

The monthly average number of individuals (including Board members) employed by the Group during the year was:

	2025 Number	2024 Number
Employees		
Production, assessment, training and laboratory	**3,670**	3,747
Sales and distribution	**1,035**	1,063
Administration	**1,406**	1,419
Total employees	**6,111**	6,229
External resource	**433**	445
Total headcount	**6,544**	6,674

External resource comprises assessors, tutors, and consultants operating under a services agreement to provide the capacity, geographic presence or specialist knowledge locally to deliver the Group's services to its clients.

Notes to the consolidated financial statements continued

8. Key management personnel

Key management of the Group includes the Directors (Executive and Non-Executive) and other members of the Group Leadership Team.

Compensation for key management personnel is set out in the table below:

	2025 £m	2024 £m
Salaries and short-term benefits	**6.1**	7.5
Other long-term benefits	**1.1**	1.4
Total emoluments	**7.2**	8.9

Aggregate Director remuneration in the year was £2.6m (2024: £2.4m) and other long-term benefits was £0.5m (2024: £0.4m). Remuneration attributable to the highest paid Director in the year was £1,438,000 (2024: £1,170,000). Further information in respect of the Directors can be found in the Directors' remuneration report on pages 102 to 113.

9. Finance income and costs

	2025 £m	2024 £m
Bank interest receivable on cash, short and fixed-term deposits	**9.0**	6.6
Interest income on the UK net defined benefit pension surplus (Note 7 and Note 14b i)	**–**	0.4
Finance income	**9.0**	7.0
Interest on lease liabilities (Note 13)	**(3.2)**	(1.9)
Interest expense on other defined benefit pension schemes (Note 7 and Note 14b ii)	**(0.1)**	–
Interest expense on uncertain tax provisions (Note 10)	**(0.4)**	–
Finance costs	**(3.7)**	(1.9)

10. Income tax expense

Income tax policy

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates the position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group is subject to corporate taxes in the countries in which it operates. There are many circumstances in which the application of tax law is open to interpretation with the result that taxpayers and tax administrations may adopt legitimately different interpretations. Such differences in interpretation may result in additional tax liabilities compared to the positions taken by taxpayers when filing tax returns. This creates uncertainty and it is usual for multinational enterprises to establish provisions for tax risk arising from Uncertain Tax Positions (UTPs). The net UTP at 31 December 2025 was £4.9m (2024: £7.6m).

Current tax receivables include receivables relating to UTPs, withholding tax recoverable and payments on account. Current tax payables include UTPs and tax due on profits.

Tax uncertainties are assessed throughout the year and specifically at the year-end with any associated provisions recognized considering the specific circumstances of each risk, including the merits of technical aspects, previous experience with tax authorities, recent tax law and, if relevant, external specialist advice. UTPs have been calculated by applying the expected value method.

	2025 £m	2024 £m
Current tax		
UK tax current year	**0.5**	2.4
UK tax prior years	**(5.5)**	3.0
Foreign tax current year	**18.9**	14.8
Foreign tax prior years	**3.7**	(9.2)
Withholding tax	**3.8**	2.0
Total current tax	**21.4**	13.0
Deferred tax (Note 15)		
Origination and reversal of temporary differences	**0.9**	2.2
Prior year deferred tax adjustments	**(3.4)**	7.6
Total deferred tax	**(2.5)**	9.8
Total income tax expense	**18.9**	22.8

Notes to the consolidated financial statements continued

10. Income tax expense continued

The tax on the Group's profit before tax is higher (2024: higher) than the UK statutory tax rate of 25.0% (2024: 25.0%) applicable to profits of the consolidated entities as follows:

	2025 £m	2024 £m
Profit before tax	**61.9**	43.5
Tax calculated at the UK statutory tax rate of 25% (2024: 25%)	**15.5**	10.9
Effects of:		
– Net expenses not deductible for tax purposes	**(0.4)**	(0.3)
– Tax losses and other temporary differences for which no deferred income tax asset was recognized	**1.0**	1.8
– Higher tax rates on overseas earnings	**1.0**	1.1
– Withholding tax not recoverable	**3.8**	2.0
– Impairment of goodwill	**–**	4.9
– Deferred tax on unremitted earnings	**1.0**	0.3
– Movement in uncertain tax positions (in respect of current and previous periods)	**(2.7)**	1.3
Adjustments to tax charge in respect of previous periods (excluding uncertain tax positions):		
– UK	**1.4**	(0.1)
– Foreign	**(1.7)**	0.9
Total income tax expense	**18.9**	22.8

The Group effective tax rate (ETR) on profits before tax for the year is 30.5% (2024: 52.4%). The ETR comprises a current year tax charge of 39.0% and a prior year tax credit of 8.5%, reflecting the net release of previously over-provided tax.

The ETR for the Group's underlying business operations is 26.1% after removing the provision for UTPs of 4.4%, deferred tax on unremitted earnings of 1.5%, irrecoverable WHT of 6.2%, current year deferred tax assets not recognized of 1.6% and prior period credit of 0.5%. The prior year impact of the provision for uncertain tax positions is included in the (8.5%) above.

The underlying tax rate of 26.1% is reconciled to the UK statutory tax rate of 25.0% by the tax impacts of higher overseas tax rates of 1.6% partly offset by non-tax deductible items of (0.5%).

On 20 June 2023, the UK substantively enacted Pillar Two Model Rules, effective from 1 January 2024. As required by IAS 12 Income Taxes, the Group has applied the mandatory exception to recognizing or disclosing deferred taxes related to Pillar Two income taxes.

Based on our Management's assessment of the transitional Country-by-Country safe harbours for the year ended 31 December 2024, all jurisdictions in which the Group operates meet the transitional safe-harbour criteria. Accordingly, no top-up tax is expected to arise for 2024. Management has also carried out a review for 2025, based on the Group's Country-by-Country report and other information available at the reporting date. On this basis, Management estimates that there is no top-up tax expense for the year ended 31 December 2025.

11. Property, plant and equipment

Property, plant and equipment policy

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment charges. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Freehold land and assets under construction are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold buildings	5–50 years
Leasehold improvements	Over the lease term or useful life whichever is shorter
Plant, machinery and office equipment	3–10 years

Depreciation charges are included in cost of sales, selling and distribution costs and administrative expenses based on the usage function of the assets.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In making these assessments, the Group considers the expected rate of technological developments, the intensity at which the assets are expected to be used and relevant climate-related risks.

An asset's carrying amount is written down immediately to its estimated recoverable amount if it exceeds that recoverable amount (see Note 12 for detail on the impairment policy for non-financial assets).

The Group derecognizes items of property, plant and equipment on disposal or when no future economic benefits are expected from the continued use of the asset.

The difference between the sale proceeds and the net book value at the date of disposal is recognized in administrative expenses in the Income Statement.

Notes to the consolidated financial statements continued

11. Property, plant and equipment continued

	Land and buildings				
	Freehold £m	Leasehold improvements £m	Assets under construction £m	Plant, machinery and office equipment £m	Total £m
Cost					
At 1 January 2024	12.5	11.6	1.7	37.6	63.4
Additions	–	0.2	1.8	1.4	3.4
Disposals	(1.5)	(0.2)	–	(4.6)	(6.3)
Reclassifications	1.4	1.4	(2.3)	(0.5)	–
Exchange differences	–	1.0	(0.2)	(1.4)	(0.6)
At 31 December 2024	**12.4**	**14.0**	**1.0**	**32.5**	**59.9**
Additions	**–**	**0.3**	**9.4**	**1.4**	**11.1**
Disposals	**(0.1)**	**(7.3)**	**(0.1)**	**(9.2)**	**(16.7)**
Reclassifications	**0.2**	**6.3**	**(10.1)**	**3.6**	**–**
Exchange differences	**–**	**0.3**	**–**	**(0.7)**	**(0.4)**
At 31 December 2025	**12.5**	**13.6**	**0.2**	**27.6**	**53.9**
Accumulated depreciation and impairment					
At 1 January 2024	(5.6)	(8.9)	–	(28.6)	(43.1)
Charge for the year	(0.5)	(2.0)	–	(3.2)	(5.7)
Disposals	1.5	0.1	–	4.6	6.2
Reclassifications	–	(1.4)	–	1.4	–
Exchange differences	–	(0.1)	–	0.6	0.5
At 31 December 2024	**(4.6)**	**(12.3)**	**–**	**(25.2)**	**(42.1)**
Charge for the year	**(0.5)**	**(1.9)**	**–**	**(3.3)**	**(5.7)**
Disposals	**0.1**	**7.3**	**–**	**9.2**	**16.6**
Exchange differences	**–**	**0.2**	**–**	**0.9**	**1.1**
At 31 December 2025	**(5.0)**	**(6.7)**	**–**	**(18.4)**	**(30.1)**
Net book value at 31 December 2025	**7.5**	**6.9**	**0.2**	**9.2**	**23.8**
Net book value at 31 December 2024	7.8	1.7	1.0	7.3	17.8

Disposals recognized during the year primarily arise from the office relocation.

Capital commitments in respect of property, plant and equipment
Capital expenditure of £1.4m (2024: £0.9m) has been contracted for but not provided for in the Consolidated Financial Statements.

Notes to the consolidated financial statements continued

12. Goodwill and intangible assets

Goodwill and intangible assets policies

i. Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree, and the fair value of the non-controlling interest in the acquiree. Goodwill is allocated to the Group's CGUs.

ii. Computer software
Externally acquired computer software and licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Internally generated computer software comprises development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group, and development costs in respect of the application and infrastructure of product delivery websites. These development costs include the employee costs incurred on software development and are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense in the Income Statement as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Externally acquired and internally generated computer software assets are amortized from the point at which the asset is ready for use, on a straight-line basis over the asset's estimated useful economic life noted below, or the length of the licence, as appropriate.

Computer software	3–5 years

Costs incurred in customizing, configuring and implementing a Software as a Service (SaaS) arrangement are expensed to profit or loss, in the year in which they are incurred, as are costs associated with maintaining computer software programmes.

iii. Acquired intangibles
On the acquisition of a subsidiary undertaking, fair values are attributed to the acquired identifiable tangible and intangible assets, liabilities and contingent liabilities. Acquired intangibles primarily include client relationships and intellectual property. These assets are capitalized based on valuations derived using discounted cash flow analysis and are amortized on a straight-line basis over their estimated useful economic lives.

Customer relationships and intellectual property	1–15 years

iv. Internally generated product development costs
Product development costs, which include costs incurred on developing training courses, are capitalized only when specific criteria for capitalization, as set out in IAS 38 Intangible Assets, are met including consideration of probable future economic benefit. Capitalized product development costs are amortized over the asset's estimated useful life on a straight-line basis.

Internally generated product development costs	2–5 years

The Group derecognizes an intangible asset on disposal or when no future economic benefits are expected from the continued use of the asset.

v. Impairment of non-financial assets policy
Goodwill
The useful life of goodwill is considered to be indefinite and, as such, is not subject to amortization and is tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Other non-financial assets
Assets subject to amortization or depreciation are tested for impairment when events indicate their carrying amounts may not be recoverable. An impairment loss is recorded when the carrying amount exceeds the recoverable amount, defined as the higher of fair value less costs to sell and value-in-use. Impairment testing is performed at the CGU level. Non-financial assets other than goodwill are reviewed each reporting date for potential reversal of prior impairments.

Impairment losses for a CGU are allocated first to goodwill, then to other assets on a pro-rata basis. Goodwill impairments cannot be reversed. For other assets, reversals are recognized when recoverable amounts increase, but only up to the carrying amount that would have existed had no impairment been recorded.

The Group amortizes intangible assets over their useful economic life in accordance with the Group policy. Those charges are included within cost of sales or administrative expenses in the Consolidated Income Statement, as appropriate.

Acquired intangibles consist of client relationships and other intangible assets acquired as part of business combinations.

For all assets with finite useful economic life e.g. client relationships, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. Impairment reviews are undertaken whenever there is an indication of impairment, and at least once a year. As at 31 December 2025, no trigger of impairment was identified for intangible assets with finite useful economic life (2024: none).

Notes to the consolidated financial statements continued

12. Goodwill and intangible assets continued

	Goodwill £m	Computer software: Externally acquired £m	Computer software: Internally generated £m	Asset under construction £m	Acquired intangibles £m	Internally generated product development costs £m	Total £m
Cost							
At 1 January 2024	79.8	28.4	17.4	14.8	34.0	6.4	180.8
Additions	–	0.2	0.1	5.5	–	1.4	7.2
Reclassifications	–	20.7	(3.0)	(17.7)	–	–	–
Disposals	–	(0.6)	–	(0.6)	–	(0.8)	(2.0)
Exchange differences	(0.7)	0.1	–	0.2	(0.5)	–	(0.9)
At 31 December 2024	**79.1**	**48.8**	**14.5**	**2.2**	**33.5**	**7.0**	**185.1**
Additions	**–**	**–**	**2.4**	**–**	**–**	**1.1**	**3.5**
Reclassifications	**–**	**0.9**	**0.2**	**(1.1)**	**–**	**–**	**–**
Disposals	**(1.6)**	**(0.9)**	**–**	**–**	**–**	**(0.5)**	**(3.0)**
Exchange differences	**(0.4)**	**(0.4)**	**–**	**(0.1)**	**0.8**	**–**	**(0.1)**
At 31 December 2025	**77.1**	**48.4**	**17.1**	**1.0**	**34.3**	**7.6**	**185.5**
Accumulated amortization and impairment							
At 1 January 2024	(18.4)	(22.8)	(15.7)	–	(29.4)	(4.1)	(90.4)
Charge for the year	–	(7.2)	(1.0)	–	(1.0)	(0.9)	(10.1)
Reclassifications	–	(3.4)	3.4	–	–	–	–
Disposals	–	0.6	–	–	–	0.7	1.3
Impairment loss (Note 6)	(19.6)	–	–	–	–	–	(19.6)
Exchange differences	–	(0.1)	–	–	0.1	–	–
At 31 December 2024	**(38.0)**	**(32.9)**	**(13.3)**	**–**	**(30.3)**	**(4.3)**	**(118.8)**
Charge for the year	**–**	**(7.3)**	**(0.7)**	**–**	**(0.8)**	**(1.0)**	**(9.8)**
Disposals	**–**	**0.9**	**–**	**–**	**–**	**0.5**	**1.4**
Exchange differences	**–**	**0.2**	**–**	**–**	**–**	**–**	**0.2**
At 31 December 2025	**(38.0)**	**(39.1)**	**(14.0)**	**–**	**(31.1)**	**(4.8)**	**(127.0)**
Net book value at 31 December 2025	**39.1**	**9.3**	**3.1**	**1.0**	**3.2**	**2.8**	**58.5**
Net book value at 31 December 2024	41.1	15.9	1.2	2.2	3.2	2.7	66.3

Included within acquired intangible assets are customer relationships and intellectual property with a net book value of £2.6m (2024: £2.6m) and £0.6m (2024: £0.6m) respectively.

Notes to the consolidated financial statements continued

12. Goodwill and intangible assets continued

The disposal of goodwill is in respect of the sale of the DTC business during the year (see Note 6).

Reclassifications are assets under construction being allocated to software following the completion of development.

Analysis of goodwill by CGU

The Group comprises six CGUs (2024: seven) across four primary Divisions, the year-on-year reduction, following the sale of the DTC business. The carrying value of each CGU has been determined by allocating directly attributable corporate assets, goodwill, and other acquired intangibles to the relevant CGU. Goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit from that business combination.

The goodwill allocation by CGU under the heading of the four Divisions is presented below:

Division	Knowledge Solutions	Assurance Services		Regulatory Services		Consulting Services		Total
CGU	Knowledge Solutions £m	System Certification £m	Training £m	Regulatory Services £m	Product Certification £m	Digital Trust Consulting (DTC) £m	Environmental, Health, Safety, Sustainability and Security (EH3S) £m	£m
31 December 2025	**5.3**	**23.8**	**1.8**	**0.4**	**2.0**	**–**	**5.8**	**39.1**
31 December 2024	5.3	23.6	1.8	0.4	2.0	1.7	6.3	41.1

Impairment tests for goodwill and finite-lived intangibles

The Group performs an impairment test annually, or at other times if indicators of impairment arise, to assess whether goodwill and finite-lived intangible assets have suffered any impairment. The performance of the impairment review at each reporting date is conducted by estimating the recoverable amount of the CGUs or assets. Recoverable amount is defined as the higher of fair value less costs of disposal and value-in-use. The estimated recoverable amount of each CGU in the table above has been determined using value-in-use calculations based on pre-tax cash flows over a five-year assessment period, derived from the most recently Board approved LRP to FY30.

The key assumptions used in the estimation of value-in-use as at 31 December 2025 were:

— Revenue growth rates as included in the Group's five-year LRP to FY30;
— Long-term (terminal) growth rates;
— Discount rates; and
— Allocation methodology of central overhead costs and net assets.

Revenue growth assumptions are based the Group's five-year LRP for each CGU, taking into account historical experience, market trends and specific strategic and commercial initiatives. Management considers the forecast revenues, margins and profits to be reasonably achievable given the historic trading results of the relevant CGUs and specific strategic and commercial activity included in the five year LRP.

The terminal value growth rates applied to each CGU are derived from a weighted average of rates obtained from the International Monetary Fund's World Economic Outlook Database for the countries in which the Group operates. The rate for each CGU is based on:

— the average growth rates predicted for the four years 2026–2029; and
— a long-term growth rate applicable to 2030, being the final year of the Group's five-year forecast.

Notes to the consolidated financial statements continued

12. Goodwill and intangible assets continued

The discount rates applied to the cash flow forecasts are pre-tax, derived using the capital asset pricing model and are obtained from an independent third party specialist.

Division	Knowledge Solutions	Assurance Services		Regulatory Services		Consulting Services	
CGU	Knowledge Solutions %	System Certification %	Training %	Regulatory Services %	Product Certification %	Digital Trust Consulting (DTC) %	Environmental, Health, Safety, Sustainability and Security (EH3S) %
31 December 2025							
Long-term growth rate	**1.4**	**2.0**	**2.5**	**1.7**	**1.6**	**–**	**1.9**
Pre-tax discount rate	**13.2**	**13.8**	**12.8**	**13.4**	**13.6**	**–**	**13.6**
31 December 2024							
Long-term growth rate	1.2	2.0	2.4	1.8	1.5	1.4	2.1
Pre-tax discount rate	13.2	14.2	13.3	13.8	14.0	14.4	13.8

The discount rates reflect the latest market assumptions for the risk-free rate, the equity risk premium and the net cost of debt, all of which are derived from publicly available external sources.

Result of the goodwill and finite-lived intangible assets impairment tests

Management's impairment testing exercise concluded that there is significant headroom between the value-in-use and the carrying value of assets in the System Certification, Training, Product Certification, Regulatory Services, and Knowledge Solutions CGUs. This outcome is consistent with the prior year.

Due to market uncertainty across the globe, geopolitical tensions and continued challenges within the Consulting market, there is a modest headroom between carrying value for EH3S and its value-in-use.

Management has assessed whether sufficient reliable information existed over fair value less costs of disposal. Management concluded that value-in-use remained the most appropriate basis for determining the recoverable amount.

Sensitivity to changes in key assumptions

Several sensitivities were applied to the projections to identify the changes needed in each key assumption that, in isolation, would result in a material change to the headroom.

For the EH3S CGU, the cash flows within the value-in-use model assume certain improvements in revenue growth underpinned by delivery of future strategic and commercial initiatives. Revenue is projected to grow at a mid-single-digit compound annual growth rate (CAGR) over the LRP. The assumptions regarding revenue and margin growth are sensitive to changes, and there is a reasonably possible outcome in which the anticipated benefits of the initiatives are not realized at the value included in the five-year assessment period. This could lead to a change in the value-in-use calculations and would result in the headroom being completely eroded.

For the remaining CGUs, management believes that any reasonable possible change in the key assumptions underpinning the recoverable amounts would not cause their carrying amounts to exceed their recoverable amounts.

Management has applied the following sensitivities to risk factors in respect of EH3S:

— Decrease in compound annual growth rate for revenue against the LRP; and
— Increase in the discount rate applied.

Sensitivity areas	Sensitivity tested	Decrease in headroom £m
Revenue	1% decrease in CAGR	(2.0)
Discount rate	1% increase in rate	(2.3)

With all other assumptions held constant, a further decrease of less than 1% in the CAGR, in addition to the sensitivity on the CAGR set out above, would eliminate the remaining headroom. Any movements beyond these levels, whether in isolation or combined with an increase in the discount rate, would result in an impairment.

Notes to the consolidated financial statements continued

13. Right-of-use assets and lease liabilities

Leases policy

Each lease is recognized as a right-of-use asset with a corresponding liability for the full lease term at the date at which the leased asset is available for use by the Group.

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes right-of-use assets representing the right to use the underlying assets and lease liabilities in respect of lease payments.

i. Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease, which is the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date, and an estimate of costs to dismantle and remove the assets at the end of the lease, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful estimated life (UEL) and the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in the section 'Impairment of non-financial assets' in Note 12.

ii. Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease liabilities include the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (for example, changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

iii. Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. Options to extend or terminate the lease are included only when it is reasonably certain that the Group will exercise that option.

iv. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases, being those leases that have a lease term of one year or less from the commencement date and do not contain a purchase option. The Group has elected to account for short-term leases and leases of low-value assets using practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments relating to these leases are recognized as expenses in the Income Statement on a straight-line basis over the lease term. See the table on page 156 for the amounts recognized in profit or loss.

Lease terms

The Group has lease contracts for properties, motor vehicles and other equipment used in its operations. Leases of properties generally have lease terms between two and 15 years, while motor vehicles and other equipment generally have lease terms between two and five years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and sub-leasing the leased assets.

Notes to the consolidated financial statements continued

13. Right-of-use assets and lease liabilities continued

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	Properties £m	Motor vehicles £m	Other equipment £m	Total £m
Cost				
At 1 January 2024	60.6	11.8	0.2	72.6
Additions	27.0	3.7	–	30.7
Disposals	(8.1)	(1.6)	(0.2)	(9.9)
Exchange differences	(0.7)	(0.1)	–	(0.8)
At 31 December 2024	**78.8**	**13.8**	**–**	**92.6**
Additions	**6.0**	**2.5**	**–**	**8.5**
Disposals	**(28.7)**	**(1.9)**	**–**	**(30.6)**
Exchange differences	**(0.8)**	**0.1**	**–**	**(0.7)**
At 31 December 2025	**55.3**	**14.5**	**–**	**69.8**
Accumulated amortization and impairment				
At 1 January 2024	(43.6)	(3.6)	(0.2)	(47.4)
Charge for the year	(6.6)	(3.4)	–	(10.0)
Disposals	6.6	1.5	0.2	8.3
Exchange differences	0.5	(0.1)	–	0.4
At 31 December 2024	**(43.1)**	**(5.6)**	**–**	**(48.7)**
Charge for the year	**(7.4)**	**(3.7)**	**–**	**(11.1)**
Disposals	**27.3**	**1.7**	**–**	**29.0**
Exchange differences	**0.5**	**(0.1)**	**–**	**0.4**
At 31 December 2025	**(22.7)**	**(7.7)**	**–**	**(30.4)**
Net book value at 31 December 2025	**32.6**	**6.8**	**–**	**39.4**
Net book value at 31 December 2024	35.7	8.2	–	43.9

Additions include new lease agreements recognized as right-of-use assets of £8.5m (2024: £30.7m), of which £6.0m relates to properties (2024: £27.0m) and £2.5m to motor vehicles (2024: £3.7m).

Disposal of property right-of-use assets primarily relate to the Group's old Chiswick head office as well as offices located in the US which were no longer required. In addition, within disposals of property right-of-use assets is £1.9m of cost and £1.5m of accumulated depreciation in respect of the sale of the DTC business during the year (see Note 6).

The termination of leases during the year resulted in a net gain on termination of £0.4m (2024: gain of £2.1m). This also resulted in early termination costs of £0.8m (2024: £nil).

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2025 £m	2024 £m
At 1 January	**(46.7)**	(32.6)
Additions	**(8.3)**	(30.4)
Disposals	**2.1**	3.7
Accretion of interest	**(3.2)**	(1.9)
Payments	**12.1**	14.2
Exchange differences	**0.3**	0.3
At 31 December	**(43.7)**	(46.7)
Current	**(7.4)**	(10.4)
Non-current	**(36.3)**	(36.3)

Included within disposals is £0.5m in respect of the sale of the DTC business during the year (see Note 6).

The following are amounts recognized in the Consolidated Income Statement:

	2025 £m	2024 £m
Properties	**7.4**	6.6
Motor vehicles	**3.7**	3.4
Depreciation of right-of-use assets	**11.1**	10.0
Interest expense (included in finance costs)	**3.2**	1.9
Expense relating to short-term and low-value leases	**0.1**	0.4
Total amount recognized in Consolidated Income Statement	**14.4**	12.3

The total cash outflow for leases in 2025 was £12.1m (2024: £14.2m).

Notes to the consolidated financial statements continued

14. Retirement benefit surplus and obligations

Retirement benefit obligations policy

i. Defined contribution pension schemes
The Group pays fixed contributions to external pension providers and has no legal or constructive obligations to pay any further amounts. The contributions are recognized as an employee benefit expense when they are due.

ii. Defined benefit pension schemes
The Group operates a defined benefit pension scheme in the UK (the Plan) which provides benefits linked to salary on retirement or earlier date of leaving service. The Plan operates under the regulatory framework of the Pensions Act 2004. The Plan is administered by an independent Trustee. Benefit payments are from Trustee-administered funds and Plan assets are held in a Trust which is governed by UK regulation.

The Group's net obligation in respect of the Plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the Plan up to 30 April 2010 (the date the Plan closed to the accrual of benefits). That benefit is discounted to determine its present value and deducted from the fair value of any Plan assets.

The valuation of the Group's net obligation or surplus is performed by an independent qualified actuary. Plan assets are measured using market values for quoted assets. The Annuity Policy asset is valued at an actuarial estimate using the assumptions shown below. The Plan liabilities are measured using the projected unit actuarial method where estimated future cash flows are discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent duration to the liability.

The Income Statement charge is generally split between an operating expense and a net finance credit. The operating expense relates to the administration costs of operating the Plan. The net finance credit relates to the unwinding of the discount applied to the liabilities of the Plan offset by the expected return on the assets of the Plan using that same discount rate, based on conditions prevailing at the start of the year. Where the valuation of the Plan is in a net surplus position and the Group does not have an unconditional right to a refund, the net finance credit is recognized in Other Comprehensive Income.

Actuarial gains and losses are charged or credited to equity in Other Comprehensive Income in the period in which they arise.

The Court of Appeal's judgement in *Virgin Media Limited v NTL Pensions Trustees II Limited* (Virgin Media ruling), handed down on 25 July 2024, highlighted that some pension schemes may be unable to demonstrate that past amendments to their rules were valid, potentially resulting in higher liabilities than previously expected. In January 2026, the Financial Reporting Council (FRC) published guidance to support scheme actuaries in considering whether to provide "retrospective confirmation" of past rule changes in response to industry concerns arising from this judgement. This confirmation is expected to be included in forthcoming legislation (the Pension Schemes Act 2026), which has not yet been enacted and may change as the Bill progresses through Parliament. Actuarial confirmations (if required) will only be possible once the legislation is in force. A related judgment in *Verity Trustees Limited v Wood* is also pending.

Given these uncertainties, the updated valuation as at 31 December 2025 makes no allowance for the possible impact of the Virgin Media ruling as the relevant legislation has not yet come into force. Management will continue to monitor developments to assess whether any actions or adjustments to pensions liabilities are required.

The Group operates the following retirement benefit schemes:

a. Defined contribution schemes
The Group personal pension plan is offered to all new UK employees. The associated costs for the year were £21.4m (2024: £20.4m), including salary sacrifice contributions.

In addition, a number of other money purchase schemes are operated in overseas companies, with costs for the year totaling £6.2m (2024: £6.8m).

b. Defined benefit schemes
i. UK defined benefit plan
The Plan is closed to new entrants and closed to future accrual of pension, although the link to final salary remains while members are still employed by the Company.

The risks to which the Plan exposes the Group are as follows:

- **Asset volatility** – The defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields. If assets underperform corporate bond yields, this will worsen the Plan's funded status. The Plan now largely invests in liability matching assets, including an Annuity Policy valued at £43.8m (2024: £46.7m) reducing volatility relative to the Plan liabilities, but some volatility remains. The asset allocation is monitored to ensure it remains appropriate given the Plan's long-term objectives.
- **Inflation risk** – A significant proportion of benefits are linked to inflation and so increases in inflation will lead to higher liabilities (although in most cases there are caps in place which protect against extreme inflation).
- **Longevity** – Increases in life expectancy will increase the period over which the benefits are expected to be payable, which increases the value placed on the Plan's liabilities.

Contributions in respect of future service benefits ceased on 30 April 2010.

Notes to the consolidated financial statements continued

14. Retirement benefit surplus and obligations continued

Balance sheet

The amounts recognized in the balance sheet on an accounting basis are as follows:

	2025 £m	2024 £m
Present value of defined benefit obligations	**(259.5)**	(268.7)
Fair value of plan assets	**266.7**	274.7
Funded status	**7.2**	6.0
Asset restriction	**(7.2)**	(6.0)

As at 31 December 2025, the valuation of the Plan showed a net pension surplus of £7.2m (2024: £6.0m). This surplus has not been recognized as the Group does not have an unconditional right to a refund of the surplus assets, assuming full settlement of the Plan's liabilities in the event of a Plan wind-up. Recognition is therefore restricted to the value of committed contributions, which in this case is nil (2024: nil). Accordingly, no pension surplus has been recognized on the Balance Sheet. UK legislation requires that pension schemes are funded prudently.

The triennial valuation as at 31 March 2025 is underway with the valuation expected to conclude no later than 30 June 2026, its purpose to establish potential future funding requirements. The previous funding valuation of the Plan performed as at 31 March 2022 revealed a funding shortfall (technical provisions minus the value of the assets) and the Group agreed to make deficit remediation contributions. Subsequently, the position of the Plan improved, and the Group agreed with the Trustee that remaining deficit remediation contributions of £7.5m be paid into an account governed by an escrow agreement. No funds were due from the escrow account during 2025. At 31 December 2025, the escrow account held £7.8m (2024: £7.6m).

Contributions of £0.5m are expected to be paid by the Group for the year ending 31 December 2026 to cover the expenses of running the Plan.

The movement in the defined benefit surplus was as follows:

	Present value of obligation £m	Fair value of plan assets £m	Total £m
At 1 January 2024	(303.8)	315.1	11.3
Amounts (charged)/credited to the Income Statement:			
– Administration expenses (Note 23)	–	(0.8)	(0.8)
– Interest (expense)/income (Note 9)	(13.4)	13.9	0.5
Total	(13.4)	13.1	(0.3)
Re-measurements (Note 14b iii):			
– Loss on Plan assets, excluding amounts included in interest expense	–	(36.6)	(36.6)
– Gain from change in demographic assumptions	0.8	–	0.8
– Gain from change in financial assumptions	29.3	–	29.3
– Experience gains	1.0	–	1.0
Total	31.1	(36.6)	(5.5)
Contributions: employers (Note 14b iv)	–	0.5	0.5
Payments from plans: disbursements	17.4	(17.4)	–
Total	17.4	(16.9)	0.5
At 31 December 2024	**(268.7)**	**274.7**	**6.0**
Amounts (charged)/credited to the Income Statement:			
– Administration expenses (Note 23)	**–**	**(0.7)**	**(0.7)**
Amounts (charged)/credited to Other Comprehensive Income:			
– Interest (expense)/income	**(14.3)**	**14.6**	**0.3**
Total	**(14.3)**	**13.9**	**(0.4)**
Re-measurements (Note 14b iii):			
– Loss on Plan assets, excluding amounts included in interest expense	**–**	**(4.8)**	**(4.8)**
– Loss from change in demographic assumptions	**(0.5)**	**–**	**(0.5)**
– Gain from change in financial assumptions	**1.4**	**–**	**1.4**
– Experience gains	**5.0**	**–**	**5.0**
Total	**5.9**	**(4.8)**	**1.1**
Contributions: employers (Note 14b iv)	**–**	**0.5**	**0.5**
Payments from plans: disbursements	**17.6**	**(17.6)**	**–**
Total	**17.6**	**(17.1)**	**0.5**
At 31 December 2025	**(259.5)**	**266.7**	**7.2**

Notes to the consolidated financial statements continued

14. Retirement benefit surplus and obligations continued

Assumptions

The principal actuarial assumptions used were as follows:

	2025 % p.a.	2024 % p.a.
Rate of increase in salaries	**3.50**	2.50
Rate of revaluation in deferment	**1.85**	2.80
Pension increase rate:		
– RPI (min. 3%, max. 5%)	**3.55**	3.65
– CPI (min. 3%, max. 5%)	**3.40**	3.45
– CPI (min. 0%, max. 3%)	**2.00**	2.10
Discount rate	**5.50**	5.50
Inflation assumption – RPI	**2.80**	3.15
Inflation assumption – CPI	**2.40**	2.65

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics. Life expectancy at age 65 for a member currently aged 45 is 23.5 (2024: 23.2) years (men) or 25.7 (2024: 25.9) years (women). Life expectancy for a member currently aged 65 is 22.2 (2024: 21.9) years (men) or 24.3 (2024: 24.5) years (women).

The discount rates at 31 December 2025 and 31 December 2024 were based on the AON GBP Single Agency AA Curve which uses a dataset of all bonds rated AA by at least one of the main ratings agencies.

Plan assets are comprised as follows:

	Value at 31 December 2025		Value at 31 December 2024	
	£m	%	£m	%
Insight Short Dated Buy & Maintain Credit	**–**	**–**	32.9	12
Schroders Liability-Driven Investments	**211.2**	**79**	167.0	61
Alcentra Credit Fund	**4.1**	**2**	4.9	2
Cash	**7.6**	**3**	23.2	8
Annuity Policy	**43.8**	**16**	46.7	17
Total fair value of assets	**266.7**	**100**	274.7	100

The Plan assets are unquoted at fund level. During the prior year, management divested certain of its illiquid assets.

The weighted average duration of the defined benefit obligation is 11 years (2024: 11 years).

Sensitivity analysis

The sensitivity of the net defined benefit surplus to changes in the principal assumptions is:

	Increase/(decrease) in present value of surplus at 31 December 2025		
	Change in assumption	Increase in assumption £m	Decrease in assumption £m
Discount rate	**0.25% p.a.**	**5.8**	**(6.1)**
Inflation rate*	**0.25% p.a.**	**(0.8)**	**0.9**
Life expectancy	**1 year**	**(5.1)**	

	Increase/(decrease) in present value of surplus at 31 December 2024		
	Change in assumption	Increase in assumption £m	Decrease in assumption £m
Discount rate	0.25% p.a.	6.3	(6.6)
Inflation rate*	0.25% p.a.	(1.5)	0.9
Life expectancy	1 year	(5.4)	

* This sensitivity allows for the impact on all inflation-related assumptions (salary increases, deferred revaluation and pension increases, subject to relevant caps and floors).

ii. Other defined benefit schemes

The Group operates defined benefit pension schemes in Taiwan, Germany, Indonesia and the Philippines which provide benefits based on final pensionable salary and service. There are no assets associated with these schemes. Further, these schemes are immaterial to the Group.

The movements in the defined benefit obligation for these schemes over the year are as follows:

	2025 £m	2024 £m
At 1 January	**(2.3)**	(2.6)
Charged to the Income Statement – service costs (Note 23)	**(0.1)**	(0.1)
Charged to the Income Statement – interest expense (Note 9)	**(0.1)**	–
Charged directly to reserves (Note 14b iii)	**0.3**	0.1
Contributions (Note 14b iv)	**0.7**	0.3
At 31 December	**(1.5)**	(2.3)

Notes to the consolidated financial statements continued

14. Retirement benefit surplus and obligations continued

iii. Re-measurements of post-employment benefit surplus recognized in the consolidated statement of comprehensive income

	2025 £m	2024 £m
(Loss)/gain on re-measurements of net retirement benefit surplus		
– Asset restriction	**(0.9)**	(6.0)
– UK defined benefit plan (Note 14b i)	**1.1**	(5.5)
– Other defined benefit schemes (Note 14b ii)	**0.3**	0.1
	0.5	(11.4)
Tax on re-measurements of net retirement benefit surplus		
– Deferred tax credit (Note 15)	**(0.1)**	2.0
Re-measurements of net retirement benefit surplus, net of taxes	**0.4**	(9.4)

iv. Retirement benefit payments

	2025 £m	2024 £m
UK defined benefit plan (Note 14b i)	**0.5**	0.5
Other defined benefit schemes (Note 14b ii)	**0.7**	0.3
Retirement benefit payments	**1.2**	0.8

15. Deferred tax

Deferred tax policy

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

	2025 £m	2024 £m
Deferred tax assets		
Gross deferred tax assets	**25.4**	21.5
Offset of balances within the same tax jurisdiction	**(18.5)**	(14.9)
Total deferred tax assets	**6.9**	6.6
Deferred tax liabilities		
Gross deferred tax liabilities	**(22.9)**	(21.3)
Offset of balances within the same tax jurisdiction	**18.5**	14.9
Total deferred tax liabilities	**(4.4)**	(6.4)
Net deferred tax assets	**2.5**	0.2

Notes to the consolidated financial statements continued

15. Deferred tax continued

Movement on the net deferred tax account

	2025 £m	2024 £m
At 1 January	**0.2**	7.9
Credited/(charged) to the Income Statement (Note 10)	**2.5**	(9.8)
Tax (charged)/credited to equity relating to retirement benefit obligations (Note 14b iii)	**(0.1)**	2.0
Recognized on RDEC income	**0.2**	–
Exchange differences	**(0.3)**	0.1
At 31 December	**2.5**	0.2

Gross movement on the deferred tax account

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, was as follows:

Deferred tax assets	Accelerated capital allowances £m	Pension £m	Losses £m	Leases £m	Other temporary differences £m	Total £m
At 1 January 2024	2.4	–	9.3	8.2	7.1	27.0
(Charged)/credited to the Income Statement	(2.0)	–	(7.1)	2.7	(1.3)	(7.7)
Exchange differences	0.3	–	0.8	0.6	0.5	2.2
At 31 December 2024	**0.7**	**–**	**3.0**	**11.5**	**6.3**	**21.5**
(Charged)/credited to the Income Statement	**1.3**	**–**	**0.3**	**(0.9)**	**3.5**	**4.2**
Recognized on RDEC income	**–**	**–**	**–**	**–**	**0.2**	**0.2**
Exchange differences	**–**	**–**	**–**	**(0.3)**	**(0.2)**	**(0.5)**
At 31 December 2025	**2.0**	**–**	**3.3**	**10.3**	**9.8**	**25.4**

Deferred tax liabilities	Capitalized contract costs £m	Pension £m	Leases £m	Other temporary differences £m	Total £m
At 1 January 2024	(4.4)	(2.8)	(5.8)	(6.1)	(19.1)
Credited/(charged) to the Income Statement	0.2	1.0	(4.0)	0.7	(2.1)
Credited directly to reserves	–	2.0	–	–	2.0
Exchange differences	(0.4)	(0.3)	(0.7)	(0.7)	(2.1)
At 31 December 2024	**(4.6)**	**(0.1)**	**(10.5)**	**(6.1)**	**(21.3)**
Credited/(charged) to the Income Statement	**(1.0)**	**–**	**1.0**	**(1.7)**	**(1.7)**
Charged directly to reserves	**–**	**(0.1)**	**–**	**–**	**(0.1)**
Exchange differences	**–**	**0.1**	**0.1**	**–**	**0.2**
At 31 December 2025	**(5.6)**	**(0.1)**	**(9.4)**	**(7.8)**	**(22.9)**

The deferred tax charged directly to equity during the period was £0.1m (2024: £2.0m) which related to the retirement benefit obligation.

The carrying amount of deferred tax assets is recognized to the extent that the realization of the related tax benefit through future profits is probable.

The Group continues not to recognize deferred tax assets of £4.0m (2024: £2.1m) in respect of prior years' cumulative tax losses and other temporary differences amounting to £2.4m that can be carried forward against future taxable income, the latter being primarily US temporary differences. The US Consulting Services businesses continue not to meet the tests required for deferred tax asset recognition. Unrecognized losses in the current year have a tax value of £1.0m (2024: £1.8m).

Subsidiary companies across the Group hold undistributed earnings of £27.0m (2024: £20.4m) which, if paid out as dividends, would be subject to withholding taxes in the hands of the recipient companies. A deferred tax liability of £2.1m (2024: £1.5m) has been recognized in respect of these unremitted earnings because, in line with the Group's established approach, it expects to remit dividends from these subsidiaries in future periods.

Notes to the consolidated financial statements continued

16. Trade and other receivables

Trade and other receivables policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less loss allowance.

	2025 £m	2024 £m
Trade receivables	**109.1**	119.5
Less: loss allowance (Note 4b ii)	**(3.7)**	(3.8)
Trade receivables – net	**105.4**	115.7
Other receivables	**18.9**	19.9
Prepayments	**17.3**	17.3
Accrued income	**45.1**	51.0
Total trade and other receivables	**186.7**	203.9
Less non-current portion:		
– Other receivables	**(13.5)**	(14.2)
Current portion of trade and other receivables	**173.2**	189.7

Included within prepayments are amounts relating to property costs, training, insurance, IT and utilities. Included in the current portion of other receivables are interest receivable, deposits and guarantees. The non-current portion of other receivables relates to the funding element of a deferred compensation scheme in respect of employees.

Trade and other receivables are non-interest-bearing and are generally on 14–60 day (2024: 14–60 day) terms.

As the majority of the receivables are short-term in nature, the fair values of trade and other receivables approximate to their carrying values as the impact of discounting is not significant.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2025 £m	2024 £m
British Pounds Sterling	**58.9**	57.6
US Dollars	**65.5**	79.0
Euros	**20.2**	21.0
Chinese Renminbi	**4.5**	6.4
Japanese Yen	**4.7**	5.3
Australian Dollars	**6.9**	5.3
Other currencies	**26.0**	29.3
Total trade and other receivables	**186.7**	203.9

Movements on the Group loss allowance on trade receivables and accrued income are as follows:

	2025 £m	2024 £m
At 1 January	**4.0**	4.1
Decrease in loss allowance on trade receivables recognized in profit or loss during the year	**(0.1)**	(0.3)
Increase in loss allowance on accrued income recognized in profit or loss during the year	**0.3**	0.2
At 31 December	**4.2**	4.0

The creation and release of the loss allowance on trade receivables and accrued income have been included within cost of sales in the Income Statement. Receivables are written off when there is no expectation of recovering additional cash. Out of the £4.2m (2024: £4.0m) balance, £3.7m (2024: £3.8m) pertains to the loss allowance on trade receivables, while £0.5m (2024: £0.2m) relates to loss allowance on accrued income. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold collateral as security.

Notes to the consolidated financial statements continued

17. Costs to obtain a contract

Incremental costs to obtain contacts, such as sales commissions, are capitalized and amortized on a systematic basis that is consistent with the transfer to the client of the goods or services to which the asset relates (i.e. over the estimated period of benefit). Applying the practical expedient in paragraph 94 of IFRS 15, the Group expenses the incremental costs of obtaining a contract when incurred if the amortization period of the assets that the Group otherwise would have recognized is one year or less.

Movements on the costs to obtain a contract balance are as follows:

	2025 £m	2024 £m
At 1 January	**20.0**	19.0
Capitalized during the year	**8.9**	6.9
Amortized during the year	**(5.9)**	(5.5)
Derecognized during the year	**–**	(0.5)
Exchange differences	**(0.4)**	0.1
At 31 December	**22.6**	20.0

18. Inventories

Inventory policy

Inventories which comprise hard copy publications held for sale and training materials are stated at the lower of cost and net realizable value. Cost is determined on a first in, first out basis and includes transport and handling costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Where necessary, a provision is made for obsolete, slow-moving and defective inventory.

19. Fixed-term deposits, restricted cash, and cash and cash equivalents

a. Fixed-term deposits

Fixed-term deposits are liquid investments with original maturities of over three months.

The Group has £20.0m in fixed-term deposits as at 31 December 2025 (2024: £4.4m), with original maturities of over three months (2024: over three months). Fixed-term deposits are classified within the Consolidated Statement of Cash Flows under investing activities as they do not meet the definition of cash and cash equivalents. In the Consolidated Balance Sheet, fixed-term deposits are shown within current assets.

b. Restricted cash

During 2023, it was agreed between the Group and the Pension Trustee that pension deficit contributions due to the Plan would be paid into a dedicated bank account instead of the Plan. The Group set up a bank account governed by an escrow agreement. The balance on deposit in this account as at 31 December 2025 was £7.8m (2024: £7.6m). The terms and conditions associated with the escrow agreement determine this deposit to be restricted cash, not meeting the definition of cash and cash equivalents and therefore classified within the Consolidated Statement of Cash Flows under investing activities. In the Consolidated Balance sheet, restricted cash is shown within current assets.

c. Cash and cash equivalents policy

In the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, cash in money market funds and other short-term, highly liquid investments with original maturities of three months or less.

The Group continued to operate the cash sweep structure originally introduced in 2023 to centralize surplus cash within BSI Limited, the Group's in-house bank. The arrangement facilitates daily sweeping of cash from participating subsidiaries into central accounts to optimize liquidity management and reduce external financing requirements. The structure has continued to support improved cash visibility, enhance treasury efficiency and enable the Group to achieve competitive returns on fixed and short term deposits.

Bank overdrafts, which are repayable on demand, are shown within borrowings in current liabilities on the Consolidated Balance Sheet but are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

	2025 £m	2024 £m
Cash at bank and in hand, representing cash and cash equivalents	**242.4**	213.4

The Group held bank overdraft facilities of £5.0m (2024: £5.0m), on an unsecured basis, although no overdraft facilities were utilized at 31 December 2025 (2024: £nil). The balance above corresponds to cash and cash equivalents for the purposes of the Consolidated Statement of Cash Flows.

Notes to the consolidated financial statements continued

19. Fixed-term deposits, restricted cash, and cash and cash equivalents continued

d. Additional information on fixed-term deposits, restricted cash, and cash and cash equivalents

The fair value of cash, fixed and short-term deposits at 31 December 2025 was £270.2m (2024: £225.4m). The maximum exposure to credit risk at the reporting date is the fair value of cash, fixed and short-term deposits.

The interest rate risk profile and currency profile of fixed-term deposits, restricted cash and cash and cash equivalents were as follows:

	2025				2024			
	Fixed rate £m	**Floating rate £m**	**Non-interest-bearing £m**	**Total £m**	Fixed rate £m	Floating rate £m	Non-interest-bearing £m	Total £m
Currency								
British Pounds Sterling	**20.0**	**206.0**	**8.1**	**234.1**	–	169.8	5.6	175.4
Chinese Renminbi	**8.6**	**5.8**	**–**	**14.4**	20.0	1.4	–	21.4
US Dollars	**–**	**3.5**	**3.9**	**7.4**	–	7.5	0.8	8.3
Euros	**–**	**0.8**	**0.3**	**1.1**	–	–	0.7	0.7
Australian Dollars	**–**	**–**	**0.5**	**0.5**	0.1	–	1.2	1.3
Japanese Yen	**1.1**	**–**	**0.6**	**1.7**	0.4	–	1.6	2.0
Other currencies	**–**	**0.9**	**10.1**	**11.0**	–	2.6	13.7	16.3
Total	**29.7**	**217.0**	**23.5**	**270.2**	20.5	181.3	23.6	225.4

e. Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange. No instruments have been designated for hedge accounting purposes. The derivatives used include cross-currency swaps and forward currency contracts. Derivative financial instruments are recognized initially at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately. The fair values of derivative financial instruments as at 31 December are set out below.

Derivatives are valued using closing prices provided by the exchange counterparty as at the balance sheet date and are typically settled through the payment or receipt of variation margin.

	2025 £m	2024 £m
Financial assets		
Foreign exchange forward contracts	**105.6**	119.2
Financial liabilities		
Foreign exchange forward contracts	**(106.1)**	(119.4)

Notes to the consolidated financial statements continued

20. Provisions

Provisions policy

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

	Dilapidations £m	Other provisions £m	Total £m
At 1 January 2024	2.1	2.2	4.3
Charge for the year	1.4	0.7	2.1
Unused amounts reversed	(0.2)	–	(0.2)
Used during the year	–	(0.1)	(0.1)
Exchange movement	(1.0)	0.3	(0.7)
At 31 December 2024	**2.3**	**3.1**	**5.4**
Charge for the year	**0.3**	**1.1**	**1.4**
Unused amounts reversed	–	**(0.5)**	**(0.5)**
Exchange movement	**(0.1)**	**(0.2)**	**(0.3)**
At 31 December 2025	**2.5**	**3.5**	**6.0**

Provisions for dilapidations are made for properties and vehicles where there are obligations to return the assets to the condition and state they were in when the Group obtained the right to use them. These provisions are calculated on an asset-by-asset basis and are based on the present value of expected future costs required to restore the Group's leased properties and vehicles to an appropriate condition at the end of the lease term.

Other provisions relate to amounts required to cover end-of-service indemnities pursuant to the United Arab Emirates Federal Labour Law and other employment-related obligations. These benefits are payable to employees upon cessation of employment based on their final salary and length of service. All amounts are unfunded. These arrangements are accounted for as post-employment benefits under IAS 19.

Provisions are recognized at the best estimate of the expenditure required to settle the Group's obligation.

Analysis of total provisions:

	2025 £m	2024 £m
Non-current	**5.2**	5.0
Current	**0.8**	0.4
Total provisions	**6.0**	5.4

Cash outflows associated with these provisions are expected to materialize between three and five years.

21. Trade and other payables

Trade and other payables policy

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

	2025 £m	2024 £m
Trade payables	**12.6**	9.7
VAT and sales taxes	**5.3**	3.5
Other taxes and social security	**9.0**	8.5
Other payables	**20.3**	20.3
Accruals	**78.3**	79.9
Deferred income	**46.6**	47.2
Total trade and other payables	**172.1**	169.1
Less non-current portion:		
– Trade and other payables	**(8.8)**	(10.0)
– Deferred income	**(0.9)**	(1.1)
Current portion of trade and other payables	**162.4**	158.0

Accruals and other payables totaling £98.6m (2024: £100.2m) relate to operational costs of running the business, including employee-related expenses such as salaries, pension, commission and bonuses.

Notes to the consolidated financial statements continued

21. Trade and other payables continued

Trade and other payables policy continued

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2025 £m	2024 £m
British Pounds Sterling	**86.3**	81.2
US Dollars	**33.5**	34.3
Euros	**12.6**	10.7
Chinese Renminbi	**10.8**	13.7
Japanese Yen	**3.8**	4.1
Australian Dollars	**3.8**	4.0
Other currencies	**21.3**	21.1
Total trade and other payables	**172.1**	169.1

Trade payables and other payables are non-interest-bearing and are generally on 14–60 day terms (2024: 14–60 days).

As most of the payables are short-term in nature, the fair values of trade and other payables approximate their carrying values, as the impact of discounting is not significant.

22. Financial assets and financial liabilities

Financial assets policy

Classifications

The Group classifies its financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Derivative financial instruments are recognized at fair value. The gain or loss on re-measurement to fair value is recognized immediately in profit or loss.

Assets in this category are classified as current assets if expected to be settled within one year; otherwise, they are classified as non-current.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for assets with maturities greater than one year after the end of the reporting period as these are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'fixed-term deposits, 'restricted cash' and 'cash and cash equivalents' in the balance sheet (Notes 16 and 19).

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchasing or selling the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the Income Statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Income Statement in the period in which they arise.

Notes to the consolidated financial statements continued

22. Financial assets and financial liabilities continued

Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables; see Note 4b ii for further details.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Derivative financial instruments

Derivatives are used to manage the Group's economic exposure to financial risks. The Group principally makes use of forward currency contracts and cross-currency swaps to manage currency exposure risk on committed payments and does not hold or issue any other derivative financial instruments.

Derivatives are recognized initially at fair value. Subsequently, the gain or loss on re-measurement to fair value is recognized immediately in the Income Statement unless the derivative qualifies for hedge accounting treatment, in which case any gain or loss is taken to reserves.

The fair value of forward currency contracts is based on forward foreign exchange market rates at the balance sheet date.

a. Financial assets by category

Loans and receivables and other financial assets	2025 £m	2024 £m
Assets as per balance sheet		
Trade and other receivables and accrued income (Note 16)	**169.4**	186.6
Fixed-term deposits (Note 19a)	**20.0**	4.4
Restricted cash (Note 19b)	**7.8**	7.6
Cash and cash equivalents (Note 19c)	**242.4**	213.4
Total	**439.6**	412.0

Financial assets at fair value through profit or loss		
Derivative financial instruments (Note 19e)	**105.6**	119.2

b. Financial liabilities by category

Other financial liabilities at amortized cost	2025 £m	2024 £m
Liabilities as per balance sheet		
Trade and other payables and accruals (Note 21)	**111.2**	109.9
Lease liabilities (Note 13)	**43.7**	46.7
Total	**154.9**	156.6

Financial liabilities at fair value through profit or loss		
Derivative financial instruments (Note 19e)	**106.1**	119.4

Management has assessed that the fair values of cash, fixed and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments.

c. Credit quality of financial assets

The Directors consider the credit risk associated with fully performing financial assets to be immaterial to the Group.

Notes to the consolidated financial statements continued

23. Cash generated from operations

A reconciliation from profit before tax to cash generated from operations is as follows:

	Note	2025 £m	2024 £m
Cash flows from operating activities			
Profit before tax		**61.9**	43.5
Adjustments for:			
– Depreciation of property, plant and equipment	6	**5.7**	5.7
– Loss on disposal of tangible assets	6	**0.1**	0.1
– Loss on disposal of intangible assets	6	**–**	0.7
– Amortization of intangible assets	6	**9.8**	10.1
– Impairment of goodwill	6	**–**	19.6
– Loss on disposal of trade and assets		**1.8**	–
– Depreciation of right-of-use assets	6	**11.1**	10.0
– Gain on lease termination	6	**(0.4)**	(2.1)
– Decrease in loss allowance on trade receivables	6	**(0.1)**	(0.3)
– Increase in loss allowance on accrued income	6	**0.3**	0.2
– Bad debts written off to Income Statement	6	**2.6**	2.0
– Finance income	9	**(9.0)**	(7.0)
– Finance costs	9	**3.7**	1.9
– Retirement benefit charges (UK defined benefit plan)	14b i	**0.7**	0.8
– Retirement benefit charges (other defined benefit schemes)	14b ii	**0.1**	0.1
– Retirement benefit payments	14b iv	**(1.2)**	(0.8)
– Unrealized foreign exchange gains		**(0.5)**	–
– Derecognition of costs to obtain a contract	17	**–**	0.5
– Net capitalization of costs to obtain a contract	17	**(3.0)**	(1.4)
– Unrealized fair value movement in derivative financial instruments		**0.3**	**–**
Changes in working capital (excluding the exchange differences on consolidation):			
– Decrease in trade and other receivables		**2.3**	4.9
– Increase/(decrease) in trade and other payables		**4.5**	(9.9)
– Increase/(decrease) in provisions		**0.6**	(0.1)
Cash generated from operations		**91.3**	78.5

24. Alternative performance measures

The Group assesses its performance using alternative performance measures (APMs), which are not defined under IFRS and are, therefore, termed 'non-GAAP' measures. These measures provide additional useful information on the underlying trends, performance and position of the Group. The APMs used are underlying operating profit and constant currency.

The APMs used may not be directly comparable with similarly titled measures used by other companies.

Underlying operating profit

The Directors consider items of income and expenditure which are material by size and/or by nature and not representative of normal business activities should be disclosed separately in the Consolidated Financial Statements so as to help provide an indication of the Group's underlying business performance.

	2025 £m	2024 £m
Underlying operating profit	**60.7**	58.0
Impairment losses on goodwill (Note 6)	**–**	(19.6)
Loss on disposal of trade and assets (Note 6)	**(4.1)**	–
Finance income (Note 9)	**9.0**	7.0
Finance costs (Note 9)	**(3.7)**	(1.9)
Profit before tax	**61.9**	43.5

Constant currency

The constant currency basis (constant currency) adjusts the comparative to exclude the impact of movements in exchange rates relative to Sterling. This is achieved by retranslating the 2024 revenue of the business divisions into Sterling at the 2025 average exchange rates. Constant currency calculation is included on page 34.

Notes to the consolidated financial statements continued

25. Contingent liabilities, guarantees and contingent assets

Contingent liabilities

A contingent liability arises where an event that occurred in the past may lead to the Group having a present obligation or a possible future obligation but where:

— it is not probable that there will be an outflow of resources in the settlement of this obligation; or

— the obligation cannot be measured reliably.

In the normal course of its business the Group faces legal actions and claims. Based on legal advice and taking into account any known facts and the availability of provisions, the Board does not expect these legal actions or claims to have a significant impact upon the Group.

In relation to the establishment and ongoing management of new and existing businesses in overseas jurisdictions, the Group follows the requirements of local laws, regulations and conventions in the relevant jurisdictions. These may require the Group from time to time, in the normal course of business, to provide payment guarantees or performance bonds in connection with its activities. These are treated as a contingent liability until such time it becomes probable that payment will be required under the individual terms of each arrangement.

Taking into account experience to date and the availability of provisions, the Board deems it a remote possibility that a payment will be required under any of these arrangements.

As at 31 December 2025, the Group has £1.4m (2024: £1.1m) outstanding relating to performance bonds and guarantees.

Contingent assets

A contingent asset arises where an event occurred in the past, and the existence of the asset will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control.

26. Related party transactions

Transactions with related parties have been determined in accordance with IAS 24 and are disclosed below:

a. Pension scheme Trustee
Transactions with the pension scheme Trustee are disclosed in Note 14b.

b. Key management
Please refer to Note 8 for the disclosure regarding key management remuneration.

At the reporting date, no amounts were owed by key management personnel to the Group (FY24: £nil). During the year, there were no other transactions or balances between the Group and its key management personnel or members of their close family.

27. Post-balance sheet events

Pension buy-in

On 29 January 2026, the Trustee of the Plan purchased a policy with Rothesay to insure all members' Plan benefits (buy-in).

In connection with the transaction, the Group entered into a funding agreement with the Trustee, providing an interest-bearing facility of up to £7.0m to support the Plan. An initial drawdown of £5.9m was made on completion of the buy-in. In return, the Trustee released the escrow amount of £7.8m, which was returned to the Group.

Disposal of the DTC business

Subsequent to the reporting date, the Group completed the second and final phase of the disposal of the remaining trade and assets of the Digital Trust Consulting (DTC) business within the Japan entity as at the 31 January 2026. The finalization of the sale is subject to completion activities with the buyer to be concluded no later than 31 March 2026, which will determine the working capital adjustment, any further additional consideration and any contract novation clawback. The impact of the sale is expected to be immaterial to the Group.

Notes to the consolidated financial statements continued

28. Interests in group undertakings

Name	Registered office address	Country of incorporation or registration	Proportion held*	Activity
British Standards Institution Group Iberia S.A.U.	Paseo de la Castellana 130, Planta 9, 28046, Madrid, Spain	Spain	100%	Business services
British Standards Institution Group Middle East LLC***	Commercial Bank Plaza Level 14, Servcorp West Bay, Doha, Qatar	Qatar	49%	Business services
BSI America Professional Services Inc.	Registered Agent Solutions, Inc., 7288 Hanover Green Dr, Mechanicsville VA 23111 – 1709, United States	USA	100%	Business services
BSI Assurance UK Limited	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Business services
BSI Brasil Sistemas de Gestao Ltda	Rua Olimpiadas, 205 – 4° andatr, Suites 479, 481, 483, and 484, São Paulo, São Paulo, 04551 000, Brazil	Brazil	100%	Business services
BSI Canada Professional Services Inc.	44 Chipman Hill Suite 1000, Saint John, New Brunswick, E2L 2A9, Canada	Canada	100%	Business services
BSI Certification and Technical Training (Beijing) Limited	Room 2002, No. 24A Jianguomenwai Street, Chaoyang District, Beijing, 100004, China	China	100%	Business services
BSI Group (Thailand) Co., Ltd	127/25 Panjathani Tower, 24th Floor, Nonsee Road, Chongnonsee, Yannawa, Bangkok, 10120, Thailand	Thailand	100%	Business services
BSI Group America Inc.	Registered Agent Solutions, Inc., 7288 Hanover Green Dr, Mechanicsville VA 23111 – 1709, United States	USA	100%	Business services
BSI Group ANZ Holdings Pty Ltd	Level 1, Waterloo Road, Macquarie Park, NSW 2113, Australia	Australia	100%	Holding company
BSI Group ANZ Pty Limited	52-54 Waterloo Road, Macquarie Park, NSW 2113, Australia	Australia	100%	Business services
BSI Group Assurance Limited^	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England.	England	100%	Holding company
BSI Group Australia Holdings PTY Limited	Level 1, 54 Waterloo Road, Macquarie Park, NSW 2113, Australia	Australia	100%	Holding company
BSI Group Canada Inc.	302 Bay Street,, Suite 605-04, Toronto M5X 1A1, Canada	Canada	100%	Business services
BSI Group Deutschland GmbH	Eastgate, Hanauer Landstrasse 115, 60314, Frankfurt a.m., Germany	Germany	100%	Business services
BSI Group Eurasia Belgelendirrme Hizmetleri Limited Sirketi	Içerenköy Mah. Umut Sk., Quick Plaza, 16. kat, Atasehir, Istanbul, 34752, Turkey	Turkey	100%	Business services
BSI Group France Sarl***	76 route de la Demi-Lune Les Collines de l'Arche Bat. Opera E, 7ème étage, 92057, Paris La Defense Cedex, France	France	98%	Business services
BSI Group India Private Limited	A-2 Mira Corporate Suites, Plot 1 & 2, Ishwar Nagar, Mathura Road, New Delhi, 110020, India	India	100%	Business services
BSI Group Italia S.R.L.	Via Gaetano de Castillia, 23, 20124 Milano MI, Italy	Italy	100%	Business services
BSI Group Japan K.K	Ocean Gate Minato Mirai 3F 3-7-1 Minato Mirai, Nishiku Yokohama, Kanagawa 220-012, Japan	Japan	100%	Business services
BSI Group Korea Limited	Insa-dong, Tdehwa Bldgo, 8th Floor, 29 Insa-dong, 5-gil, Jongo-gu, Seoul, South Korea	South Korea	100%	Business services

Notes to the consolidated financial statements continued

28. Interests in group undertakings continued

Name	Registered office address	Country of incorporation or registration	Proportion held*	Activity
BSI Group Saudi Arabia Ltd	Office No. 4, Rawana Plaza, 7925 Uthman ibn Affan, Al Taawun, Riyadh 12478 – 4080, Saudi Arabia	Saudi Arabia	100%	Business services
BSI Arabia Training Centre (BSI Group Saudi Arabia Ltd branch)	7925 Jakarta street, Al Taawun District, – 4080 Postal code : 12478	Saudi Arabia	100%	Business services
BSI Group Mexico S dr RL de CV	Varsovia 36 Col Juárez,, Suites 505, 538,, Ciudad de Mexico, Mexico	Mexico	100%	Business services
BSI Group New Zealand Limited	Gannaway Mercer Ltd, Chartered Accountants, 11a Wynyard Street, Devonport, Auckland 0624, New Zealand	New Zealand	100%	Business services
BSI Group Nordics AB	c/o Hummelkläppen i Stockholm AB, Villagatan 19, 114 32 Stockholm, Sweden	Sweden	100%	Business services
BSI Group Polska Spolka z o.o.	UL Krolewska, nr. 16, Lok, Kod 00-103, Poczta, Warszawa, Poland	Poland	100%	Business services
BSI Group Singapore Pte Limited	77 Robinson Road, Unit #28-01 & #28-03, 068896, Singapore	Singapore	100%	Business services
BSI Group South Africa (Pty) Limited***	De Haviland Crescent Nr. 5, Ill Villaggio Nr. 12, Persequor, Pretoria, South Africa	South Africa	74%	Business services
BSI Group The Netherlands BV	John M. Keynesplein 9, Unit 4.2, 1066EP Amsterdam, Netherlands	The Netherlands	100%	Business services
BSI Healthcare Saudi Arabia LLC	SFDA Building, 2nd Floor Office, 854 Al Olaya Street, Riyadh, Al Ghadheer Area, Saudi Arabia	Saudi Arabia	100%	Business services
BSI International Projects Sarl	76 route de la Demi-Lune Les Collines de l'Arche Bat. Opera E, 7ème étage 92057, Paris La Defense Cedex, France	France	100%	Business services
BSI Limited**	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Holding company
BSI Management Systems Certification (Beijing) Co. Ltd	Room 2008, East Ocean Centre, No. 24A Jianguomenwai Street, Beijing, 100004, China	China	100%	Business services
BSI Management Systems Ltd	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Business services
BSI Management Systems Ltd – Abu Dhabi Branch	Suite 1303 13th Floor, Al Niyadi Building Airport Road, Abu Dhabi, United Arab Emirates	United Arab Emirates	100%	Business services
BSI MENA RHQ (BSI Management Systems Limited branch)	2886 Northern Ring Road, Al Aqeeq District, Riyadh 13511 – 6332, Saudi Arabia	Saudi Arabia	100%	Business services
BSI Management Systems Ltd – Dubai Branch	Suite 208 Sultan Business Centre P.O. Box: 26444, Dubai, United Arab Emirates	United Arab Emirates	100%	Business services
BSI Pacific Limited	23rd Floor, Cambridge House, Taikoo Place, 979 King's Road, Island East, Hong Kong	Hong Kong	100%	Business services
BSI Group Singapore Pte Ltd – Taiwan Branch	2nd Floor, No.37, Ji Hu Road, Nei Hu District, Taipei, Taiwan	Taiwan	100%	Business services
BSI Professional Services Asia Pacific Limited	23rd Floor, Cambridge House, Taikoo Place, 979 King's Road, Island East, Hong Kong	Hong Kong	100%	Business services
BSI Professional Services Australia Pty Ltd	Level 1 54 Waterloo Road, Macquarie Park, New South Wales, 2113, Australia	Australia	100%	Business services
BSI Professional Services EMEA Limited	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Business services
BSI Professional Services Holdings Limited	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Holding company

Notes to the consolidated financial statements continued

28. Interests in group undertakings continued

Name	Registered office address	Country of incorporation or registration	Proportion held*	Activity
BSI Professional Services (Ireland) Limited	1st floor Donnybrook House, 36-42 Donnybrook Road, D04 E6X0, Ireland	Ireland	100%	Business services
BSI Professional Services Japan Co., Limited	Ocean Gate Minato Mirai 3F 3-7-1 Minato Mirai, Nishiku Yokohama, Kanagawa 220-012, Japan	Japan	100%	Business services
BSI Professional Services UK Ltd	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Business services
BSI Services (Asia Pacific) Sdn Bhd	Suite 25.01, Level 25, Centrepoint South, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Malaysia	100%	Business services
BSI Services (EMEA) Spolka z.o.o	ul. ALEJA "SOLIDARNOŚCI", nr 171, 00877, Warszawa, Poland	Poland	100%	Business services
BSI Services (Singapore) Pte Ltd	331 North Bridge Road #12-03, Odeon Towers, 188720, Singapore	Singapore	100%	Business services
BSI Services Holdings Limited^	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Business services
BSI Services Malaysia Sdn Bhd	56, Jalan Kempas Utama 2/2 Taman Kempas Utama, 81300 Johor, Malaysia	Malaysia	100%	Business services
BSI Standards Holdings Limited^	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Holding company
BSI Standards Limited	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Business services
BSI Vietnam Co., Ltd	Suite 1106, 11F/L Citilight Tower, 45 Vo Thi Sau Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam	Vietnam	100%	Business services
Neville-Clarke (M) Sdn Bhd***	Level 15-2 Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Malaysia	30%	Business services
Neville-Clarke (Singapore) Pte Ltd	331 North Bridge Road, #12-03 Odeon Towers, 188720, Singapore	Singapore	100%	Business services
Neville-Clarke International Limited^	Seventh and Eighth Floors, The Acre, 90 Long Acre, London, WC2E 9RA, England	England	100%	Holding company
BSI Group Philippines, Inc***	Unit 2408, The Orient Square, Emerald Avenue, Ortigas Center, Pasig City, The Philippines	The Philippines	>99%	Business services
PT BSI Group Indonesia	Talavera Office Park, Jl. TB. Simatupang Kav.2, Talaver 2 Suite, 20 Floor, Jakarta 12430, Indonesia	Indonesia	100%	Business services
PT Neville-Clarke Indonesia	Talavera Office Park, Jl. TB Simatupang Kav.2, Talavera 2 Suite 20 Floor, Jakarta 12430, Indonesia	Indonesia	100%	Business services

For the year ending 31 December 2025, the above companies marked with a '^' were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

* Percentage of ordinary share capital.

** Companies directly owned by The British Standards Institution.

*** Non-Controlling Interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to the Parent Company. The Group consolidates 100% of the results generated by non-wholly owned subsidiaries, including those in which it is not entitled to 100% of the profits, as the aggregate value of the NCI across all consolidated subsidiaries is considered immaterial to the Group's overall consolidated equity and net income. Consequently, for presentation purposes, the portion of equity and net income attributable to NCI is included within total equity.

Parent Company balance sheet

as at 31 December 2025

The British Standards Institution
Registered number ZC000202

	Note	2025 £m	2024 £m
Fixed assets			
Intangible assets	4	**7.2**	12.0
Tangible assets	5	**11.6**	6.0
Investments	6	**68.3**	68.3
Debtors	8	**4.6**	26.5
		91.7	112.8
Current assets			
Debtors	8	**173.4**	320.1
Restricted cash	11a	**7.8**	7.6
		181.2	327.7
Creditors – amounts falling due within one year	9	**(49.6)**	(259.9)
Net current assets		**131.6**	67.8
Total assets less current liabilities		**223.3**	180.6
Creditors – non-current	9	**(0.1)**	(0.1)
Provision for liabilities		**(0.3)**	–
Net assets		**222.9**	180.5
Reserves			
Revaluation reserves		**4.3**	4.3
Retained earnings		**218.6**	176.2
Total equity		**222.9**	180.5

The Company's profit and total comprehensive income for the year ended 31 December 2025 was £42.2m (2024: £77.8m) and £42.4m (2024: £68.3m) respectively.

The accompanying notes on pages 175 to 184 form an integral part of the Parent Company Financial Statements.

The Parent Company Financial Statements on pages 173 to 174 were approved by the Board of Directors on 25 March 2026 and were signed on its behalf by:

Paul Quested
Chief Financial Officer

25 March 2026

Parent Company statement of changes in equity

for the year ended 31 December 2025

	Revaluation reserves £m	Retained earnings £m	Total £m
At 1 January 2024	4.3	107.9	112.2
Profit for the year, net of tax	–	77.8	77.8
Movement in actuarial valuation of defined benefit pension scheme, net of taxes	–	(9.5)	(9.5)
At 31 December 2024	**4.3**	**176.2**	**180.5**
Profit for the year, net of tax	**–**	**42.2**	**42.2**
Movement in actuarial valuation of defined benefit pension scheme, net of taxes	**–**	**0.2**	**0.2**
At 31 December 2025	**4.3**	**218.6**	**222.9**

Retained earnings

Retained earnings represent accumulated comprehensive income for the year and prior years.

Revaluation reserves

The revaluation reserves arose on the revaluation of an investment property when the asset was reclassified from an investment property to tangible assets on transition to FRS 102.

The balance includes the associated deferred tax liability of £1.2m (2024: £1.2m).

Notes to the Parent Company financial statements

1. Statement of compliance

The individual Financial Statements of The British Standards Institution have been prepared in compliance with United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS 102), the financial reporting standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

2. Material accounting policies

The material accounting policies applied in the preparation of these Financial Statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

These Financial Statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through the Income Statement.

The preparation of Financial Statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. These areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 3.

b. Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements. A review of the going concern and viability of the Group is disclosed on pages 115 and 116.

c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemptions:

— FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Company's cash flows are included in the Group Consolidated Financial Statements; and

— FRS 102 paragraph 1.12(e), from disclosing key management personnel compensation in total.

d. Exemptions under the Companies Act 2006

In accordance with the concession granted under Section 408 of the Companies Act 2006, the Income Statement of The British Standards Institution has not been separately presented in these Financial Statements. The retained profit for the year is shown in the Statement of Changes in Equity.

e. Foreign currencies

i. Functional and presentation currency

The Company's functional and presentation currency is British Pound Sterling (£) and all values are rounded to the nearest £100,000 unless otherwise stated.

ii. Transactions and balances

FRS 102 requires foreign currency transactions to be translated into the functional currency using the spot exchange rate between the foreign currency and the functional currency on the date of the transaction (or average rates if there are no significant fluctuations). At each period end, transactions denominated in foreign currencies are translated into British Pound Sterling using the closing rate. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, which are held at the year end, are taken to the Income Statement.

f. Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial instruments, including trade and other receivables, cash at bank and loans to subsidiary companies, are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortized cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortized cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in the Income Statement.

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value, with changes recognized in the Income Statement, except for investments in equity instruments that are not publicly traded and fair value cannot be reliably measured; these are measured at cost less impairment.

Financial assets are derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party which has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Notes to the Parent Company financial statements continued

2. Material accounting policies continued

ii. Financial liabilities

Basic financial liabilities, including trade and other payables and loans from subsidiary companies, are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method. The Company does not hold or issue any other financial liabilities (for trading purposes).

g. Finance and operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease. The Company does not have any finance leases.

h. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities.

i. Provisions for liabilities and charges

A provision is recognized in the Balance Sheet when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

j. Income

Dividend income is recognized in the Income Statement when the right to receive payment has been established.

The Company receives grant income, in line with its principal activities, from the UK government to support various initiatives that are aligned with its policy objectives. Government grants are recognized in the Income Statement on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Grants are recognized on an accruals basis when there is reasonable assurance that the conditions associated with the grants have been complied with or when any performance-related obligations are met, and the grants will be received. Where grants are received in advance of the related expenses, they are initially recognized as liabilities within trade payables and other liabilities and released to match the related expenditure. Grant income has been recognized within revenue as it arises from the principal activities of the Company.

The Company claims Research & Development Expenditure Credit (RDEC) in respect of qualifying research and development activities. The credit is recognized as other income when reasonable assurance exists that the relevant conditions have been met and that the credit will be received. The RDEC is accounted for on a gross basis and is subject to corporation tax.

k. Current tax

Current tax is the amount of income tax payable or receivable on the profit or loss for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been substantively enacted by the period end.

Management periodically evaluates the position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes a provision, where appropriate, on the basis of amounts expected to be paid to the authorities.

l. Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Notes to the Parent Company financial statements continued

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a. Defined benefit scheme

The Company operates a funded defined benefit scheme in the UK (the Plan), administered by an independent Trustee. The Plan is closed to new entrants and closed to future accrual of pension.

The Company's net obligation or surplus in respect of the Plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the Plan up to 30 April 2010 (the date the Plan closed to the accrual of benefits). That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The Court of Appeal's judgement in *Virgin Media Limited v NTL Pensions Trustees II Limited* (Virgin Media ruling), handed down on 25 July 2024, highlighted that some pension schemes may be unable to demonstrate that past amendments to their rules were valid, potentially resulting in higher liabilities than previously expected. In January 2026, the Financial Reporting Council (FRC) published guidance to support scheme actuaries in considering whether to provide "retrospective confirmation" of past rule changes in response to industry concerns arising from this judgement. This confirmation is expected to be included in forthcoming legislation (the Pension Schemes Act 2026), which has not yet been enacted and may change as the Bill progresses through Parliament. Actuarial confirmations (if required) will only be possible once the legislation is in force. A related judgment in *Verity Trustees Limited v Wood* is also pending.

Given these uncertainties, the updated valuation as at 31 December 2025 makes no allowance for the possible impact of the Virgin Media ruling as the relevant legislation has not yet come into force. Management continue to monitor developments to assess whether any actions or adjustments to pensions liabilities are required.

The cost of defined benefit pension schemes is determined using actuarial valuations. The actuarial valuation involves making judgements and assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates, and future pension increases. Due to the long-term nature of these plans and the complexities involved in the valuation, such estimates are subject to significant uncertainty.

Plan liabilities vary with changes in long-term interest rates and inflation as well as the longevity of Plan members and legislation. Plan assets vary with changes in interest rates, inflation expectations, exchange rates and corporate bond yields.

The liabilities have been calculated by, and the assumptions have been set on the recommendations of, an independent qualified actuary. The liabilities allow for indexation of benefits in line with the Consumer Prices Index (CPI).

A sensitivity analysis is included in Note 7.

b. Investments

FRS 102 requires management to undertake a test for impairment of investments, if events or changes in circumstances indicate that the carrying amount of the investments may not be recoverable. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of investments can be supported by the net present value of future cash flows derived from such investments using cash flow projections which have been discounted at an appropriate rate. Further details of investments can be seen in Note 6.

4. Intangible assets

Intangible assets policy

Computer software

Acquired computer software is capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over three to five years, or the length of licence as appropriate. Costs incurred in customizing, configuring and implementing a Software as a Service (SaaS) arrangement are expensed in the year in which they are incurred.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Notes to the Parent Company financial statements continued

4. Intangible assets continued

Costs include the software development employee costs. The application and infrastructure development costs of product delivery websites are also capitalized where the same criteria can be met and amortized on a straight-line basis over three to five years.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

	Computer software £m
Cost	
At 1 January 2024	**34.9**
Additions	**4.6**
Disposals	**(0.3)**
At 31 December 2024	**39.2**
Additions	**0.7**
At 31 December 2025	**39.9**
Accumulated amortization and impairment	
At 1 January 2024	**(21.6)**
Charge in the year	**(6.0)**
Disposals	**0.4**
At 31 December 2024	**(27.2)**
Charge in the year	**(5.5)**
At 31 December 2025	**(32.7)**
Net book value at 31 December 2025	**7.2**
Net book value at 31 December 2024	**12.0**

5. Tangible assets

Tangible fixed assets policy

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Under the transition provisions of FRS 102, the Company reclassified an investment property as a tangible asset at fair value on the date of transition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All repairs and maintenance are expensed in the financial period in which they are incurred.

Freehold land and assets under construction are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold buildings and improvements	20 years
Short leasehold improvements	Over the unexpired term of the lease or useful life, whichever is shorter
Plant, machinery and office equipment	3–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In making these assessments, the Company considers the expected rate of technological developments, the intensity at which the assets are expected to be used, and relevant climate-related risks.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Income Statement.

Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

Notes to the Parent Company financial statements continued

5. Tangible assets continued

	Freehold land, buildings and improvements £m	Short leasehold improvements £m	Assets under construction £m	Plant, machinery and office equipment £m	Total £m
Cost					
At 1 January 2024	5.6	5.8	0.2	6.8	18.4
Additions	–	–	0.4	–	0.4
Reclassifications	–	–	(0.2)	0.2	–
Disposals	–	–	(0.3)	(0.6)	(0.9)
At 31 December 2024	**5.6**	**5.8**	**0.1**	**6.4**	**17.9**
Additions	**–**	**–**	**7.4**	**0.1**	**7.5**
Reclassifications	**–**	**5.2**	**(7.0)**	**1.8**	**–**
Transfers within the Group	**–**	**–**	**(0.5)**	**–**	**(0.5)**
Disposals	**–**	**(6.0)**	**–**	**(5.0)**	**(11.0)**
At 31 December 2025	**5.6**	**5.0**	**–**	**3.3**	**13.9**
Accumulated depreciation and impairment					
At 1 January 2024	(0.6)	(4.6)	–	(5.9)	(11.1)
Charge in the year	(0.1)	(0.7)	–	(0.5)	(1.3)
Disposals	–	–	–	0.5	0.5
At 31 December 2024	**(0.7)**	**(5.3)**	**–**	**(5.9)**	**(11.9)**
Charge in the year	**(0.1)**	**(0.7)**	**–**	**(0.6)**	**(1.4)**
Disposals	**–**	**6.0**	**–**	**5.0**	**11.0**
At 31 December 2025	**(0.8)**	**–**	**–**	**(1.5)**	**(2.3)**
Net book value at 31 December 2025	**4.8**	**5.0**	**–**	**1.8**	**11.6**
Net book value at 31 December 2024	4.9	0.5	0.1	0.5	6.0

6. Investments

Investment in group undertakings policy

Investments are stated at cost less any provision for impairment in value. Impairment testing is conducted whenever indicators of impairment are present.

	2025 £m	2024 £m
Cost at 1 January / 31 December	**68.3**	68.3

The Directors consider that the fair value of investments is not less than their carrying value.

A list of subsidiaries is provided in Note 28 to the consolidated financial statements.

7. Pension obligations

Employee benefits policies

i. Defined contribution pension schemes
The Company pays fixed contributions to an external pension provider and has no legal or constructive obligations to pay any further amounts. The contributions are recognized as an employee benefit expense when they are due.

ii. Defined benefit pension schemes
The valuation of the Company's net obligation is performed by an independent qualified actuary. Pension scheme assets are measured using market values for quoted assets. The Annuity Policy asset is valued at an actuarial estimate using the assumptions shown below. The pension scheme liabilities are measured using the projected unit actuarial method where estimated future cash flows are discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent duration to the liability.

The Income Statement charge is generally split between an operating expense and a net finance credit. The operating charge relates to the administration costs of operating the scheme. The net finance credit relates to the unwinding of the discount applied to the liabilities of the scheme offset by the expected return on the assets of the scheme using that same discount rate, based on conditions prevailing at the start of the year. Where the valuation of the Plan is in a net surplus position and the Company does not have an unconditional right to a refund, the net finance credit is recognized in Other Comprehensive Income.

Actuarial gains and losses are charged or credited to equity in the period in which they arise.

The Company operates the following retirement benefit schemes:

a. Defined contribution schemes
The Company personal pension plan is offered to all new UK employees. The associated costs for the year were £7.2m (2024: £6.7m), including salary sacrifice contributions.

Notes to the Parent Company financial statements continued

7. Pension obligations continued

b. Defined benefit schemes

UK defined benefit plan

The Plan is closed to new entrants and closed to future accrual of pension, although the link to final salary remains while members are still employed by the Company.

The risks to which the Plan exposes the Company are as follows:

- **Asset volatility** – The defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields. If assets underperform corporate bond yields, this will worsen the Plan's funded status. The Plan now largely invests in liability matching assets, including an Annuity Policy valued at £43.8m (2024: £46.7m) reducing volatility relative to the Plan liabilities, but some volatility remains. The asset allocation is monitored to ensure it remains appropriate given the Plan's long-term objectives.
- **Inflation risk** – A significant proportion of benefits are linked to inflation and so increases in inflation will lead to higher liabilities (although in most cases there are caps in place which protect against extreme inflation).
- **Longevity** – Increases in life expectancy will increase the period over which the benefits are expected to be payable, which increases the value placed on the Plan's liabilities.

Contributions in respect of future service benefits ceased on 30 April 2010.

Balance sheet

The amounts recognized in the balance sheet on an accounting basis are as follows:

	2025 £m	2024 £m
Present value of defined benefit obligations	**(259.5)**	(268.7)
Fair value of plan assets	**266.7**	274.7
Funded status	**7.2**	6.0
Asset restriction	**(7.2)**	(6.0)

As at 31 December 2025, the valuation of the Plan showed a net pension surplus of £7.2m (2024: £6.0m). This surplus has not been recognized as the Company does not have an unconditional right to a refund of the surplus assets, assuming full settlement of the Plan's liabilities in the event of a Plan wind-up. Recognition is therefore restricted to the value of committed contributions, which in this case is nil (2024: nil). Accordingly, no pension surplus has been recognized on the Balance Sheet. UK legislation requires that pension schemes are funded prudently.

The triennial valuation as at 31 March 2025 is underway with the valuation expected to conclude no later than 30 June 2026, its purpose to establish potential future funding requirements. The previous funding valuation of the Plan performed as at 31 March 2022 revealed a funding shortfall (technical provisions minus the value of the assets) and the Company agreed to make deficit remediation contributions. Subsequently, the position of the Plan improved, and the Company agreed with the Trustee that remaining deficit remediation contributions of £7.5m be paid into an account governed by an escrow agreement. No funds were due from the escrow account during 2025. At 31 December 2025, the escrow account held £7.8m (2024: £7.6m).

Contributions of £0.5m are expected to be paid by the Company for the year ending 31 December 2026 to cover the expenses of running the Plan.

The movement in the defined benefit surplus was as follows:

	Present value of obligation £m	Fair value of plan assets £m	Total £m
At 1 January 2024	(303.8)	315.1	11.3
Amounts (charged)/credited to the Income Statement:			
Administration expenses	–	(0.8)	(0.8)
Interest (expense)/income	(13.4)	13.9	0.5
	(13.4)	13.1	(0.3)
Re-measurements			
Losses on plan assets, excluding amounts included in interest expense	–	(36.6)	(36.6)
Gain from change in demographic assumptions	0.8	–	0.8
Gain from change in financial assumptions	29.3	–	29.3
Experience gains	1.0	–	1.0
	31.1	(36.6)	(5.5)
Contributions: employers	–	0.5	0.5
Payments from plans: disbursements	17.4	(17.4)	–
	17.4	(16.9)	0.5
At 31 December 2024	**(268.7)**	**274.7**	**6.0**

Notes to the Parent Company financial statements continued

7. Pension obligations continued

	Present value of obligation £m	Fair value of plan assets £m	Total £m
At 31 December 2025			
Amounts (charged)/credited to the Income Statement:			
Administration expenses	–	(0.7)	(0.7)
Amounts (charged)/credited to Other Comprehensive Income:			
Interest (expense)/income	(14.3)	14.6	0.3
	(14.3)	13.9	(0.4)
Re-measurements			
Loss on plan assets, excluding amounts included in interest expense	–	(4.8)	(4.8)
Loss from change in demographic assumptions	(0.5)	–	(0.5)
Gain from change in financial assumptions	1.4	–	1.4
Experience gain	5.0	–	5.0
	5.9	(4.8)	1.1
Contributions: employers	–	0.5	0.5
Payments from plans: disbursements	17.6	(17.6)	–
	17.6	(17.1)	0.5
At 31 December 2025	(259.5)	266.7	7.2

Assumptions

The principal actuarial assumptions used were as follows:

	2025 % p.a.	2024 % p.a.
Rate of increase in salaries	3.50	2.50
Rate of revaluation in deferment	1.85	2.80
Pension increase rate:		
– RPI (min. 3%, max. 5%)	3.55	3.65
– CPI (min. 3%, max. 5%)	3.40	3.45
– CPI (min. 0%, max. 3%)	2.00	2.10
Discount rate	5.50	5.50
Inflation assumption – RPI	2.80	3.15
Inflation assumption – CPI	2.40	2.65

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics. Life expectancy at age 65 for a member currently aged 45 is 23.5 (2024: 23.2) years (men) or 25.7 (2024: 25.9) years (women). Life expectancy for a member currently aged 65 is 22.2 (2024: 21.9) years (men) or 24.3 (2024: 24.5) years (women).

The discount rates at 31 December 2025 and 31 December 2024 were based on the AON GBP Single Agency AA Curve which uses a dataset of all bonds rated AA by at least one of the main ratings agencies.

Plan assets are comprised as follows:

	Value at 31 December 2025		Value at 31 December 2024	
	£m	%	£m	%
Insight Short Dated Buy & Maintain Credit	–	–	32.9	12
Schroders Liability-Driven Investments	211.2	79	167.0	61
Alcentra Credit Fund	4.1	2	4.9	2
Cash	7.6	3	23.2	8
Annuity Policy	43.8	16	46.7	17
Total fair value of assets	266.7	100	274.7	100

The plan assets are unquoted at fund level. During the prior year, Management divested certain of its illiquid assets.

The weighted average duration of the defined benefit obligation is 11 years (2024: 11 years).

Notes to the Parent Company financial statements continued

7. Pension obligations continued

Sensitivity analysis

The sensitivity of the net defined benefit surplus to changes in the principal assumptions is:

	Increase/(decrease) in present value of surplus at 31 December 2025		
	Change in assumption	**Increase in assumption £m**	**Decrease in assumption £m**
Discount rate	**0.25% p.a.**	**5.8**	**(6.1)**
Inflation rate*	**0.25% p.a.**	**(0.8)**	**0.9**
Life expectancy	**1 year**	**(5.1)**	

	Increase/(decrease) in present value of surplus at 31 December 2024		
	Change in assumption	Increase in assumption £m	Decrease in assumption £m
Discount rate	0.25% p.a.	6.3	(6.6)
Inflation rate*	0.25% p.a.	(1.5)	0.9
Life expectancy	1 year	(5.4)	

* This sensitivity allows for the impact on all inflation-related assumptions (salary increases, deferred revaluation and pension increases, subject to relevant caps and floors).

8. Debtors

	2025 £m	2024 £m
Trade debtors	**0.5**	0.8
Amounts owed by Group undertakings	**129.6**	304.0
Current tax asset	**1.1**	1.1
Other debtors	**2.4**	0.1
VAT receivable	**3.4**	4.5
Prepayments and accrued income	**11.7**	12.4
Deferred tax asset (Note 10)	**29.3**	23.7
Total debtors	**178.0**	346.6
Less non-current portion:		
Amounts owed by Group undertakings	**(4.6)**	(26.5)
Current portion of debtors	**173.4**	320.1

Amounts owed by Group undertakings are non-interest-bearing, have no fixed terms of repayment, and are repayable on demand. Accordingly, they are classified as current. The non-current portion is repayable on demand; however, no expectation exists that the balance will be recovered within 12 months of the year end date and as such has been classified accordingly.

Certain trade and other receivables and trade and other payables are subject to counterparty offsetting or enforceable master netting arrangements effective from 16 October 2025. Such an agreement with a counterparty allows for net settlement of the relevant financial assets and liabilities when both the Company and the counterparty elect to settle on a net basis. The master netting agreement regulates settlement amounts in the event a party defaults on their obligations.

As a result of the netting arrangement, during the year, the Company undertook intercompany settlement and netting processes to clear historic balances arising from historic intragroup financing activities. This exercise reduced both intercompany receivable and payable balances leaving only the residual positions recognized at year end.

9. Creditors

	2025 £m	2024 £m
Trade creditors	**4.0**	4.3
Amounts owed to Group undertakings	**8.9**	231.7
Other taxation and social security	**2.0**	2.0
Other creditors	**0.6**	0.8
Accruals	**27.7**	14.3
Deferred income	**6.5**	6.8
Total creditors	**49.7**	259.9
Less non-current portion:		
Deferred income	**(0.1)**	(0.1)
Current portion of creditors	**49.6**	259.8

Trade creditors are non-interest-bearing and are generally on 30–60 day terms (2024: 30–60 day terms). Amounts owed to Group undertakings as at 31 December 2025 include trade amounts which have no fixed terms of repayment, are repayable on demand, and are non-interest-bearing. As such, these balances are classified as current.

As a result of the netting arrangement, the Company undertook intercompany settlement and netting processes during the year to resolve historic intragroup financing balances. This resulted in lower intercompany receivable and payable balances, leaving only residual amounts recorded at year end.

Notes to the Parent Company financial statements continued

10. Deferred taxation

Deferred taxation policy

Deferred tax arises from timing differences between the inclusion of income and expenses in tax assessments in periods different from those in which they are recognized in the Financial Statements.

Deferred tax is recognized on all timing differences at the reporting date with some exceptions. Unrelieved tax losses and other deferred tax assets are only recognized when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profit.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

	2025 £m	2024 £m
Deferred tax assets:		
– To be recovered after more than 12 months	**29.3**	23.9
Total deferred tax assets	**29.3**	23.9
Deferred tax liabilities:		
– To be incurred after more than 12 months	**–**	(0.2)
Total deferred tax liabilities	**–**	(0.2)
Net deferred tax assets (Note 8)	**29.3**	23.7

The amounts of net deferred taxation assets/(liabilities) recognized are set out below:

	Accelerated capital allowances £m	Pension provision £m	Losses £m	Other timing differences £m	Total £m
At 1 January 2025	**0.5**	**–**	**23.4**	**(0.2)**	**23.7**
Credited to Income Statement	**0.8**	**0.1**	**2.3**	**2.3**	**5.5**
Debited to current year reserves	**–**	**(0.1)**	**–**	**–**	**(0.1)**
Recognized on RDEC income	**–**	**–**	**–**	**0.2**	**0.2**
At 31 December 2025	**1.3**	**–**	**25.7**	**2.3**	**29.3**

11. Financial assets and financial liabilities

a. Financial assets by category

Loans and receivables	**2025 £m**	2024 £m
Assets as per balance sheet		
Debtors excluding non-financial assets	**135.9**	309.4
Restricted cash	**7.8**	7.6
Total	**143.7**	317.0

b. Financial liabilities by category

Other financial liabilities at amortized cost	**2025 £m**	2024 £m
Liabilities as per balance sheet		
Creditors excluding non-financial liabilities	**41.3**	251.1
Total	**41.3**	251.1

12. Employee expense

	2025 £m	2024 £m
Wages and salaries	**56.5**	51.5
Social security costs	**7.6**	6.3
Long-Term Incentive Plan (LTIP) expense	**2.6**	1.1
Other pension costs	**3.4**	3.2
Total employee expense	**70.1**	62.1

The average number of individuals (including Board members) employed by the Company during the year was:

	2025 Number	2024 Number
Production, inspection and laboratory	**28**	30
Sales and distribution	**49**	58
Administration	**708**	700
Total headcount	**785**	788

Disclosures in respect of Directors' emoluments can be found in the Directors' remuneration report on pages 102 to 113.

Notes to the Parent Company financial statements continued

13. Auditors' remuneration

The auditors' remuneration for the audit of the Parent Company Financial Statements was £0.1m (2024: £0.1m).

14. Financial commitments

At 31 December, annual commitments under non-cancellable operating leases were as follows:

	2025			2024		
	Land and buildings £m	**Motor vehicles £m**	**Total £m**	Land and buildings £m	Motor vehicles £m	Total £m
No later than 1 year	**1.2**	**0.4**	**1.6**	1.6	0.4	2.0
Later than 1 year and no later than 5 years	**13.2**	**0.5**	**13.7**	11.3	0.5	11.8
Minimum lease payments	**14.4**	**0.9**	**15.3**	12.9	0.9	13.8

The Income Statement lease rental charge will not equate to lease payments for those leases having the benefit of lease incentives. In these cases, the incentives are released to the Income Statement over the period of the lease.

15. Related party transactions

Transactions with related parties have been determined in accordance with FRS 102 and are disclosed below:

a. Pension scheme Trustee

Transactions with the pension scheme Trustee are disclosed in Note 7.

b. Key management

The Company has taken advantage of the exemption available under FRS 102 paragraph 1.12(e) from disclosing key management personnel compensation in total.

At the reporting date, no amounts were owed by key management personnel to the Company (FY24: £nil). During the year, there were no other material transactions or balances between the Company and its key management personnel or members of their close family.

c. Transactions with non-wholly owned subsidiaries

There were no material transactions with non-wholly owned subsidiaries during the year. All transactions between the Company and non-wholly owned Group companies arise in the ordinary course of business and are on an arm's length basis.

16. Contingent liabilities, guarantees and contingent assets

Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognized when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date, or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are described in the Financial Statements unless the probability of an outflow of resources is remote.

In the normal course of its business, the Company faces legal actions and claims. Based on legal advice and taking into account the availability of insurance and provisions, the Board does not expect these legal actions or claims to have a significant impact upon the Company.

In the normal course of its business, the Company from time to time provides advance payment guarantees, performance bonds and other bonds in connection with its activities. Taking into account experience to date and the availability of provisions, the Board deems it a remote possibility that a payment will be required under any of these arrangements.

As at 31 December 2025, the Company has £1.2m (2024: £1.1m) outstanding relating to performance bonds and guarantees.

Contingent assets

A contingent asset arises where an event occurred in the past, and the existence of the asset will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Company's control. No contingent assets have been recognized as the inflow of resources is not considered probable.

17. Post-balance sheet events

Pension buy-in

On 29 January 2026, the Trustee of the Plan purchased a policy with Rothesay to insure all members' Plan benefits (buy-in).

In connection with the transaction, the Company entered into a funding agreement with the Trustee, providing an interest-bearing facility of up to £7.0m to support the Plan. An initial drawdown of £5.9m was made on completion of the buy-in. In return, the Trustee released the escrow amount of £7.8m, which was returned to the Company.

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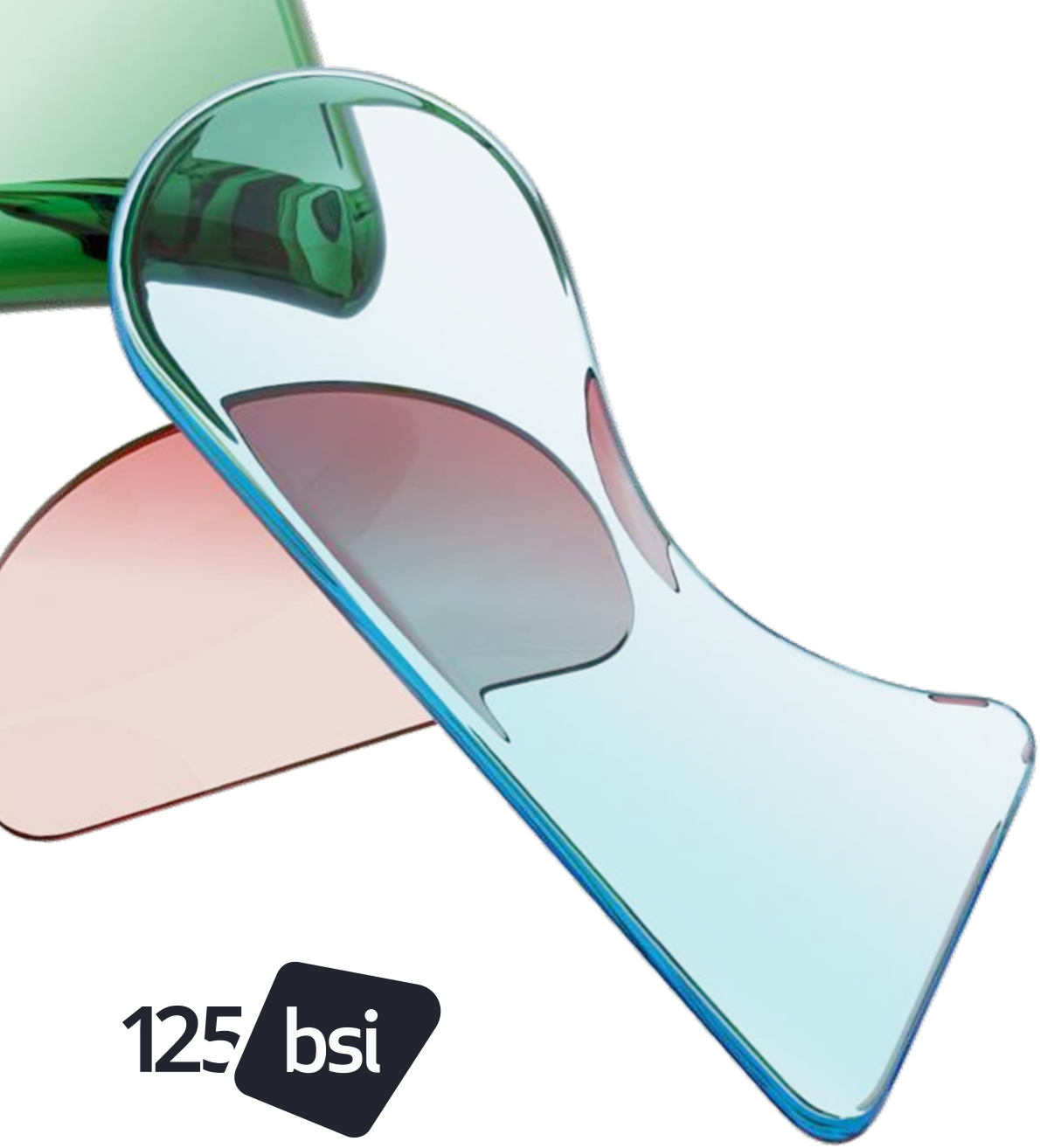

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