



SUSTAINABILITY REPORT 2024

Stepping up

Sustainability is our business

Stepping up

Through our work with clients, our collaborative partnerships and across our own operations and value chain, ERM is stepping up to meet the increasingly urgent and inter-related global challenges of climate change, nature loss and social inequity.

For more than 50 years, ERM has remained committed to credible and authentic sustainability leadership. But as the pace of change accelerates, we must work harder. As our report highlights, we are stepping up our actions.



This image was taken by Riccardo Boniardi, Italy, while enjoying a clear autumn day during a team hike to Mount Cazzola at Alpe Devero, in Central Alps.

All images used in ERM’s Sustainability Report 2024 were provided by ERM employees, except where noted in the photo credits. Thank you to all of the talented employees who contributed these images.

ERM’s Sustainability Report 2024 covers the fiscal year 2024 (FY24) from 1 April 2023 to 31 March 2024.

We report in financial data in United States dollars, unless otherwise noted.

In the interest of sustainability, view this report in digital form only – **please do not print.**

Supplementary information

For those seeking further information, we provide downloadable files of our sustainability data, GRI Index and several key documents that supplement ERM's Sustainability Report. For more information contact sustainability@erm.com.

- ↓ [Executive Summary](#)
- ↓ [Human Rights Strategy](#)
- ↓ [Modern Slavery Statement](#)
- ↓ [Decarbonization Strategy](#)
- ↓ [Climate Supplement](#)
- ↓ [CFD/TCFD Disclosure Supplement](#)
- ↓ [Nature Strategy](#)
- ↓ [Sustainable Supply Chain Strategy](#)
- ↓ [Supporting the SDGs](#)
- ↓ [GRI Index](#)
- ↓ [Sustainability Performance Data](#)
- ↓ [External assurance](#)



Tom Reichert
ERM Group CEO

I'm delighted to present ERM's Sustainability Report 2024, which showcases the progress we have made across our sustainability priorities and targets over the last financial year.

For over a decade, we have reported formally on our sustainability performance, in line with international standards and best practice and we are proud to be a Global Reporting Initiative community member.

The theme of this year's report is "Stepping Up". Why? For the simple reason that the sustainability challenges facing society today continue to grow in scale, pace and complexity. This requires organizations everywhere to do two things: step up on ambition and double-down on impact. As the countdown to 2030 continues, we must all aim higher and work harder to maximize our positive impact by continuing to implement the ten principles of the UN Global Compact and contributing to the UN Sustainable Development Goals.

At ERM, that means stepping up our progress across the three macro sustainability issues of our time—climate, nature and water and social inequality.

For example, we have sustained our greenhouse gas emission reductions, and our updated Decarbonization Strategy includes our new emission reductions targets, validated by the Science Based Targets initiative as in alignment with the Net-Zero Standard, which will see us deliver net-zero by 2040.

We have delivered nature projects in over 100 countries and our new Nature Strategy sets out our contribution to halting and reversing biodiversity loss by 2030 and working towards a nature positive future, which includes being an early adopter of the Taskforce for Nature-Related Financial Disclosures.

And with over 50 million people estimated to be subject to modern slavery, our new Human Rights Strategy sets out how we at ERM are committed to addressing the risk of modern slavery across our value chain, consistent with our commitment to the UN Declaration of Human Rights, UN Guiding Principles on Business and Human Rights and the International Labor Organization Principles and Fundamental Rights at Work.

As the world's largest specialist sustainability consultancy, the greatest impact we can have is through the work delivered for our clients by our 8,000 people. This year's report contains a wealth of data and stories about how this work delivers real change on the ground. For example, supporting projects contributing to in excess of 200 GW of renewable energy capacity; treating 2.4+ billion liters of water; and treating, destroying or removing 12.8+ million kilograms of contaminants. It is inspiring to reflect on these numbers and also exciting to consider how much more we can do in the future.

Thank you to everyone who has helped contribute to the progress detailed in this report. ERM's purpose is to shape a sustainable future with the world's leading organizations, which requires close collaboration across our clients, people, partners, suppliers and wider stakeholders.

I look forward to working with all of you as we step up to the challenges of the future and deliver the opportunity of a sustainable future for us all.



Sabine Hoefnagel

Global Leader of Sustainability & Risk

When ERM started reporting on our sustainability performance 12 years ago, such disclosures were voluntary and undertaken as a matter of corporate commitment to best practice. Fast forward to 2024 and reporting on sustainability topics has become a mandatory requirement for many companies across the globe, as regulators seek to instill greater rigor in reporting practices.

The proliferation of disclosure regulations and standards presents a challenge for organizations seeking to harmonize reporting across geographies and the interoperability of requirements remains a pressing need. ERM is currently supporting clients across the globe to navigate this rapidly changing and complex disclosure landscape.

This report sets out our performance for our fiscal year 2024 (FY24) but also provides a lookahead to our priorities throughout FY25 and beyond, which includes our preparation for disclosing under the Corporate Sustainability Reporting Directive (CSRD) and International Financial Reporting Standards (IFRS) among others.

What drives our disclosure however is not regulation but responding to stakeholder interests through our ongoing commitment to be a credible leader in sustainability, demonstrating by example the advice that we provide to our clients and wider stakeholders.

We have structured this report to set out how we as a business strive to maximize our impact through operationalizing sustainability, alongside the work

we deliver to clients and the contribution that our thought leadership and collaborations with partners make to the global sustainability agenda.

We are a business whose purpose is to shape a sustainable future with the world's leading organizations. Together, we are stepping up to create that future.

We hope you find this report informative and welcome your feedback which can be emailed to sustainability@erm.com.



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Photo credit: Edward Huang, Taiwan

Overview

ERM is the world's largest specialist sustainability consultancy. We create innovative solutions to meet the sustainability challenges of today and positively impact the future.

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Sustainability trends



Each year, The ERM Sustainability Institute by ERM publishes an annual report exploring the 10 key sustainability trends that will inform business thinking.

2024 Trends

8

Photo credit: Daniel Savage, Canada

This year, the urgency to address known challenges such as climate change with increased prioritization around issues such as sustainable supply chain management, nature and human capital remains strong.



Collectively, these issues reinforce the strategic importance of sustainable transformation for companies across the globe and 2024 will be a pivotal year in supporting businesses to achieve this.

- 1. Responding to climate change.** The urgency of addressing climate change is increasing stakeholder pressure on governments, companies and organizations to accelerate decarbonization. Lenders, investors and other stakeholders are putting pressure on companies to decarbonize before pursuing abatement via carbon markets and technological carbon removal. Rebuilding trust in the carbon markets through a focus on integrity is key to mobilizing finance.
- 2. Valuing human capital.** The legacy of the COVID-19 pandemic continues to see companies innovating to enhance office working environments to lure employees back. Employee engagement is being viewed holistically, focusing on supporting employee success and personal growth. Skills are now being viewed as important as formal education by recruiters, as companies take a broader perspective on what defines a valued employee in their workforce.
- 3. Integrating environmental, social and governance (ESG).** While anti-ESG backlash is being witnessed in some locations, Europe and other economies have continued to push forward with further legislation and companies are facing ever more stringent disclosure requirements. Companies are investing in new sustainability data management systems,

processes and capabilities to support the accuracy of disclosures. Companies are dialing back rhetoric in marketing, in what is known as “greenhushing”. Investors continue to favor strong ESG performers for their portfolios, and the drive for enhanced corporate sustainability performance in 2024 continues apace.

- 4. Safeguarding natural systems.** The importance of sustainable management and protection of our natural systems has become a focus for significant stakeholder attention. Governments are acting decisively, with a new suite of regulations coming into force. Companies are responding by developing their strategic response, looking to understand where nature-related risks and opportunities exist which can also realize social benefits. This requires engaging with supply chains as part of their corporate response. Large investors are driving pressure on companies while expanding nature-related financing.
- 5. Streamlining sustainability disclosures.** The scale and scope of mandatory reporting requirements have never been greater, as more sustainability disclosure regulations come into force. While Europe may be at the forefront, international financial regulators across the globe are also seeking to progress the adoption of the International Sustainability Standards Board (ISSB) disclosure standards as the drive towards global sustainability corporate disclosures becomes inexorable. The provision of robust information to auditable standards will be critical for companies.

6. Building sustainable and resilient supply chains.

Sustainable supply chain management is no longer a voluntary corporate initiative but a matter of compliance, as regulations require companies to report on the ESG performance of their suppliers. Companies are focusing first on engagement to gain better visibility, before progressing to stronger governance and in the near future, mandating performance requirements in key areas such as decarbonization. First movers will capitalize upon the advantage of early action to engage and align their supply base.

7. Enabling sustainable consumption and production.

The need for sustainable consumption and production practices has long been known and is finally breaking through into mainstream corporate practice. Pressure from governments, investors and consumers is driving enhanced corporate scrutiny of their production and packaging processes. The benefits of circularity and sustainable sourcing are becoming more widely known and are expected to become a key driver for companies looking to enhance not just the sustainability of their operations but also their commercial performance.

8. Apply technology to sustainability. As artificial intelligence (AI) and new green technologies become more prevalent, so does the need for stronger governance and accountability for their use. Companies are alert to the significant potential benefits of using such technologies to support their sustainability operational performance and

reporting but also mindful to mitigate against ethical and environmental risks. In the face of increasing regulation, companies will need to navigate the growing use of AI within the constraints of their own business codes of conduct and ethics, and that which governments and regulators impose.

9. Respecting fundamental rights. The protection of human rights has become a corporate priority, as regulators and wider stakeholders demand stronger action for business. There is growing scrutiny of the role of companies in tackling inequality, violations of human rights and modern slavery. Key to the regulatory push has been the requirements for stronger visibility and management of corporate supply chains, as companies proactively assess the risks within their supplier base and identify appropriate remedy. Considering Just Transition principles in energy transition strategies is an essential part of the response.

10. Navigating the evolving political landscape.

Geopolitical instability continues as ongoing conflict or threat of conflict looms in Eastern Europe, the Middle East and Asia, among other areas. Companies continue to monitor the situation carefully and the risks posed to operations and sustainability performance. Remaining agile in the face of uncertainty strengthens business resilience, as geopolitical instability is becoming the new corporate normality, requiring enhanced due diligence and monitoring.

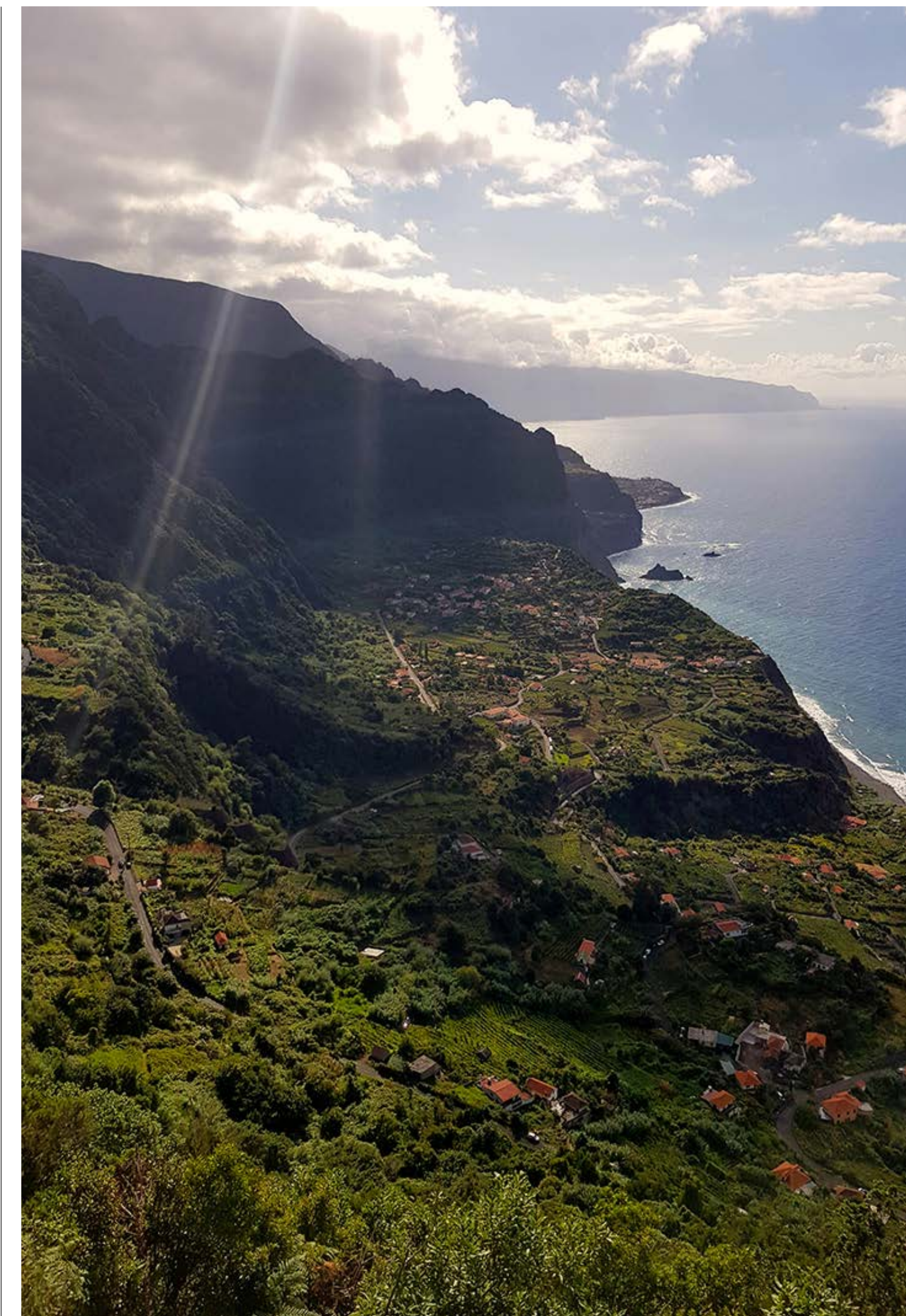


Photo credit: Silvia Marques, United Kingdom

About us

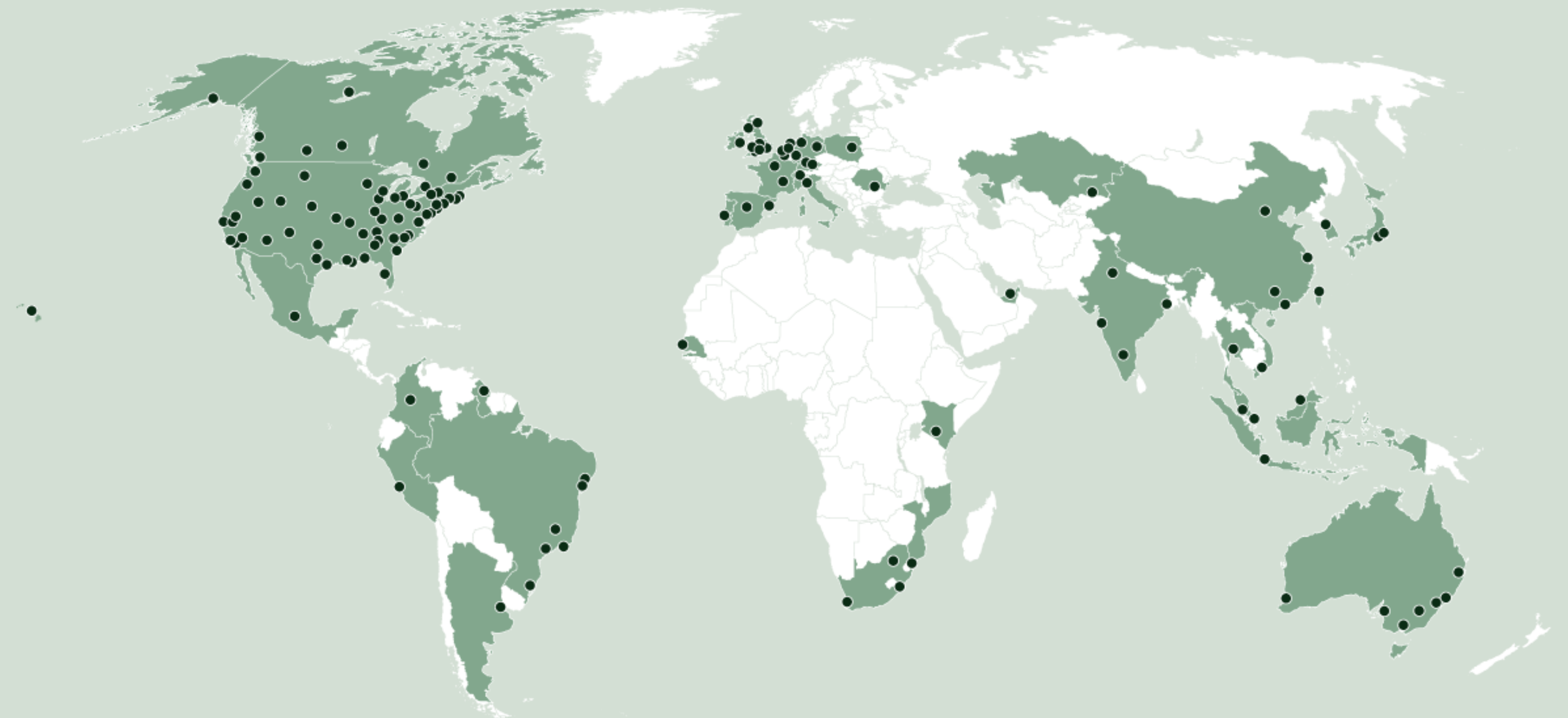


Sustainability is our business.

ERM partners with clients to operationalize sustainability at pace and scale, deploying a unique combination of strategic transformation and technical delivery capabilities. This approach helps clients to accelerate the integration of sustainability at every level of their business.

With more than 50 years of experience, ERM's diverse team of 8,000 experts in 40 countries and territories helps clients create innovative solutions to their sustainability challenges, unlocking commercial opportunities that meet the needs of today while preserving opportunity for future generations.

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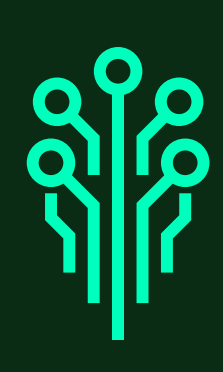
FY24 highlights

OPERATIONS

 **\$1 billion+**
annual revenue

28% growth in energy transition sales

Over **1,000**
employee promotions

 **60%**
of all projects tech enabled

Launched **updated strategies**
across Human Rights and Nature

Validated **SBTi Net-Zero Standard**
aligned targets

CLIENTS

Supported renewable energy projects contributing
200+GW installed capacity **10+GW** storage

Treated **2.4+ billion**
litres of water

Treated, destroyed or removed
12.8+ million
kilograms of contaminants

Engaged **1,800+**
executives to drive safety leadership

Worked on **81** sites within
21 of the 100 priority water-stressed basins globally

COLLABORATIONS

Over **20** global strategic partnerships
with the world's leading organizations

 **8** commercial partnerships announced

25 insights and thought leadership reports
published by ERM Sustainability Institute

ERM Foundation supported **49** NGO organizations across **29** countries

\$600,000+ disbursed through grant funding and pro bono support

Awards and recognition in FY24



Leader

in the 2024 ESG and sustainability consulting Green Quadrant by Verdantix



ERM and EESI Remediation Limited UK were awarded the “Remediation Project of the Year” by Environmental Analyst Global in the Sustainability Delivery Awards 2024.



Gold Medal for sustainability achievement by EcoVadis, placing ERM in the top 5% of companies assessed.



A **top performer** in World Business Council for Sustainable Development (WBCSD) annual review of companies’ sustainability reporting, Reporting Matters for the 5th year running.



Best

ESG Advisory Firm in Private Equity Wire’s European Awards.



#1

technical advisor by deal value in Europe in Infracore’s Technical Advisor rankings.



Best Technical Adviser – New Technologies as part of Inspiratia's Europe Energy Transition Awards.



2023 RoSPA Award winner!

#rospawinner2023

Royal Society for the Prevention of Accidents (RoSPA) **President’s Award** after achieving **10 consecutive Gold Awards.**



Platinum

score in the Highwire safety awards.



Best outreach

award in the Clean Hydrogen Partnership Awards.



Visvesh Sridharan, ESG Integration Lead at ERM, **named a sustainability rising star** in by GreenBiz 30 Under 30.



IJGlobal ESG Technology Award in Energy for ERM emissions.AI.

A refreshed brand energizes ERM's drive to help build a sustainable future

ERM has been partnering with organizations for more than 50 years. We have evolved over the years as we seek new ways to help organizations tackle their sustainability challenges and during FY24, we launched a refreshed brand that captures ERM's renewed energy and capabilities.

ERM's original brand had its foundations in science and nature. Our refreshed brand builds on this rich heritage and the central role of nature in our future through the continued use of a spiral. It also captures the economic and societal transformation now needed, which we are passionate about helping to drive.

This vibrant new visual identity represents the ERM of today, inspired by the many talented people who work inside our business. Together, we are more energized than ever about helping to build a sustainable future for generations to come.



Photo credits: ERM

Our value chain

We adopt a value chain approach to our management of sustainability-related risks, opportunities and impacts.

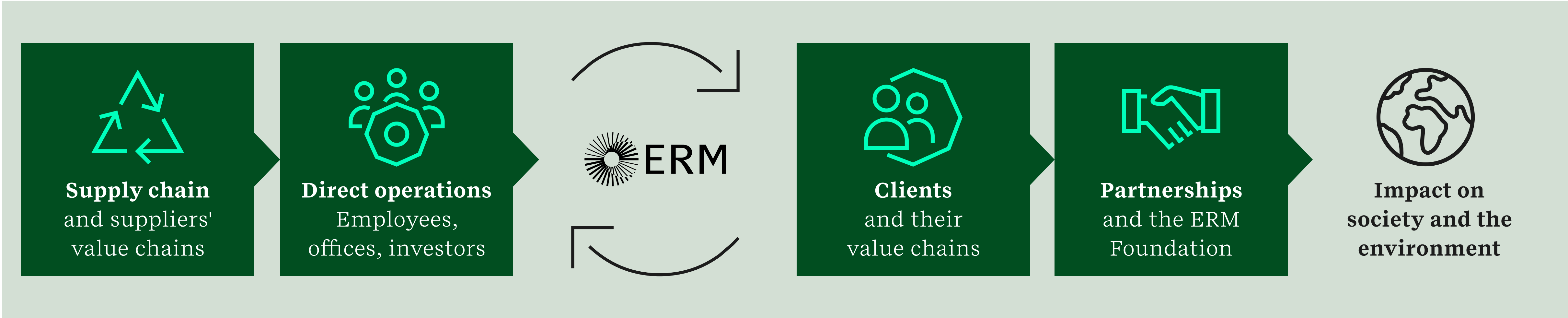
Upstream our value chain includes employees, partners and investors who are shareholders in the business, our offices and the materials required to support them.

Our supply chain is diverse, spanning the breadth of our global offices and countries within which we deliver our services. It encompasses many services and activities, from site investigation to translation services.

Downstream, our value chain encompasses our clients, the communities they operate in and their own supply chains, alongside partner organizations, global society and the environment. Across our value chain, we seek to work with organizations who share our purpose and values in working towards a nature positive future.



Photo credit: Will France, United Kingdom



Our purpose & strategy

We put our purpose, beliefs and behaviors at the core of everything we do. They serve as the compass to guide decision-making and wider stakeholder value to maximize our impact, drive value for clients and foster engagement and meaning for our employees.

We deliver our purpose through our business strategy of operationalizing sustainability, working with clients to support sustainable transformation, and through our partnerships and collaborations, in line with our commitment to support the United Nations Sustainable Development Goals (SDGs).

As we grow and respond to market need, we will focus on long-term value creation and extending our impact on the environment and society. To sustain this growth, we continue to enhance our platforms, systems, internal structures and capacity to ensure we are resilient in the face of increasing client demand.

OUR PURPOSE

To shape a sustainable future with the world's leading organizations.

OUR BELIEFS



Together we challenge

We foster genuine trust and collaboration to address the world's sustainability challenges.



Expertise is our superpower

We operationalize sustainability for our clients with leading technical depth from end-to-end.



Impact ignites us

We are results-driven and impact-obsessed while always acting with the highest integrity and accountability.

HELP US TO DELIVER FOR



Our clients



Our people



Our investors



The planet and society

Our industries, services & supply chain

Our industries

ERM supports clients across industry sectors. Our primary industries include:

- Chemicals
- Diversified energy
- Financial services
- Manufacturing and pharmaceutical
- Mining and metals
- Power
- Renewables
- Technology, media and telecommunications

We also work in Aerospace, Automotive, Consumer Products and Retailers, Food and Drink, Government, Legal, Real Estate and Land Development, Textiles and Apparel and Transportation industry sectors. For further information on our work in these industries, see erm.com.

Our services

Clients all over the world call on ERM to help them respond to complex sustainability ambitions including building business resilience, supporting the transition to a low-carbon future, and enabling progress on their sustainability priorities.

Our diverse global team of experts works with the world’s leading organizations to help them set clear

sustainability targets, measure progress and operationalize strategy through deep implementation and business transformation. We offer services to support clients across their operational needs, whether they require focused technical attention or full top-to-bottom strategy and solutions. For further information refer to [ERM's services](#).

Our supply chain

To ensure we meet the diverse needs of our clients, we subcontract services when required to support the delivery of our work. Our supply chain spans the breadth of our global offices and countries within which we deliver our services. We engage contractors who provide specialized expertise, from construction and heavy equipment operators to local and Indigenous natural and social scientists.

Further information on our supply chain is set out in the [Supply chain section](#) of this report.

ERM services

	Capital Project Delivery
	Health & Safety
	Mergers & Acquisitions
	Sustainable Product & Supply Chain
	Social Impact & Human Rights
	Corporate Sustainability & Climate Change
	Liability Portfolio Management & Remediation
	Sustainable Operations
	Nature & Water
	Carbon Markets

Operationalizing sustainability

Operationalizing sustainability is a business imperative for ERM that is integral to our long-term strategy, operational planning and management.

It provides a framework that enables us to effectively manage our sustainability-related risks and opportunities, drive continual improvement and deliver upon our positioning as a leader in sustainability advisory services. Our [Sustainability Policy](#), [Sustainability Approach](#) and the contents of this Sustainability Report 2024 reflect the strategic priority which we place on integrating sustainability within our own operations.

Implementation of our operational programs is led by the Group Sustainability team working in conjunction with key global functional teams including Operations, Finance, Legal, Risk, People, Clients and Services, and supported by senior leadership across our operations.

We have four key operational programs, comprising:

- **Climate:** Decarbonizing our value chain in line with our science-based targets.
- **Nature:** Progressing our operations towards a nature positive future.
- **Human rights:** Respecting and promoting human rights across our value chain.
- **Supply chain:** Enhancing supplier sustainability performance.

Supporting the delivery of these operational programs are ERM’s suite of sustainability strategies which set out our objectives, governance, management systems and targets. Further information on the respective strategies, programs and latest performance data is included in this report and can be found at erm.com.

ERM's Sustainability operational programs



ERM's Sustainability Network

Employee engagement is crucial for successfully driving performance in our sustainability program. Our program is supported by a voluntary Sustainability Network of more than 260 employees across our global footprint.

The network mirrors our operational organization with representatives at regional, business unit (BU) and office levels, who support our global programs through the delivery of initiatives across our offices in addition to responding to local priorities.

Key areas of focus include:

- **Engagement:** Engaging employees in programs that connect them to the business of sustainability and drive internal performance. Examples include Global Goals Week and International Coastal Cleanup, Plastic-free July, Low-Carbon Learning Series and Earth Day.
- **Performance:** Contributing to the development of each country or BU Sustainability Action Plans to help ERM meet our public commitments on sustainability and address local priorities.
- **Reporting:** Supporting the collection and review of selected sustainability data for internal and external reporting.



Photo credits: ERM

Sustainability Network highlights

Throughout the year, members of the Sustainability Network organize office-level employee volunteer events in support of local initiatives.

ASIA PACIFIC



To mark International Coastal Clean-up Day, Sustainability Network members in our Singapore office held a Community Day at Changi Beach. A group of 45 employees and family members combed 1.5 kilometers along the beach to gather trash. In total, they removed 64 kilograms of non-recyclable waste and 28 kilograms of recyclables. The event ended with a fun and educational intertidal walk featuring the rich biodiversity along Changi Beach.

Employees in our Korea office got involved in “plogging” (combining jogging and litter picking) along the Cheonggyecheon. The team enjoyed their time together while being able to contribute to the wellbeing of our planet.



EUROPE, MIDDLE EAST & AFRICA



A team of volunteers from our Manchester, United Kingdom, office spent an afternoon helping at a local retirement home, in collaboration with Sow the City, a charity committed to creating green spaces and empowering communities to grow and live sustainably. The team built and leveled raised beds and also constructed planters and a potting bench to enable the residents to grow their own fruits and vegetables.

A team of volunteers from our Network members in offices in France held a series of brownbag lunch sessions, engaging employees on the topic of nature. One session included inviting children of employees for an education session and planting radish seeds in upcycled egg cartons.



Sustainability Network highlights, continued

LATIN AMERICA AND CARIBBEAN

Members of the Sustainability Network in our Peru office work with several strategic partners to ensure a beneficial end for wastes generated by our operations. This includes working with two organizations who manage our electronic and electrical waste and use the revenue to provide integral rehabilitation therapies, including physical therapy, occupational therapy, compression garments and psychological therapy, for child burn survivors.

Goals achieved

 CO2 Reduction 0.624 ton <small>Source: SINBA and AMBIPAR reports</small>	 Trees Planted 9
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How did we achieve it?

 <small>Collecting unused electronic and electric equipment</small>	 <small>Segregating office waste</small>
 <small>Segregating kitchenette waste</small>	 <small>Keeping the team informed</small>



Members of our Mexico office held their first volunteer activity day in Xochimilco. Activities included planting local trees to help strengthen the banks of the chinampas and education around the importance of Mexican amphibians.

NORTH AMERICA

The Sustainability Network members, in our Richmond, Virginia office has formed a long-lasting relationship with a local river cleanup organization, the James River Association. Our employees participated in several river cleanups during the year to help weed, pick-up litter and remove invasive plants along the banks of Virginia's largest river.



In celebration of Earth Day and Arbor Day, employees in our Pittsburgh office volunteered with Tree Pittsburgh and other organizations. During this day they supported a multi-phase ecological restoration project in one of Pittsburgh's largest green spaces.

The ERM Foundation

Since 1995, the ERM Foundation has enabled ERM and our employees to support nonprofit organizations and social enterprises that share our commitment to creating a more sustainable and equitable world. Working across the globe, we blend grant funding, professional pro bono support and volunteering to create a lasting impact and measurable contribution to towards the UN Sustainable Development Goals (SDGs). Support is provided for both established and pilot projects where we can best leverage our technical expertise.

The ERM Foundation focuses on projects and programs at the intersection of climate, nature and human rights, supporting projects such as biodiversity protection, climate action, investing in women's livelihoods and improving access to clean water and sanitation.

Project locations
This map highlights a selection of the 49 organizations, across 29 countries that we have supported in FY24 through a combination of grant funding, pro bono support and volunteering.

Key

- Increasing in sector's thresholds in the green economy
- Improving access to clean water and sanitation
- Protecting and restoring biodiversity
- Improving access to low carbon products and services

Our impact

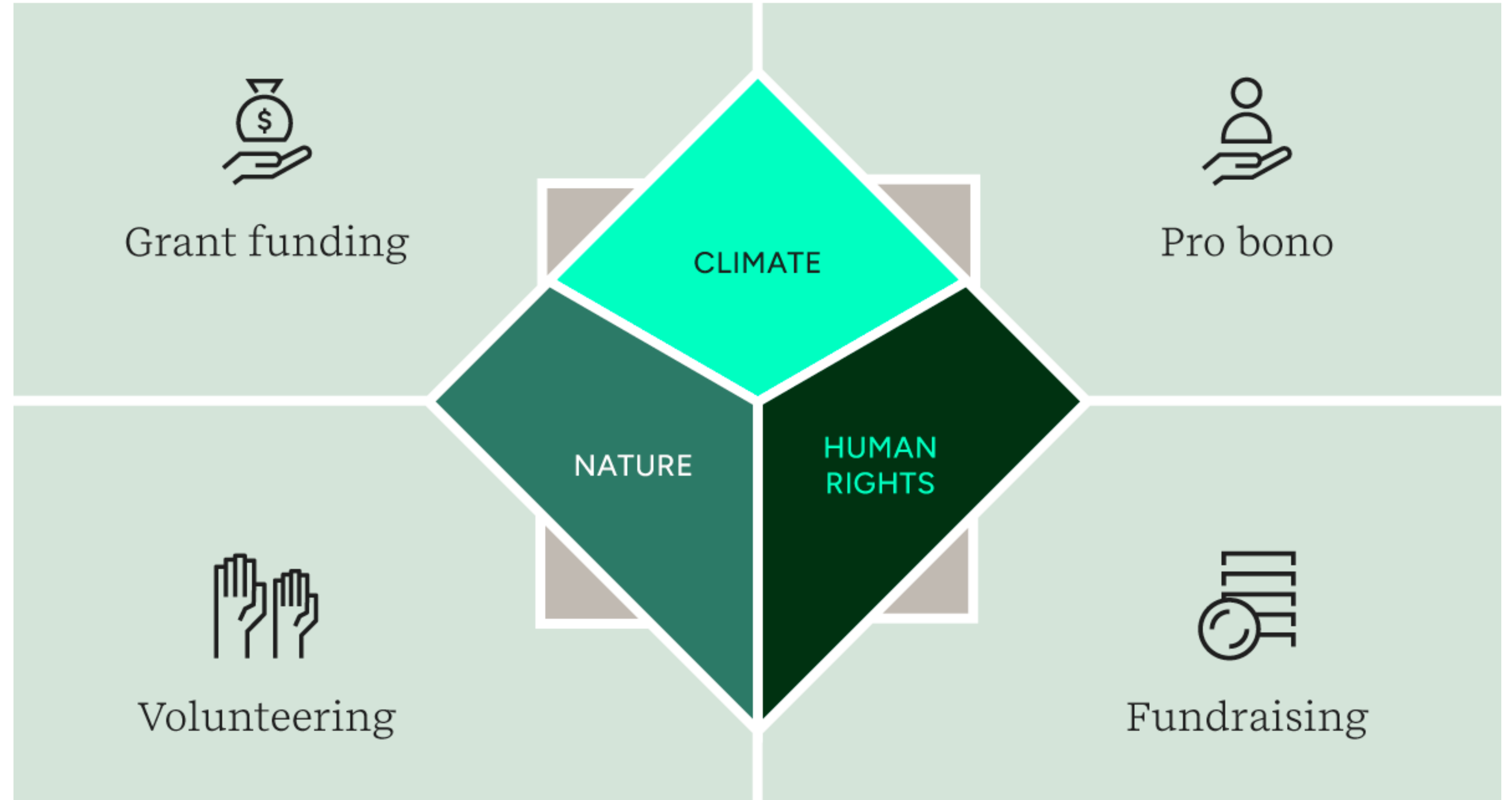
Target	FY24 Results	Status	Supported SDGs
3,000 people provided with environmental education and training	11,706	Target exceeded	4, 13, 17
7,000 people with improved access to low carbon products, services and education and training	18,484	Target exceeded	7, 13, 17
1,000 livelihoods supported in the green economy, particularly in developing economies	2,766	Target exceeded	8, 13, 17
10,000 people with improved access to clean water and sanitation, including menstrual health and hygiene education	13,160	Target exceeded	6, 13, 17
10,000 hectares planted, restored, rehabilitated or protected	9,895	Target met	15

Rocking the Boat
The ERM Foundation celebrated our 30th anniversary with the Rocking the Boat event this year, holding an all-carry and one-on-one virtual event, bringing 48 think tanks and experts to the world of the Rocking the Boat in New York City.

Anna's Arts
The mission of Anna's Arts is to improve the well-being and education of children and young adults in the Bronx through the arts and music. With a 20-year commitment to the community, Anna's Arts has built a strong foundation for the future. As a result, children were given access to clean, safe water and installed on how to ensure water is safe for drinking, cleaning and cooking.

48 think tanks and experts
50 children with improved access to drinking water

[Learn more in the ERM Foundation Annual Review](#) →



Contributing to the Sustainable Development Goals (SDGs)



Supporting the Sustainable Development Goals

The United Nations adopted the SDGs in September 2015, with the objective of ending poverty, fighting inequality and injustice, and tackling climate change by 2030. Reaching these goals will require unprecedented effort by governments, civil society and businesses and we remain committed to doing our part.

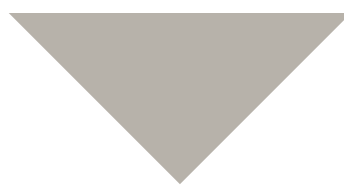
ERM supports the SDGs in the following ways:

- **In our operations.** ERM strives to operate sustainably in support of the SDGs through our sustainability operational programs.
- **Through our work for clients.** We use the SDGs to help our clients develop and implement their own operational strategies for contributing to sustainable development.
- **In collaboration with others.** Through our partnerships with leading organizations, we are committed to making a meaningful contribution to the SDGs. ERM also provides thought leadership through the ERM Sustainability Institute and actively participates in panels, workshops and webinars across the globe, sharing our own experience of contributing to the SDGs. Our technical experts also support industry, scientific and academic bodies who are committed to the delivery of the SDGs.
- **The ERM Foundation.** The work of the ERM Foundation seeks to make a measurable contribution to the SDGs, and we have identified 12 intersecting SDGs where the Foundation can have the greatest impact.

[Learn more about ERM's impact in Supporting the SDGs](#) →



We contribute to the Sustainable Development Goals in three ways



Targets & goals

Each year we set companywide targets for each of our material topics identified through our double materiality assessment process. These targets are embedded into our operational planning, with performance actively monitored and reported to senior leadership through the course of the year.

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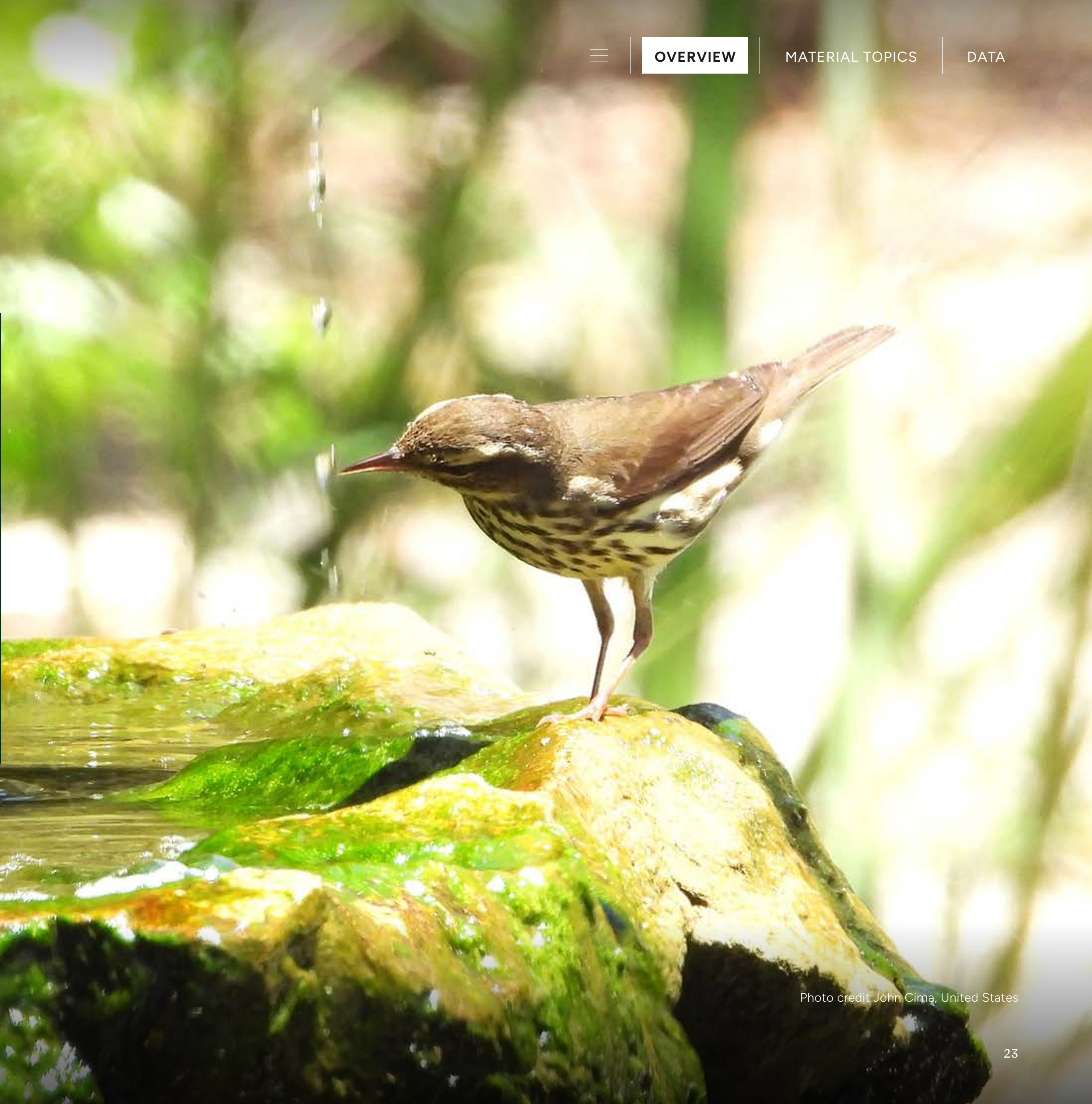


Photo credit John Cima, United States

Performance against targets

Consistent with our commitment to report openly and transparently to our stakeholders.

The following pages summarize ERM's performance against our FY24 targets. ERM has a Sustainability Linked Loan as part of the amendment to its debt facility, which we report on annually. The loan is aligned to performance against our annual sustainability targets, which are established on the basis of the topics assessed to be material to our overall business performance.

Key

- Target achieved
- Target not achieved

Performance against FY24 targets



FY24 target	Performance
Achieve year-on-year improvement in learning effectiveness.	● ACHIEVED Learning effectiveness program delivered with measurable improvements in effectiveness of training reported.
Achieve global diversity, equity, inclusion and belonging (DEIB) annual targets.	● ACHIEVED Five global DEIB targets successfully delivered.
Maintain net engagement score above industry average.	○ NOT ACHIEVED Overall engagement score fluctuated during the year but ended below our target and the industry average.
Achieve workforce growth and strengthen community within ERM to meet client needs and enhance our social impact.	○ NOT ACHIEVED Reviewing our resource needs we pivoted away from recruitment and focused on retention and skills development in our existing employee base.



FY24 target	Performance
Achieve annual targets for digital enablement of core service offerings.	● ACHIEVED Targets for digital enablement of core service offerings exceeded.
No reportable breaches of privacy regulations.	○ NOT ACHIEVED ERM reported a breach to the United Kingdom Information Commissioners Office in July 2023.

Performance against FY24 targets, continued

 **CLIMATE, NATURE & SOCIAL CHALLENGES**

FY24 target **Performance**

Increase sales supporting the low-carbon economy transition by 20% over FY23. **ACHIEVED**
 Client demand to support their transition to a low-carbon economy sees continued growth in sales for ERM.

Remain on track to meet SBTi targets. **ACHIEVED**
 We updated our SBTi targets which have been validated by SBTi to align with the Net-Zero Standard and we remain on track to meet these.

Finalize and implement ERM's updated decarbonization, nature, social and supplier engagement programs. **ACHIEVED**
 Our updated Climate, Nature, Human Rights and Sustainable Supply Chain strategies have been published alongside this report.

 **IMPACT & INFLUENCE**

FY24 target **Performance**

Contribute 1% of prior year profits to support sustainability initiatives globally. **ACHIEVED**
 More than 1% of prior year profits contributed.

Publish initial Impact Report. **ACHIEVED**
 Impact data is incorporated within this report in preparation for CSRD reporting.

 **GOVERNANCE & ACCOUNTABILITY**

FY24 target **Performance**

Formalize quarterly reporting of ESG/Sustainability metrics to the Board. **ACHIEVED**
 Quarterly reporting of ESG performance to Board, formalized and operational.

100% of eligible full-time employees complete Contribution Statements. **ACHIEVED**
 100% of all permanent employees received a contribution statement which was completed as part of their annual performance review.

Implement refreshed enterprise risk management approach. **ACHIEVED**
 Our updated enterprise risk management register was implemented, alongside enhanced risk management protocols including enhanced due diligence procedures.

Progress towards longer-term goals

Based on our FY22 materiality assessment, we launched a set of longer-term goals to be achieved by the end of FY26. These multi-year goals are reviewed annually and modified only if they are no longer relevant or due to data source changes.

Material topic	Longer-term goal	Performance	
		Year 1 (FY23)	Year 2 (FY24)
People	Achieve workforce growth to meet client needs.	●	○
	Achieve year-on-year improvement in learning effectiveness.	●	●
	Maintain net engagement score about industry average.	●	○
	Achieve year-on-year improvement in ERM's total wellbeing metrics.	●	●
	Achieve DEIB goals.	●	●
Digital innovation	Deliver roadmap for digital enablement of core service offerings.	●	●
	No reportable breaches of privacy regulations.	●	○
Climate, nature & social challenges	40% of total revenue from projects supporting the low-carbon economy transition.	●	●
	Remain on track to deliver SBTi targets (Scope 1, 2 and 3).	●	●
	Implement a roadmap for nature-positive action.	●	●
	100% of ERM's offset projects have demonstrated livelihood benefits.	●	●
Impact & influence	Outperform industry benchmarks for thought leadership.	●	●
	Quantify and report on sustainability impacts across all elements of ERM's business.	●	●
	Contribute 1% of prior year profits to support sustainability initiatives globally, with a minimum of 0.5% to ERM Foundation grants.	●	●
Governance & accountability	Increase transparency of Board ESG metrics.	●	●
	Integrate ESG criteria into performance management system for all line managers.	●	●
	Assess all clients and projects in alignment with ERM's purpose.	●	●
	Maintain leadership position for sustainability and ESG reporting requirements in all jurisdictions in which we operate.	●	●

Key
 ● On track
 ○ Not on track



Photo credit: Silvia Marques, United Kingdom

Material topics

This section sets out the approach and outcomes of our double materiality assessment, alongside our evolving methodology for measuring and managing our impact. Subsequent sections focus on each of our key material issues, setting out why we consider each issue to be material, our governance and strategic objectives, our impacts during FY24 and our priorities for FY25.

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Materiality & impact



As new disclosure regulations and standards have emerged, ERM has updated our approach to assessing and reporting our material topics and impact.

Our double materiality assessment	29
Our impact	34

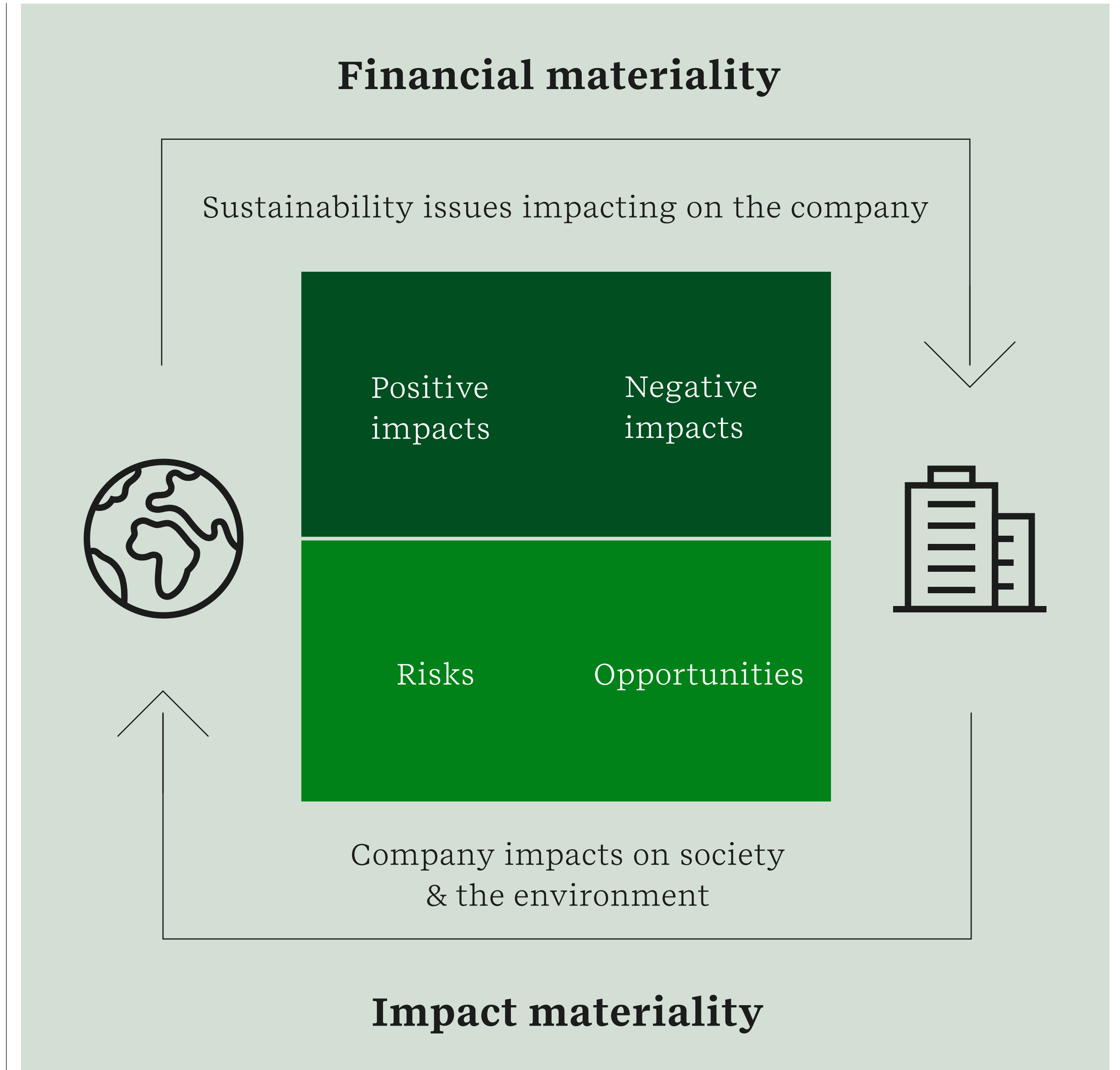
Photo credit: Silvia Marques, United Kingdom

Our double materiality assessment

For many years, ERM has conducted our double materiality assessment in line with the Global Reporting Initiative (GRI) and most recently in accordance with the revised Universal Standards. This year, we have built upon our approach to also be consistent with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), which will apply to ERM in FY26.

Our annual double materiality assessment process supports the business in identifying material risks, opportunities and impacts through detailed analysis of societal, market and regulatory horizon scanning, stakeholder engagement and the input of our subject-matter experts, clients and operational leaders.

The outputs of this process inform our business strategy, management planning including our approach to operationalizing sustainability, the identification of relevant key performance indicators/metrics that support our ability to mitigate against material impacts arising from identified topics, as well as strengthen our positioning as a credible leader in sustainability advisory services.



Dual consideration of impact

Through our annual double materiality assessment process, we consider external factors or issues which may impact our own business (financial materiality) but also how our business impacts wider society and the environment (impact materiality). Our assessment considers stakeholder priorities of what is important or material for us a business to address. This dual consideration better positions the business to manage our material topics and meet the expectations of our stakeholders.

Scope

Our assessment considers sustainability-related risks, opportunities and impacts across our value chain. Our value chain encompasses our people, offices, investors and supply chain as downstream components, our services and products delivered to clients and upstream, our partners and those who we collaborate with, as set out in the [About us](#) section of this report.

Assessment timeframes

Two timeframes are considered when assessing risks, opportunities and impacts: the immediate-short term (2024-2026) and future state (2030 and beyond). A greater level of surety exists around the immediate-short term timeframe, with analysis of potential impacts in the longer-term being based on horizon scanning of potential regulatory and policy trends, anticipated market and client demand, societal trends and the potential evolution and adaptation to risks such as climate change.

ERM is supporting clients across the globe evolve their consideration of materiality and has also published thought leadership on this throughout FY24. Examples of this include:

- **ISSB's IFRS S1/S2:** Laying the foundation for global mandatory disclosures, explores the essential components of the IFRS S1/S2 standards.
- **Unsung cornerstone of ESG disclosures:** the Evolving Role of EU Taxonomy Reporting, analyzes the current patterns of taxonomy eligibility and alignment figures disclosed by nonfinancial entities and reflects on possible underlying drivers.
- **ISSB's first act,** highlights the components of ISSB's much-awaited inaugural standards and covers how the standard brings more clarity and consolidation to the sustainability disclosure field.
- **Implementing the CSRD:** Preparing for a New Era of ESG Disclosure, covers the major components of the CSRD and provides guidance to companies on how to successfully align with its requirements.
- **Finding Harmony:** Using New Sustainability Disclosure Standards to Strike the Right Balance on ESG, covers the roadblocks to action and disclosure as well as how standards can bolster the credibility of ESG initiatives.

Supporting Genera's Double Materiality Assessment Process

Genera is a group of companies committed to eradicating financial exclusion. It is a gateway to the financial system for over 14 million people, 5 million of whom are based in Mexico and Peru.

Genera recognized that it is essential to integrate sustainability into their risk management, strategy, and operations, to strengthen their resilience to climate-related risks among other factors.

ERM employees from our Mexico City and Lima Offices supported Genera in evolving their approach to undertake their first double materiality assessment, demonstrating leadership within the sector.



Photo credit: Diego Fernandes, Brazil

Staged approach

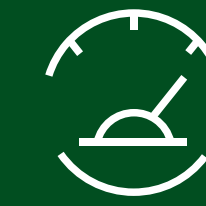
To optimize the rigor of our approach, our double materiality assessment comprises seven key stages.

- 1. Stage one.** A detailed benchmark analysis included input from our enterprise risk management register, previous materiality assessments, regulatory and market horizon scanning, trends and peer review, and consideration of the membership criteria of our partner organizations.
- 2. Stage two.** Adopting the full list of topics set out in ESRS as the framework for consideration, a long list of potential risks and opportunities was identified for detailed assessment.
- 3. Stage three.** The risks and opportunities under each topic were assessed in terms of: point of impact in our value chain; whether the impact is actual or potential; geographical scope; temporal scope; probability of being realized; mitigation and the cost thereof; and the residual impact after mitigation. The outcome of the assessment was a short-list of topics which are considered to present the most significant risks or opportunities, the impact of that would be material to the business.
- 4. Stage four.** Interviews were conducted with stakeholders to gather feedback on our short-listed material topics. Stakeholders were asked to rank the material topics (low, medium, high) on the basis of their perceived impact to our business in the immediate and longer term. This year, internal

stakeholders interviewed included members of the Board and Executive Committee, our subject-matter experts and a range of employees from across our global operations. External stakeholders interviewed included a range of clients, investors, strategic partners, and nongovernmental organization representatives.

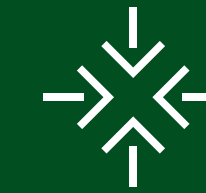
- 5. Stage five.** Qualitative and quantitative feedback from stakeholder interviews was used to review the shortlist identified from our impact assessment framework. Based on the combined analysis, a final shortlist of material topics was produced. Targets and KPIs were then identified to be able to track our future performance and progress.
- 6. Stage six.** The outcomes of the double materiality assessment process were presented to the Executive Committee Sustainability Working Group and other leaders on behalf of the Executive Committee for approval. They were also presented to the Board level Risk and Sustainability Steering Group.
- 7. Stage seven.** Quarterly reports on progress against targets will be presented to the Executive Committee and Board and reported in our annual Sustainability Report.

Our materiality approach



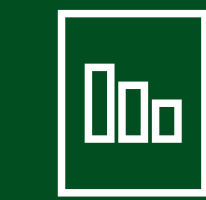
1. Benchmarking

Analyze regulatory landscape, peer companies and trends reviews.



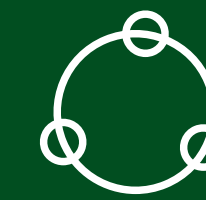
2. Consolidation

Cross reference benchmarking results against ESRS topics.



3. Impact assessment framework

Understand risks, opportunities, positive and negative impacts.



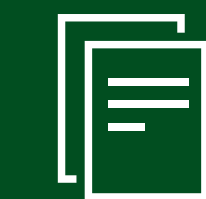
4. Stakeholder engagement

Validate and rank suggested range of material topics.



5. Analysis

Review feedback to confirm list of material topics, and inform process on targets and KPIs.



6. Validation

Present results to ExCom.



7. Tracking and reporting

Monitor and report progress on each material topic.

Outcome of the assessment







Based on analysis from our double materiality assessment process, we identified six key material topics for our business, these comprising:

- **Governance:** Including business conduct, leadership and accountability, risk management and digital ethics.
- **People:** Including talent development, diversity, equity, inclusion and belonging, health and safety and wellbeing.
- **Human rights:** The respect and promotion of human rights, including addressing the risk of modern slavery.
- **Climate:** Addressing climate-related risks and opportunities, including our transition to net-zero.
- **Nature:** Focusing on the management of nature-related risks and opportunities.
- **Supply chain:** Addressing the operation and sustainability performance of our suppliers.

Our list of material topics is consistent with those previously included in our Sustainability Report 2023 but reflects the terminology and presentation of topics set out in the ESRS. As per previous years, based on the review and approval of functional leads, the Executive Committee and the Board, we have established targets to support the management of our material topics during the course of FY25 and in fullfilment of our longer-term FY26 goals.



Photo credit: Nico Vermeylen, Belgium

FY24 Material topic*	FY25 Material topic	Aligned to ESRS	FY25 target
Governance & accountability	 Governance	ESRS G1 ESRS S2 ESRS S3 ESRS S4	<ul style="list-style-type: none"> • Deliver quarterly reporting of Sustainability metrics to the Board ESG Risk and Sustainability Committee • Undertake 3 ESG risk country-level due diligence assessments • Achieve 100% of Key Accounts assessed against ERM's sustainably transparent assessment of risk and reward (STARR) process • Develop 3 additional societal impact measures and hold impact conversations with 100% of Key Accounts • Achieve no reportable breaches of data privacy
People	 People	ESRS S1 ESRS S2 ESRS S3	<ul style="list-style-type: none"> • Implement 'Security to Thrive' Program • Increase participation in ERG groups by 10% from FY24 • Achieve combined voluntary and involuntary turnover rates below FY24 • Improve talent brand as measured by brand awareness metrics • Increase representation of women and minorities at Partner and Director levels from FY24
Climate, nature & social challenges	 Climate	ESRS E1	• Remain on track to meet SBTi targets for Scope 1, 2 and 3
		ESRS E2	• Engage top tier of suppliers on decarbonization
	 Nature	ESRS E2	• Publish Taskforce for Nature-related Financial Disclosure report
		ESRS E3	• Engage top tier of suppliers on nature
		ESRS E4	
 Human rights	ESRS S1	• Ensure no unpaid workers, no material and unpremeditated pay equity issues	
	ESRS S2	• Engage top tier spend of suppliers on human rights	
	ESRS S3		
	ESRS S4		
	 Supply chain	ESRS S2	• Expand sustainable supply chain governance program across top tier spend of suppliers

*Digital innovation and Impact and influence are no longer standalone material topics. From FY25, they are both part of Governance.

Our impact

Our material topics represent the key issues which we have assessed will give rise to the most significant impacts for our business.

We seek to measure and manage these impacts through three points of our value chain:

- **Our operations:** We create and manage our impact through the footprint of our office-based operations, our people and the delivery of our services to our clients.
- **Our client work:** We create the greatest impact through partnering with our clients to support them in enhancing their own sustainability performance and in turn, their impact on environment and society.
- **Our collaborations:** We also create and seek to maximize the impact we can generate through our partnerships and collaborations with leading organizations.

“Every day, our teams deliver on our purpose through working with our clients to address sustainable business challenges. We also partner with leading organizations to drive change while ensuring we enhance our own operational performance”

Linden Edgell, Global Sustainability Director, ERM

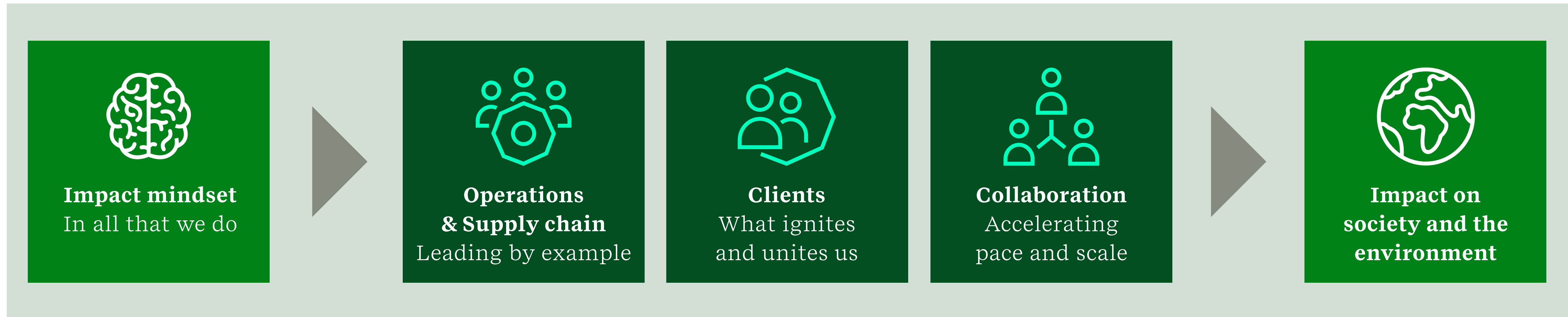




Photo credit: ERM

The impact of our operations

For each of our key material issues, operational programs exist to ensure we have robust governance, clear strategic objectives, performance management and reporting. These programs serve to ensure our business operates in accordance with our commitments, goals and values, and delivers meaningful impact.

The content of each program is informed by our subject-matter experts, who bring their technical knowledge and understanding of evolving regulatory, policy and best practice to shape our own strategic objectives and approach.

Impact dialogues

HIGHLIGHT 

For a number of years, ERM has focused on supporting our clients in the transition to a lower-carbon economy and tracked our progress on these efforts. In FY24, we convened a global Impact Dialogue with the topic ‘how ERM can make the biggest impact on the transition to a lower-carbon economy’.

All employees were invited to attend the sessions to express their views, and to hear the technical and personal perspectives of colleagues from around the world. There was active engagement from participants with the presentation of passionate, robust and informed views. This feedback has been incorporated into our approach to assessing project and client selection, and planning for our own transition.



Photo credit: ERM

The impact of our client work

The greatest impact we have is through the 32,000 projects we worked on with our clients in the last year across the business lifecycle and at all levels of the organization. We have developed an Impact Methodology Framework to quantify the impact of this work and are progressively applying this to the different client offerings. This enables us to produce information that can support impact-focused conversations with clients at an account level and also describe the societal impact of our offerings.

Measuring client impact at account level

During FY24, we continued work on a replicable, robust and credible process to aggregate the impacts of our portfolio of projects for select clients.

This included allocating every project to one or more impact areas using a combination of subject matter expertise and machine learning and we will continue to refine this process in the coming year.

We piloted the results of this process with selected key clients, focusing on the impact of ERM projects in helping the client achieve specific business and societal goals, for example, alignment to the Paris Agreement.

We engaged participating clients on the draft FY24 year-end impact report and have incorporated this feedback into our plans for the year ahead. Additional clients and metrics will be included in the impact measurement process over time in an iterative process.

Client engagement & satisfaction

At ERM, meeting or surpassing client expectations is a fundamental principle. This involves attentive listening to our clients, at the appropriate frequency and with the right individuals involved. These conversations are critical in helping us to understand how we are performing and how we can make an even greater impact in addressing their key business and societal issues.

We use a global project and client management tool to document, internally publicize and respond to client feedback. Every ERM project has an identified account director or account manager and a Partner in Charge who are directly accountable and fully responsible for ensuring we receive and take action on client feedback.

Senior staff members, such as account directors, industry leaders, service leaders and operational leaders, actively participate in the feedback process to exchange insights, offer support and address client needs. When necessary, client issues are escalated within the

organization to determine if modifications to our quality management system, governing procedures or training requirements are required.

Measuring societal impact through our work with clients

We are building a range of metrics to capture the societal impact of ERM’s work with clients. We first piloted our approach to measuring impact on a growing part of our business, the low carbon economy transition and our contribution to the deployment of renewable energy capacity. Last year, we introduced information on the impact of our liability portfolio management and remediation activities and this year we are adding health and safety leadership and water resilience to the portfolio of impact reporting. In the next year, we intend to add another three topics, and enhance the existing portfolio of societal metrics.

Led by the Clients and Industries team, the ERM way of Client Excellence (CE) has been established to strengthen collaboration with our clients and support their commercial and sustainability agendas. Our account leaders drive implementation and create a “ripple effect” of the ERM way of Client Excellence globally. We are seeing Key Client teams supporting our client largest ambitions, expanding and leveraging strong client relationships, and better understanding our clients’ challenges, needs, and how we can create sustainable value together.

Leveraging our impact through commercial partnerships

We recognize that our impact can be amplified through collaborating with others, including commercial partnerships. ERM collaborates with various organizations to develop innovative approaches to sustainability challenges. Working with technology companies, peers and policymakers and ERM clients, we harness their technical expertise, market presence and customer networks to build stronger capabilities through partnerships than we could individually.

We announced a number of collaborations during FY24, including:

- **Google Cloud Partner Advantage Program**, ERM joined as a Service Partner to help our clients accelerate their decarbonization journeys by combining Google Cloud’s cloud infrastructure, data analytics and leading artificial intelligence capabilities with ERM’s sustainability services.
- **Greenomy**, a provider of ESG reporting software, which will enable organizations to meet escalating reporting requirements and gain insights into their ESG impacts.
- **NatureTech Alliance**, a partnership of Salesforce, NatureMetrics, Planet and ERM supporting businesses to understand the impact of their business on nature and report in line with new and impending nature regulations and frameworks such as CSRD and the Taskforce for Nature-related Financial Disclosures (TNFD).

- **Novata**, an ESG data management platform, is partnering with ERM to provide companies with insights to enhance ESG decision-making, performance and reporting.
- **Persefoni**, a climate accounting solutions software company, whom ERM has formed a strategic alliance with to help organizations accelerate their transition to net-zero.
- **Planet**, a provider of global near-daily satellite imagery and earth data, is partnering with ERM to expand the applications and reporting capabilities for our clients.
- **Sweep**, a new software platform for carbon and sustainability data management, which will help our clients to accelerate and scale their climate and sustainability programs.
- **Watershed**, an enterprise climate platform, which will help companies drive holistic, data-driven climate governance, operational performance and decarbonization programs.
- **Workiva**, a cloud-based platform for integrated reporting, whom ERM has partnered with to provide cloud-based technology solutions to collect and manage ESG data and disclosures in real time.

“At ERM, we are continuing to expand our ecosystem of partners to cover every area of the sustainability value chain, to help our clients meet their evolving goals.”

Kushal Mashru, Head of Strategic Partnerships, ERM



Photo credit: ERM

Our collaborations

We maximize our impact on the world and deliver on our purpose by developing meaningful partnerships with the world’s leading organizations. ERM works alongside leaders from industry, government, nongovernmental organizations and academia to address the complex sustainability challenges facing our clients and society. Through partnership and collaboration we generate greater impact. We are members of many multistakeholder organizations, examples of which are included throughout the report and noted below.

- **Capitals Coalition.** ERM sits on the Advisory Board of the Coalition, contributes to technical and strategic support and has collaborated on research and publications. Doug MacNair, Technical Director, serves as a Commissioner on the Value Commission.
- **Ceres.** ERM’s subject-matter experts have collaborated on a number of reports and initiatives supporting the transition to a cleaner, more just, and sustainable economy.
- **International Sustainability Standards Board (ISSB).** ERM is a Capacity Building Partner and has co-hosted an event at COP28, webinars and a publication on the application of the ISSB Standards.
- **The Global Reporting Initiative (GRI).** As part of ERM’s efforts to advance sustainability reporting, we support the activities of GRI as a community member and actively support efforts in a number of countries.

- **The Principles for Responsible Investment (PRI).** ERM is a PRI signatory and collaborates on initiatives in various locations.
- **The UN Global Compact (UNCG).** ERM is a signatory of the UN Global Compact and has collaborated with UNGC entities to facilitate workshops, deliver webinars on key topics and promote the 10 Principles. ERM is a signatory of the Women’s Empowerment Principles and the Sustainable Ocean Principles as part of our commitment. [Click here to read our Communication on Progress.](#)
- **World Environment Center (WEC).** ERM engages in a range of WEC forums including Group CEO Tom Reichert who participated in an Executive Roundtable on Decarbonizing Value Chains: Hard-to-Abate Industries. Graham Lane has served as Chair of WEC Europe Supervisory Board since 2020.

These are further examples of the organizations that ERM have been actively engaged with in FY24:

- Business Commission to Tackle Inequality (BCTI)
- Business for Nature
- The Campbell Institute
- Circular Electronics Partnership
- Clean Energy Buyers Alliance
- Global Wind Energy Council
- The Climate Pledge
- The Global Renewables Alliance
- IETA
- International Sustainability Standards Board (ISSB)
- Natural Climate Solutions Alliance (NCSA)
- Race to Zero
- The Science Based Targets initiative (SBTi)
- Science Based Targets for Nature (SBTN)
- The Taskforce for Climate-related Financial Disclosures (TCFD)
- The Taskforce for Nature-related Financial Disclosures (TNFD)
- World Business Council for Sustainable Development (WBCSD)



World Business Council for Sustainable Development

ERM is a founding member of WBCSD and remains active across many work programs through secondments, the involvement of the ERM Sustainability Institute and engagement of ERM’s Group CEO and other senior leaders. We are an active member of WBCSD global network partners in locations including South Africa, Brazil, France, India, China and Southeast Asia.

Within the broad scope of WBCSD’s work programs, we focus on climate, nature, equity, corporate performance and accountability, products and materials, forests, food and agriculture and energy. Highlights from FY24 include:

- Tom Reichert, ERM Group CEO, serves on the Executive Committee, is Chair of the Energy Pathway Board and is Co-Leader on the nature workstream.
- Chief People Officer Ellis Griffith is a member of the of the Chief People Officer Network.
- We seconded a Technical Director to the TNFD pilot for the energy sector and a consultant to the development of the Nature Positive Roadmap. We also developed the Nature-based Solutions Blueprint.
- Since 2020, Technical Director Braulio Pikman has been involved in the Greenhouse Gas Protocol Land Sector and Removals Guidance. ERM has pilot tested the guidance with clients in three sectors.
- An ERM team is supporting the development of the Chemical Transformation Roadmap.
- Global Leader of Clients and Sectors James Stacey is a Founding Member of the Senior Advisory Board of the WBCSD Preparer Forum for Sustainability Disclosure and we have experts involved in the work on Transition Plans, Preparer Forums and Capital Market Engagement.

- We are working with the Forest Sector Group on their Equity Roadmap.
- We are supporting WBCSD and the Hydrogen Council in the development of an SDG Roadmap, with the first phase (Impact Compass) released at COP28.
- We are a member of the Circular Electronics Partnership and actively lead several programs.
- We are a member of the Education Program working group, and supported the development of the Sustainability in Business course.
- ERM supported Deborah Maris, the Founder of Força Meninas (Go Girls) an ERM Foundation Partner to participate in the LEAP Leadership program.



Photo credit: ERM

Thought leadership

Thought leadership influences the sustainability debate and challenges norms, which amplifies the positive impact we can make. It is also an effective way to share the ideas and insights gleaned from our work with clients and our broader understanding of sustainability issues. We use two primary mechanisms for sharing our knowledge and insights with clients and the public: ERM Insights and The ERM Sustainability Institute by ERM.

ERM Insights

ERM experts provide deep-dive reviews of issues facing our clients on our corporate website and social media. Our content is designed to respond to the needs of our stakeholders by providing practical and thought-provoking insights using multiple channels, ranging from in-depth research papers and policy alerts to videos, blogs, articles and opinion pieces.

We publish content on a broad range of current sustainability and ESG topics. During FY24, selected articles included:

- [Policy strategies for the oil and gas sector to scale up clean hydrogen](#)
- [Partnering with communities in data center development](#)
- [Rethinking mine closure to enhance shared value](#)
- [Managing PFAS as a business enterprise risk](#)



ERM Sustainability Institute

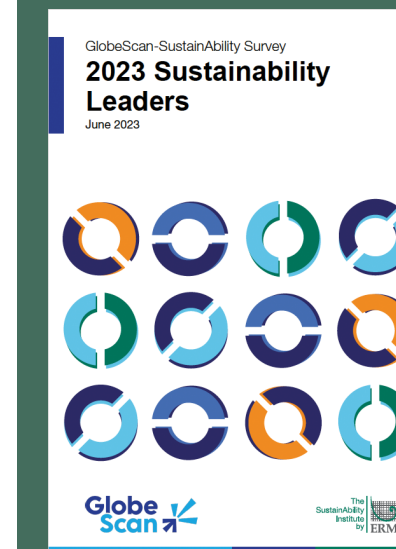
The Institute serves as an important conduit for sharing the ideas and insights gleaned from our work with clients and our broader understanding of sustainability issues. It provides practical and thought-provoking insights using multiple channels, ranging from in-depth research papers and global surveys to blogs, podcasts and interviews. Examples of FY24 publications are included throughout this report and further information on the Institute can be found at erm.com.



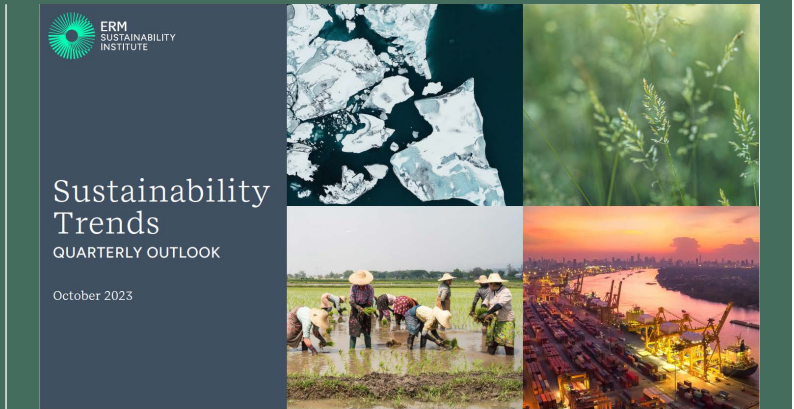
Photo credit: Benjamin Fargeas, France



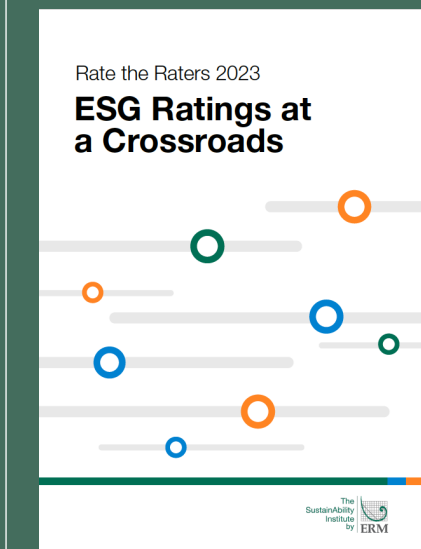
[GlobeScan/Sustainability Institute Pulse Survey: Government Action](#), dives deeper into the most relevant findings from the 2023 Leaders Survey.



[GlobeScan/Sustainability Institute 2023 Sustainability Leaders Survey](#) based on responses from 520 sustainability professionals across six sectors.



[ERM Trends Quarterly Outlook](#) provides a brief update each quarter on the most relevant sustainability-related topics businesses are facing.



[Rate the Raters 2023: ESG Ratings at a Crossroads](#), analysis of survey responses and insights into the ongoing evolution of the ESG ratings space.

Governance



Why this topic is material for ERM

Governance controls the functioning of our company, supports the delivery of our purpose and our strategy and ensures checks and balances across our operations. Good governance relies on strong accountability structures throughout our strategic and operational leadership, including clear performance metrics and transparent reporting.

As with previous years, Governance remains a key material topic in terms of the delivery of our own operations but also in respect of the contribution that our governance and leadership can make to responsible business. Included within this topic is an overview of our leadership structure and accountability, approach to enterprise risk management and digital governance.

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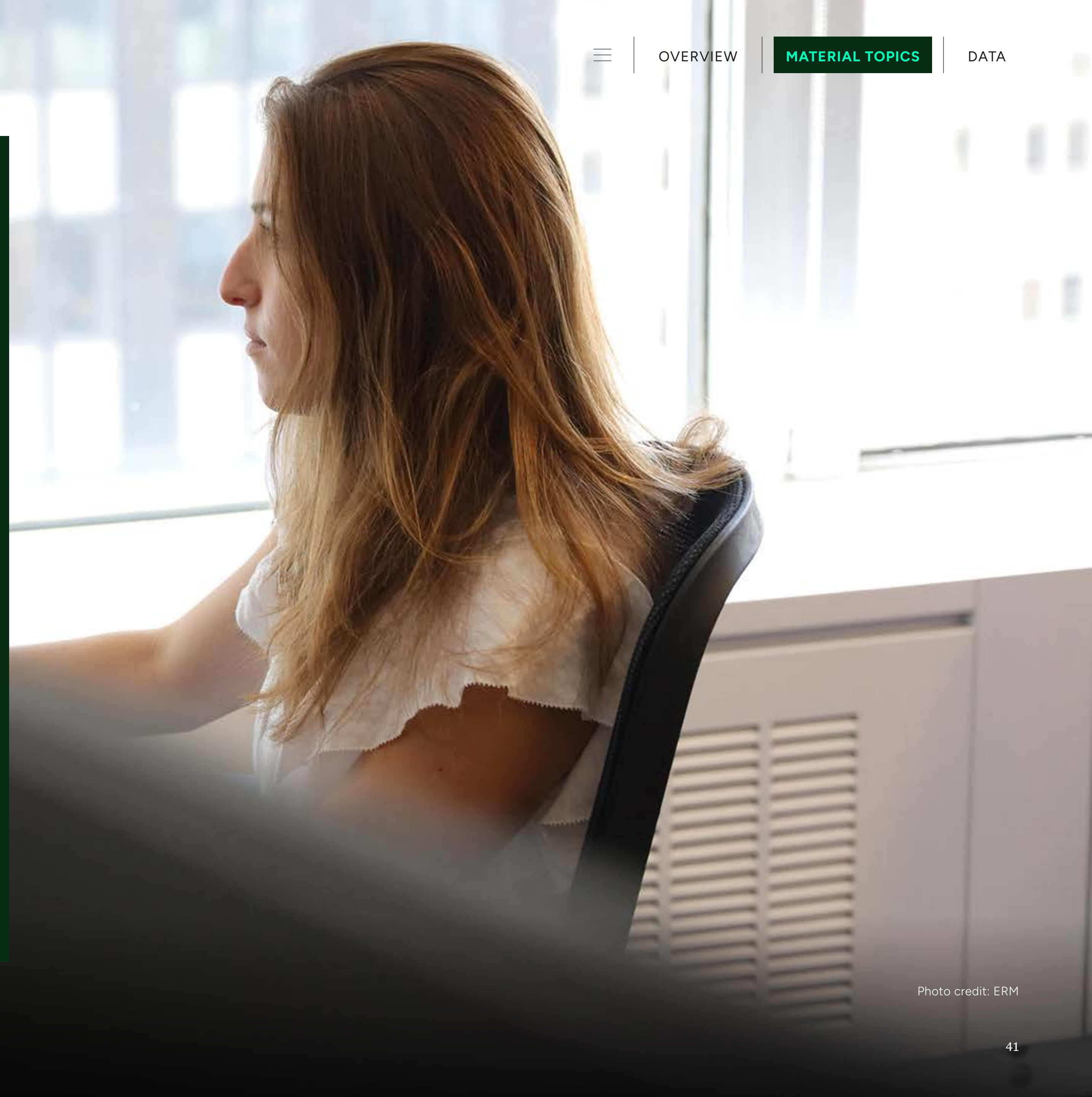


Photo credit: ERM

Leadership

As a privately held organization, good corporate governance is essential for ERM to meet our responsibilities and the expectations of external investors, lenders, Partners, employees, suppliers and contractors, clients, society and the environment.

ERM’s Board of Directors

The Board of Directors (Board) is the highest authority and has ultimate responsibility for the strategic direction, governance and oversight of The ERM International Group Limited (as parent company of the ERM Group) on behalf of our stakeholders, including shareholders.

The Board is currently made up of Executive Directors and Non-Executive Directors (who are directors nominated by our investors KKR and its co-investors). The chairperson of the Board is Non-Executive Director Rami Bibi.

The ERM Corporate Governance Principles and Board Terms of Reference set out ERM’s business purpose, the role of the Board, its processes and its relationship to executive management, and it explicitly recognizes that the Board has ultimate responsibility for sustainability. The Board convenes seven times per year to review performance and consider key strategic growth plans, material issues, risks and opportunities for the business.

The Board ensures that systems and processes are in place for the succession, evaluation and compensation (where applicable) of the Chief Executive Officer (CEO), and other Executive Directors, Non-Executive Directors, members of the Executive Committee and other key members of senior management. The Board promotes executive remuneration structures and policies, appropriately aligned to the long-term sustainable success of the organization and the external market.

The size of the Board is appropriate to the scale and complexity of the ERM Group and is representative of the shareholder base. The Board comprises a mix of individuals that ensures an appropriate range of sustainability knowledge, views and experience. The Board promotes a diverse and inclusive culture within the organization and seeks to reflect that diversity within the membership of the Board itself. The Board maintains plans for the succession of the directors.

ERM uses delegated authority matrices to provide the framework for all decision-making and policies related to corporate governance. These include approval levels for corporate governance and project contracts.

Supporting the Board, is the Environmental, Social and Governance (ESG) Risk and Sustainability Steering Group, which serves as an advisory group to the Board and works with it to identify and manage risks relating to ERM’s reputation, strategy, reporting and disclosures. The performance of our overall sustainability program is included in bonus considerations for our Global Leader of Sustainability and Risk, who serves on the Board, ESG Risk and Sustainability Steering Group and the Executive Committee.

The performance of the individual components of our sustainability program is included in bonus considerations of the respective members of our Board and ExCom who have accountability for their delivery. This includes People, Health & Safety, Digital amongst others.



Photo credit: ERM

ERM’s Executive Committee

Day-to-day business is managed by ERM’s Executive Committee (ExCom), comprised of four of the five executive directors of the business and a number of other senior Partners in executive management roles who lead geographic, service, sector and client divisions of our operations, business development, people development and other professional support functions.

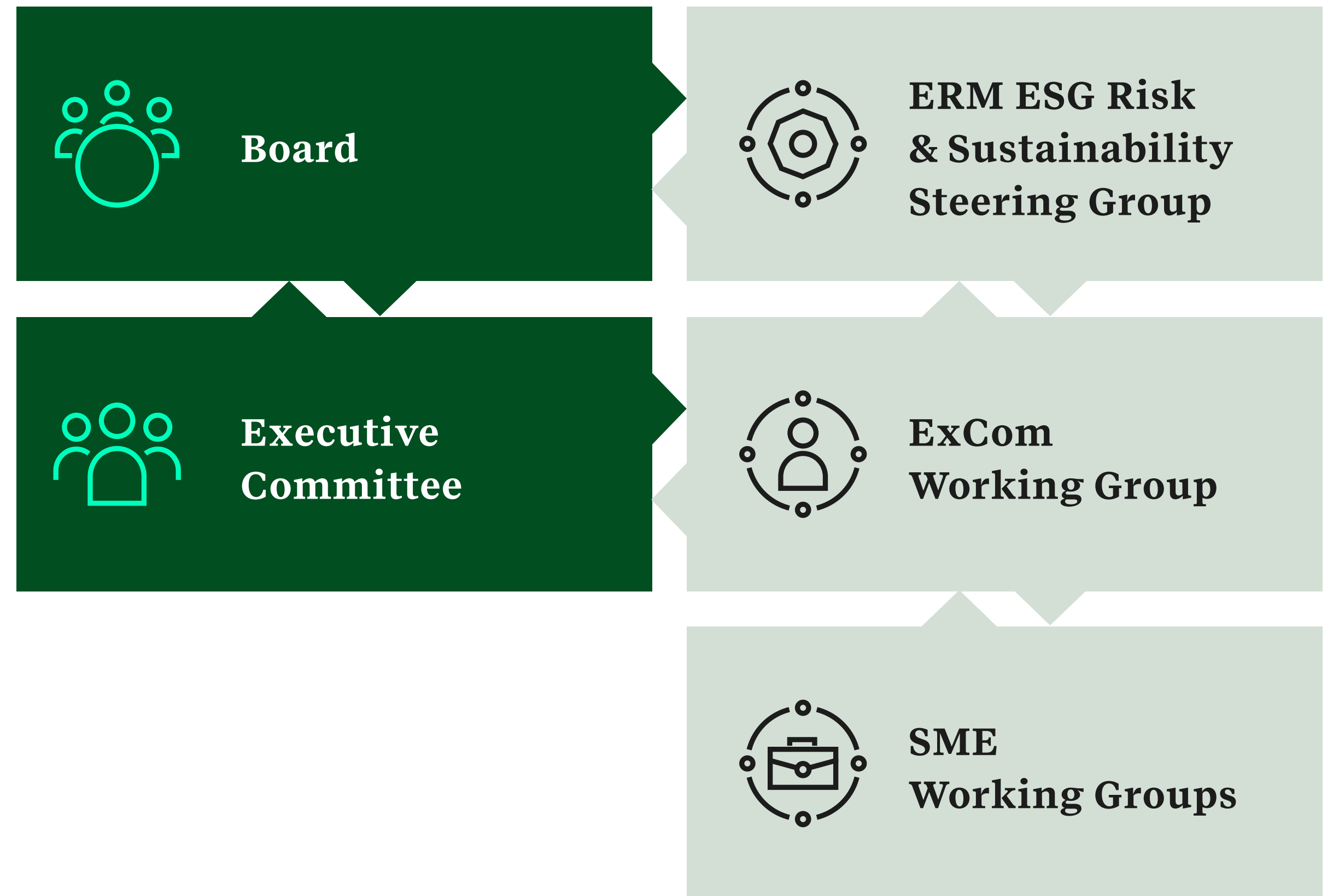
The ExCom has accountability for managing business operations and meets regularly to discuss performance and ensure key strategic growth initiatives are implemented effectively.

Sustainability and specifically the governance of our material topics is embedded into our operational planning and delivery, and is supported by the ExCom Sustainability Working Group. The Working Group comprises representatives from the Board, ExCom and our Global Sustainability Director. It advises on all aspects of operationalizing sustainability across our value chain, including governance, strategy, programmatic priorities, target setting and resourcing, and supports our positioning as a credible leader in sustainability advisory services through our own operational performance.

The ExCom Sustainability Working Group is supported by ERM’s subject-matter experts who support our sustainability governance through informing our materiality assessment, strategic direction, performance review and disclosures. During FY24, ERM established a Taskforce on Climate-Related Financial Disclosures (TCFD) Working Group which comprised subject-matter experts and representation from our key operational teams including representatives of Risk, Sustainability, Operations, Finance, Client and Services. For further information, please refer to our [Climate Supplement](#).

Group Sustainability Function

Operationalizing sustainability across the business is managed by the Group Sustainability function, led by the Global Leader for Sustainability and Risk and supported by the Sustainability Director and Head of Sustainability. Group Sustainability works in conjunction with wider corporate functions and senior management across our regions and business units, to deliver upon our sustainability operational programs and commitments, as set out in the [About us](#) section of this report.



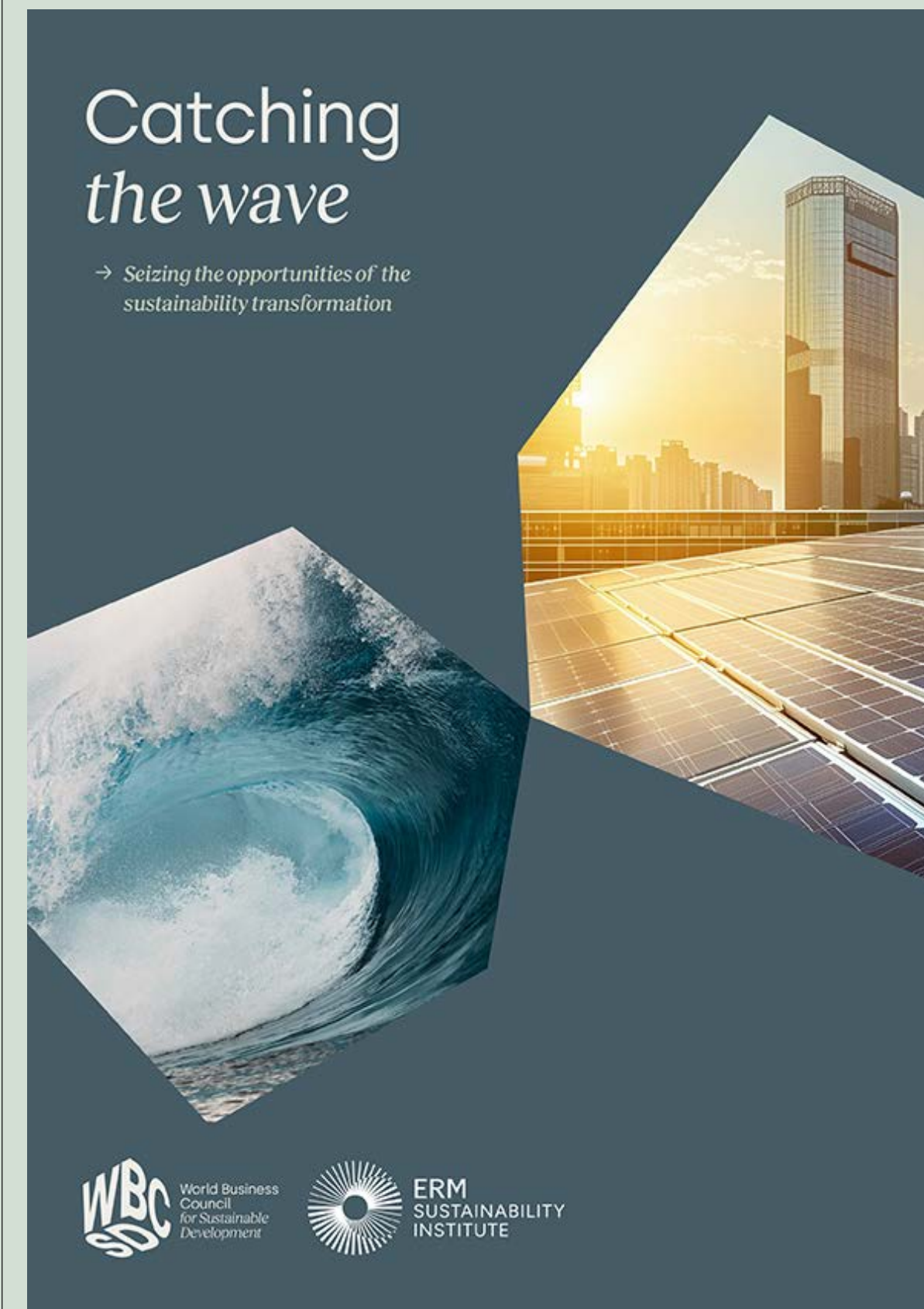


Catching the wave

The World Business Council for Sustainable Development (WBCSD) and the ERM Sustainability Institute released a new report, “Catching the Wave: Seizing the Opportunities of Sustainability Transformation,” providing experience-based guidance for executives tasked with steering their companies through an era of profound change and unparalleled opportunity.

Based on in-depth interviews with 50 senior global business leaders and sustainability practitioners and active engagements with 80 global business executives, the report explores the multiple truths that companies must navigate. For example, although the threat of social and economic consequences merging into a polycrisis is real and increasing, many technological and commercial solutions to these threats are charging ahead exponentially. The report also draws on the lessons of past transformations to outline how bold action will define winners in the sustainability transformation.

The framework introduced in the report reflects insights on what is working for companies in the more advanced stages of integrating sustainability. Designed as a practical guide for unlocking immediate action, it sets out the steps companies can take now to translate sustainability strategies into commercial success, operational efficiency and resilience.



“At a time when the global landscape is rapidly evolving, businesses must adapt to new realities or risk being left behind, the “Catching the Wave” report equips leaders with the insights and strategies they need to not only survive but thrive in the face of the unprecedented sustainability transformation that is taking place throughout the business community and its value chains.”

Dominic Waughray
Executive Vice President, WBCSD

ERM acquires Australian enterprise system integrators, The Big Middle and The Big Zero

In March 2024, ERM announced the acquisition of Australian enterprise system specialists The Big Middle and The Big Zero, known for their expertise in Salesforce, Oracle and WalkMe technologies.



Combined with ERM’s consultancy services and our partnership with Salesforce, The Big Zero’s expertise in ESG platforms will support clients in establishing a unified source of environmental data. The Big Middle will continue as one of Australia’s leading systems integrators of enterprise solutions, including onboarding and training of customers in Australia and New Zealand.

The Big Zero partners with companies in achieving net-zero and broader ESG with confidence and efficiency. As specialists in Salesforce Net-Zero Cloud, it brings a unique blend of expertise, technology and experience to organization's sustainability journey. The Big Zero team combines strategic thinking with data-driven design, leveraging the power of the Salesforce platform to provide clients with actionable insights and robust monitoring to enable them to confidently track progress and to meet their sustainability goals in an objective and auditable manner.

The Big Middle delivers solutions and empowers businesses to thrive in the digital age. As a dynamic and innovative Salesforce, Oracle, and WalkMe practice, it is dedicated to tailoring solutions that yield tangible results for clients and brings a passion for helping organizations revolutionize the way they leverage these products.

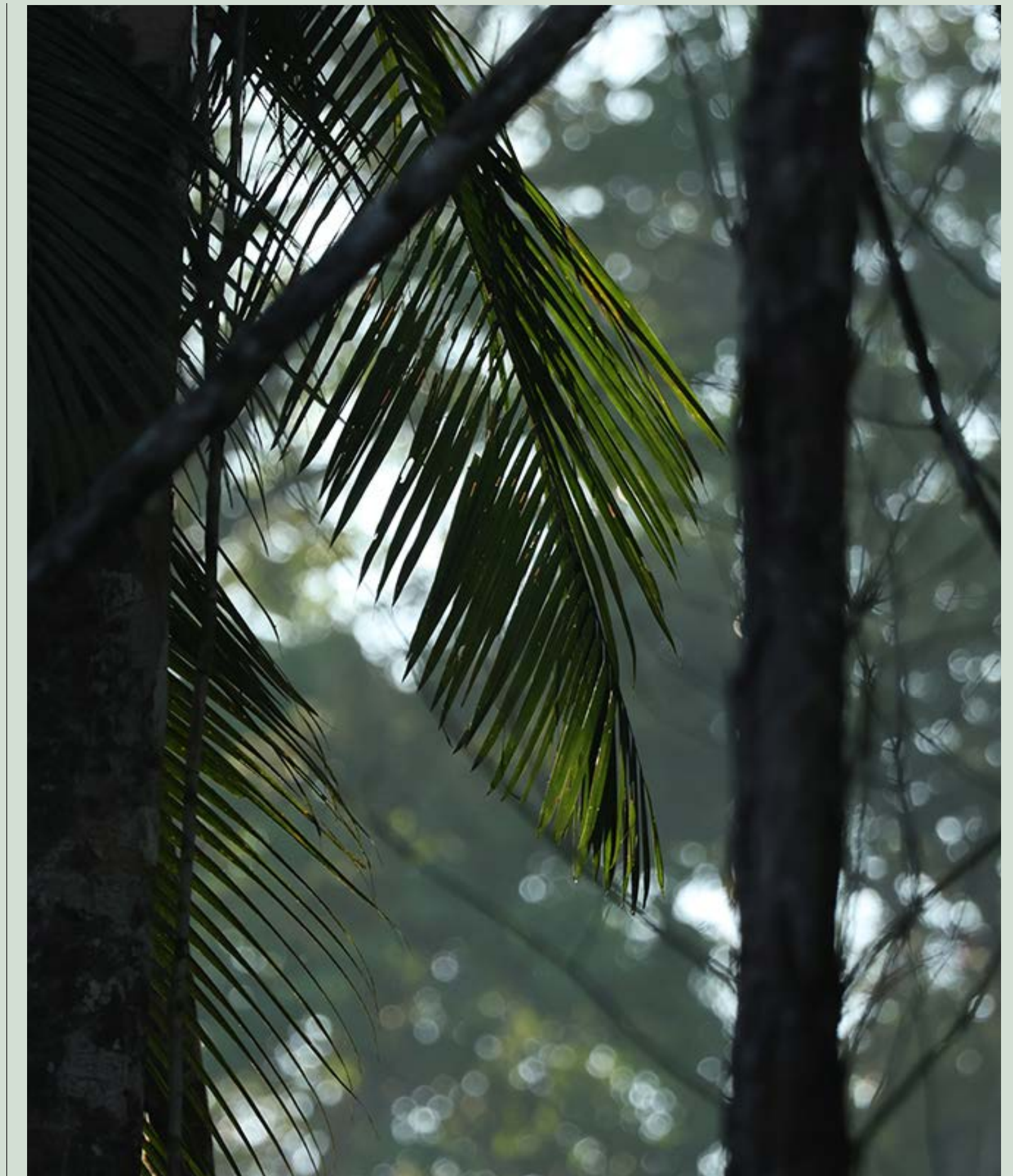


Photo credit: Patrick Ross, United States

ERM expands Singapore hub to accelerate growth in the region

ERM recently announced the expansion of our Southeast Asia (SEA) hub in Singapore, further strengthening our ability to advance the green economy and sustainability across Asia. Supported by the Singapore Economic Development Board (EDB), ERM's expansion will help deepen our sustainability impact with leading organizations in the region.

The decision to establish the SEA Hub in Singapore is a testament to the city-state's position as a key regional center with a vibrant ecosystem and demand for innovative sustainability solutions. With a strong pipeline of projects and growing interest in sustainability, the SEA Hub will serve as a focal point for ERM's regional activities, enhancing our capacity to deliver cutting-edge solutions and services to clients across Asia.

ERM will be able to create up to 40 new roles, building capacity and capability across a number of sustainability imperatives, including; new energy, integrated ESG due diligence, monitoring, reporting and verification and sustainable asset retirement.

Comprehensive training and mentoring programs will nurture local talent and help to ensure a skilled workforce capable of driving sustainable development in the region.

The Singapore expansion plans will enable ERM to extend our extensive experience working with clients, from across the Asia Pacific region and globally, on their decarbonization journeys. Our recent work in this space includes helping a large industrial cluster develop plans to transition manufacturing to renewable power and green hydrogen and developing a strategy for a large power company to close its fossil fuel generators and replace them with a mix of wind, solar and battery storage.



Photo credit: ERM

“We welcome the expansion of ERM’s regional hub in Singapore, which will deepen our capabilities in areas such as carbon markets, the deployment of hydrogen as an alternative energy source and the early decommissioning of coal plants. We look forward to partnering with ERM in their next phase of growth and creation of new job opportunities in the sector.”

Lim Wey-Len
Executive Vice President, EDB



Sustainable bond framework

The National Treasury of Brazil, the World Bank and the Inter-American Development Bank partnered with ERM to develop Brazil's Sovereign Sustainable Bond Framework, which was published in September 2023.



Photo credit: Muhan Xu, China

Brazil's federal budgets reflect policies and commitments on climate change, a just transition to a low-carbon economy, and social and economic equity, which can be driven by public and private investments. It is in this context that Brazil's Sovereign Sustainable Bond Framework serves as a guide for issuances of labeled sovereign bonds backed by budgetary expenses that will directly contribute to advancing sustainable development in Brazil.

In November 2023 Brazil raised the first \$2 billion using the framework, winning 3 international awards from Global Capital, Environmental Finance and the Climate Bonds Initiative, paving the way for a second issuance of another \$2 billion in June 2024.

The framework supports the credibility and additionality of Brazil's sustainable bond issuances, ensuring alignment with best market practices and maximizing positive impact. It was developed in line with the guidelines of the International Capital Market Association Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. These principles describe best practices for issuing debt securities that serve social and environmental purposes through global guidelines and recommendations that promote transparency and disclosure, reinforcing the integrity of capital markets.

“This framework marks a significant milestone, highlighting Brazil's pivotal role in the global sustainable finance landscape and aligning with the nation's potential in sustainability and climate change agenda.”



Tatiana Assali
Partner, ERM

Business conduct

Business conduct and ethics is essential to the success and sustainability of ERM. We express this commitment through our business values, professional standards, employee training and our internal systems and practices. We conduct business with uncompromising honesty and integrity, adhering to laws, regulations and our written Code of Business Conduct and Ethics, and we expect everyone at ERM to act accordingly.

ERM's Global Code of Conduct

Our commitment to operating ethically and sustainably is set out in our written Code of Business Conduct and Ethics, which reaffirms the importance of adhering to the highest ethical standards in everything we do, everywhere. Our Code sets clear requirements to ensure we conduct business with uncompromising honesty, integrity and compliance with laws, regulations and international standards of business conduct and ethics in all of our operations.

Ethical behavior and our commitment to combat bribery and corruption is fundamental to our purpose, and we apply our business conduct and ethics commitments across every ERM office and activity. All employees and Partners are held responsible for compliance with our Code and policies.

As we explore new opportunities and ways to support sustainable transformation around the world, we use our Code to help us navigate opportunities and implement our strategy and sustainability goals.



Photo credit: Diego Aranguren, Colombia



Photo credit: Belinda Ng, United Kingdom

We place a focus on ethical and responsible decision-making, from the Board to our Partners and all employees. Our governance of ethical business conduct also includes:

- Our wider suite of corporate policies and procedures which guide the operation of our business policies and procedures in accordance with our Business Code of Conduct.
- Our enterprise risk management system which strategically considers potential risks to the ethical operation of our business, including geo-political, client, partnerships and project risks.
- Our screening and due diligence processes which inform our consideration of risk, including trade sanction, anti-money laundering, human rights and environmental screenings.

- Our supply chain management which requires all suppliers to adhere to our policies and codes of conduct and we continue to expand and improve supply chain management in the many jurisdictions where we operate.
- Participation in building external standards and providing education so that momentum not only builds in our sphere of business influence but beyond, fully aligned with our purpose.

Training and awareness

From the Board to our Partners and all employees, our training provides the guardrails for making ethical decisions and raises awareness of relevant regulatory requirements and best practice in the professional services industry.

On a global basis, ERM requires all new employees to undertake a mandatory curriculum of training as part of their induction within 90 days of start date.

Examples include:

- ERM Code of Business Conduct and Ethics;
- Anti-bribery and corruption;
- Preventing workplace harassment;
- Building an inclusive culture;
- Human trafficking and modern slavery;
- Key health and safety policies and processes;
- Cybersecurity; and

- Data protection and privacy.

We assign additional training to meet ERM’s regulatory, safety and compliance requirements based on each employee’s role or the location in which they are working, for example:

- Hazardous materials and dangerous goods awareness;
- Driver acknowledgement;
- International contracting: money laundering and trade sanctions; and
- See Own Share: Beyond Hazard Recognition.

Certification

Every supervisor is required to complete a self-certification on compliance with our global policies regarding conflict of interest, manager duty and anti-bribery and corruption policies.



Photo credit: ERM

Grievance mechanisms

We have grievance mechanisms in place for employees, suppliers and subcontractors, clients and the public, and publish information on how to access our grievance mechanisms through our Code of Business Conduct and Ethics and on erm.com. Information on our grievance mechanisms is also set out in our Human Rights Strategy.

ERM is committed to investigating, addressing and remedying where possible and appropriate. We will address any issues promptly but do not put time limits of the duration of time we will take to ensure thorough investigation and identification of appropriate response and remedy. Engagement will be maintained throughout the course of this time.

Remedy may include but is not limited to further mitigation measures integrated into project delivery, professional support for any affected individual and recourse to law enforcement agencies where required. We will implement further remedial measures as appropriate on a case by case basis.

For more information, see the section on grievance mechanisms and remedying adverse impacts in ERM’s Human Rights Strategy, our Modern Slavery Statement and our Communication of Progress, which includes details of our reporting on Principle 10, Anti-Corruption.

Employees

ERM has a 24/7 online or call-in option for any employee who wishes to report concerns anonymously through the

ERM Helpline. The Helpline is a third-party independently administered system, with over 30 different language options, accessible to all employees. Additionally, we have internal resources directly available.

Employees can also raise concerns related to the delivery of projects through our Project Management model which ensures that all ERM work is led by a Partner in Charge (PiC) with the support of a Project Manager (PM). It is the responsibility of the PiC and PM to ensure that all projects are conducted in accordance with ERM’s policies and processes, and pursuant to ERM’s purpose of being a sustainability leader. Should the project team have any concerns about the current or future direction of the project, they are required to report these to the client relationship manager, Business Unit and Legal Counsel, as appropriate.

Clients

Clients can report concerns through ERM’s client feedback program. The approach uses a global project and client management tool, based on our customer relationship management platform, to document, internally publicize and respond to client feedback. Every project has an identified PiC who are directly accountable and fully responsible for ensuring client feedback is received and actioned. Where warranted, client concerns are elevated within the organization to assess whether changes are needed within our quality management system, governing procedures or training requirements.

Suppliers

Our suppliers are required to adhere and operate in accordance with our Business Code of Conduct. Employees of our suppliers can raise concerns via their own internal organization grievance mechanisms or through ERM’s Helpline. Further information on our supply chain governance is set out in the [Supply chain](#) section of this report.

The public

Members of the public (both individuals and communities) can communicate their concerns or ask questions by emailing businessconduct@erm.com.



Photo credit: Thien Nguyen, Vietnam

Speak up

Every employee's conduct can reinforce an ethical atmosphere and positively influence the conduct of others. If any person at ERM suspects a violation of our policies or Code has occurred or may occur, they have the responsibility to speak up about it through one of the many channels available. This is true regardless of who is involved – every person at ERM should conduct themselves in accordance with this Code of Conduct, without exception.

The first point of contact for any questions about the Code or concerns about someone's workplace conduct is the employee's line manager. If an employee is not comfortable doing this, they should consult with the many ERM resources available to them.

- Human Resources
- Health and Safety
- Chief Compliance Officer
- Legal Department
- Group Tax and Treasury Department
- Group Finance

If an employee does not want to disclose their identity, concerns can be raised anonymously either by phone or web portal using the ERM Helpline.

We are committed to investigating all issues raised and addressing potential violations of our Code.

We also have established grievance mechanisms in place for suppliers and subcontractors, clients and the public, who have issues or concerns with regard to the conduct of any of our employees. Information on this is published on erm.com and issues can be emailed directly to businessconduct@erm.com.

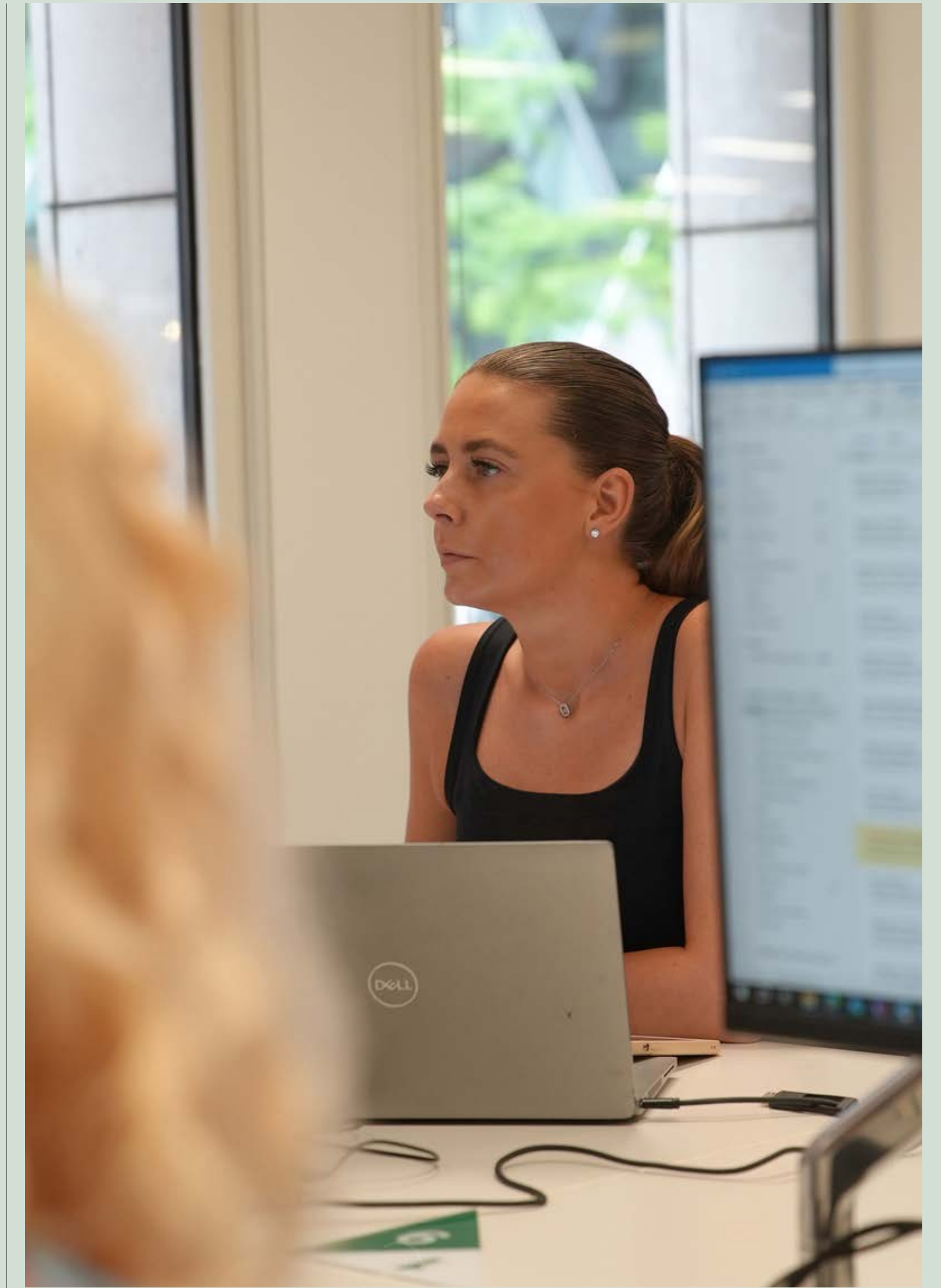


Photo credit: ERM

Risk management

Informing our governance, is our consideration of key risks and opportunities for the business and how these should be managed. Our approach focuses on identifying risks and opportunities aligned to our core values and beliefs, incorporating a unified risk language, intelligent risk processes and systems, and a balanced perspective of potential gains and losses.



Photo credit: Lucca Kallenberger, Switzerland

Strategic risks and opportunities are identified through a multi-faceted approach involving ongoing market, regulatory and horizon scanning, engagement with clients and wider stakeholders, the input of our subject-matter experts and senior operational leaders across the globe. This is led by our Group Risk function and supported by our annual double materiality assessment.

Material risks and opportunities are managed through our live risk register which is reviewed by our ExCom and Board and is used to inform our overall business strategy and operational planning, including our approach to operationalizing sustainability.

Due diligence of commercial opportunities

ERM commits to advancing and expanding our relationships with clients who are actively seeking a more sustainable future and on projects that support this vision. Prospective clients are screened for alignment to our purpose, values and commitments. This includes review of client sustainability and governance and performance, which includes Board level accountability, bolstered by explicit pledges, well-defined strategies and allocated funding. However, this approach does not compromise our capacity to "meet clients where they are," recognizing the varied capabilities, resources and levels of ambition. For clients at varying stages of sustainability maturity, our focus remains on supporting clients to improve performance.

New project opportunities are automatically screened for potential sustainability risks and aligned to our material business issues including governance, people management, human rights, nature and climate. Our sustainably transparent assessment of risk and reward (STARR) process is a first step prior to evaluating opportunities that have been triggered and applies to all new clients and project opportunities.

Based on an assessment of available information and discussions with relevant stakeholders, as facilitated by the Regional Risk Director, a preliminary "go/no go" decision will be made. For opportunities that receive preliminary approval to advance, commercial and project evaluation and a project risk review process continue throughout the project.

Operational risk process

Once the STARR process is complete, ERM’s operational risk processes provide a globally consistent approach to managing our project risks that enables us to identify and mitigate the risks before project commencement or at significant change-in-scope events.

ERM has in place a Global Project Risk Review Policy to strengthen project risk management throughout the life cycle of significant projects. This Policy applies where a project has a material impact on the business through the undertaking of the commissioned work and incorporates oversight from senior leadership throughout project delivery, as well as appropriate additional risk mitigation measures.

We continue to learn more about project-related risks based on direct feedback from our delivery teams, and incorporate this learning into the corresponding risk tools.



Photo credit: ERM

Multi-sector initiative to build organizational capacity in emerging risk management

HIGHLIGHT 

WBCSD engaged ERM to facilitate workshops for its member companies to introduce a framework for integrating ESG risks into the broader corporate risk context.

We facilitated the discussions across more than 30 multidisciplinary client teams – representing corporate strategy, finance, operations, supply chain and beyond. During the workshops, we led participants through a rigorous review of the framework and its practical applications.

ERM expertise made us well suited to support this initiative, having worked with organizations across multiple sectors to:

- Improve and optimize their internal risk processes and incorporate the benefits of integrating ESG;
- Clarify and convey information essential for decision-making regarding risks and growth prospects; and
- Strengthen the investment case for inclusive and sustainable business practices.

Key areas of risk & opportunity

Our risk management process including our double materiality assessment, considers those issues that present most significant risks and opportunities to us a business, in our own determination and that of our stakeholders, and through which we generate impact. Where we generate impact, we require governance to ensure that we reduce negative outcomes and maximize positive impacts in line with the expectations of our stakeholders and ourselves. Further information on our double materiality assessment process and the key material risks and opportunities identified from this, is set out in our approach to materiality and impact section of this report.

Digital governance

Globally, companies are embracing innovation and seeking new opportunities for value creation via digital transformation. This includes digitizing data related to environmental, health and safety and sustainability management. At an accelerated pace, processes are becoming increasingly automated with data that is more consistent, current, interconnected, verifiable and insightful.

As information assets become increasingly valuable to organizations, ERM has established systems to safeguard the confidentiality, integrity and availability of information within our own operations. This includes policies and training to establish that it is everyone's duty to access information and systems responsibly, preserve the confidentiality of information and secure our information assets. ERM's information security involves enacting policies, procedures and best practices to shield information assets from unauthorized access, misuse, exposure, destruction, alteration or interruption.



Photo credit: Subiksha Arunkumar, Singapore



Photo credit: ERM

Cybersecurity

Threats to cybersecurity are an ever growing risk for any business, which must be managed to retain customer trust and confidentiality. ERM’s cybersecurity program incorporates a comprehensive set of information policies and best practice frameworks, and we review these on a regular basis. We are independently assessed against these standards including International Organization for Standardization (ISO) 27001, and as of April 2024 ERM achieved certification against the latest version of ISO/International Electrotechnical Commission (IEC) 27001:2022.

ERM has a dedicated cyber and information security team comprising cybersecurity engineering, operations, and governance risk and compliance. The team is led by the Global Chief Information Security Officer.

ERM has strong security controls in place based on the principles of defense in depth and adopt a threat-led approach to ensure that the controls we implement are appropriate and effective, and maintain an incident management policy, incident response plan and procedures to ensure a consistent approach to incident management.

ERM operates a vulnerability management program to identify, mitigate and remediate vulnerabilities within the company. We maintain a variety of security tools with up-to-date operating procedures to effectively identify and manage vulnerabilities.

In order to mitigate active and prospective threats, we conduct penetration testing, including external penetration testing against key business services as needed. Each year, we conduct comprehensive security testing measures, and use lessons learned to help continuously refine our approach and improve our defences.

Despite the technical protections ERM has in place, we know the first layer of protection is our people. ERM provides robust mandatory cybersecurity training to all employees and regularly tests our employees' ability to identify fake emails via simulation exercises. We will continue to focus on training and testing of employees in FY25.



The rising role of cybersecurity in ESG and how companies are taking action

Data constitutes a staggering 90% of intangible asset value across companies, and with the average cost of a data breach now estimated at \$4.45 million.



It is therefore not surprising that cybersecurity is increasingly at the forefront of corporate ESG agendas.

In an ERM Sustainability Institute blog post, co-authors Richard Jack Whittingham, Acting Head of Methodology for ERM's ESG Fusion, and H el ene Gaudin Project Quality and Coordination Lead for ESG Fusion, leveraged insights from ERM's internal cybersecurity experts to explore the cybersecurity landscape, how it pertains to ESG and how corporate ESG and sustainability teams are addressing it.

The authors stressed the essential steps that companies can implement to reduce cybersecurity-related risks including:

- 1. Integrate cybersecurity into ESG strategy.** Recognize that cybersecurity is now a critical component of ESG considerations and incorporate cybersecurity initiatives and reporting into your ESG agenda. It is critical that this drive comes from the top down and is supported by senior leadership.
- 2. Establish strong governance mechanisms.** Create accountability for cybersecurity at the C-suite level, treating it as a business risk, rather than just an IT risk, through respective committees and regular risk assessments.
- 3. Invest in employee training and culture.** Train all employees on cybersecurity best practices and foster a culture of security awareness via regular

awareness-raising activities, quizzes and cyberattack simulations.

- 4. Leverage advanced cybersecurity technologies.** Invest in advanced cybersecurity technologies, expertise and tools to stay ahead of cyber threats, ideally with a 24/7 security monitoring as well as incident response plans to detect and respond to threats immediately.
- 5. Explore emerging capabilities.** Consider adopting emerging technologies and practices to enhance cybersecurity efforts, such as AI and machine learning, for real-time threat detection, cyber threat intelligence and a zero-trust architecture.

Even with the implementation of best practices, no company can be completely immune to cyber threats. However, these measures do offer a level of protection that enables companies to reduce and manage the potential consequences of cyber incidents.



Data security and privacy

Our commitment to protecting personal data privacy and upholding integrity and trust is of utmost importance to ERM's business operations. The ERM Data Privacy Notice details the methods of personal data collection and processing via our website, as well as through engagements with clients, suppliers and other external parties.

Our procedures for managing personal data are in line with our Global Data Protection Policy and other international privacy policies. Our global privacy framework applies across all regions, jurisdictions and affiliated companies. Employees face disciplinary measures for non-compliance.

We collaborate with our acquired companies and joint ventures to guarantee their adherence to ERM's privacy standards. ERM's data processing agreements with third parties outline the most recent requirements for managing international data transfers. We have a formal online procedure to determine the appropriate Data Processing Agreement for each specific instance of transferring personal data between jurisdictions. We evaluate all third parties with whom we share ERM personal data.

The ERM Technical Operating Measures Schedule provides assurance to prospective clients that we have the necessary controls and measures to identify and safeguard personal data. Data privacy training, which covers current standards and policies, is a mandatory component of the training for all new hires and existing employees.

Our principal websites have cookie mechanisms installed, and we work with other domain owners within The ERM International Group Limited to implement the same.

We are committed to ongoing development of our data protection systems to address evolving technologies, such as the use of generative artificial intelligence (GenAI).

Artificial intelligence

ERM is responsibly leveraging generative GenAI to enhance our services, boost internal efficiency, and elevate client experiences. Recognizing both the vast opportunities and inherent risks of GenAI, we have developed a comprehensive

GenAI policy aligned with ERM's Guiding Principles for Responsible AI and industry best practices. This policy is bolstered by training and resources to ensure responsible GenAI use across our business.

To further our commitment, we are establishing an AI governance committee dedicated to overseeing and refining our GenAI integration. In line with our purpose, we are committed to the ethical use of AI. Through these initiatives, ERM is poised to harness the transformative power of GenAI while mitigating potential risks.



Photo credit: ERM

Supporting our clients

ERM's digital solutions support organizations in enhancing their environmental, health and safety and sustainability performance via technology-driven innovation and digital offerings. We provide our clients with effective business solutions through our extensive global network, deep expertise in subject matter, comprehensive digital capabilities and a suite of specialized software products.



ERM Assess:
Digital solution for performing assessments and regulatory services



ERM Net Zero Compass:
Flexible data management toolset for decarbonization informed by subject matter experts.



ERM Climate Impact Platform:
Physical risk assessments leveraging global climate data.



ERM Libryo:
AI-powered environmental, health and safety legal regulatory intelligence.



ERM Themis:
Delivering compliance support for the most complex of use cases.



ERM Engagement Platform:
3D customized virtual space for stakeholder engagement.



Photo credit: Bethany Walker, United Kingdom

Stepping up our impact

FY24 headline targets:

- **Formalize quarterly reporting of Sustainability metrics to the Board.**
- **Implement refreshed enterprise risk management approach**
- **Achieve annual targets for digital enablement of core service offerings.**
- **Contribute 1% of prior year profits to support sustainability initiatives globally.**
- **Publish initial Impact Report.**

● ACHIEVED

- **No reportable breaches of privacy regulations**

○ NOT ACHIEVED

During FY24, we continued to review and strengthen our governance, including through formalizing quarterly reporting of ESG/sustainability metrics to the Board and the implementation of our refreshed enterprise risk management systems. We further engaged our in-house subject matter expertise through the TCFD Working Group to support topic specific analysis of risks, opportunities and impacts. We also published our first Non-Financial and Sustainability Information Statement in compliance with The Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022.

We successfully achieved our annual targets for digital enablement of core service offerings but ERM reported a breach of privacy regulations to the UK Information Commissioners Office in July 2023. In response, we have reviewed and further enhanced the rigor of our cybersecurity programs and ERM subsequently achieved certification against the latest version of ISO/IEC 27001:2022.

As with previous years, ERM contributed 1% of our prior year’s profits to support sustainability initiatives globally, reflecting the importance we place on delivering our commitment as a sustainability leader through our own operations, as well as through our services to clients and collaborations with organizations across the globe. Throughout this report, we have integrated data on the impact we have delivered throughout FY24, in particular, showcasing the work being done to identify and measure the societal impact of our work delivered in client projects.

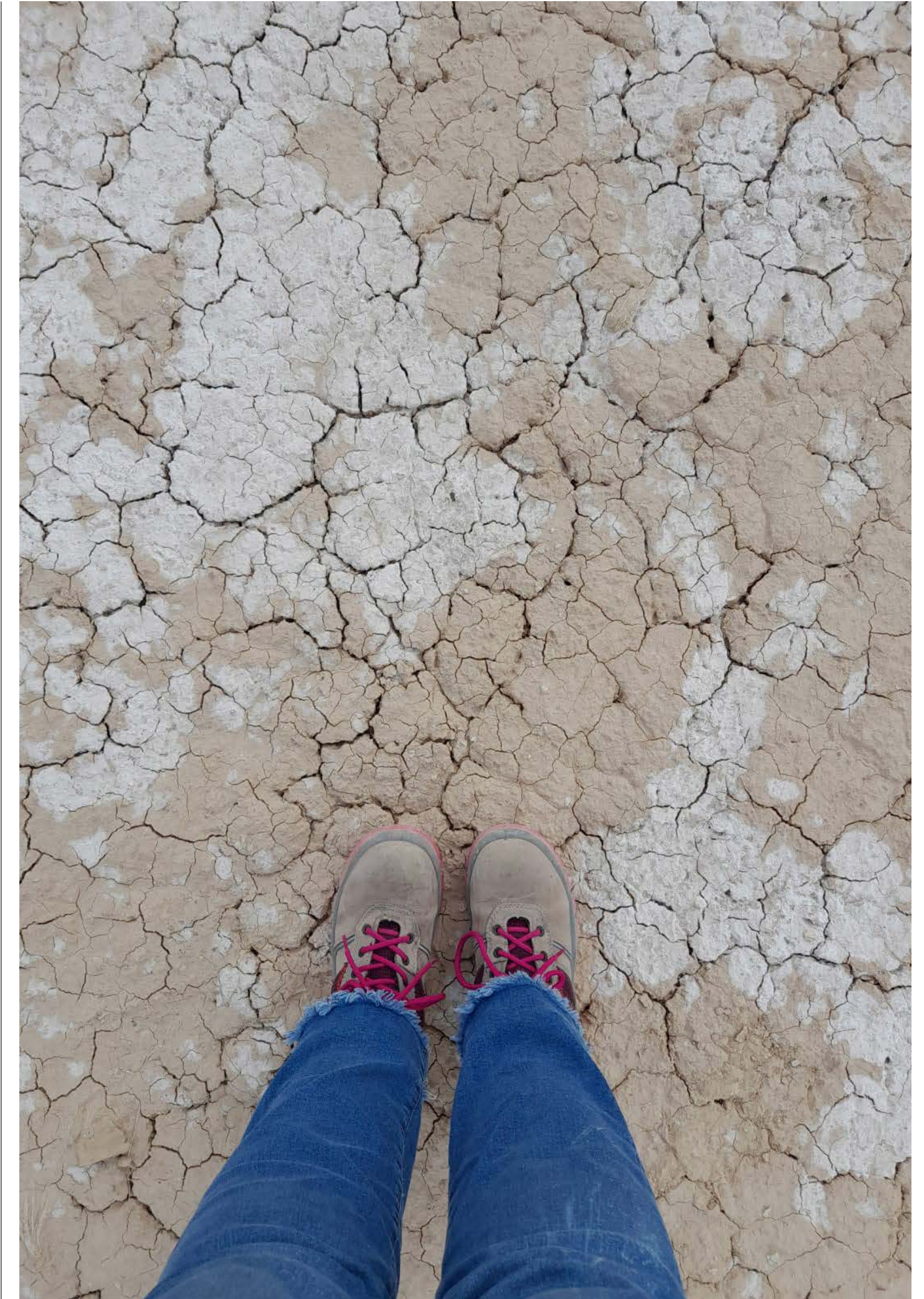


Photo credit: Maria Emilia Perez, Argentina

FY25 Governance targets

- Deliver quarterly reporting of sustainability metrics to the Board ESG Risk and Sustainability Committee.
- Undertaking three country-level due diligence assessments to inform our understanding of sustainability related risks in our own operations in geo-politically sensitive locations.
- Client Excellence – Achieve 100% of Key Accounts assessed against STARR process.
- Develop three additional societal impact measures and hold impact conversations with 100% of Key accounts.
- Achieve no reportable breaches of data privacy.

We have an extensive program of ongoing development for each of the workstreams under the framework of Governance. Examples of priorities include:

- Further evolving our risk management processes, including through the creation of a new Taskforce for Nature-related Financial Disclosures (TNFD) Working Group.
- Review of our mandatory training content and renewed engagement with employees.
- Establishing our new AI Governance Committee to guide our engagement with artificial intelligence.
- Expanding our impact measurement to further service lines.



Photo credit: Thomas Collin, United Kingdom

People



Why this topic is material for ERM

At ERM, our people are at the heart of everything we do. Our people form a global network of specialists whose work with our clients and collaborations with wider stakeholders form the basis of our business. We take pride in our strong community, united by our shared purpose and the impact of our work. We support and learn from each other, creating an inclusive and cooperative space that respects every individual and empowers all to thrive.

Under the framework of people management, we address three key material topics for our business: attracting, retaining and nurturing talent, promoting diversity, equity, inclusion and belonging, and ensuring the health, safety and wellbeing of our employees.

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Sustainability is our business

For our clients

For our people

For our investors

For the planet and society



Photo credit: ERM

Attracting & nurturing talent

ERM recruits passionate professionals from across the globe who share our purpose of shaping a sustainable future with the world’s leading organizations. Our people share our values and our values define our business.

We strive to create an environment in which employees want to build their long-term careers at ERM and across the globe. We routinely celebrate 10, 15 and 20 year work anniversaries at the company while also welcoming new talent that supports our growth to meet client needs. We attract world class experts and invest in nurturing their talent.

Through working on innovative projects with clients, engaging in continuous learning and development, employee resource groups (ERGs) and partnership networks across the business, our employees engage in professionally and personally rewarding opportunities.

Our workplace, like many other organizations, has undergone significant changes in recent years – in part due to the pandemic. We have a hybrid model of working that reflects the international nature of our business, responds to the needs of our clients and enables greater flexibility for employees. We have been evolving our methods of engaging employees in this new context as this is key to our productive and rewarding working environment. We encourage all employees to respond to our quarterly engagement surveys, and respond to this feedback at a team, business unit, regional and global level.



Photo credit: ERM

ERM offers diverse learning opportunities, including on-the-job training, coaching, mentoring, online courses, community sessions, and formal programs. **The Academy** platform supports live virtual and self-paced online training, awarding credits through course completions, certifications and badges. ERM also offers coaching and mentoring to help employees grow their careers and informal community sessions that provide opportunities to discuss the latest trends and updates.

Our Global Learning team continues to optimize ERM’s learning programs for employees which enable us to meet growth targets through responding to the needs of the market.

Building long-term careers through firm foundations

- **Core learning journey:** Continuous development is an essential part of building expertise at ERM, and is supported by the ERM Academy. The core learning journey enables employees to develop and hone the skills required for their current role and the roles they aspire to move into.
- **Career advancement:** Programs such as Path to Partnership and Aspire are pivotal career advancing programs ensuring ERM is promoting at a sustainable rate and keeping up with business needs.

Strengthening capability

- **Client development:** Our program focuses on building commercial competencies with a client-centric approach. Participants in the program reported an increase in their confidence level and in their ability to coach others.
- **Service delivery:** Our project management program supports skills development in our Partner in Charge (PICs) and project managers (PMs) who are responsible for our project governance. PMs and PICs are at the intersection of ERM’s strategic and technical approach and hold the success of client delivery.
- **Technical skills development:** Our employees are members of our vibrant and diverse technical communities. These communities are led by recognized global experts in their field, whose role it is to nurture the talent within the community, share best practices and foster collaboration.
- **Consulting skills development:** Core and Advanced Consulting Skills programs build upon one another to grow ERM’s consulting capability, and the Managing Our People program upskills people leaders by improving leadership capabilities.



Photo credit: ERM

New dashboard offers insights into learning

HIGHLIGHT 

Assessing the effectiveness of learning programs is crucial for ensuring everyone at ERM has the necessary expertise and skills to meet the evolving sustainability challenges facing our clients. Working with a third-party, in FY24 ERM evaluated our learning program's impact and the value of investment, to support the further evolution of our programs. A key outcome of the review was the adoption of an online dashboard through which we can efficiently communicate the impact of our learning programs on business outcomes, and drive continuous improvement. Our dashboard highlights the influence of learning on the quality of our services to clients, internal skills development, career advancements and other key business parameters.



Photo credit: Angela Levert, United States

Technical communities

ERM has 28 technical communities which span all aspects of our service delivery to clients and encompass specialists from across our global operations, who collaborate, share learnings and evolve best practice through their respective communities.

Supporting our technical communities is the ERM Technical Career Hub which provides detailed advice for employees on the framework and opportunities for career development in technical roles within the business. The Hub provides guidance on upskilling through the technical communities and a mentoring system that pairs junior colleagues with senior specialists in their field. Nurturing technical talent within the communities supports the development of our people talent and enhances the contribution they can make through client work and collaborations.

Our technical areas

- Acoustics
- Air Quality
- EHS/ESG Auditing
- Biodiversity & Ecological Services
- ESG/Carbon Assurance, Certification & Verification
- Change & Transformation
- Cultural Heritage/Archaeology
- Due-diligence
- Digital
- Energy & Climate Change
- Engineering
- Geoscience
- Human Health & Ecological Risk
- Impact Assessment
- Land & Right-Of-Way
- EHS/ESG Management Systems & Compliance
- Marine Systems
- Nature Positive Network
- Product Stewardship
- Remediation Management
- Safety
- Site Investigation
- Social Performance & Stakeholder Engagement
- Sustainability Strategy & Disclosure
- Transaction Advisory
- Visual Communication Design
- Waste Compliance, Circularity & Disclosure
- Water Resources & Storm/Wastewater

An award-winning commercial learning program

Our highly successful Client Development program received a gold level recognition in FY24 from the Learning and Performance Institute’s Learning Awards. This is the third consecutive year in which we have been awarded gold by an external organization.

The Client Development program is a global learning initiative, developed in partnership with external sales training experts. It enables teams to become commercially focused trusted partners, to have a consistent opportunity management approach and to improve a range of business key performance indicators to stay ahead of the competition. This learning can be applied to business opportunities and challenges by providing a suite of ready-to-use tools and methods to help clients achieve their long-term sustainability goals.

The program has been successfully evaluated to demonstrate its business impact and showed a positive return on investment through comparing the performance of program graduates with the rest of the business. In addition, 94% of graduates found the program to be a valuable use of their time and 92% found it relevant to their role at ERM.

The program, championed by senior leaders, is led by high-caliber ERM coaches who use learning to drive performance and develop ERM employees who feel accountable for their results.



Photo credits: ERM

“I was proud to accept this award, which reflects the innovative work being done by our Learning and Development Team, supporting our people to deliver on our purpose of shaping a sustainable future with the world's leading organizations”



Tim Strawn

Regional CEO for Europe, Middle East & Africa, ERM

Diversity, equity, inclusion & belonging

Diversity, equity, inclusion and belonging (DEIB) is a material part of our people governance and core values. ERM takes pride in its diverse, equitable, and inclusive culture, where fostering a sense of belonging is integral to making our company an excellent place for career development. We view our diversity as an asset that enables us to develop superior solutions for our clients and the communities we serve.

Our vision is to be the leading global force in environmental and sustainability consulting, leveraging the power of diversity and inclusion to drive innovation and deliver unparalleled solutions that positively impact our clients, our employees and the communities we serve.

Consistent with our vision and delivering upon our targets, our objectives are to:

- Continue to be a recognized and celebrated sustainability employer and organization of choice.
- Create a space where our workforce reflects the communities we serve, and all ERM employees can do their best work and feel valued and recognized.
- Support inclusive sustainability programs and initiatives.
- Integrate and leverage DEIB in ERM systems and tools.
- Establish and measure organizational and leadership accountability aligned with best-in-class DEIB benchmarks.



Photo credit: Indradi Soemardjan, Singapore

It is only by mirroring the communities in which we operate, celebrating and advocating for diverse perspectives, and embracing our shared duty towards inclusion, that we can unlock our organization's full potential.

Over a decade ago, we solidified our dedication to these principles with our inaugural global policy on diversity. By actively fostering an inclusive culture, we aim to cultivate a workplace where everyone is empowered to bring their whole self to their job.

International Day of Persons with Disabilities

ERM encourages a more inclusive, accessible, and equitable world for everyone, regardless of their abilities. The International Day of Persons with Disabilities (IDPD) is the United Nations-sanctioned observance on 3 December to promote awareness, understanding and support for the rights, wellbeing and inclusion of people with disabilities.

The day serves as a reminder of the ongoing need to ensure that the rights and dignity of persons with disabilities are respected, and that societies worldwide continue to work towards greater inclusivity and equality for all. FY24 was the fifth year we celebrated IDPD at ERM.

This year’s IDPD theme, “advancing access and equity,” emphasizes the need to go beyond mere awareness and take concrete actions to create a more accessible

and equitable workplace for people with disabilities. ERM’s Global Head of DEIB led a three-part conversation on neurodiversity with ERM colleagues. The discussion covered:

- Types of neurodiversity, key characteristics and the stigma surrounding neurodiversity;
- Barriers and challenges in the work environment; and
- Ways to support neurodiverse individuals, raise awareness and take action to advance access and equity for people with disabilities.



Photo credit: ERM

“As a company, we truly believe in our people's autonomy to truly be themselves, and having conversations like this is important for raising awareness, education and collaboration among individuals and teams at ERM to help everyone bring out the best of themselves.”



Moses Williams
Regional DEIB Manager, ERM

A global perspective

With a diverse workforce operating in over 40 countries, we draw on their perspectives to shape and execute our DEIB strategy. Our engagement initiatives have fostered a supportive network of allies, employee resource groups (ERGs) and a dedicated global DEIB team, all contributing to raising awareness, educating and providing training throughout the organization. We are committed to fostering a culture of open dialogue, actively seeking feedback and integrating our DEIB strategic actions companywide. Our DEIB strategy is grounded in ERM’s overall business strategy. In FY24, we updated our strategy and longer-term goals for greater impact.



Photo credit: Celine Nio, Singapore

Employee Resource Groups

At ERM, an ERG is a group of employees who identify with others similar to themselves and their allies. ERGs serve as internal communities, providing personal connections and affiliation for its members and with the organization. ERGs assist the organization in fostering an environment that excels in DEIB initiatives by serving as the common voice for employees who identify themselves with a particular dimension of diversity (e.g., gender, ethnicity, sexual orientation, among others). Each region has ERG chapters, which combine to create the larger, global ERG.

Membership is open to all at ERM: you do not need to belong to any dimension of diversity in order to participate. Each ERG has a charter that outlines the scope and purpose of the group.

Global ERGs	Focus
EmbRACE	Race/ethnicity and allies
EnABLE	People with disabilities and allies
GLOW (Global Women)	Women and allies
PACE (Parents and carers)	Parents, carers and allies
PRIDE	LGBTQ+ and allies

Celebrating Pride

Our theme in FY24 for ERM’s annual pride observance was Authentically Me, promoting a workplace that is a safe haven for ERM employees to be who they are without worry of judgement or retribution.



Photo credit: Edward Huang, Taiwan

As part of our celebration, we welcomed Gina Duncan, an external expert on transgender inclusion, to speak to us about her journey of becoming her authentic self, the challenges transgender people face across the globe and how we can foster an environment in which people feel safe enough to be their true selves. Using a blend of her lived experiences, education on concepts central to understanding the transgender community and practical tips on how to be an ally, she aimed in this impactful session to inspire and guide us towards better transgender inclusion in the workplace and beyond.

Gina shared three key practices for us to reflect on and adopt as we evolve our sustainably inclusive culture:

- **Affirm:** Make people feel safe and secure with the subtle cues we send through body language and words, such as sharing your pronouns.
- **Action:** Take responsibility as individuals for our own education and continue to evolve our understanding of key issues.
- **Advocate:** Raise the voices of those who are being affected by challenges and lend our support to champion their cause.

We are pursuing relationships with external LGBTQ+ organizations to help strengthen our approach.

“Gina’s session reminded me to look kindly on my past. Being queer often focuses on progression, but its important to look upon my time in the closet with grace”



Ian Treat
Senior Consultant, ERM

Health & safety

At ERM, safety is paramount and a core aspect of our culture. We continue to perform well from a safety perspective as we adapt to a changing workplace environment and growth in our workforce.

Our company’s procedures and protocols form the backbone of our efforts, building on active leadership across ERM. However, the responsibility does not lie solely with ERM’s leaders - everyone has a responsibility to do the safest work possible.

Operating safely and without incident is essential to fulfilling our commitment to the wellbeing of our employees, clients, subcontractors and the communities in which we work. For instance, any employee or subcontractor is empowered to halt work if they identify a condition or behavior that is unsafe.

It is our duty to take all necessary measures to guarantee the safety of everyone working at or representing ERM. The wellbeing and safety of our employees and those affected by our operations are fundamental to our business practices. Safety must always be the priority, without exception, in every place and at every moment.

We have integrated aspects of our DEIB process into our safety initiatives. For example, we offer tailored travel guidance for members of specific communities traveling to locations with different legal or cultural norms compared to their home regions, and we procure personal protective equipment suitable for various body types.

ERM has a well-established and thorough Safety Management System (SMS), encompassing safety-oriented policies, defined roles and responsibilities, training programs, initiatives and methods for assessing the efficacy of our management strategy. Our SMS directs our efforts to reduce health, safety and environmental risks, and it is based on International Organization for Standardization (ISO) requirements.



Photo credit: Edward Huang, Taiwan

Certifications

ERM’s global SMS conforms to all requirements of ISO 14001 (International Standard for Environmental Management Systems) and ISO 45001 (International Standard for Occupational Health and Safety Management Systems). Many of ERM’s local business units have obtained and continue to maintain third-party certifications to the ISO 9001 (quality), ISO 14001 (environment) and/or ISO 45001 (occupational safety) standards.

Safety at ERM

Five elements channel our focus to ensure our journey to safety excellence stays true to its course:

- 1. Active leadership** not only by our Partners, but by every employee. We all have an impact on each other and a personal and collective responsibility to ensure we all go home safe each day. The Active Leadership Audit Program allows our employees to periodically and consciously stop and assess the activities they are responsible for (or routinely observe) with respect to safety.
- 2. Training and competency** of our people and ERM to ensure that everyone has the required skills to perform their tasks safely. ERM assesses competency requirements and provides appropriate competency training for all employees and awareness for contractors and visitors. Such training must occur prior to exposure to risk. Training effectiveness is evaluated both at the time of training and as an employee performs work.
- 3. Emphasizing positive safety** to build a culture where safety successes are celebrated, and incidents are not punished but used as a learning experience. ERM promotes a positive culture through monthly and quarterly recognition programs for exceptional safety behaviors and activities.
- 4. Risk management** through both informal and formal processes to ensure that hazards are identified, controlled and monitored at every possible opportunity.
 - Travel safety by providing all international travelers with a detailed risk review of their destinations before they travel. In addition, we offer training on travel health, safety, security, emotional wellbeing and incident response, as well as provide traveler resources specifically for female, LGBTQ+ and other at-risk community travelers, who can face unique challenges when traveling.
 - See.Own.Share – Beyond Hazard Recognition companywide curriculum, which includes an online module and an instructor-led session. The training reinforces hazard recognition, dilemma management, intervention and coaching

techniques and introduces the concepts of consequence prevention and “future proofing” activities. In addition, we hold a series of workshop sessions each year where small groups of Partners are presented with safety dilemmas or provocative questions designed to stimulate conversation around our overall health and safety culture.

- 5. Maintaining balance** between safety and operational objectives to realize safety as an integrated part of the organization’s operational systems. It is not just the way we do safety; it is the way we do business.

Collectively, the five elements of Safety AT ERM help our entire workforce to both understand and articulate the most important aspects of our overall health and safety program. They also help us as an organization remain focused as we look to identify opportunities to improve our health and safety performance.



Photo credit: Jessica Velazquez, Mexico

Protecting our employee health and safety while traveling

In September 2023, we launched a new travel risk management approach to ensure our employees are traveling both safely and sustainably. Under the new system, all travel that is booked through one of our globally approved travel management companies is automatically transferred into a centralized travel database.

This database provides real-time visibility into our employees' travel locations so we can efficiently coordinate emergency response, if needed.

The new approach also benefits our travelers. Travelers automatically receive destination travel and risk information via email. Real-time risk information is available on their mobile devices, and emergency alerts are automatically communicated to travelers so they can make informed decisions.

Feedback from our employees has been very positive, and they appreciate the seamless transfer of information from travel management companies to the centralized travel database and find value in the real-time event notifications.



Photo credit: Diego Fernandes, Brazil

“I have traveled internationally for ERM for over 20 years, and this was the first time I received real-time threat information. Because of the app notification I was able to modify my travel path from hotel to client to avoid the area of impact. I am grateful that I was able to avoid the demonstrations.”



Roland Guerrero
Technical Consultant, ERM

Our health & safety services to clients

ERM helps clients to safeguard people, assets and reputation by transitioning to the workplace of tomorrow. According to our experience with leading companies, rather than improving safety performance, traditional approaches may actually impede progress as they are often difficult to embrace, replicate, and sustain. To mitigate this, ERM helps organizations to:

- Transform their approaches to Health and Safety to be human-centric;
- Strengthen existing safety culture and demonstrably improve safety performance;
- Reduce risks by developing skills to better observe unsafe behaviors, identify hazards, and empower people to take action;
- Enhance effectiveness of leaders, employees and contractors to promote safer outcomes;
- Reinvigorate existing processes and programs – maximizing the value of safety investments.

ERM has a broad and diverse global consulting team that includes health, safety, and risk management consultants, stakeholder management consultants, data analysts, human factors specialists, engineers and coaches. Internally, have a dedicated Safety technical community which aims to engage, share, and innovate across our growing range of safety services, giving our dedicated Subject Matter Experts (SMEs) space to learn and grow.

Through the provision of advanced technologies and systems solutions, ERM can help clients to set up functional safety management systems, enabling owners, designers and operators of various industries to plan and manage assets and projects more safely and sustainably.

We co-design solutions for leadership and culture programs, contractor and construction safety, process safety, functional safety training, fatality prevention, and many other specific client objectives to keep people and assets safe.



Photo credit: Victoria Gleeson, Australia

The impact of our services in FY24

ERM worked on over 2,000 health and safety projects in FY24, delivering value in terms of leadership and culture transformation, improved health and safety management and risk reduction. These projects, which are typically commissioned and sponsored by a combination of senior executives, operational leaders and functional health and safety leaders, form the core of our services and sit alongside other advice we provide in site investigation projects, due diligence, ISO 45001 certification and sustainable operations.

This year, we worked with the health and safety technical community to develop an approach for measuring the impact of our work with clients. We leveraged the insights of our third [global Health and Safety survey](#), where we engaged directly with 256 functional leaders from companies with combined revenues of \$7.2 trillion employing 11 million people (and many millions of contractors) in 150 countries to find out their most pressing issues.

As with our two previous global health and safety surveys (2018 and 2021) our clients tell us that the greatest challenge they face when it comes to health and safety is senior management leadership (95% of participants in 2024). They also told us that this year, more than ever before, psycho-social risks and mental health are becoming increasingly important to them.



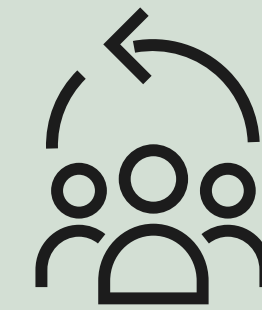
Photo credit: Duncan Priddle, United Kingdom



2,000+ health & safety projects



1,200 risk reduction projects



300 leadership & culture transformation projects



550 management improvement projects

95% Health & safety executives agree that

senior leadership engagement

is the most powerful means of driving improvements in health & safety

We delivered

110 leadership-focused projects

Engaging

>1,800 executive leaders to drive meaningful impact




Photo credit: ERM

Recognizing the importance of leadership, we focused the development of our initial health and safety impact metric on this aspect of our work. In the past year, we undertook 110 leadership-focused projects. These ‘boots to boardroom’ programs engaged more than 1,800 executive leaders; advising leadership teams, co-diagnosing problems, developing strategic and tactical plans, coaching teams of change agents, and implementing programs to drive improvement.

As illustrated in the case study below, there are a range of positive impacts evident when we engage senior leaders who in turn, apply these learnings in complex and higher-risk working environments. In FY25, we will continue to evolve our methods to quantify these impacts, with these learnings then being applied by our technical community as we engage with clients in their safety journey.

Safety-led operational transformation at Rio Tinto’s Richards Bay Minerals

HIGHLIGHT 

For most of its history, Richards Bay Minerals (RBM), a mining and processing business employing 5,000 people in South Africa, was challenged by tragic safety incidents. In its first 30 years, a member of the workforce lost their life every 14 months – unacceptable industrial safety performance by any yardstick.

Now, more than a decade since Rio Tinto took control, RBM has not recorded a fatality in over five years. It stands as one of the most advanced heavy industry operations in South Africa and is recognized as a world-class enterprise. The remarkable transformation raises the question: how was this achieved?

[▶ Watch the video here](#)

Stop work authority

Stop work authority at ERM is broad in scope and is not limited to physical safety. It is used as a temporary measure to allow all concerned parties to discuss the issues and come to an agreed approach before continuing.



Photo credit: Hanh Nguyen, Vietnam

Employees have the responsibility and authority, without fear of reprimand or retaliation, to temporarily stop any ERM controlled work activity that they believe presents an occupational health, safety or psychological risk to themselves or personnel under ERM control. This responsibility and authority also extend to any activity that is perceived to pose an immediate risk to the public or the environment.

Stop work authority is a critical aspect that we stress to our employees from the beginning of their careers at ERM. For instance, on Caleb Karmelich's first site visit as an ERM employee, the client wanted to tour an area within the factory where polyvinyl chloride (PVC) plastic was being crushed into small pieces for processing. However, microplastic dust had become airborne inside the area. Caleb had concerns about exposure to the dust and called a halt to entering the room. After discussing the risks of dust exposure with the client and the team, they all agreed not to enter the area.

“During the onboarding process at ERM, I had learned about stop work authority. Because my authority to stop work was emphasized so early on, I felt confident to speak up to the client and the site manager when I noticed a hazardous situation in the field.”



Caleb Karmelich
Senior Consultant, ERM

Wellbeing

ERM defines wellbeing as a state of being comfortable, happy and healthy, which encompasses our mental, physical and financial health, sense of self-worth and the ability to make meaningful contributions in our workplace and broader communities.

We understand that wellbeing is of vital importance. When we feel at our best physically and mentally, we live our most fulfilling lives and deliver our best to each other, our families and friends, and our clients.

Led by our Global Head of Mental Health and Wellbeing and sponsored by our Chief People Officer, we continued our focus on education, resources and destigmatization. Initiatives support the many and varied factors that contribute to wellbeing and enable our employees to participate in a way that they feel most comfortable and advantageous to them.

As a business and a collective of individual people, we believe it is important to actively look out and support each other, recognizing that wellbeing is something that needs to be nurtured and maintained both in and out of the working environment.



Photo credit: Heather Rigby, United Kingdom

Award-winning Security to Thrive program



Photo credit: Shafikah Sani, Singapore

ERM is proud to receive a This Can Happen award for the “Best New Workplace Approach to Mental Wellbeing” for our “Security to Thrive” program, which aims to address a growing demand for a more holistic approach to mental wellbeing.

Our program delves into the physiological aspects of stress responses, educating employees about their nervous system and providing practical tools to effectively manage and modulate emotional reactions. These tools become strategies for daily routines. Our program also draws on neuroscience to explore the emotional and motivational circuitry of the brain and deepen participants’ comprehension of how to foster empathy and social connections. As participants become more attuned to the intricacies of their own and others’ emotional experiences, they are better positioned to contribute to an empathetic work environment.

We have integrated core elements of “Security to Thrive” into all of ERM’s core people programs, including the new partner induction, graduate entry program, Mental Health Champion program and line manager training.



Photo credit: Karen Aitchson, United Kingdom

“Security to Thrive was one of the most impactful training sessions I have attended. It took me on a journey of self-exploration, which created the perfect environment for light bulb moments and a desire to do more for the wellbeing of our ERM family.”



Neil Ackerman,
Partner, & PACE (Parents & Carers) ERG Lead, ERM

ERM launches "Rest Well"

ERM recently launched Rest Well, a comprehensive program dedicated to improving the quality of sleep for our employees and enhancing overall wellbeing.

In today's fast-paced world, where demands on our time and attention seem endless, getting a good night's sleep can often feel like a luxury rather than a necessity. However, we believe that quality of sleep is fundamental to living a healthier, happier life.

Rest Well aims to reshape our relationship with sleep. Through a combination of resources, challenges and insights, ERM is committed to empowering our employees to prioritize and optimize their sleep habits.



Photo credit: Diana Pretelt, Colombia

Whether someone is struggling with insomnia, feeling constantly fatigued or simply looking to enhance their sleep quality, Rest Well is here to support them on their journey to better sleep.

As part of our continued efforts to provide preventative mental health care, Rest Well encompasses tools to help people feel more well-rested every morning, including:

- Resources: Evidence-based information about sleep hygiene, circadian rhythms and the science of sleep as well as practical tips and strategies for improving sleep habits and overcoming common sleep challenges;
- Challenges: Biweekly challenges designed to help people implement positive changes in their sleep routine. From establishing a consistent bedtime to reducing screen time before bed, each challenge is designed to gradually improve sleep quality and overall wellbeing;
- Expert insights: Valuable insights from third-party experts through a keynote webinar, online question and answer forum and bite-size videos about sleep science and innovative approaches to achieving optimal sleep health; and
- Mental health champions: Inspiration and motivation to prioritize sleep and make positive changes through our supportive community of global champions, who provide a safe space for employees to share their experiences and learn from successes and setbacks.

“In our fast-paced life, sleep often gets relegated to the backseat as we prioritize work and social commitments. I implemented Rest Well's suggested changes in my daily schedule and see significant improvement in my energy and concentration levels.”



Sayani Banerjee
Consultant, ERM

Stepping up our impact

FY24 headline targets:

- 100% of eligible full-time employees complete Contribution Statements.
- Achieve year-on-year improvement in learning effectiveness.
- Achieve global DEIB annual targets.

● ACHIEVED

- Achieve workforce growth and strengthen community within ERM to meet client needs and enhance our social impact
- Maintain net engagement score above industry average

○ NOT ACHIEVED

During FY24 we reassessed our people management strategy and shifted from workforce growth to workforce retention, further strengthening our people management programs and engagement. While we did not meet the growth and engagement targets we did see a positive impact in terms of our turnover and retention rates, with engagement scores increasing towards our target rate by the end of FY24. Supporting this, we achieved our targets for contribution statements and learning and effectiveness programs, positively positioning the business for FY25.

Supporting our talent retention, during FY24 the following was undertaken:

- Detailed review and enhancement of our compensation package through incorporating additional benefits to reflect employee feedback
- Review of pay equity across career grades
- Partner promotions increased by 92% globally and 66% of participants were promoted in our future leader’s program entitled Aspire.
- We updated ERM’s key project management program, PM@ERM, and a new program, PiC@ERM, was launched in the second half of FY24. From October 2023 through March 2024, 248 PMs and 221 PiCs completed the program.

Our global DEIB annual targets were successfully met by:

- Achieving the most ethnically diverse workforce ever, with 37.4% of employees who have disclosed their ethnicity identifying with a category other than White.

- Increasing the representation of women and ethnic minorities at the Partner level, achieving gender balance in our Associate Partner pipeline and increasing participation in ERGs across the company by 36%.
- Being recognized as a Diversity Employer/Organization of choice with our Latin America and the Caribbean region winning several DEIB-related awards, including the Human Rights Campaign “best places to work for LGBT+ talent” in 2023 in Argentina.
- Growing participation in ERGs across the company by 36%.
- Creating a dedicated DEIB online community for our employees to encourage global engagement, thought leadership and up-to-date information on DEIB events and trending news.



Photo credit: Luana Kwai, Brazil



Photo credit: Edward Huang, Taiwan

Wellbeing

We took the following steps to promote employee wellbeing during FY24:

- Implemented local Employee Assistance Programs across our global footprint, ensuring employees have access to essential mental health services.
- Refreshed ERM’s internal Wellbeing Hub and trained and deployed 60 mental health champions across our global operations, reinforcing our commitment to mental health advocacy.
- Integrated the Calm app into our corporate wellness program, with over 50% of employees globally signed up to the app.
- Aligned our Global Safety Week theme with mental health, focusing on “Maintaining Balance” to underscore the importance of mental equilibrium.
- Implemented a dedicated mental health speaker program to support our ERG communities, addressing key topics, such as men’s mental health and providing self-care resources for parents and caregivers.
- Organized various local events, such as flow yoga, meditation sessions and nutritional workshops, to foster holistic wellbeing for our employees across our global footprint.

FY25 headline targets

- Implement ‘Security to Thrive’ Program
- Increase participation in ERG groups by 10% from FY24
- Achieve combined voluntary and involuntary turnover rates below FY24
- Improve talent brand as measured by brand awareness metrics
- Increase representation of women and minorities at Partner and Director levels (partner/CL5/BE4) from FY24

During FY25, we will further develop our people management through key areas where we feel we can be most impactful and in alignment with our targets.

Talent

We will continue to focus on talent development through deploying the client excellence tools across all our teams within our key client program to grow and develop their capabilities, continue strengthening the ERM way of client excellence and partner even more strategically with our clients to create even greater impact.

DEIB

We will look to accelerate our progress towards achieving our DEIB targets for FY26 which include:

- Recognized as a top company for DEIB;
- Increase underrepresented minority population year over year;
- Increase representation of women and minorities at Partner and director levels;
- Establish an inclusion index, systems and tools to measure DEIB efforts; and
- Improve leadership inclusion index score to beat industry benchmarks on employee engagement surveys.

Health, safety and wellbeing

We will continue to focus on H&S leadership through delivery of our global programs including our active leadership, healthy working and travel safety programs amongst others.

We will further strengthen our employees’ wellbeing through:

- Our global and regional external speaker programs.
- Implementing or expanding key initiatives, including:
 - Security to Thrive
 - Sleep hygiene campaign;
 - Nutrition education program;
 - Movement campaign; and
 - Financial literacy insights for recent graduates.

Our focus for accelerating impact through our client work and collaborations includes:

- Provide H&S expertise to support our clients in the delivery of their operations
- Continue to develop the breadth of our technical services to clients across industries through our technical community skills programs
- Develop our methodology to assess the social impacts of our client projects
- Continue to provide thought leadership through our collaborations and the ERM SustainAbility Institute.

Human Rights



Why this topic is material for ERM

The respect and promotion of human rights is of fundamental importance to ERM and is at the core of our purpose. It informs all aspects of our operations, including whom we employ and, how we manage our people, where we work and our selection of commercial opportunities, the services we provide to clients and our supply chain and the organizations we partner with.

Since our initial materiality assessment in 2012, ERM has integrated consideration of human rights into our core material topics. In FY24, we have made the respect and promotion of human rights a standalone material topic after detailed consideration of the impact that human rights has on us as a business and the impact we can generate through our value chain.

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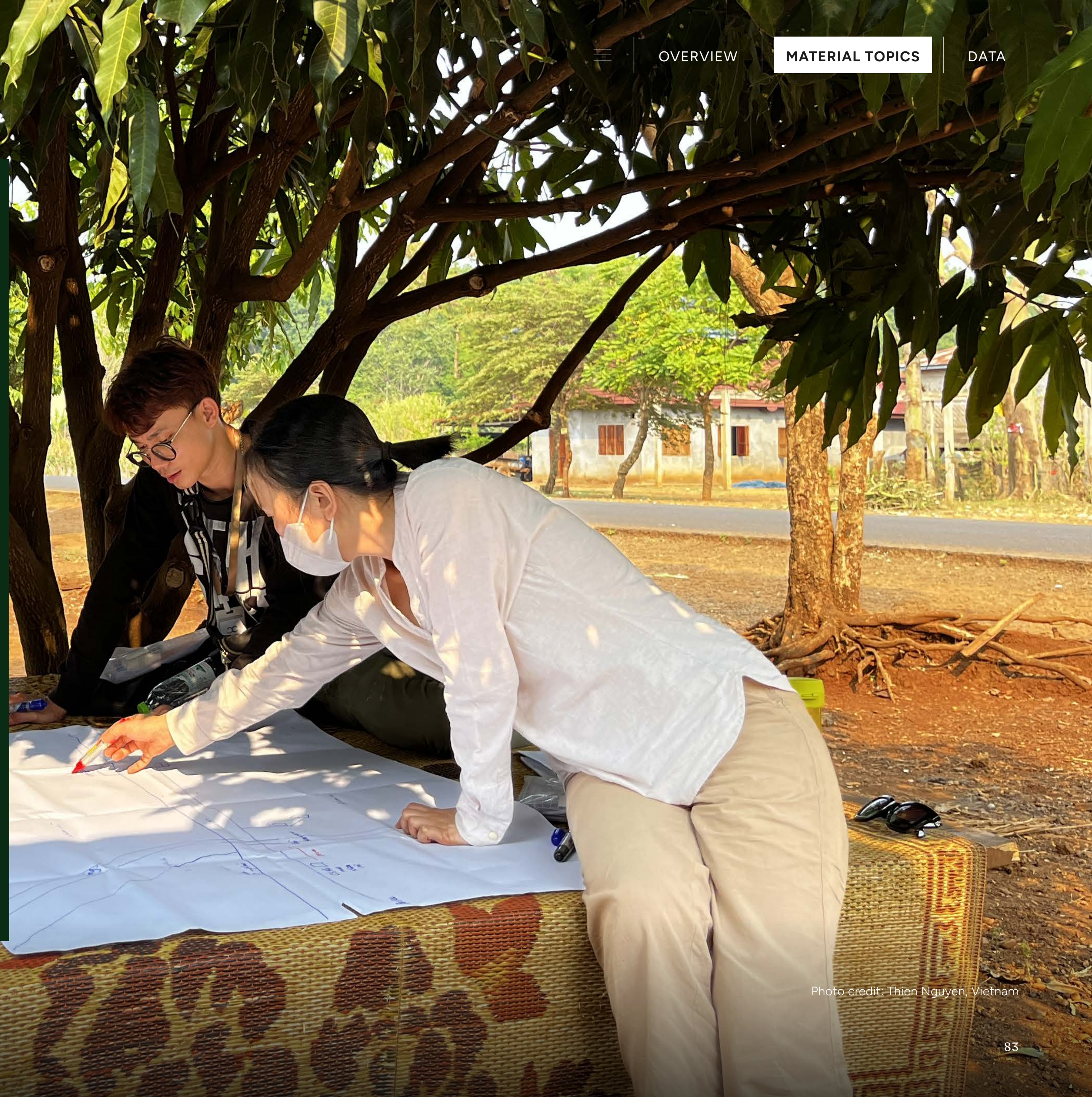


Photo credit: Thien Nguyen, Vietnam

Our commitment

The protection and promotion of human rights is of fundamental importance in its own right and is also intertwined with the challenge of tackling climate change and the protection of nature, which is fundamental to a just transition and sustainable future for all.



Photo credit: ERM

We see this in the rights of communities whose existence is under threat from sea level rise, the impact of deforestation and forced repatriation on the rights of Indigenous peoples, and recent court decisions establishing groundbreaking precedence that failure to address climate change is an infringement of human rights. With over 50 million people currently estimated to be subject to modern slavery and discrimination still a daily occurrence for many more, the need to respect and promote human rights remains as much a priority today as when the UN Declaration of Human Rights was first signed in 1948.

Equal rights for all

ERM supports the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and we uphold the principles within the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We are signatories to the UN Global Compact and thereby commit to uphold its 10 principles, two of which focus on human rights.

We report our performance annually via the Communication on Progress, which is published on the [UN Global Compact website](#).

Our commitments to the respect and promotion of human rights are integrated into our [Human Rights, Modern Slavery, and Child Labor Policy](#), as well as our health and safety, supplier and other policies. They are integral to our governance, management systems and future objectives, as set out in our updated [Human Rights Strategy](#).

Business Commission to Tackle Inequality (BCTI) HIGHLIGHT

BCTI is a cross-sector, multistakeholder coalition of nearly 60 organizations and their leaders. It was launched in July 2021 with the mission of mobilizing the private sector to tackle inequality. ERM's Global Leader, Social Performance and Human Rights serves as a Commissioner to BCTI.



Alexandra Guaqueta speaking at the 12th United Nations Forum on Business and Human Rights

Human rights and environmental due diligence go hand in hand.

Companies need to understand the linkages between these two aspects and adopt an integrated approach to effectively avoid harm and support remediation throughout their operations and value chain.

Alexandra Guaqueta, Global Service Leader, Social Impact Human Rights at ERM, spoke during the 12th UN Forum on Business and Human Rights at a parallel session on “realizing the right to a clean, healthy and sustainable environment: progress and opportunities for human rights due diligence and the environment in practice.”

ERM highlights four actions for businesses to integrate environmental and human rights due diligence:

- 1. Include rightsholders and stakeholder engagement in environmental control.** Most companies that comply with stringent environmental norms have robust environmental risk management systems in place. However, these do not always incorporate meaningful engagement with potentially impacted people – a process that typically helps uncover the connections between environmental harm and human rights impacts.
- 2. Ask how decarbonization strategies are impacting people.** Climate action is meant to deliver a planet that is safe for all, but transitioning energy infrastructure may affect workers and communities. Include just transition considerations when setting greenhouse gas emissions and environmental impact reduction targets.
- 3. Access cross-functional expertise in your company.** To meet the full need for integrated environmental and human rights due diligence, companies must bring together various functions such as operations, procurement, health and safety, environment and human rights.
- 4. Support suppliers.** Supply chains can pose significant human rights and environmental challenges, and these are intensifying due to rising geopolitical tensions, cost of living, and demand for raw materials. Use supplier onboarding and management to lift performance.

“Mandatory human rights due diligence and the recognition of new rights are driving the next wave of adoption and integration of standards in corporate governance and management systems. ESG will only be meaningful if we put people at the center.”



Alexandra Guaqueta
Global Service Leader,
Social Impact & Human Rights, ERM

Modern Slavery

Modern slavery exists across all parts of the world and in many forms, not all of which are easy to recognize but are nonetheless important to mitigate against.

ERM recognizes that it is our responsibility to respect the human rights of our employees, those with whom we work and the communities within which we operate. With a policy of zero tolerance towards modern slavery and wider violation of human rights, ERM is committed to supporting and aligning our work to the UN SDG Goal 8.7, which seeks to eradicate modern slavery among children by 2025 and universally by 2030.

We are dedicated to systematically addressing risks of modern slavery in our operations. We believe it is not possible to say that modern slavery risks can ever be completely eradicated but we are committed to doing our part to reducing such risk and actively monitoring our operations consistent with this.

We report on our approach to management of modern slavery risk in our Modern Slavery Statement, produced in accordance with the UK Modern Slavery Act 2015 and Australian Modern Slavery Act 2018 (Joint Modern Slavery Statements). This year we have also voluntarily disclosed consistent with principles of the Fighting Against Forced Labour and Child Labour in Supply Chains (Canadian Modern Slavery Act) 2023.



Photo credit: Juliana Ramos, Argentina



Preventing modern slavery risks in the supply chain at Vale Base Metals

Vale Base Metals, a global leader in the production of nickel, copper, cobalt and platinum group metals, has enlisted ERM's assistance to ensure compliance with the requirements of the recently implemented Forced Labor and Child Labor in Supply Chains Act, also referred to as Canada's modern slavery act.

Our initial step involved conducting a gap analysis of the client's internal policies, procedures, and processes to determine how closely Vale aligns with the act's requirements and the OECD Due Diligence Guidance for Responsible Business Conduct.

We have created a specialized modern slavery risk assessment dashboard tailored for Vale. This tool is designed to monitor, identify and prioritize potential risks related to child labor, forced labor and modern slavery. It aids in fulfilling annual

reporting requirements, business planning and managing the supply chain by monitoring the client's risk exposure according to country, industry and the products and services acquired within Vale's operations and supply chains.

In collaboration with Vale, we contributed to the production and publication of the organization's 2023 Modern Slavery Report. The creation of this initial report was guided by insights from ERM's gap analysis and supply chain mapping, which built upon the results of prior tasks to highlight the measures Vale has implemented to identify and mitigate risks.



“We take pride in the measures we've implemented to prevent and mitigate the risks of forced and child labor in our operations and supply chains. The team at ERM has been instrumental in ensuring our Modern Slavery Report complies with the latest Canadian filing standards.”

Emily Olson

Chief Sustainability & Corporate Affairs Officer,
Vale Base Metals

Promoting human rights across our value chain

We strive to promote human rights across the breadth of our value chain, from our operations through to our collaborations.

Human Rights is one of our key sustainability operational programs which delivers upon our Human Rights Strategy. Through this, we focus on areas of our value chain where we have the ability to govern, monitor and create impact. Key aspects of our approach include:

- **Our operations:** From our Business Code of Conduct to training our staff, human rights is embedded in our operational governance and our operational approach. Our governance provides the framework for the promotion of human rights and our employees support the respect for such rights through their behaviors and delivery of our services.
- **Our supply chain:** Our suppliers are required to work in accordance with ERM’s purpose and values and adhere to our Human Rights Policy. ERM requires its supply chain at all times to act ethically and respect and promote the rights of employees, contractors and the communities within which they operate and deliver our services.
- **Clients:** We provide human rights expertise for our clients who span across industries, as further detailed in this section. This supports the promotion of human rights within their own organizations, supply chains and wider communities within which our clients operate.
- **Our collaborations and partnerships:** A key mechanism by which we extend the positive contribution we seek to make to promotion of human rights is through our collaborations including with the UN Global Compact, the World Business Council for Sustainable Development, the Business Commission to

Tackle Inequality and other organizations, as well as through the work of the ERM Sustainability Institute and ERM Foundation. Through our collaborations and partnerships we advocate for the respect and promotion of human rights for broader society.

Our human rights services

ERM's most significant impact as a company is through our work with clients. Drawing upon their collective expertise and knowledge of local contexts across the globe, our social and human rights consulting services teams help companies across industry sectors, at the corporate and asset levels, to conduct human rights due diligence and manage social impacts through the following services:

- Human rights policy and strategy development
- Human rights risk, impact and salience assessment
- Modern slavery and forced labor risk assessment, planning, legislative alignment and disclosure
- Risk management, strengthening grievance mechanisms and remediation
- Supply chain risk assessment and management
- Supplier risk management embedded in broader ethical sourcing and sustainable procurement process
- Capability development and training of employees, contractors and suppliers
- Developing and strengthening company management systems
- Just transition and addressing social factors of decarbonization
- Social and human rights impact of climate risks
- Disclosures in accordance with the Frameworks and Guiding Principles

Dhawura Ngilan (Remembering Country) Business and Investor Guides

Alan Dayeh, ERM Partner, volunteers as the chair for the Responsible Investment Association Australasia (RIAA) First Nations Peoples’ Rights Working Group and helped spearhead the creation of the Dhawura Ngilan Business and Investor Initiative (DNBII). DNBII is a joint initiative of the First Nations Heritage Protection Alliance, RIAA and the UN Global Compact Network Australia.

The initiative serves as a platform for First Nations stakeholders to articulate their own expectations for the responsible protection of cultural heritage, expressed through a set of principles. Alan states “companies could choose to be a signatory or adopt the principles, and banks and other investors can require adherence to principles as a condition of finance, similarly to the Equator Principles”.

This approach aims to bridge the gaps where Australia’s federal and state regulations fall short of the International Finance Corporation (IFC) Performance Standards and the UN Declaration on the Rights of Indigenous Peoples. It also seeks to define more clearly what constitutes free, prior and informed consent (FPIC) within the Australian context. First Nations groups elsewhere, including Canada and United States, are looking at this initiative with interest.

In March 2024, the DNBII launched two guidance documents: Principles Guide and the Business and Investor Guide. Alan and Michael Gaggin, Business Unit Managing Partner for ERM Australia, represented ERM at the launch in the Australian capital of Canberra.

ERM works with some of the world’s largest mining companies to help them establish, operate and decommission mines in line with leading environmental and social standards. ERM has a strong track record of designing and working with leading standards and frameworks, such as the Equator Principles and IFC Performance Standards. We are proud to support the DNBII, as it could help strengthen positive sustainable development outcomes for First Nations and Indigenous Peoples around the world.



Photo credit: Images supplied by First Nations Heritage Protection Alliance

Statkraft human rights risk assessment

ERM conducted a risk assessment for Statkraft to identify human rights risks, focusing on the client's corporate and project-level human rights performance. The assessment considered the inherent risks related to the client's activities and operations as well as the existing management capabilities to mitigate and manage these risks.

ERM developed in-depth human rights risk reports for 20 countries where the client operates, covering key human rights issues of relevance for the client, including the rule of law, labor rights, security, and environmental and community impacts. The country-specific human rights information empowered the client to make well-informed business decisions and determine the necessary level of due diligence to manage risks effectively.

Additionally, ERM carried out human rights due diligence gap assessments for five selected assets across five countries, in line with international standards and relevant national legislation (such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines and Norwegian Transparency Act). The assessment identified gaps and offered insights for managing human rights risks during the development and operation of renewable energy projects.

ERM's expertise in the renewable energy sector and technical capabilities in human rights issues provided the client with clear insight on human rights risks and gaps at both the corporate and project level, helping the client prioritize resources to develop and implement corrective actions to mitigate the identified risks.

The country-specific human rights information empowered the client to make well-informed business decisions and determine the necessary level of due diligence to manage risks effectively.

ERM's efforts supported the client in ensuring compliance with international standards and evolving national legislation and holding up the Company's commitment to respect human rights.

“The results of the assessment and gap analysis will support Statkraft in upholding its commitment towards a just transition by ensuring regulatory compliance and implementing adequate mitigation measures to mitigate adverse human rights impacts.”



Harriet Spiegel

Managing Human Rights Consultant, ERM

Stepping up our impact

FY24 target:

- Finalize and implement updated human rights program

● ACHIEVED



Photo credit: Vikrant Wankhede, Thailand

We are always to striving to enhance our approach to human rights and the positive impact we can generate with respect to promoting human rights and reducing the risk of modern slavery and wider violations. During FY24, we focused on key areas where we could be most impactful, these include:

- We have a dedicated operational program to further strengthen our governance and performance of human rights with a key focus on supply chain management. To more systematically identify potential adverse human rights impacts associated with our client work, we have strengthened our risk-based project screening criteria to prevent causing, contributing to or being associated with these impacts.
- We extended mandatory training on modern slavery and human trafficking to all employees.
- Our health and safety program continued to focus on delivering conditions which protect the wellbeing of our employees and those whom we contract services from.
- We expanded our human rights advisory service line and delivered trusted advice to clients across the globe
- We strengthened our engagement with our supply chain, seeking to further understand their governance of human rights within their respective operations. We reviewed and updated our Sustainable Procurement Policy and our Supplier Code of Business Conduct and Ethics.
- ERM provided thought leadership on human rights via key international bodies and forums.
- Through the ERM Foundation, we have renewed our focus on working with nonprofits and social enterprises to support and promote the rights of disadvantaged sections of communities across the globe.

In FY25, we are stepping up our efforts to respect and promote human rights across our value chain. Our human rights materiality assessment identified key areas where focused interventions could generate the most impact, in line with our Human Rights Strategy.

FY25 targets

- Engage top tier of suppliers on human rights
- Undertake country and service human rights due diligence assessment
- Ensure no unpaid workers, no material and unintended pay equity issues

Delivered through:

- Additional awareness campaigns on human rights, modern slavery and child labor;
- Regional and service-specific human rights due diligence exercises;
- Expanded engagement and monitoring of human rights performance within our supply chain;
- Exploring opportunities for the ERM Foundation to leverage funding and pro bono expertise to support key human rights such as access to water and sanitation, and address sections of communities suffering social and economic exclusion through promoting sustainable livelihoods;
- Increasing thought leadership through our partnerships and coalitions.

[Learn more in ERM's Human Rights Strategy](#) →



Photo credit: Harold Duarte, Colombia

Climate



Why this topic is material for ERM

ERM leverages our technical and business capabilities to help clients navigate the challenges of transitioning to a low-carbon economy. These challenges affect every organization, including ERM and require a thorough understanding and assessment of the risks and opportunities which climate change poses to business operations and how to adapt accordingly.

As with previous years, climate remains one of our most material topics, reflecting the impact we can generate through decarbonizing our own operations, supporting our clients to do the same, and the contribution we make through working in partnership with organizations to support wider societal efforts to move towards a net-zero future.

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Photo credit: Uswah Aziz, Canada

Decarbonizing our operations

The global imperative of addressing climate change, and the urgency of response has never been greater.

As a company committed to demonstrating sustainability leadership we continue to step up to the challenge and support our clients and their value chains to do the same. Like our clients, we are seeking to further commercial growth while decreasing our emissions, thereby decoupling our growth from our carbon footprint. This requires us to make choices about how we operate and in particular, how we travel and deliver our services to clients, and engage our supply chain to ensure we optimize low-carbon options and deliver on our decarbonization targets.

Our operational response

We have long been committed to addressing climate change – through our own operations and beyond. We have developed a Decarbonization Strategy to deliver on our operational climate-related commitments. Climate is one of our key sustainability operational programs which delivers upon our decarbonization targets. We report on our science-based targets and performance and subjected our emissions data to third-party assurance.

This year, we undertook an extensive recalibration exercise, expanding the scope of emissions we monitor and report. The Science Based Targets initiative (SBTi) verified that we have set science-based net-zero targets by 2040, consistent with limiting global temperature rise to 1.5°C meeting the Corporate Net-Zero Standard. Our updated Decarbonization Strategy, published alongside the annual Sustainability Report, outlines how we deliver these ambitious targets.

Photo credit: Uswah Aziz, Canada



Overall net-zero target:

ERM commits to reach net-zero greenhouse gas emissions across the value chain by FY40.

Our near-term targets:

By 2028: ensure that 45% of suppliers by emissions covering purchased goods and services will have science-based targets.

By 2030, we will:

- Reduce absolute Scope 1 and 2 GHG emissions by 50%.
- Achieve 100% annual sourcing of renewable electricity (currently at 99%).

- Reduce absolute Scope 3 GHG emissions from business travel and employee commuting by 42%.

Long-term targets:

By 2040, we will:

- Reduce absolute Scope 1 and 2 GHG emissions by 90%.
- Reduce absolute Scope 3 GHG emissions from purchased goods and services, business travel and employee commuting by 90%.

Both near-term and long-term targets are set against a FY20 base year.

Scope 1 and 2 emissions

We are on track to meet our Scope 1 and 2 emissions reductions targets for 2040 against our FY20 baseline but our FY24 emissions have increased when compared to last year. This is attributed to two key factors, namely:

- Activity based: a small increase in the reported use of chillers in our offices (Scope 1) and comparable slight increase in vehicular use to support our in-field survey activity for clients (Scope 2); and
- Reporting and methodology: a change in our reporting approach and calculation methodology for emissions arising from air conditioning and hybrid/electric vehicles.

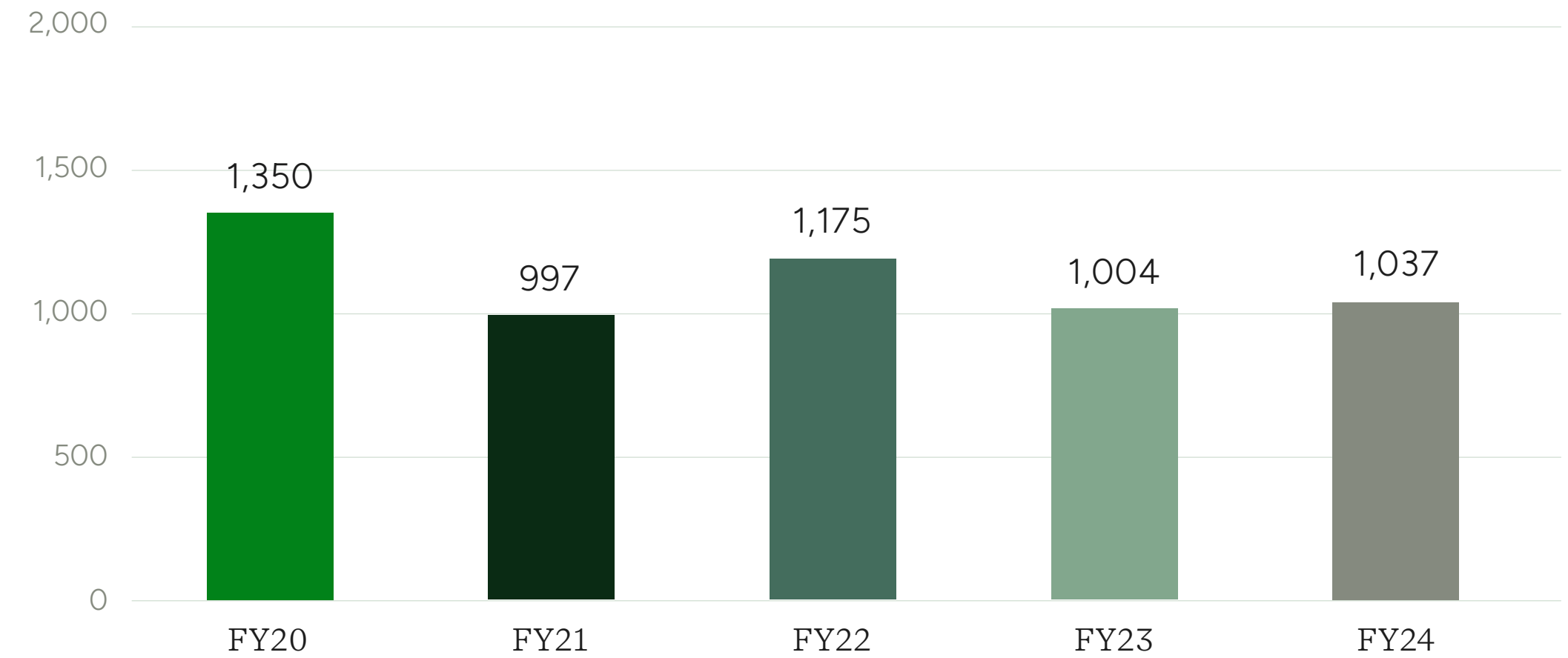
For further information, refer to the [Climate Supplement](#).

Our Scope 2 emissions increased this year due to greater use of company cars, which were primarily used to support in-field survey work in inaccessible locations. Whilst the ratio of vehicular trips conducted by electric and hybrid cars, relative to overall company car use, positively continued to increase, the emissions associated with each of these car trips also increased. The combination of increased trips and emissions associated with each trip, resulted in higher Scope 2 emissions.

Despite these increases, our Scope 1 and 2 combined emissions have reduced by 29% in absolute terms compared to our FY20 baseline.

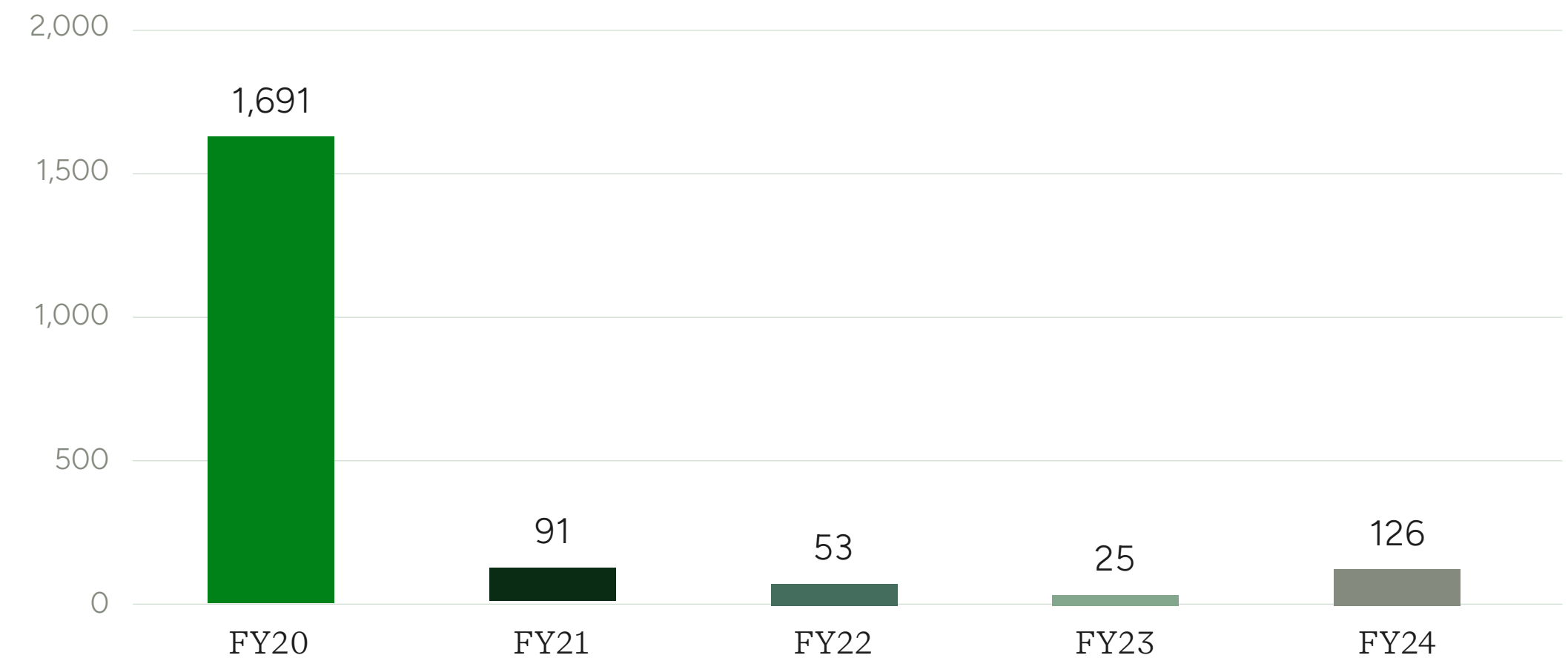
Scope 1 emissions FY20 - FY24 (tCO2e)^{1, 2, 3}

GRI 305-1



Scope 2 market-based emissions FY20 - FY24 (tCO2e)^{1, 2, 3, 4}

GRI 305-2



Scope 3 emissions

Scope 3 emissions comprise a range of emissions sources from our business travel and employee commuting to our supply chain. The largest category of Scope 3 emissions that are directly under our control, relate to business travel. While we experienced a limited increase in business travel during FY24, relative to FY23, a change in emissions factors saw a significantly higher level of emissions associated with each kilometer traveled by air. This change in the factor explains the greater increase in emissions compared with the increase in miles flown.

However, our largest source of Scope 3 emissions is associated with our supply chain. To-date, we have calculated our supply chain emissions on the basis of spend but as with many companies, we aim to engage further with our supply chain to improve the accuracy of our data and better understand the source and scale of these emissions. This will enable us to identify how and where we can accelerate decarbonization through our suppliers. We will support our suppliers in this process, recognizing that this is a challenge across sectors that must be addressed in partnership with others. Working with our supply chain will be a key focus for us in FY25.

Scope 3 emissions FY20 - FY24 (tCO2e)^{1, 2}
GRI 305-3

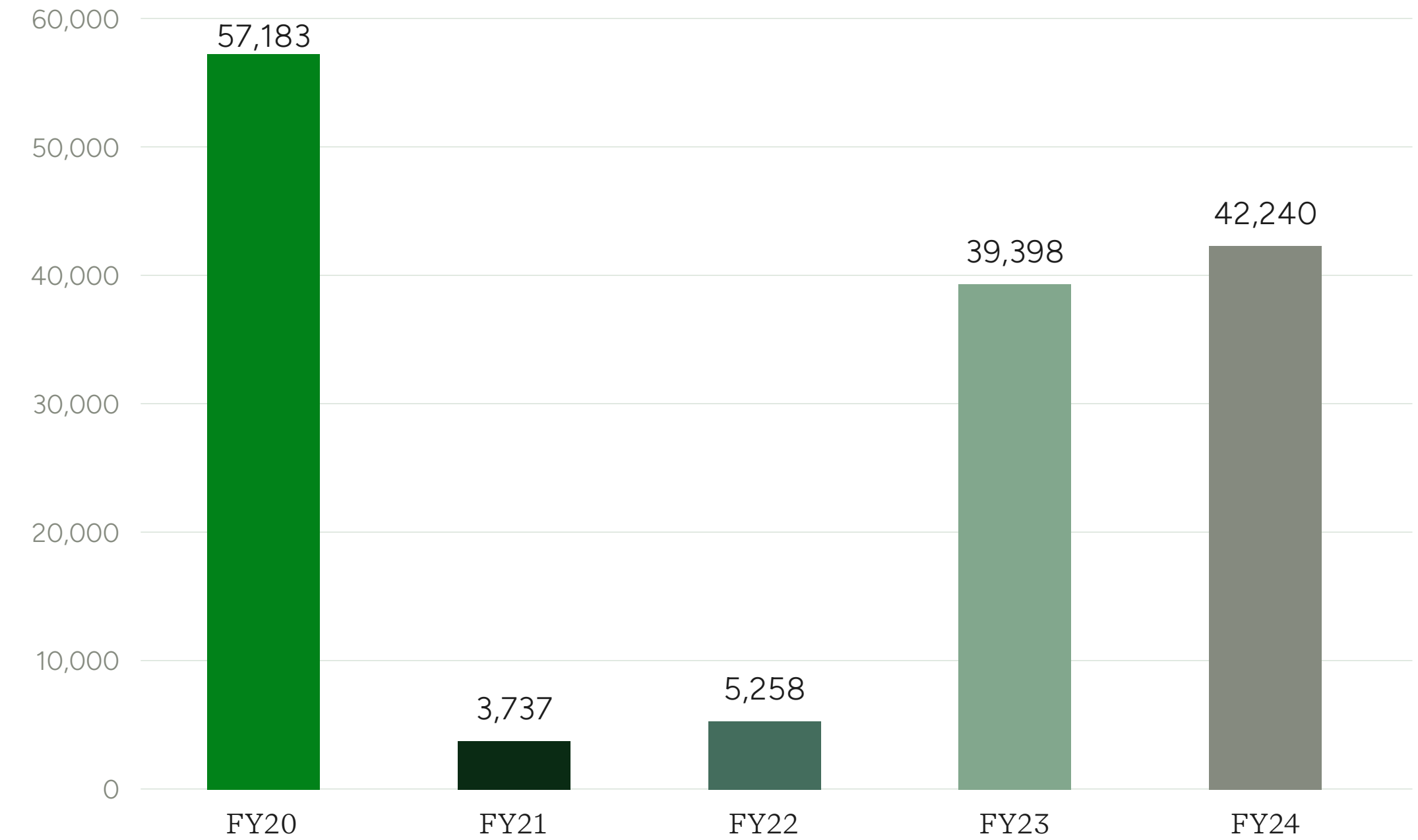




Photo credit: Melissa Arteaga, Colombia

Assurance

For the third consecutive year, we have undertaken external assurance of our greenhouse gas emissions data, aligning with our commitment to continuous improvement and to support the heightened financial disclosure mandates in the United Kingdom and other key jurisdictions where we operate. Learn more [here](#).

Residual carbon emissions

ERM is publicly committed to achieving net-zero carbon emissions throughout our operations by 2040. Despite efforts to minimize emissions, there will still be some residual emissions between now and 2040, primarily from employee travel. Our phased approach for voluntarily compensating for residual emissions began in FY23.

For FY24, we are incorporating the following in keeping with industry guidance and recognized best practice:

- Renewable Energy Certificates (RECs) to support our reduction of Scope 2 emissions and enable us to use 100% renewable electricity for our offices; and
- High-quality carbon credits to compensate for a portion of our residual emissions.

We have worked closely with the ERM Climate Markets team to align our approach with the Claims Code of Practice set out by the Voluntary Carbon Markets Integrity Initiative (VCMI) which involves purchasing high-quality carbon credits from respected carbon registries. We are compensating for a portion of

Climate-Related Financial Disclosure

For the first time this year, ERM is publishing a Non-Financial and Sustainability Information Statement, in compliance with the The Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022¹.

The statement sets out material climate-related financial risks and opportunities as a business, the process by which we identify, assess and manage these, and our key performance indicators for tracking performance against our key targets in respect of these. This statement is included in our United Kingdom Annual Financial Report but also forms the basis of our Taskforce for Climate-related Financial Disclosure.

¹ The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (legislation.gov.uk)

emissions through natural climate solutions, in keeping with our support for this approach. We have included credits derived from carbon removals and reductions as well as contributions to nature and livelihoods in line with guidance from the Natural Climate Solutions Alliance and other leading entities.

[Learn more in ERM's Climate Supplement](#) →

Supporting our clients

There is an urgent need to alter the way that energy is sourced, transformed and used globally. Pressure is increasing from investors, regulators, customers and society for business and governments to transition to a low-carbon economy.



Photo credit: Phuong Uyen Nguyen, Vietnam

Low carbon economy transition

ERM is distinctly positioned to help our clients in the corporate, financial and government sectors to navigate this transition, from strategic advice to practical on-the-ground implementation.

Our services include strategic advisory services, technological expertise, and capital project and development support to facilitate permitting.

Setting strategy

Our technical experts advise clients at the sector, corporate and asset levels to identify and reduce carbon emissions and climate-related financial risk across the value chain. This includes:

- Assisting companies in the development of new technologies and entering new value chains;
- Providing climate policy analyses and intelligence to assess evolving regulatory requirements; and
- Facilitating strategic, multi-stakeholder coalitions to assist clients in ensuring economically and environmentally sustainable climate policies.

Supporting implementation

ERM’s experience helping clients navigate changes across multiple sectors enables us to bring extensive technical capability, to help organizations act at the scale and speed necessary to successfully implement decarbonization strategies and remain competitive.

Our services include:

- Techno-economic assessments across options to decarbonize industrial, transport and built environment assets and portfolios, leading to clear recommendations;
- Support for building new and repurposing existing infrastructure for the low-carbon economy at the asset, local, regional and national levels;
- Helping to close, clean-up and regenerate old fossil fuel related assets as the low-carbon transition gathers momentum;
- Forming regional hubs of industries with shared needs for low-carbon solutions, such as hydrogen, heat networks and carbon capture;
- Helping fuel producers understand the future offtake potential for alternative fuels to enable the energy transition;
- Supporting clients to secure public funding for innovative projects and providing subsequent project management services; and
- Assessing how nature-based solutions and engineered removals can support carbon reduction goals and build resilience of assets impacted by climate change.

ERM Japan and Sumitomo Mitsui Trust Bank joint venture to support Japan's transition to a low carbon economy

ERM Japan Ltd. has formed a joint venture with Sumitomo Mitsui Trust Bank, Limited (SMTB), aimed at advancing climate change solutions in Japan. The strategic collaboration, ERM SuMi TRUST Consulting Ltd., combines ERM's sustainability and low carbon transition consulting expertise with SMTB's robust financial infrastructure. It is designed to support Japanese companies in their efforts to address climate-related challenges and align their operations with the goals of the Paris Agreement.

Central to the joint venture's mission is the provision of specialized consulting services to help companies in Japan transition to a low-carbon economy. This encompasses a wide range of services from greenhouse gas emission assessments and decarbonization strategies to climate risk analysis and the integration of these elements into corporate strategies and governance. Additionally, it includes advisory services on carbon markets and support for climate-related disclosures, all designed to ensure compliance with international standards and support the global ambition of limiting warming to 1.5 degrees Celsius.

The governance structure of ERM SuMi TRUST Consulting Ltd. includes a board of directors and a statutory auditor, ensuring balanced and effective management.



Photo credit: ERM

“This joint venture represents a significant milestone in our mission to foster sustainable business practices. Our collaboration underlines our commitment to not only address the pressing challenges of today but also to pave the way for generations to come.”



Tatsuya Noma
North Asia Managing Partner, ERM

ERM advises Global Infrastructure Partners in Eversource offshore wind deal

ERM served as a technical and ESG advisor to Global Infrastructure Partners (GIP) in its acquisition of Eversource’s 50% stake in two United States offshore wind projects: South Fork Wind and Revolution Wind.



Photo credit: Daniel Savage, Canada

South Fork Wind, a 132 megawatt offshore wind project located 35 miles east of Montauk Point in New York State, entered service in March 2024. Revolution Wind, a 715 megawatt offshore wind project located 32 miles southeast off Connecticut’s coast, is anticipated to be the first utility-scale wind farm in Connecticut and Rhode Island upon its expected completion in 2025.

ERM’s technical due diligence services included a detailed assessment of project construction contracts, geotechnical and geophysical studies, foundation design, wind turbine technology, as well as the construction schedule and operations and maintenance strategy. ERM also provided detailed analysis of the projects’ capital expenditure and operating expense profiles.

ERM is a leading provider of offshore wind technical advisory services globally and has delivered several large scale technical due diligence assessments in the United States offshore wind market.

“Our global transaction advisory team helps investors navigate the US market using the team’s vast experience in offshore wind transactions around the world. This significant transaction comes at a time of rapid growth with several offshore wind farms now under construction.”



Matthew Irvine
Global Director of Renewables Transaction Advisory, ERM

SSE Renewables solar projects in Poland

SSE Renewables, a leading developer and operator of renewable energy generation headquartered in the United Kingdom and Ireland, is expanding its international footprint. The company recently acquired a 400 megawatt portfolio of early-stage projects from IBC Solar and an additional 500 megawatts of early-stage solar photovoltaic projects from Optisol. Taken together, the two solar portfolios bring SSE Renewables's pipeline of solar projects in Poland to 900 megawatts.

ERM is honored to have supported SSE Renewables with these recent acquisitions by conducting due diligence for both transactions. Our scope of work encompassed a comprehensive review of the project design, permitting and grid status.

In addition, we provided an independent estimate of energy yield and cost projections over the project lifespan to support financial modeling.

ERM has a proven track record in supporting time-sensitive, multi-location due diligence efforts for solar and other renewable energy transactions. We identify, quantify and prioritize current, contingent and future ESG and sustainability exposures. Our experience allows us to anticipate issues, enabling them to be proactively addressed before transaction timelines are impacted.

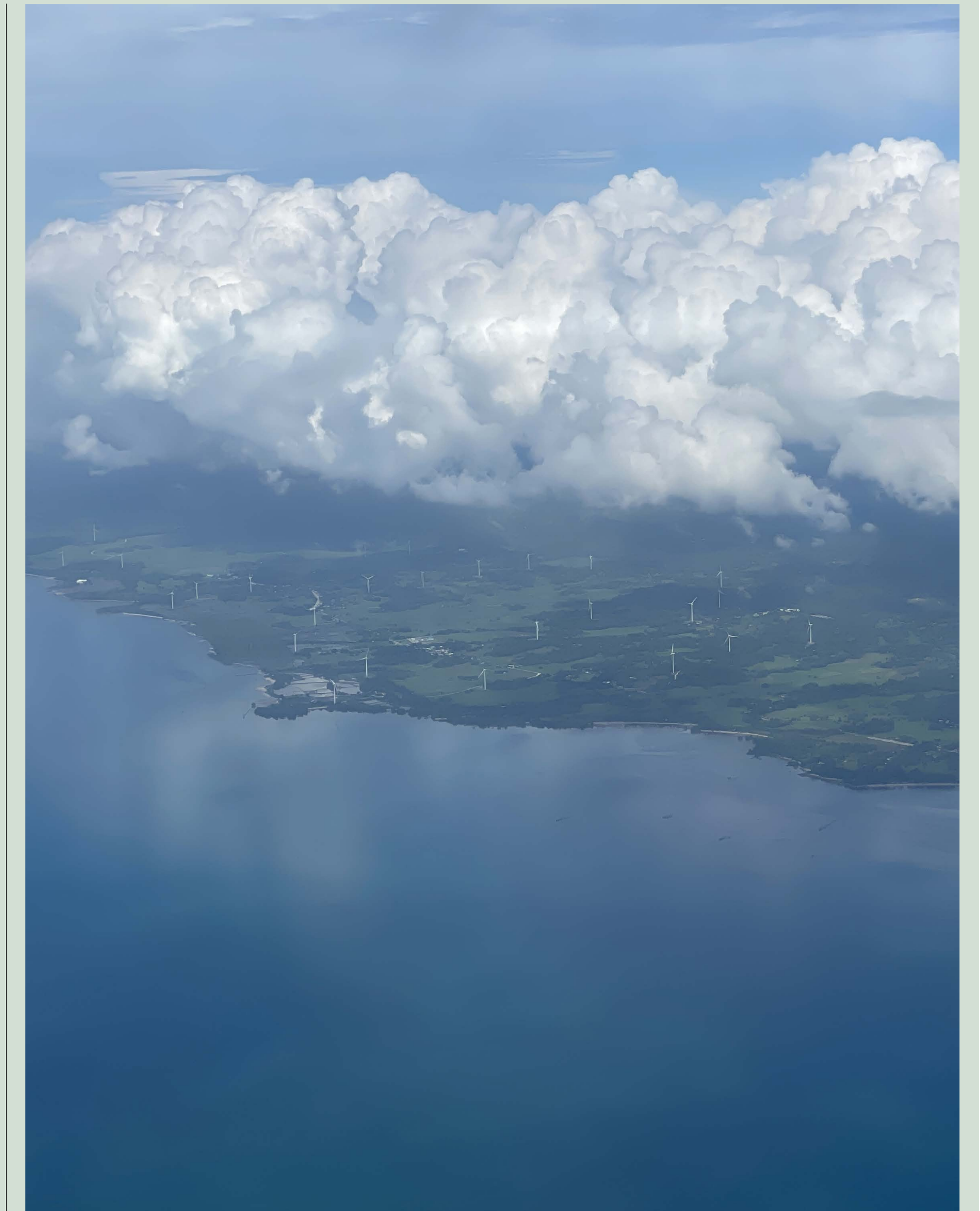


Photo credit: Alma Chen, Hong Kong

Impact of our client work

For the past 4 years, we have been focusing ERM’s offerings to support clients in the transition to a lower-carbon economy. Over this time, we have measured two key elements of climate-related impact metrics for our business. The first relates to the increase in projects that support clients in their transition to a lower-carbon economy through a proxy measure of sales related to these projects.



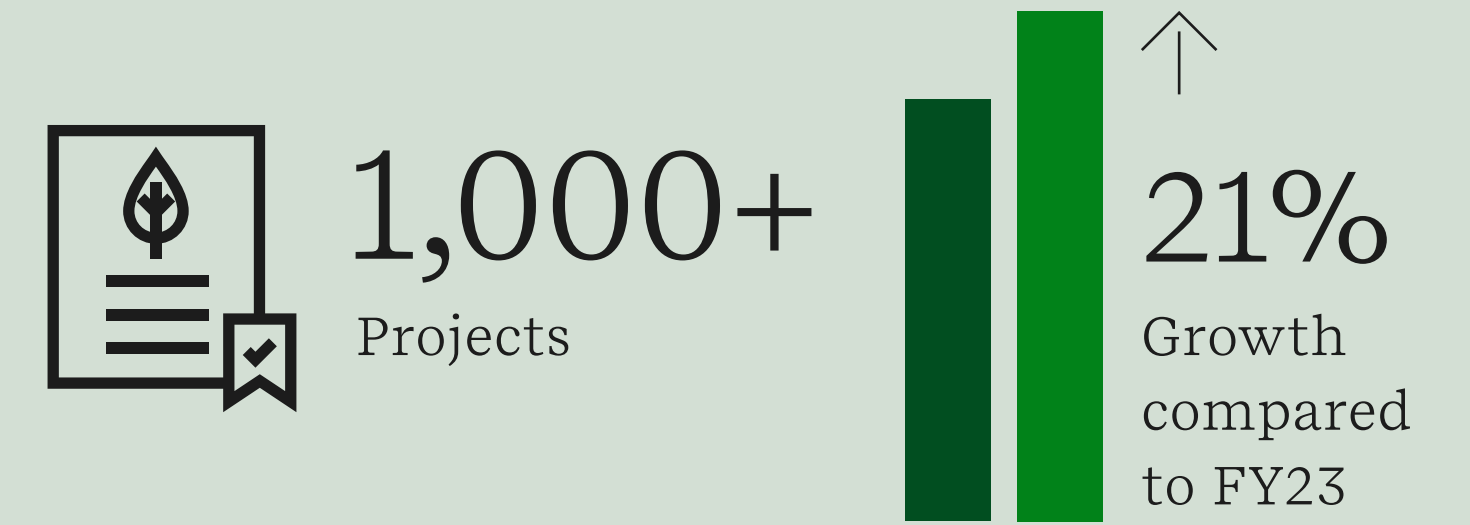
Photo credit: Daniel Savage, Canada

We set a target for FY24 to increase our sales from low-carbon economy transition projects by 20% from the previous year. Our sales increased on FY23, thereby achieving this target. We also have a longer-term target for FY26 for 40% of our total revenue to come from projects supporting the low-carbon energy transition. We are on track to meet this target.

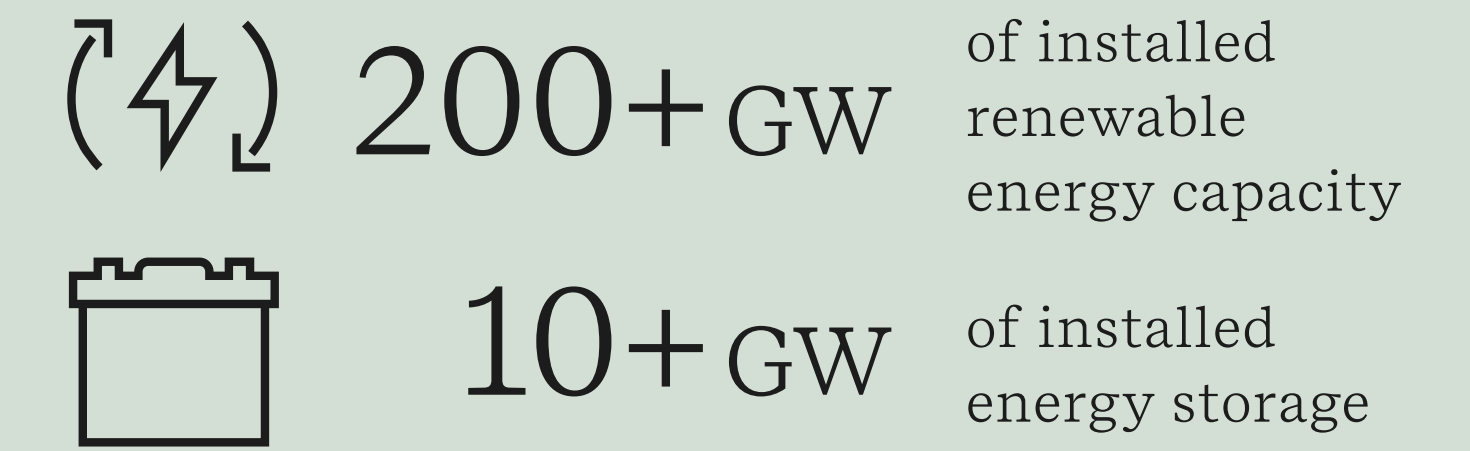
Our second target focuses on working with clients capital project delivery for renewable energy projects. At the United Nations Climate Change Conference of the Parties (COP28), the goal of Tripling Renewable Energy to 11,000 gigawatts (GW) was agreed and we were an active member of this campaign. When we first started measuring the size of our renewable energy portfolio in FY21, we worked on 183 projects contributing to in excess of 60 GW of installed renewable energy capacity. In FY24, ERM has worked on over 1,000 projects contributing in excess of 200GW of installed renewable capacity and more than +10GW of installed energy storage. We have therefore more than tripled our own contribution to renewables development over the past 3 years and are committed to continue along this trajectory in the years to come. According to the International Energy Agency (IEA), global annual renewable capacity additions increased to nearly 510 GW in 2023.

We have evolved our methodology for these metrics each year, with data remaining comparable overall.

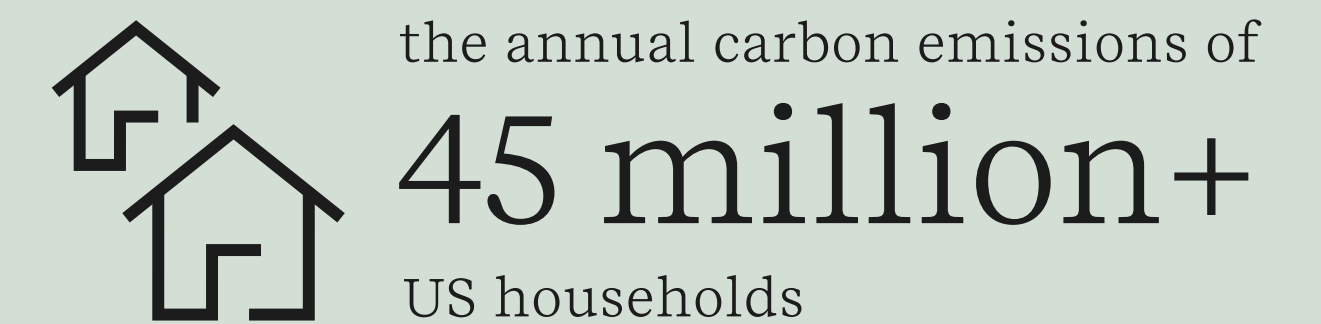
FY24 renewable energy capital project delivery



CONTRIBUTING TO



EQUIVALENT TO



Carbon markets

ERM has launched ERM Climate Markets, a new business line designed to help companies mitigate unabated greenhouse gas emissions by investing in impactful carbon credits that complement their decarbonization action, offer social, biodiversity and economic benefits and accelerate the global transition to net-zero.

The voluntary carbon market allows organizations to mitigate their residual emissions by purchasing carbon credits. Creating an enduring and credible approach means a strong focus on integrity, complementing an organization's comprehensive approach to measuring and reducing Scope 1, 2 and 3 emissions in line with science. ERM Climate Markets has the capabilities and experience to help clients on this journey.



Photo credit: Matthew Loethen, United States



Photo credit: ERM

ERM’s global technical, sectoral and geographic capabilities give us the depth and reach to assess integrity and de-risk the selection of projects and portfolios. Our services include:

- Mitigation strategy development
- Project feasibility assessment, design and implementation
- Community and stakeholder engagement
- Enhanced due diligence
- Carbon credit portfolio development
- De-risking through collective investment
- Co-benefit screening and monitoring
- Public disclosure
- Environmental and social assessment and safeguards

Our independent entity ERM CVS offers enhanced project and portfolio scrutiny together with wide-ranging assurance services, including public disclosures and assessment of project co-benefits.

ERM will continue to work with clients at every stage of their decarbonization journeys. As carbon credit strategies gain further momentum, ERM Climate Markets will meet our clients' needs by providing high integrity solutions end to end that will contribute to a transparent and credible net-zero outcome, while supporting nature and helping to deliver a just transition for all.

“Carbon markets will play an increasingly important role in delivering global net-zero ambitions by 2050. We launched ERM Climate Markets to help our clients minimize the impact of their unabated emissions by investing in bespoke, high-quality carbon credit portfolios that are aligned with their short and long-term mitigation strategies”

Alex Cox
Head of Climate Markets, ERM

Our partnerships & collaborations

ERM is committed to supporting partnerships and collaborations that share our commitment to deliver a net-zero future. Through these collaborations and our thought leadership, we have the ability to create further impact, supporting organizations beyond our direct engagement, to decarbonize their own operations.

We have an extensive network of organizations with whom we collaborate to drive forward the decarbonization agenda. Below are a few examples:

- **Clean Energy Buyers Alliance (CEBA)**, a business association activating a community of energy customers and partners to deploy market and policy solutions for a carbon-free energy system. ERM is an active member of the Alliance.
- **The Climate Pledge** is a call to businesses and organizations to take collective action on the world’s greatest crisis and to work together to build towards a safe and healthy planet for the next generations. ERM was an early signatory to the Climate Pledge.
- **Global Renewables Alliance (GRA)** - Leading industry players have united to form a unified renewable energy voice to unify the global bodies representing the clean technologies required for a net-zero world by 2050. ERM was actively involved in the GRA ‘Triple up, double down’ campaign for COP28 and the ‘Time4Action’ campaign leading into COP29.
- **IETA** is a non-profit organization representing businesses committed to smart, well-designed and effective carbon markets to help achieve the goals of the Paris Agreement and reach net-zero emissions by 2050. ERM is a member of IETA and

Thought leadership

HIGHLIGHT 

Double-edged: 5 steps to comply with CBAM and add strategic value blog series, highlights the EU’s Carbon Border Adjustment Mechanism, a border tax launched to help tackle climate change and prevent carbon leakage.

Renewables Conundrums report series, delves into difficult problems affecting the growth of renewables and the realization of corporate climate action.

A Clear Path to Decarbonizing your Company, highlights developments that make a structured corporate approach to decarbonization more pressing than ever.

will be active in a number of working groups and initiatives drawing on expertise in carbon markets.

- **Race to Zero** is a global campaign that aims to rally leadership and support from businesses, cities, regions and investors for a healthy, resilient, zero-carbon recovery. ERM is a member of the Race to Zero campaign through our own net-zero commitment to reduce carbon emissions across our operations.
- The **Task Force on Climate-related Financial Disclosures (TCFD)** developed voluntary, consistent climate-related financial risk disclosures for use by companies and its work has been completed with the advent of the International Sustainability Standards Board (ISSB) Standards. ERM has supported TCFD since 2018 and has prepared our fourth annual TCFD disclosure.



Promoting clean hydrogen at COP28

ERM hosted and participated in several events and seminars at 28th meeting of the Conference of Parties to the United Nations Framework Convention on Climate Change, widely known as COP28. The summit gathered regulators, decision makers and investors to discuss global deployment and investment as well as how to overcome cost, technology and infrastructure barriers to achieve competitive hydrogen solutions. An important outcome of COP28 was the launch of a suite of measures to realize hydrogen's climate and socio-economic benefits.

David Hart, ERM Partner and Global Hydrogen Lead, moderated a panel on “The future is green: Innovations making green hydrogen competitive.” The cost of producing green hydrogen is dependent on the price of renewable energy, the advancement of electrolyzer technology and the accessibility of water for electrolysis with this panel discussing how to address these issues.

Tom Reichert, ERM Group CEO, spoke at an event jointly organized by the International Energy Agency (IEA) and WBCSD to find ways to address the challenge of demand creation for low-emission hydrogen. Based on the latest findings from the IEA’s Global Hydrogen Review 2023 and WBCSD's sector-specific recommendations on policy strategies to grow decarbonized hydrogen demand which was supported by ERM, this event delved into the policy support mechanisms that stimulate demand for low-emissions hydrogen in hard-to-abate sectors. This event brought together high-level government representatives and industry leaders to identify concrete recommendations for sector-specific and cross-sector mechanisms.

ERM is working with the Hydrogen Council on an SDG Compass to guide how hydrogen projects can deliver socio-economic benefits, alongside protecting nature, in line with the Sustainable Development Goals (SDGs). David Hart, has been working on the SDG Compass and shared his impressions after moderating a panel on the SDGs and how they equate with the hydrogen economy.

[▶ Watch the video here](#)

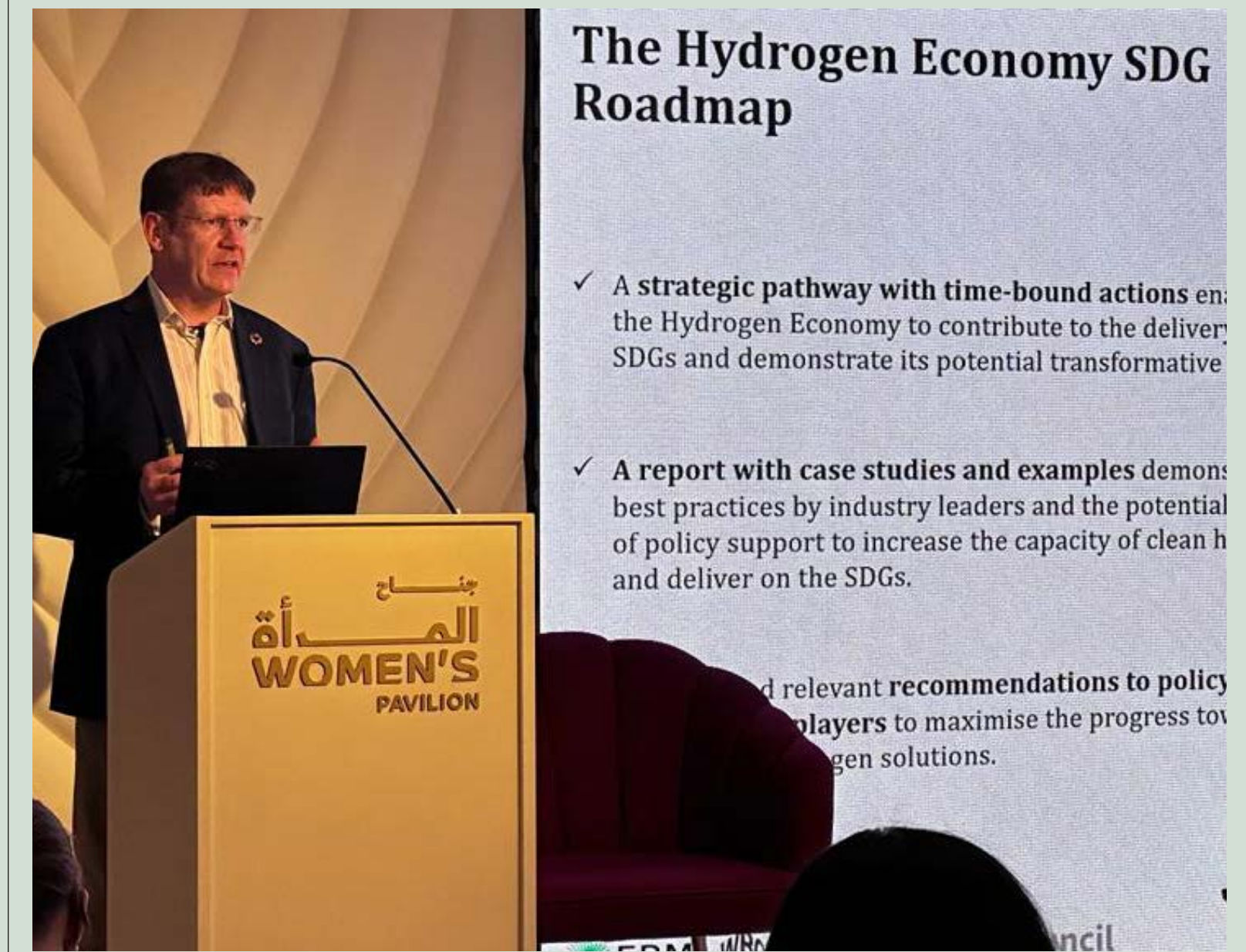


Photo credit: ERM

Stepping up our impact

FY24 headline targets:

- Increase sales supporting the low-carbon economy transition by 20% over FY23.
- Remain on track to meet SBTi targets.
- Finalize and implement ERM's updated decarbonization program.

● ACHIEVED



Photo credit: ERM

During FY24, we continued to expand our services to clients in support of the low-carbon economy transition and consolidate our share of the market for such services. As outlined in our CFD/TCFD disclosure, our business is predicated on providing professional services to support our clients on their own decarbonization pathways. We see the demand for such services as continuing to escalate and our business strategy is focused on ensuring we have the right expertise and service offering to meet the needs of our clients.

The alignment of our Decarbonization Strategy to the SBTi Net-Zero Standard was a key achievement this year, signaling to our stakeholders the credibility of our approach and targets. The expanded scope of emissions calculated within our Scopes 1, 2 and 3 data may have served to partially increase our reported emissions but has also brought greater accuracy and transparency to our reporting. We remain on track to meet our SBTi targets but also enhanced our ability to achieve this through a focus on targeted interventions which support both short and longer-term targets. Key among these were:

- Evolving our approach to data collection and verification through our own operations to enhance the accuracy and timeliness of data provision.
- Reviewing our supporting data management systems to facilitate increased data capture.
- Working with our subject-matter experts, we refined our methodology to assessing the emissions associated with our operational activities, to reflect evolving best practice.
- Launching a new travel policy, with additional constraints on when and how we travel, which are consistent with our commitment to reduce our greenhouse gas emissions. We view this as a partnership with our clients and wider stakeholders, who share our decarbonization vision.
- Working with suppliers in the travel sector to identify low-carbon alternative services.

During FY25, we are stepping up to accelerate the impact we already generate across our value chain in supporting a net-zero future.

FY25 headline target

- Remain on track to meet SBTi targets for Scope 1, 2 and 3
- Engage top tier of suppliers on decarbonization
- Increase sales supporting the low-carbon economy transition by 10% year on year.

Delivered through:

- Targeted interventions to deliver further reductions in Scope 1 and 2 emissions, including the further decarbonization of energy sources;
- Further transitioning our fleet to electric and hybrid vehicles;
- Reducing our Scope 3 emissions associated with business travel through implementation of our new Travel Policy;
- Re-engaging our employees to understand their commuting patterns and continue to promote sustainable travel to and from our offices;
- Delivering new awareness campaign and incentivise low-carbon travel;
- Engagement with the top tier of our supply chain to promote stronger climate governance and emissions reduction targets.
- We will continue to support our clients in their transition to a low-carbon future and in developing renewable energy projects and will evolve our measurement of the associated impact; and
- We will continue to support through secondments and/or technical contributions, the work of key organizations such as the WBCSD and TCFD.



Photo credit: Uswah Aziz, Canada

[Learn more in ERM's Decarbonization Strategy →](#)



Nature



Why this topic is material for ERM

With six of the nine planetary boundaries now exceeded, the importance of halting and reversing biodiversity loss by 2030, as set out in the Global Biodiversity Framework, could not be greater. According to United Nations estimates, 2.3 billion people now live in water-stressed countries and climate change is making water scarcity worse, with socio-economically disadvantaged and marginalized sections of society most impacted. The inter-related challenge of protecting nature, addressing climate change and protecting human rights is critical to our sustainable future.

The responsible management of nature has always informed our consideration of material risks and opportunities. In recognition of the importance of managing nature-related risks and opportunities to our own operations and the importance ascribed to this by our clients and wider stakeholders, we have elevated nature to become a standalone material topic.

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Photo credit Alma Chen, Hong Kong

Towards nature positive

ERM is committed to working in partnership with our stakeholders towards a nature positive future and enhancing our operational approach to managing our own nature-related risks and opportunities.

During FY24, we assessed the nature-related risks and opportunities arising from our operations, to further our understanding, governance and management of nature. The assessment identified our client work and our supply chain management as the two key areas where we can make the most impactful contributions towards a nature positive future. We will, however, also continue to capitalize upon opportunities to enhance nature-related impacts through our direct operations.



Photo credit: Patrick Ross, United States

Impact through the ERM Foundation

HIGHLIGHT 

During FY24, the ERM Foundation supported 39 nature related projects across 22 countries, contributing to SDGs 13 (climate action), 14 (life below water) and 15 (life on land). Through grant funding, technical pro bono support, and community volunteering, ERM employees supported the planting of more than 35,000 samplings, and the restoration, protection or reforestation of over 9,000 hectares.

Our people

One of the most impactful ways we can contribute to a nature-positive future, is through our people. With over 800 subject matter experts (SMEs) in nature, comprising 10% of our total employees, we have a strength and depth of expertise which is leveraged to support our clients across the globe but also our own operational management. Our subject matter experts inform our nature operational program and priorities and are active within their own offices supporting local initiatives. Their expertise is also vital to the work of the ERM Foundation, through which our passionate teams provide pro bono and volunteering support to organizations working across the globe to restore habitats and biodiversity and contribute towards a nature positive future.

Our offices

While our own direct operational footprint is principally limited to the offices we lease, we will continue to proactively enhance the sustainability of our own offices and how our employees travel to, from and operate within these offices, recognizing the impact that pollution has on habitats. This forms part of our ongoing office optimization plans and climate operational program.


Our supply chain

Our supply chain comprises thousands of companies and entities who support the delivery of our services in countries across the globe. Supporting our suppliers to sustainably manage their own operations and specifically their impacts on nature is a priority for ERM. We will engage with those suppliers who provide us services that have the greatest nature-related impacts, such as those involved in our site investigation and remediation work.

Further information on our approach to sustainable supply chain management is included in the “Supply Chain” section of this report and ERM’s Sustainable Supply Chain Strategy.



Photo credit: Will France, United Kingdom

Now for Nature HIGHLIGHT 

ERM is a supporter of Business for Nature’s Now for Nature global campaign to bring together businesses to contribute to the 2030 goal of a nature-positive world. ERM’s new Nature Strategy was developed consistent with the Now for Nature guidance and will use it to continue to develop our evolving strategic response to nature.

For further details on our approach to nature management, see our [Nature Strategy](#).

Supporting our clients

Nature strategy & disclosure

In response to emerging science, regulations, market competition and investor or stakeholder pressures, companies need to develop credible, inclusive and transparent nature-related strategies. ERM helps clients to assess their nature impacts and dependencies, risks and opportunities and set baselines measuring the current state of nature. This enables clients to define targets, commitments and actions based on appropriate metrics, in line with the latest disclosure requirements.

ERM works with clients across sectors to help develop:

- **Strategic direction:** Setting clear commitments and integrating nature into an actionable strategy for the organization to manage material risks and generate business value throughout the value chain, while positively contributing to a just transition and nature positive outcomes.
- **Governance:** Ensuring senior buy-in and strong multilevel governance around the company’s integrated nature programs, including incentives in place to drive a culture of sustainability, transparency and collaborative partnerships with local communities and stakeholders.
- **Performance monitoring:** Having the right processes, systems and data asset to manage material risks, monitor performance and understand how value chain stakeholders can both contribute to achieving

the organization’s objectives and identify their own business resiliency and value creation levers.

- **Business model transformation and resilience:** Readiness to adapt the business to important regulatory shifts and market trends (e.g., transition to a low-carbon economy and Taskforce for Nature-related Financial Disclosures [TNFD], among others) ensuring it is positioned for sustainable growth and access to capital over the long term.
- **Transparency:** Establishing ambition, targets and metrics, reporting and disclosure in alignment with TNFD; the Global Reporting Initiative (GRI), CDP, European Union (EU) Corporate Sustainability Reporting Directive (CSRD) and emerging regulations around the globe while strengthening stakeholder engagement.
- **Partnerships:** Identifying and deploying the opportunities in partnerships across the corporate value chain to build a more equitable, climate resilient and biodiversity-abundant world.

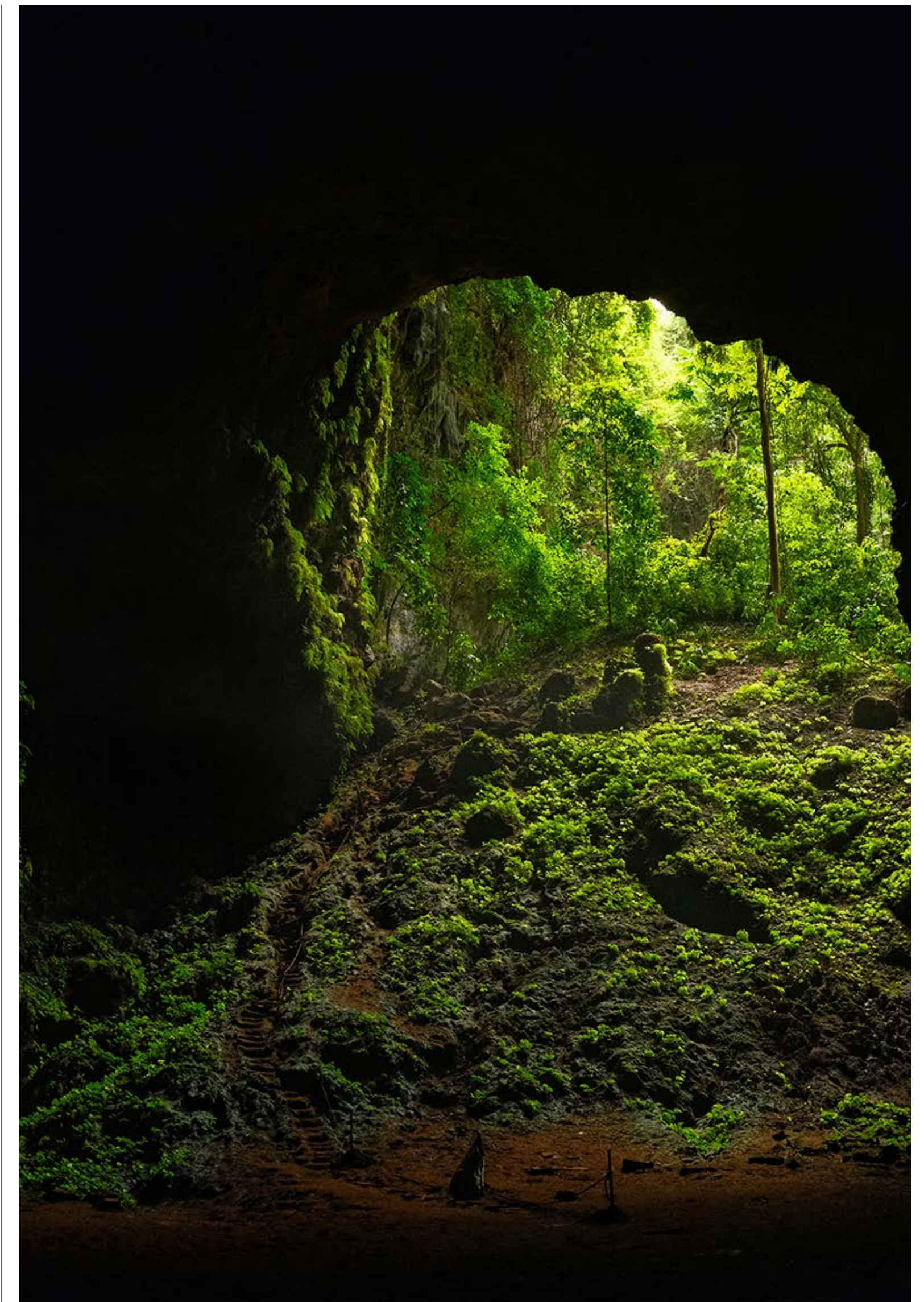


Photo credit: Amanda Resmana, Indonesia



Helping businesses build resilience & value through nature-positive action

ERM led a series of workshops with participants from around the globe, sponsored by the Global Accounting Alliance, which affirmed the need for corporate natural capital accounting (CNCA) and the central role that the accounting profession has in developing and implementing it. The workshops also identified a range of opportunities, roadblocks and developments to advance CNCA.

The workshop results were the basis for a recent report by the Global Accounting Alliance (GAA), which highlights the importance of CNCA in helping businesses build resilience and value through nature-positive action and how accountants are well-placed to help drive uptake of CNCA across the market.

The workshop and report was led by ERM with support from the Biodiversity Footprint Company, IDEEA Group, and eftec. The team previously authored the working paper, Time to Take Stock, which proposed what a standardized CNCA approach might entail in practice and identified gaps to be addressed.

ERM consultant John Finisdore, a member of the report team and leader of the workshops, recently published a related article with colleagues at Pollination, Taskforce for Nature-related Disclosures, US Geological Survey, Yale University and others on the importance of CNCA and how data from corporate and national accounting complement one another.



Photo credit: Maren Steinkemper, United Kingdom

“This project underscored important recommendations to advance CNCA by building internal corporate capacity, understanding the interplay between public and private natural capital accounting, reducing the cost of information supply and determining the information technology requirements.”



John Finisdore
Consultant, ERM

Helping Engie apply the LEAP approach to its nature strategy

ERM helped Engie apply the Locate, Evaluate, Assess, Prepare (LEAP) approach to its nature strategy. Engie is now among the first five companies whose strategies have been reviewed and accepted as part of “It’s Now for Nature,” a joint global campaign to bring together all businesses to act on nature and contribute towards a nature-positive world by 2030.



Photo credit: Mariapaz Orsini, Colombia

From 2021, Engie worked on an analysis of its impacts, dependencies, risks and opportunities for each of its global business units (BUs). In 2023, with the support of ERM, the company enhanced this analysis using the LEAP methodology.

To start the process, ERM conducted benchmarking and a gap analysis to identify the company’s strengths and areas for improvement. Building on this analysis, we followed the LEAP approach to comply with guidance from TNFD and facilitate reporting according to the European Sustainability Reporting Standards (ESRS) as required by CSRD. Our approach encompassed:

- Identifying and prioritizing Engie’s sites for biodiversity and water stress;
- Evaluating the impacts and dependencies of Engie’s global biodiversity footprint;
- Assessing the risks and opportunities, including level of maturity, priority for the company, recommended actions and timeframe; and
- Preparing Engie for responding to future nature-related challenges.

As part of this engagement, we supported Engie’s leadership in global efforts towards a nature-positive world by providing Engie with recommendations for nature-related disclosures on governance, strategy, risk and impact management, and metrics and targets to align with TNFD, CSRD and ESRS.

“I would like to take this opportunity to thank the IUCN French Committee for its support since the beginning of the journey, the Nature ERM consultancy team for the impressive work they have done with us, and the act4nature international initiative and its steering committee as a dynamic and powerful catalyst.”

Elsa Favrot – Monier
Head of ESG in business, ENGIE

Natural climate solutions

Companies with ambitious climate and nature goals are financing natural climate solutions to mitigate and remove greenhouse gas (GHG) emissions. Our climate and nature experts offer a holistic and interdisciplinary approach to natural climate solutions throughout all stages of the carbon credit life cycle. From due diligence through to project development, including feasibility, design, and implementation, we aim to enhance carbon credit integrity and beyond-carbon benefits, such as positive impacts to biodiversity and communities.

By embedding nature in corporate strategy and leveraging nature-based carbon opportunities, clients can drive commercial value, enhance their environmental, social and governance (ESG) performance, align operations with global targets and investor expectations, reduce reputational and climate risk, and emerge as environmental and social leaders in an evolving yet competitive marketplace.

ERM’s depth of experience, market knowledge and global network of SMEs allows us to lead at all stages of the natural climate solutions workflow.

ERM is an accredited auditor across several verification services and a regular expert reviewer of national GHG inventories. Our certified International Union for Conservation of Nature (IUCN) Nature-based Solution Global Standards professionals excel at amplifying benefits beyond carbon.

We work with our clients to ensure their natural climate solution projects are scalable, accredited and provide biodiversity and corporate value. Our approach includes:

- **Assess and advise:** Develop corporate goals to align with climate, biodiversity, ESG, and sustainability objectives; identify nature-driven opportunities based on market and global priorities, upstream and downstream impacts; and collect and assess a baseline to understand nature-related risks and dependencies.
- **Commit:** Set science-based targets for climate and nature in alignment with leading guidance and frameworks; explore and conduct interdisciplinary due diligence on partnership and investment opportunities (e.g., natural climate solutions offsets and providers); and make meaningful and informed commitments.
- **Transport and deliver:** Avoid and reduce negative impacts to biodiversity across the value chain; protect, sustainably manage, and restore natural and modified environments within and beyond the value chain; ensure projects adhere to market standards for high-quality; and leverage advanced technologies to design, deliver, and monitor natural climate solutions.
- **Communicate and disclose:** Monitor and adaptively manage socio-ecological landscapes at an appropriate scale and frequency; report progress towards goals and communicate with stakeholders; validate and verify the benefits of natural climate solution project implementation; and align reporting with major global and regional standards.

“We are at a pivotal moment as major corporations confront the triple threat of climate change, loss of nature and scarcity of water. The interconnected crises of nature and water are hyperlocal, complex and arguably even more urgent issues to tackle.”

Matt Haddon

Global Leader for Biodiversity, Water & Nature, ERM

Salesforce's Nature Positive Strategy

As a founding partner of the [1t.org Pledge](#), Salesforce set a goal to fund the conservation, restoration and reforestation of 100 million trees by the end of 2030 to help mitigate climate change, improve livelihoods and more.

This pledge fits under the umbrella of Salesforce's Nature Positive Strategy, which outlines the specific actions the company will take to accelerate its existing commitment to a net-zero, nature-positive future rooted in people and climate justice.

Salesforce engaged ERM to validate Salesforce's 100 million tree investments and assess its environmental and social impact. Through satellite imagery, ERM verified the number of trees planted across complex mixed-use agricultural and forested landscapes.

To assess environmental and social impact, ERM employed an impact framework that ERM developed to help companies align their programs with global best practices on nature restoration and community protection.

Some nature-based solutions create unintended negative effects on local communities. The impact framework is crucial to measuring and assessing both positive and negative potential impacts on communities by evaluating economic livelihood components in the design and implementation of reforestation programs.

ERM uses an integrated approach to support its clients in assessing nature investments, especially in complex environments where standard methods may not work, for example in remote or less developed settings where data and human capacity may be limited. The use of a combination of methods and tools can produce robust results quickly for our clients.



Photo credit: Salesforce

Liability portfolio management and remediation services

ERM supports clients across the full life cycle of their portfolio management, from strategic and technical advice through to investigation, remediation, and decommissioning of individual sites. We use best-fit technical methods and teams, digital applications and strategic approaches to identify, assess and deliver the desired outcomes while minimizing risk and maximizing asset value.

ERM has successfully applied sustainable remediation practices at sites across the world. Collectively, the management of portfolios of contaminated sites can have a significant influence in terms of a number of sustainability indicators. Increasingly clients are using the benefits of big data management and visualization techniques to track key metrics for managing their remediation portfolios. Sustainability indicators can be integrated into these dashboards to feed back into overall company performance, to identify opportunities to improve performance and maximize sustainability gains for the benefit of the business.

The impact of our liability portfolio management and remediation services in FY24

The Global Biodiversity Framework has a number of 2030 targets that speak to reduction in pollution, and returning lands, green spaces and waterways for human wellbeing and biodiversity. This includes *Target 7 Reduce Pollution to Levels That Are Not Harmful to Biodiversity*.



Photo credit: Lucca Kallenberger, Switzerland

“As a consultant working in liability portfolio management and remediation services, it’s important to see that our Remediation Management is contributing positively to sustainability. Quantifying our impact allows us to understand how our day-to-day work with clients has a collective impact and delivers social value. These results are incredibly motivating and encourages us to continue to use our extensive knowledge for innovative solutions.”

Lotte Leclezio
Consultant, ERM

Last year, we initiated reporting on the impact of our liability portfolio management and remediation services and we have continued to evolve our approach this year. At any time, ERM is working on approximately 3,000 liability portfolio management and remediation projects and most are multi-phase, multi-year large projects.

The remediation industry has been changing rapidly in recent years with merging contaminants, new regulations, and complex and potentially diverging interests from stakeholder groups. Environmental liabilities are a part of almost every company’s asset portfolio and balance sheet. The regulatory, technical and social complexities of identifying, assessing, remedying and managing liabilities associated with site investigation; remediation; and decommissioning, decontamination and demolition create an opportunity to identify value and reduce risk.

Companies are challenging liability portfolio management and remediation service providers to incorporate nature-based solutions, sustainable remediation approaches, and creative land reuse where viable to minimize application of physical/removal remedial technologies. They are willing to invest in more rigorous studies to support the design of the most optimal remedy or remedial strategy to lessen application of physical remedy implementation.

Through working with companies to address these liabilities, ERM helps deliver the following societal value:

- **Repurposing of assets to new beneficial uses** – enabling communities to access productive land for housing, open space, and other uses.
- **Improved outcomes for nature and communities** - reducing environmental impacts from pollution, creating biodiversity net gain, improving water quality and resilience; and
- **Management of financial obligations** - honoring asset retirement obligations results, reducing corporate reputation risk, positively impacting the company bottom line in turn creating shareholder value.

For a selection of active liability portfolio management and remediation projects, we track key metrics to understand the impacts of our work with clients, which in turn contribute to meeting their business and wider societal goals. Selected project teams will be working with clients in the coming year to further develop the impact approach, in order to apply these insights to complex, long-term assignments.

*In FY24, the projects included in our assessment returned a lower amount of land remediated for beneficial use than in FY23 due to the life cycle of this cohort of projects ie the projects were at an earlier stage of the project life cycle.

FY24 remediation project delivery



CONTRIBUTING TO



2.4+ billion liters of water treated



280+ thousand cubic metres of soil treated

CONTRIBUTING TO



The removal of **12.8+ million** kg of contaminants

RESULTING IN



20 hectares of land remediated for beneficial use*.

On-site remediation of former paint manufacturing site

A confidential client owns a former paint manufacturing facility in the United States that operated from the early 1900s until it was decommissioned in the 2010s. After operations ceased, the site became subject to New Jersey’s Industrial Site Recovery Act, which requires owners of facilities with specific industrial classifications to investigate and remediate prior to property transfers when the business ceases operations or is sold. In addition, the site had a light non-aqueous phase liquid spill case related to a 1981 leak from an underground aromatic solvent pipeline.

The client retained ERM in 2017 to expedite the path to closure of both cases in accordance with New Jersey state regulations. Using our technical expertise from across ERM, we developed a closure strategy that included:

- Decommissioning the site’s multi-phase extraction system;
- Installing a groundwater recovery trench and an updated treatment system along the site boundary; and
- Implementing in-situ stabilization of several acres of soil with hazardous lead concentrations, paint and coal tar.

By using in-situ stabilization instead of digging and hauling soil off-site to remediate the impacted portions of the facility, ERM helped the client reduce its contribution to landfills by 89%. Approximately 2,900 cubic yards of nonhazardous soil was shipped offsite compared to a projected 25,100 cubic yards through the dig and haul method, much of which would have been classified as hazardous.

Based on the on-site soil remediation, the facility is anticipated to be returned to beneficial use for the community in the near future.

“Despite the project's complexities, we designed and implemented an in-situ remedial closure strategy that minimized waste landfilling and its associated carbon footprint, while restoring the site for potential use within the community.”



Marc Carver
Partner, ERM



Photo credit: Jonathan Ung, United States

Water management services

ERM brings strategic and technical expertise to help our clients understand and manage water risks and water sustainability. We partner with our clients to understand:

- The breadth of interactions their operations have with water resources, both direct and indirect;
- How the sustainability and profitability of their operations are impacted by, and can influence, the available water resources; and
- How local communities use and value water, including cultural and ethical relationships with water.

Our industry-leading experts deploy a broad range of tools, from high-level maturity assessments to risk screening that can identify the full range of water risks. We construct detailed models around coupled watershed and receiving waterbody systems. We use fit-for-purpose models to compare outcomes for multiple mitigation strategies. This integrated approach to water management differentiates our water services capabilities from other water and environmental consultancies.

A strategic approach to water

ERM works with clients to understand, quantify and address water-related risks across all areas of the organization, from planning a new project to optimizing operations or increasing productivity at existing facilities. We help clients integrate the technical and operational aspects of water management into an organization’s strategy and business operations,

allowing risk management to occur as an integrated part of normal business operation rather than as a disconnected process.

Reducing reputational and regulatory risk

In addition to helping companies meet regulatory requirements and increasingly stringent pollutant discharge criteria, ERM’s technical support and rigorous methodology helps our clients ensure the quality and longevity of water resources for both their own needs and those of the wider community. We apply a deep understanding of water issues to help companies improve operations, reduce water use, control costs and ensure compliance. By taking a strategic approach to water management, organizations can ensure continuity of operations in the face of supply challenges while safeguarding their reputation and competitive advantage.

Water is life, and it is estimated that by 2030, we will have only half the amount of water we need. The UN Global Compact and the Water Resilience Coalition have set an Ambition for 2030 to achieve positive water impact in over 100 water-stressed basins that support over 3 billion people.

In response, we have worked with our water technical community to develop our new impact measurement approach to water stewardship. In the past year, ERM has worked on 81 sites in 21 out of 100 of the priority water-stressed basins to address water risks for business and surrounding communities.



Photo credit: Samantha Sherman, Canada

Globally, sufficient volumes of good quality water for business' operations are becoming increasingly scarce, while extreme weather events such as flooding are also increasing. Through our assessment of water challenges using our Water Intelligence Platform and ERM Basin tools, we have identified that 83% of the priority basins we worked in over the past year are facing water scarcity challenges at a concerning level.

The water needs of the communities in and around the sites we have assessed have not always been taken into consideration, which is why we are focused on a water stewardship approach that includes the physical, social and governance aspects to understand the interconnected and complex factors that contribute to water stress.

We found that 37 of our projects across 59 sites in these priority basins focused on strategies and practical measures to create positive impacts for the sites and the surrounding communities and wider economy. This included improvements in water quality, implementation of water efficiency measures, robust data capture and analysis to provide a basis for enhanced decision making and identifying alternative sources of water.

This is the first year we have reported our water stewardship impact approach, and we will continue to enhance our methodologies and engagement with clients and wider stakeholders to demonstrate our contribution to the 2030 and 2050 commitments of the Water Resilience Coalition.

Water project delivery



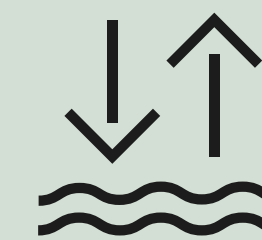
81

sites located in a priority basin



in 21

of the 100 priority basins



83%

of sites are facing risks to water quantity

ERM HAS WORKED WITH



37

projects on water stewardship



59

sites to improve water efficiency

QUEST project

While water costs are not a major concern for a confidential aerospace client, the availability of water for industrial processes is crucial for business continuity.



Photo credit: Efen Aviles, Mexico

The client engaged ERM as a trusted partner to conduct studies at 14 sites, which account for nearly 70% of the company's 2023 water withdrawal, to assess their water management maturity and identify opportunities to reduce withdrawals.

ERM performed an in-depth assessment of water management at these sites, applying our proprietary QUEST methodology to evaluate current water supplies, alternative sources, end-use consumption, reuse options and other water-saving opportunities. We also calculated water supply costs and financial returns for each identified opportunity.

We proposed a range of opportunities to reduce annual water consumption such as harvesting rainwater; improving management of irrigation systems and sanitary facilities; reusing fire-fighting water; recovering heating, ventilation, and air conditioning and humidification condensate; detecting and eliminating leaks; improving restaurant equipment; and optimizing water softeners, filtration systems and cooling towers.

Additionally, ERM reviewed the water management practices at each of the 14 sites and shared best practices related to metering and data management, industrial equipment consumption and processes, domestic consumption and ancillary water uses.

“ERM has developed QUEST, our methodology for resource efficiency and savings. It's used to identify low-cost and no-cost improvements that can be implemented quickly. In some cases, savings from implementing these measures can fund investment grade projects for a virtuous circle of continuous improvement.”



Peter Flaherty
Director, ERM

Our partnerships & collaborations

ERM is collaborating with organizations across the globe to promote actions towards a nature positive future. Examples of these collaborations include:

- **Natural Climate Solutions Alliance** is focused on enabling natural climate solutions, including biodiversity and forest loss, land degradation, sustainable water management and sustainable community livelihoods. ERM is a member of this multi-stakeholder alliance and has spoken on a number of platforms in the last year on the importance of high integrity, high-quality natural climate solutions carbon credits. We have co-authored the Investor Guide to the Voluntary Carbon Markets aimed at mobilizing capital for high-integrity projects.
- **Nature Tech Alliance** is a partnership of Salesforce, NatureMetrics, Planet and ERM supporting businesses to understand the impact of their business on nature and report in line with new and impending nature regulations and frameworks such as CSRD and TNFD.
- **Science Based Targets for Nature** were released in 2023 by the Science Based Targets Network, creating the first corporate science-based target setting methods for nature. ERM is a member of the Corporate Engagement Program and member of the Referral Program.
- **The TNFD Forum** is a global multi-disciplinary consultative group of over 1,000 institutions, which supports the Taskforce on Nature-related Financial Disclosures. ERM is a member of the TNFD Forum and an early adopter and has supported the piloting of TNFD with energy companies through the World Business Council for Sustainable Development (WBCSD).



Photo credit: Patrick Ross, United States

Cemex zero freshwater & zero discharge framework

Cemex is working with ERM to develop a global zero freshwater and zero discharge framework and an associated measurement protocol for the company's cement, concrete, aggregate and construction materials businesses. The client will use these documents to assess and communicate, in a transparent and accurate manner, the progress made in replacing withdrawn freshwater with alternative sources and reducing wastewater discharge.

ERM conducted research on existing best practices to help inform the development of the framework and protocol. Once the documents were finalized, we conducted verification assessments to determine the level of compliance across six pilot sites.

For Cemex, a global construction materials company based in Mexico, the increased utilization of non-freshwater throughout its operations is a material topic. The client is now well prepared to meet the requirements of the framework and achieve the goal of zero freshwater and zero discharge.

Wider organizations we support, include:

- Business for Nature supporter;
- Nature Positive supporter;
- United Nations Sustainable Ocean Principles signatory;
- Alliance for Water Stewardship member;
- GHG Protocol Land Sector and Removals Guidance pilot testing supporting partner and technical working group member; and
- UK Business & Biodiversity Forum steering committee member.

In line with our purpose and to maximize the impact we can generate to supporting a nature positive future, we have delivered thought leadership on nature through publications such as:

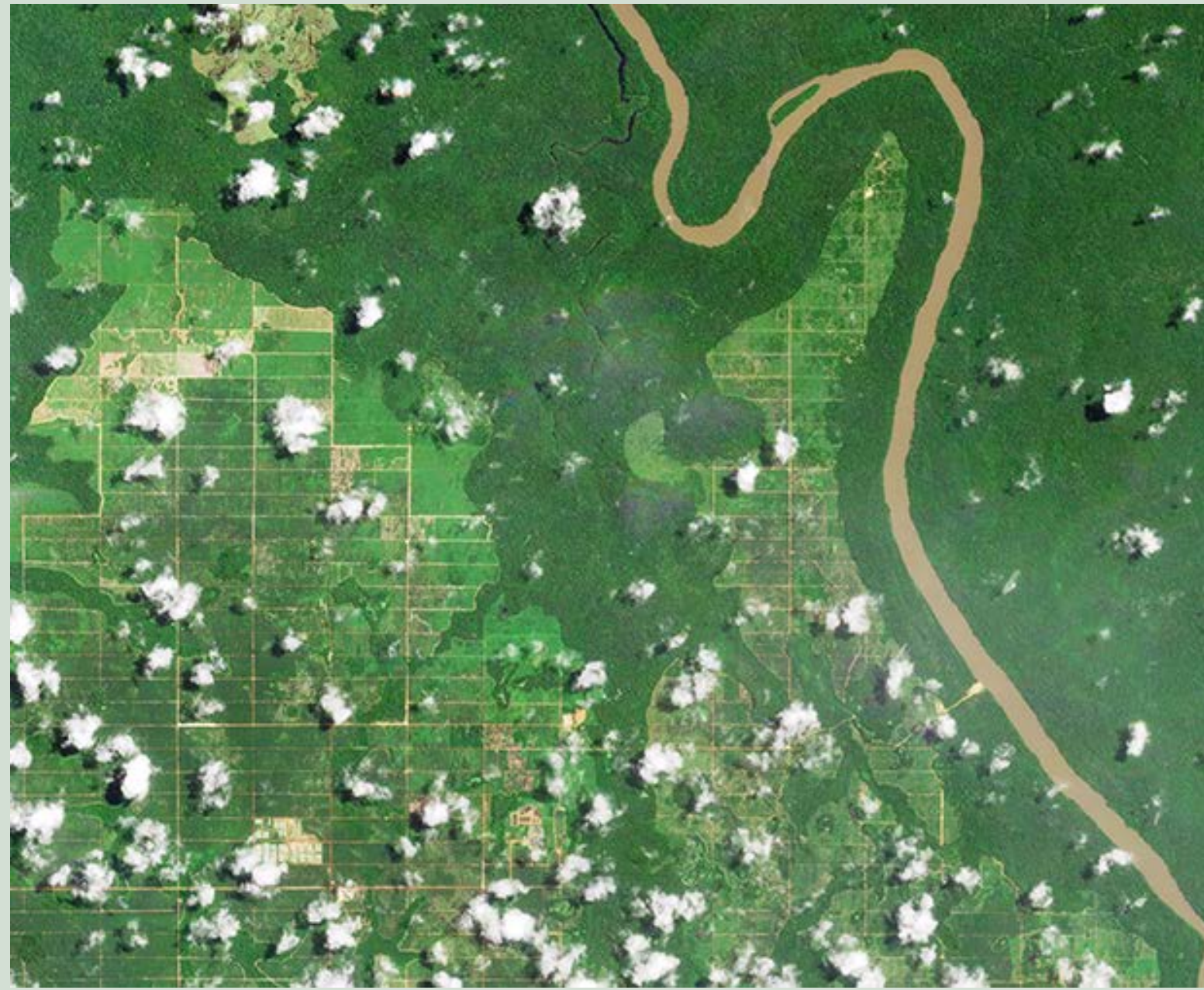
- Prepare to LEAP: Updates to the TNFD framework and planning for the future, explores the nature-related landscape with a focus on the TNFD.
- The Nature Agenda: A view from the frontlines of TNFD piloting, provides insights from working in-house to support WBCSD with its TNFD pilot program.
- Accounting for Nature: Preparing for tomorrow’s nature accounting needs today, explores how natural capital accounting can help companies measure the state of nature and manage nature-related risks and opportunities.



Photo credit: Christine Davis, United States

ERM and Planet collaborate to harness satellite data to enhance decision-making

During FY24, ERM established a new partnership with Planet, which provides global, near-daily satellite imagery and Earthdata.



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By linking satellite imagery and insights, the partnership between ERM and Planet accelerates data driven decision-making to inform corporate sustainability strategies, management systems and disclosure through:

- Identifying optimal locations, determining viability and monitoring nature-based solutions implementation for carbon offsets and removal;
- Planet imagery is integral to evaluating the state of nature and supports ERM’s work measuring biodiversity-related impacts from corporate assets and supply chains as part of voluntary reporting for CDP and TNFD;
- ERM uses Planet imagery to optimize project location and design by measuring potential impacts on society and the environment, in line with International Finance Corporation Performance Standards; and
- In conjunction with ERM’s expertise integrating insights from satellite monitoring, Planet’s near real-time imagery helps ensure construction crews avoid sensitive and protected landscapes.



“Planet's cutting-edge technology, combined with ERM’s advanced remote sensing expertise and sustainability advisory capabilities, will enhance our ability to deliver impactful outcomes for our clients.”



Doug Park
Global Partnership Director, ERM

Stepping up our impact

FY24 headline target:

- Finalize and implement ERM's updated nature program

● ACHIEVED

During FY24, we established a new operational program focused on nature, which provides the framework for managing nature-related risks and opportunities arising from our operations. The central objective of this program is to maximize the positive impact we can create across our value chain. The program has been informed by the inputs of our subject matter experts and our vision and key objectives are set out in our Nature Strategy, supported by our Global Biodiversity Policy. Key areas of focus during FY24 included:

- Undertaking a high-level nature-related materiality assessment to identify key areas of our value chain where we can create impact;
- Extensively reviewed our key service lines to identify and measure the nature and scale of our impact through client projects;
- Reviewed our nature services and expanded our advisory support to clients in line with identified need;
- Reinforced our contribution to thought leadership through publications and participation in multiple collaborations; and
- Increased our visibility of our supply chain and areas of nature-related impact to support the roll out of our supplier engagement program in FY25.



Photo credit: Marco Ruffoni, Italy

FY24 supplementary targets:

- Complete the “assess” element of TNFD analysis for ERM, including through our supply chain
- Integrate nature and ERM’s biodiversity policy into ERM’s supplier engagement program
- Work with our larger clients and projects to adopt nature-positive solutions using ERM tools and action plan processes to achieve nature-positive outcomes.
- Integrate nature criteria into ERM’s risk management process and involve our nature subject matter experts in the consideration of how to address biodiversity risks in clients and project opportunity response
- Continue to evolve our consideration of biodiversity in the PLAN process, including through the development of guidance to ERM’s Partners and Project Managers on biodiversity considerations
- Pilot aquatic management program under our commitment to the UN Sustainable Ocean Principles
- Looking at any evolution of ERM’s biodiversity impact assessment standard as required to align with the Global Biodiversity Framework (GBF).

● ACHIEVED & ONGOING



Photo credit: Phuong Uyen Nguyen, Vietnam

- Finalize and implement updated
- Nature Strategy as part of ERM’s Sustainability Program.
- Evolve pollution impact metric of land remediated for beneficial use and develop additional nature-related impact metrics.
- Hold at least two internal training sessions to raise awareness for employees on ERM’s nature program and services for clients.
- Pilot project with at least one NGO focused on rewilding.
- Collaborate on at least three initiatives related to biodiversity through thought leadership (TNFD, WBCSD etc.) and contribute to at least one globally recognized initiative.

● ACHIEVED

- Update ERM’s Green Building Guidelines to integrate biodiversity opportunities for office refurbishment and new office leases
- Report annually on progress against commitments in ERM’s Sustainability Report

● ONGOING

FY25 headline targets

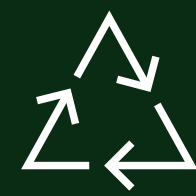
- Publish TNFD disclosure
- Engage top tier of suppliers on nature

During FY25, we will be stepping up our work towards nature-positive delivery under the framework of our Nature Strategy, looking to generate positive impact across our value chain. This will involve:

- Continuing to evolve our consideration of nature-related risks and opportunities through our double materiality assessment process;
- Establish our TNFD Working Group and publish our first report;
- Improve the collection of data on governance and performance around nature within our supply chain;
- Enhance our assessment of nature-related impacts across our service lines;
- Continue to support clients in development of their own strategic responses; and
- Further support nature partnerships and collaborations to deliver wider societal impact.

[Learn more in ERM's Nature Strategy](#) →

Supply Chain



Why this topic is material for ERM

The nature of ERM's business as a professional services company means that we subcontract services to support the delivery of our work and procure goods and services to support our operations. Our supply chain is diverse, spanning the breadth of our global offices and countries within which we deliver our services.

In line with our purpose, we seek to work with those organizations who share our values and commitment to shape a sustainable future. ERM like many companies, is engaging our supply chain to support the delivery of our sustainability operational programs such as decarbonization, reflecting the key role which it assumes in delivery of our strategy and targets.

While the issue of supply chain has informed our material topics, this year we have decided to make supply chain a standalone key material topic, in recognition of the increasing importance it assumes for us as a business, and to our stakeholders.

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Decarbonizing our supply chain	132
Human rights performance	134
Client services	136
Stepping up our impact	139

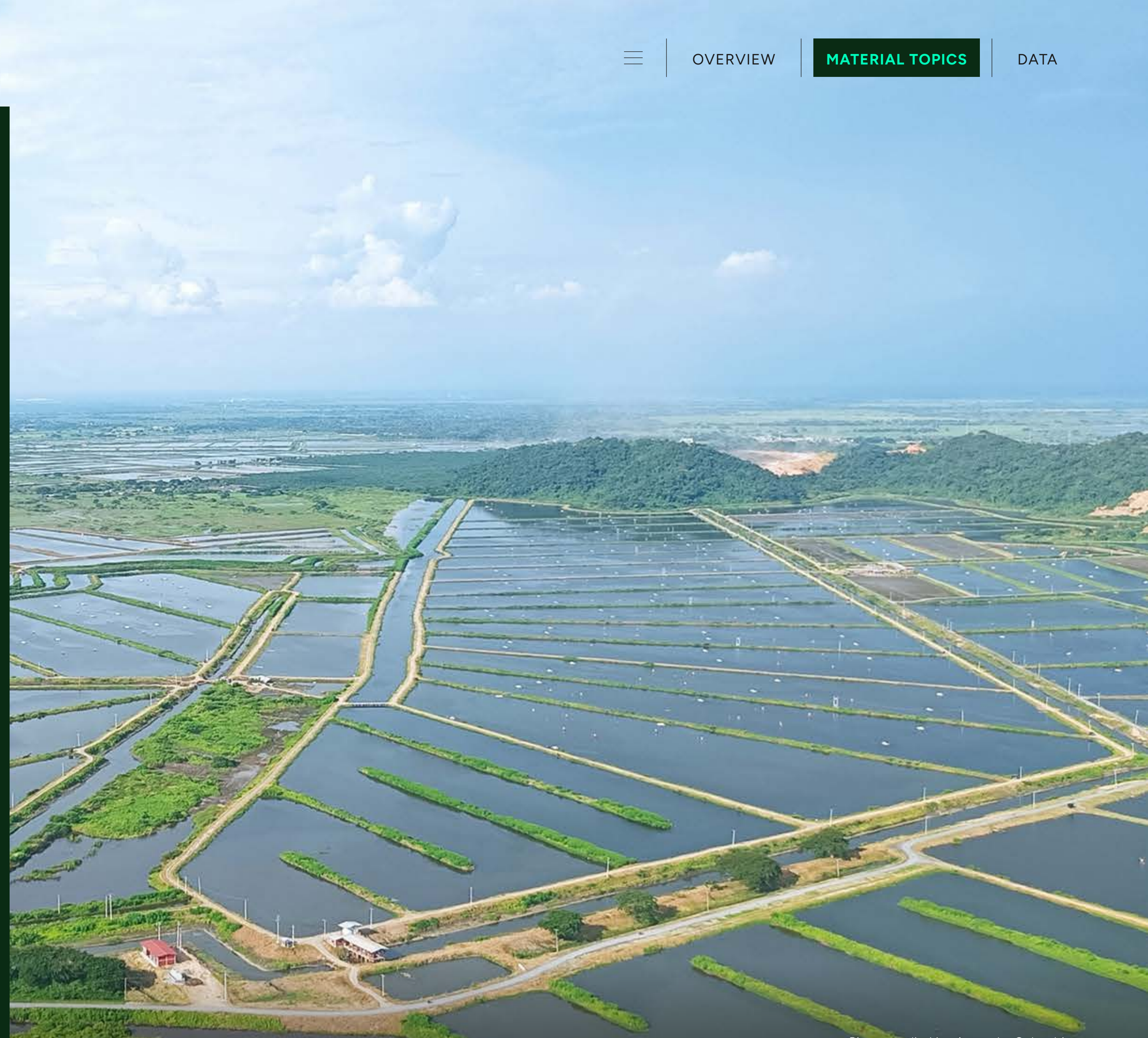


Photo credit: Liza Acevedo, Colombia

Supply chain governance

ERM and companies around the globe face increasing expectations for accountability, transparency and disclosure of supply chain impacts from investors, clients and regulators. For example, the EU Corporate Sustainability Due Diligence Directive (CSDDD) establishes a legal framework that requires companies, including ERM, to identify, prevent, eliminate or mitigate the adverse impacts of our operations and supply chains on human rights and the environment.



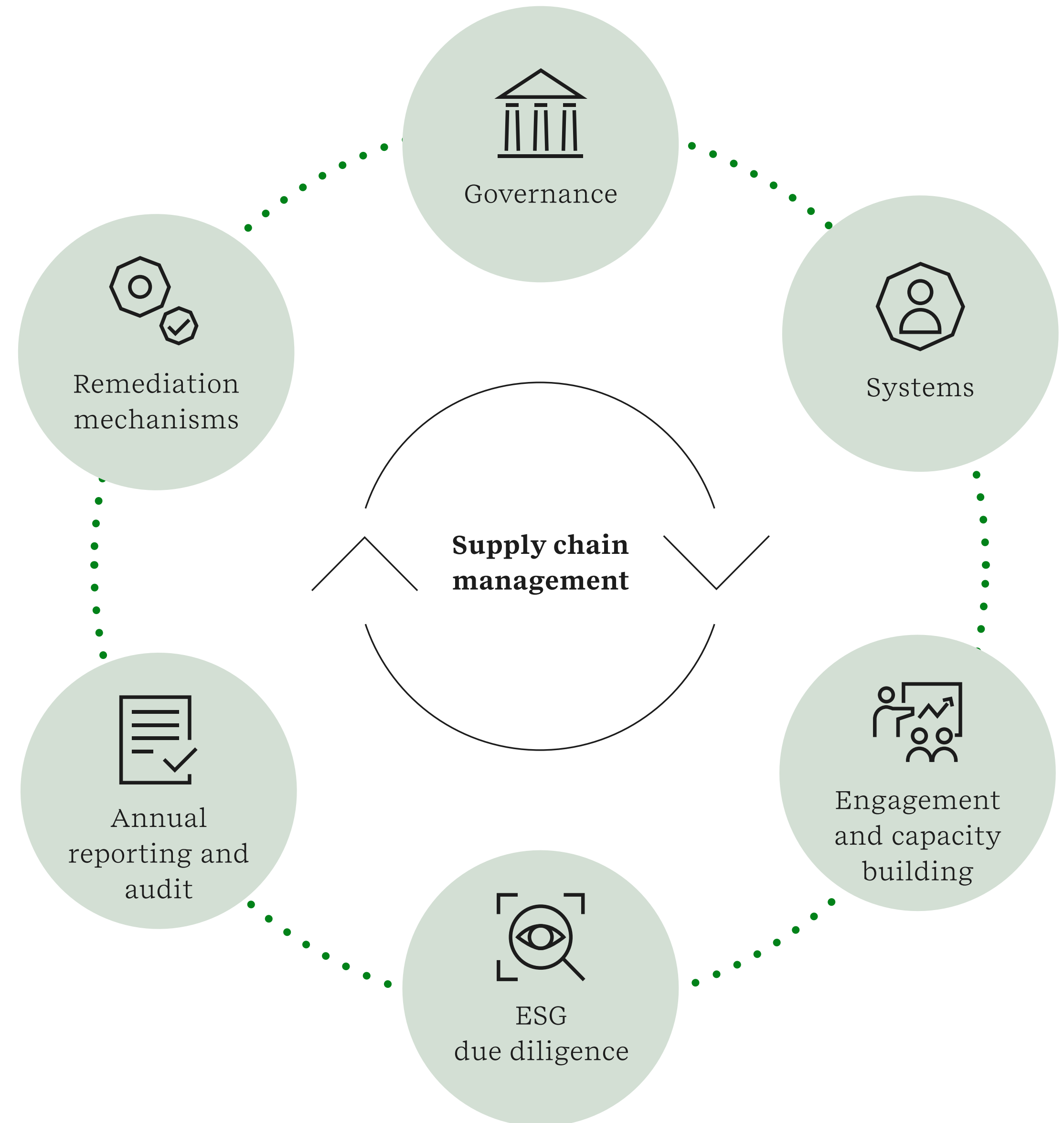
Photo credit: Hanh Nguyen, Vietnam

Sustainable Supply Chain Management is one of our key sustainability operational programs which delivers upon our new Sustainable Supply Chain Strategy.

ERM requires our supply chain to act in accordance with our principles and policies, and support the delivery of our key strategic commitments, from adhering to our Business Code of Conduct to decarbonization. In selecting suppliers, ERM is committed to choose reputable business partners who share our commitment to ethical standards and business practices. Our updated Supplier Code of Business Conduct and Ethics sets out specific global requirements for suppliers and subcontractors as part of our supply chain process, with explicit requirements in relation to health and safety, environmental leadership and sustainability, business conduct and integrity, human rights, confidentiality and data privacy, raising concerns and compliance.

The Supplier Code sets out the principles and standards of conduct that ERM expects of any person or entity who provides goods or services to ERM. Just as our Code of Business Conduct applies to all employees, our Supplier Code applies to all personnel and entities in our supply chain. A core expectation and requirement of being a supplier to ERM is that all ERM-related tasks should be performed by individuals with the skills, expertise, qualifications and behaviors necessary to uphold the principles and meet the standards of our Supplier Code. Accordingly, suppliers shall ensure that the Supplier Code is shared with and followed by all of its workforce and any entities in its supply chain who are assigned to perform services or supply goods or materials to ERM.

ERM requires potential suppliers to outline their current sustainability governance and performance in key areas such as decarbonization and human rights. If suppliers are successful during our procurement process, they must adhere to our Sustainable Procurement Policy and commit to reporting on their sustainability performance.



Decarbonizing our supply chain

Supply chain management is a critical element of our Decarbonization Strategy. Purchased goods and services account for 52% of our Scope 3 emissions, with 90% of these emissions originating from our subcontractors.

Addressing this key source of emissions will support our ability to deliver on our SBTi targets in line with the Net-Zero Standard.

During FY24, we increased engagement with our supply chain to understand their approach to decarbonization and how this aligns with our net-zero targets. We will undertake more extensive engagement during FY25 to better understand the emissions associated with the delivery of our services. This will support our ability to progress from spend based calculation of emissions, to assessment based on accurate GHG emissions data provided by suppliers. Enhanced accuracy will also support our ability to focus on key aspects of our supply chain where targeted interventions will be most effective in incrementally reducing emissions.

Our focus is on engaging with our top-tier suppliers, as they represent the most significant opportunity for emission reduction. We recognize that our suppliers are in differing stages of their own decarbonization journey and will work with them to build awareness and capacity, as well as promote low-carbon suppliers through our procurement processes.

[Learn more in ERM's Decarbonization Strategy](#) →

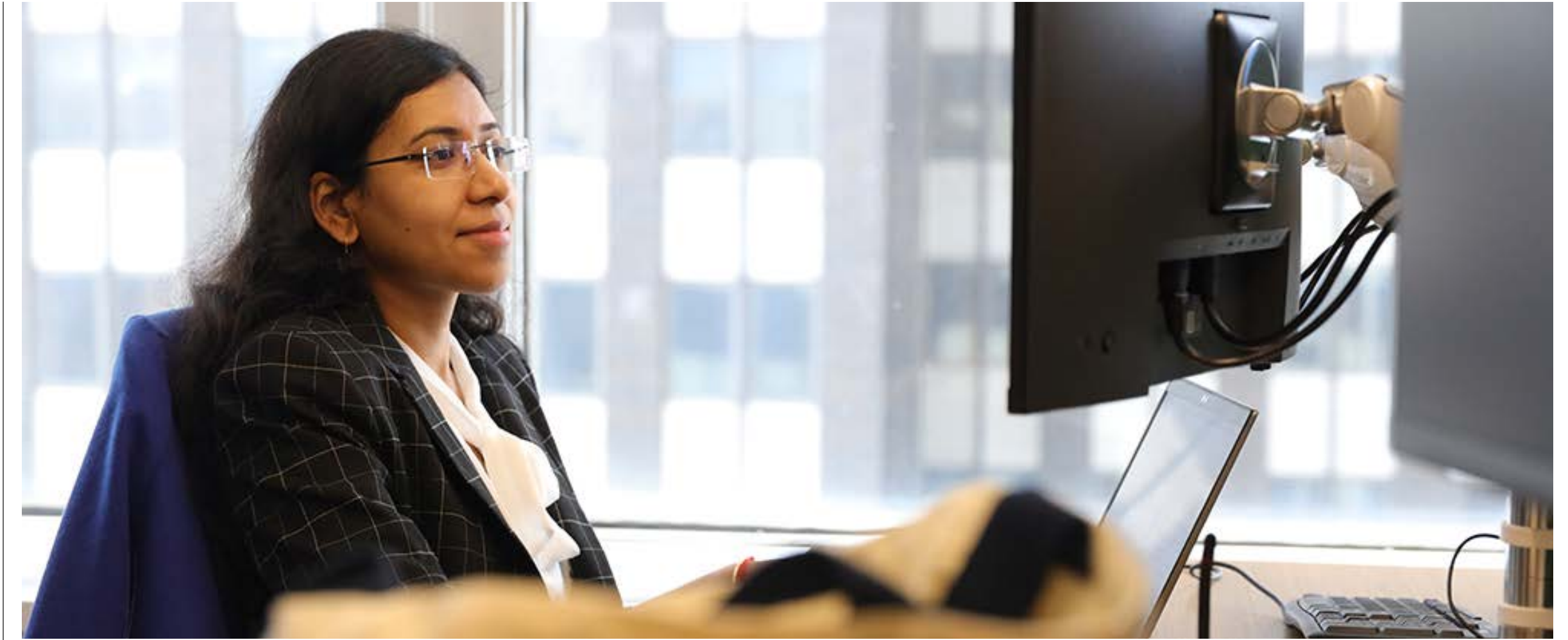
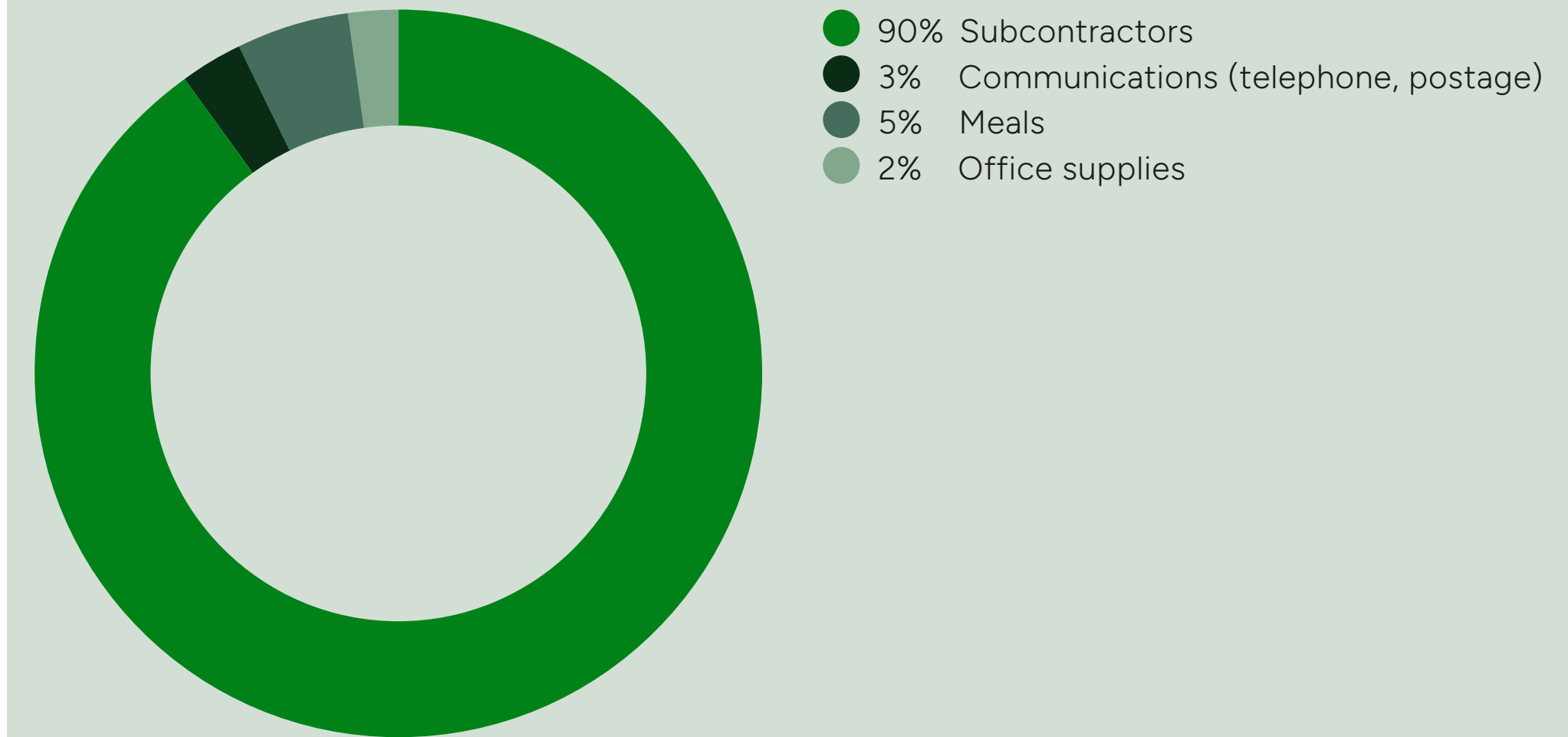


Photo credit: ERM

Purchased goods and services: Breakdown of emission sources FY24



Delivering a robust and effective supplier engagement strategy

With over a dozen data centers worldwide and ambitious, public-facing sustainability goals, the client required support in developing a strategy to collect carbon data and understand the impact of their complex supply chain. ERM first developed an understanding of the client’s supplier base and engaged one-on-one to take them through the environmental context of the work and the importance of collecting and sharing carbon emissions data.

This is an ongoing project, and ERM is now scaling up the engagement work by holding virtual trainings with smaller groups of suppliers to begin the data collection process, help identify opportunities to reduce emissions within their operations, and to formally commit to reduction activities.

ERM has both the technical knowledge and supply chain experience to deliver a robust and effective supplier engagement strategy. By holding virtual training sessions with small groups of suppliers, ERM has been able to scale up the project to achieve results on a timeframe that aligns with the client’s sustainability targets.

The virtual training sessions and ongoing support provided by the ERM team is helping the client: untangle a complex supply chain, understand the impact of their global data center operations, and know how realistic reductions goals can be met.



Photo credit: ERM

“ERM has become the trusted partner and is helping the client create plans to achieve other sustainability goals, for waste, water, etc. Our knowledge and delivery have created the trusted partnership they need to meet their 2030 and 2050 ambitions.”



Ed Struzik
Partner, ERM

Human rights performance

Our suppliers are a critical part of our strategy to respect and promote human rights across our value chain. We are committed to engaging and monitoring our supply chain to deliver alignment with our Human Rights Strategy and to ensure their practices remain aligned to ERM’s ethical standards and goals.

Due diligence

ERM has established due diligence procedures for vetting third parties to verify they operate consistently with our values and policies, and to check whether they are or have been subject to any sanctions for human rights violation across the countries in which they operate. It is critical that third parties support our purpose to shape a sustainable future and the respect and promotion of human rights is fundamental to this.

We review our supplier’s hiring practices, from asking how they recruit employees to requesting records that verify they follow anti-trafficking efforts. This can include thorough background checks and efforts to confirm submitted documents. ERM uses a third-party screening tool to assess third parties whom we may seek

to procure, partner or fund through the ERM Foundation. We conduct a high degree of due diligence especially when procuring or partnering in high-risk jurisdictions.

Policies

In accordance with our Supplier Code of Business Conduct and Ethics, ERM supports international efforts on human rights, including the eradication of modern slavery and all suppliers are expected to do the same. Suppliers are required to adhere to ERM’s Human Rights Policy and Supplier Code and ensure they do not employ or use any form of modern slavery in their business or in their own supply chains. Under international standards, this prohibition requirement includes forced, bonded or compulsory labor and human trafficking.

Monitoring

ERM is committed to taking steps so that human rights abuses do not occur in our business or supply chain, and we expect the same of our suppliers. We will be further engaging to understand what approach our suppliers are adopting to monitor their own supply chains in respect of human rights.

If a supplier has a question, concern or grievance related to work for ERM and human rights, they can contact their supervisor or ERM business contact or, if they prefer, ERM's Compliance Team at businessconduct@erm.com.

For further information on our grievance mechanisms and remedy, please see ERM’s Human Rights Strategy.

Training

We require mandatory training for all ERM employees working with or managing our suppliers to strengthen their awareness of human rights and ensure they are informed about the steps to take should they have any concerns regarding the activities of our business partners. We will further engage with our suppliers to support their own training initiatives.



Photo credit: Cindy Aponte, Colombia



Supporting our clients in Canada

In May 2023, the Parliament of Canada passed legislation against forced labor and child labor in supply chains. This modern slavery act introduces annual mandatory public reporting for many companies operating in Canada on how they are addressing the risks of child and forced labor in their business and supply chains, with financial penalties for non-compliance.

ERM responded quickly, coordinating with our human rights, supply chains and corporate sustainability teams to provide different levels of support to companies across North America. This included gap analyses, risk assessments, report development, enhanced management systems, training delivery, and governance and communications support. We also facilitated a webinar for companies with representatives from government, business and civil society addressing participants' questions.

As a result, we have supported companies in the mining, diversified energy, chemical, packaging and other sectors in complying with and surpassing government requirements and aligning with equivalent requirements in other jurisdictions, such as the United Kingdom and Australia. Across different companies, common opportunities for improvement have emerged, including:

- Due diligence of suppliers beyond direct business relationships;
- Decent work procedures that incorporate international indicators;
- Remedy frameworks to address identified incidents;
- Training for all employees on forced and child labor; and
- Governance structures to coordinate efforts across departments.

This positions ERM to best support companies as requirements continue to evolve. In April 2024, Canada's federal budget reaffirmed its commitment to introduce further legislation to eradicate forced labor from Canadian supply chains and strengthen the import ban on goods produced with forced labor. ERM is already working with companies to prepare them for this.

“We were able to harness the passion of our people across diverse teams in multiple jurisdictions to best serve our clients. As a result, we supported them in complying with and exceeding the requirements of Canada’s Modern Slavery Act, producing some of the most comprehensive reports published to date.”



Simon Chorley

Human Rights & Modern Slavery Lead, ERM

Client services

In today’s business, there is no more complex challenge than supply chain management for clients.

Unaddressed supply chain risks threaten a company's reputation and profitability and ERM is supporting our clients to proactively enhance the sustainability of their supply chain operations through:

- **Governance:** incorporating ESG in the supply chain to maximize positive impact and reduce risk, with policies incorporating ESG, active engagement with suppliers, strategic and collaborative partnerships, and supplier selection, monitoring and reporting inclusive of ESG.
- **Environmental management:** incorporating criteria and targets into all relevant policies and supplier screening, including science-based targets for Scope 3 emissions, water stewardship program and water neutrality goals, circular economy embedded in product design and alignment with nature-based disclosures.
- **Social performance:** embedding human rights in all relevant policies and supplier screening, ensuring the health and safety of employees, customers and all stakeholders are protected, and people are positively impacted by the production of goods and services.

Our technical and business experts work with clients at every stage in creating a sustainable supply chain, including through:

- Determining the client's level of ambition, goals and expectations considering business goals and stakeholder expectations.
- Achieving buy-in through transparent engagement and communication; and
- Operationalizing the client's strategy and reporting on progress against goals internally and externally.



Photo credit: Hanh Nguyen, Vietnam



Renewable(s) Resilience: Four steps to bolster renewable energy supply chains

Renewable energy is growing rapidly. At times, it generates more energy than fossil fuel sources in certain regions, and companies around the world are increasingly turning to it to decarbonize. However, renewables must grow further still if the world is to achieve net-zero by 2050 and the Paris Agreement’s 1.5°C target. Accomplishing this growth will require a massive expansion in renewable energy capacity, which must be met with a substantial rise in inputs essential to building renewable energy infrastructure and products.

Incorporating renewables is not as simple as just investing. Companies will face "renewables conundrums" as they scale their use of renewable energy, issues that will challenge their efforts but, if managed correctly, bring benefits.

Despite the complexities of geopolitics and human rights in renewable energy supply chains, companies can better manage risk and create benefit with the right actions. In December 2023, the ERM Sustainability Institute published Renewable(s) resilience: four steps to bolster renewable energy supply chains, which details key steps for companies to do, including:

1. Engage your supply chain and go beyond compliance;
2. Explore alternative sourcing options;
3. Seek collaboration and partnerships; and
4. Engage with policymakers

This is the second briefing in our Renewables Conundrums series, which analyzes the biggest issues central to the success of renewables growth and corporate climate action needed to meet the Paris Agreement's target. These briefings explore the benefits and challenges associated with these conundrums and how effective management, based on ERM's experience and expertise, can help maximize benefits and overcome challenges.

The first briefing, Unlocking Net Zero: Why Renewables Conundrums are Key to Corporate Climate Action, introduced the series, examined what renewables conundrums are, and explored why they matter to successfully addressing the climate crisis. The third briefing will explore the potential adverse environmental impacts of renewable energy and how they must be considered alongside renewables' positive effects. The fourth briefing will consider how renewable energy developments can be sited and permitted in ways that increase social acceptance and generate benefits for communities.



Global water stress risk mapping

Grupo Bimbo, the largest baking company in the world, selected ERM to better understand the current and future water risks for all its manufacturing plants, distribution centers and sales points.



Photo credit: Jonathan Connelly, United States

In addition, ERM mapped the supply chain water risks for the place of origin of Grupo Bimbo's top 10 raw material supplies.

In total, ERM helped the client identify the water risks of more than 200 manufacturing plants and 2,000 distribution and sales centers across 35 countries, quickly and efficiently.

Using Aqueduct, a widely known water risk tool developed by the World Resources Institute, ERM provided the client with the following:

- Database with all the client's sites classified by current and future water risk;
- Recommendations for prioritizing assets based on value and vulnerability; and
- Recommendations for evaluating more deeply the most exposed suppliers and engaging with them to mitigate risks.

ERM delivered timely information on the high-risk sites, forming a solid foundation for the development of the client's strategy for managing water risks for its global operations.

“The execution of this project was a challenge due to the limited time to map a large number of client's assets and top raw material suppliers. The outcome of this study provides the groundwork for prioritizing sites based on business value and water vulnerability directing efforts for their sustainable strategy.”



Angel Martinez
Consultant, ERM

Stepping up our impact

FY24 headline target:

- Finalize and implement supplier engagement program

● ACHIEVED

During FY24 we focused on increasing our visibility of ESG supply chain requirements and preliminary benchmarking of our own supply chain to understand where and how we can generate impact. This included:

- Completing targeted due diligence assessments of select suppliers to inform our assessment of potential risks, opportunities and impacts.
- Undertaking a detailed horizon scan and benchmarking exercise to identify current and forthcoming regulatory and wider stakeholder requirements, peer and evolving best practice with respect to sustainable supply chain management, including drawing upon our own in-house subject matter experts.
- Integrating sustainability due diligence and requirements into our procurement criteria and began implementation.
- Mapping and initiating our supplier engagement strategy as part of our Sustainable Supply Chain Strategy.



In FY25, we are stepping up our supply chain management program to drive enhanced sustainability performance and the impact that can be generated across key areas such as decarbonization and promotion of human rights.

FY25 headline targets

- Undertake country level human rights due diligence assessments
- Expand sustainable supply chain governance program across top tier spend of suppliers

Delivered through:

- Further implementing our Sustainable Supply Chain Strategy, which sets out our approach and expectations for increasing engagement and monitoring of supplier performance to ensure consistency with our strategic commitments.
- Escalating our supplier engagement program with a key focus on carbon and human rights due diligence in line with our strategic commitments.
- Leveraging our procurement processes to incentivize stronger sustainability performance, building on the information potential suppliers provide us on their ESG credentials and performance.

[Learn more in ERM's Sustainable Supply Chain Strategy](#) →



Photo credit: ERM

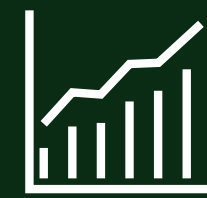
Data

ERM establishes both annual targets and longer-term goals to monitor our effectiveness in managing our material sustainability topics. We provide details on our FY24 performance in relation to these targets and goals in this Sustainability Report. In addition, we disclose wider performance data of interest to our stakeholders and consistent with our commitment to open and transparent reporting.

Performance data
Reporting context

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174

Performance data



We report on key GRI-aligned key performance indicators aligned to core programs and additional data of interest to our stakeholders. Consistent with best practice, our greenhouse gas emissions and selected data related to our people and health and safety have been assured by a third-party.

People data	142
Training data	151
Health & safety data	153
Climate data	159
Communities data	173

Photo credit: Tadasuke Okubo, Japan

People data

Data presented here supports the [People](#) section of this report.

Employees by employment contract, by gender FY24

GRI 2-7

Gender	Permanent ¹	Flexible ²	Total
Female	3,765	200	3,965
Male	3,530	206	3,736
Nonbinary	29	1	30
Not indicated or other	171	39	210
Total	7,495	446	7,941

Employees by employment contract, by gender FY24

GRI 2-7



¹ Permanent refers to employees who have an Employee Type of Permanent/Regular.

² Flexible includes all employees who have an Employee Type of Fixed Term, Casual or Intern.

Data presented here supports the [People](#) section of this report.

Employees by employment contract, by region FY24

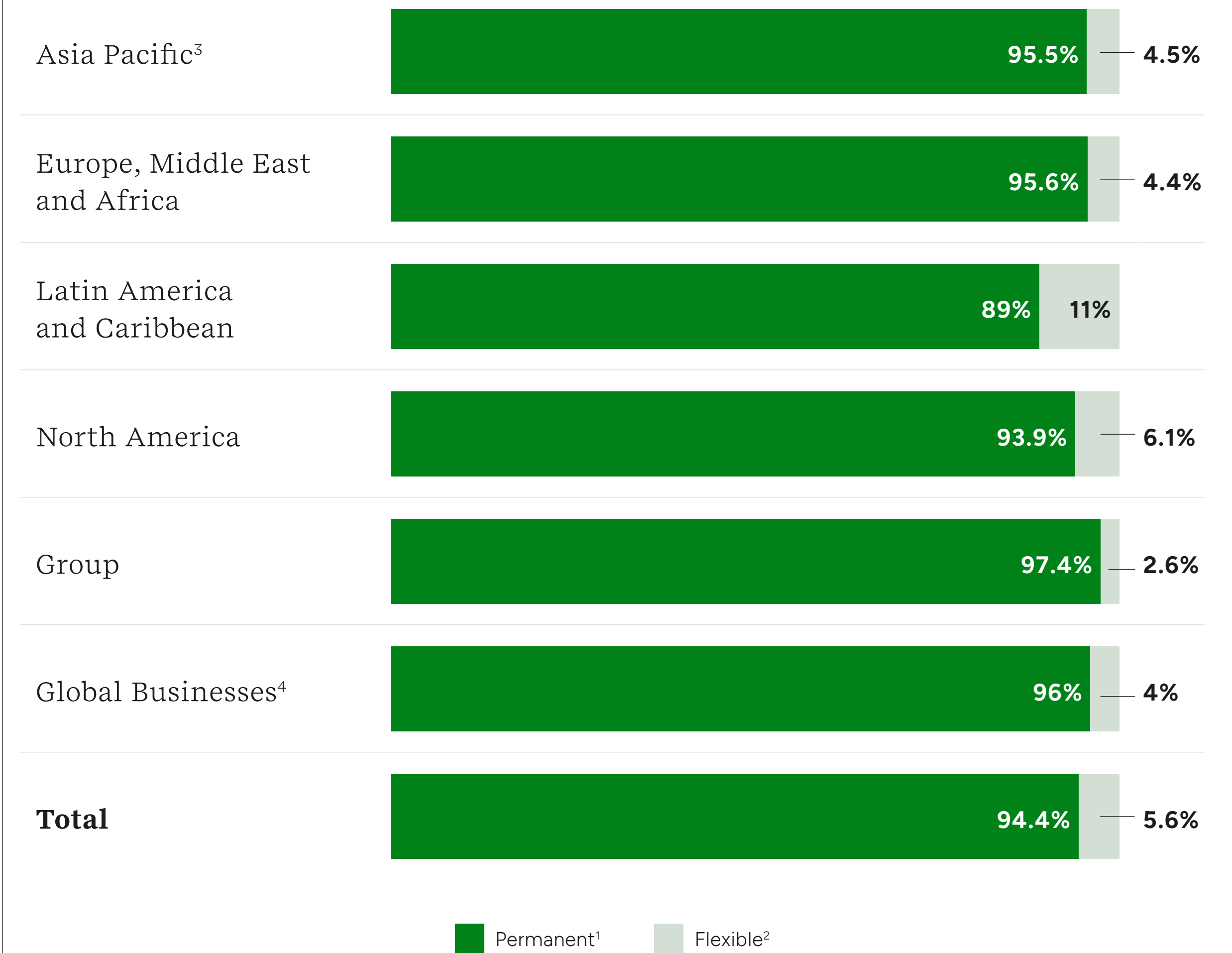
GRI 2-7

Region	Permanent ¹	Flexible ²	Total
Asia Pacific ³	1,250	59	1,309
Europe, Middle East and Africa	1,959	90	2,049
Latin America and Caribbean	772	95	867
North America	2,667	172	2,839
Group	339	9	348
Global Businesses ⁴	508	21	529
Total	7,495	446	7,941

¹ Permanent refers to employees who have an Employee Type of Permanent/Regular.
² Flexible includes all employees who have an Employee Type of Fixed Term, Casual or Intern.
³ Asia Pacific includes Australia and Asia.
⁴ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement.

Employees by employment contract, by region FY24

GRI 2-7



Data presented here supports the [People](#) section of this report.

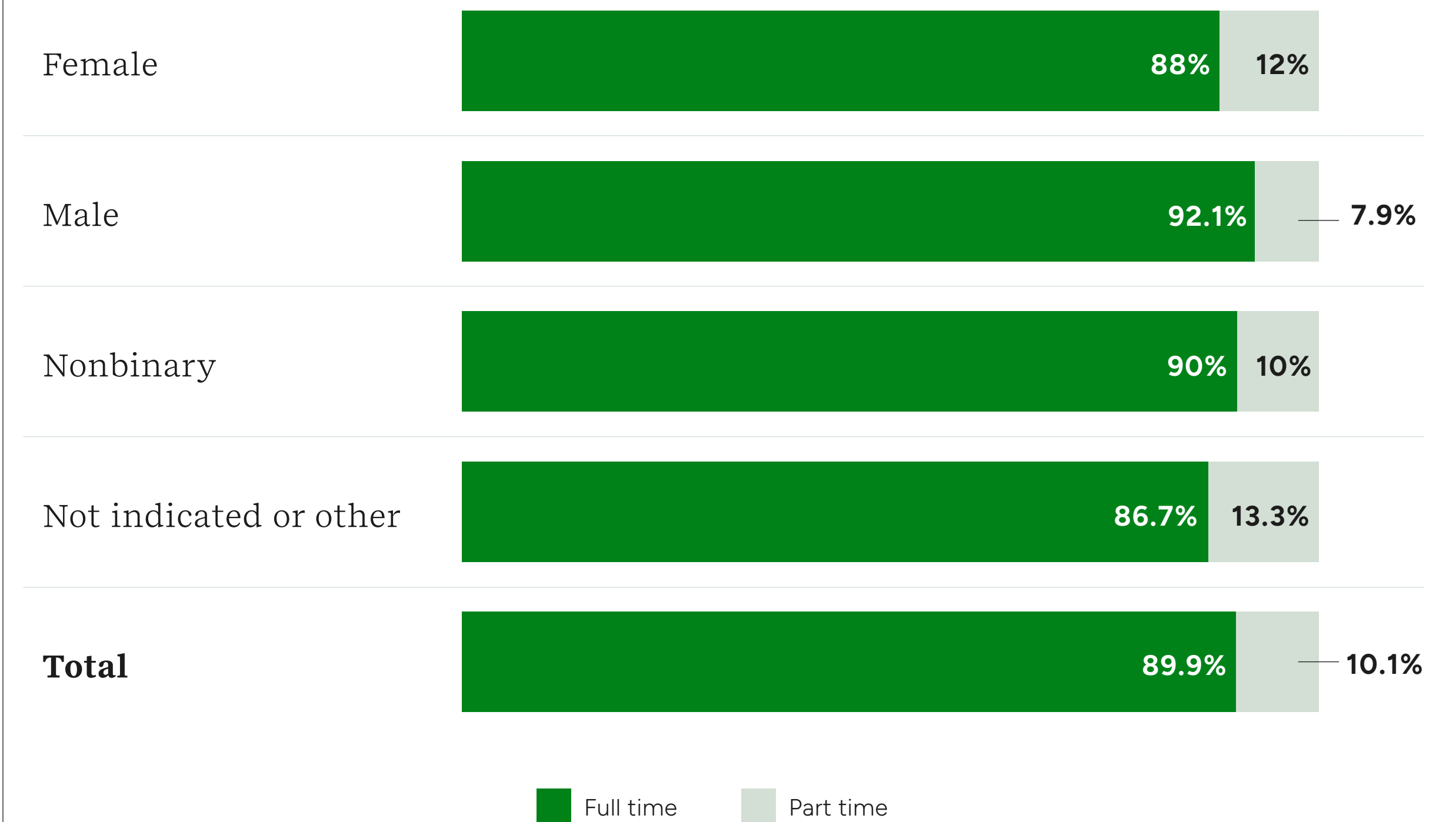
Employees, by employment type, by gender FY24

GRI 2-7

Gender	Full time	Part time	Total
Female	3,488	477	3,965
Male	3,439	297	3,736
Nonbinary	27	3	30
Not indicated or other	182	28	210
Total	7,136	805	7,941

Employees, by employment type, by gender FY24

GRI 2-7



Data presented here supports the [People](#) section of this report.

Employees, by employment type, by region FY24

GRI 2-7

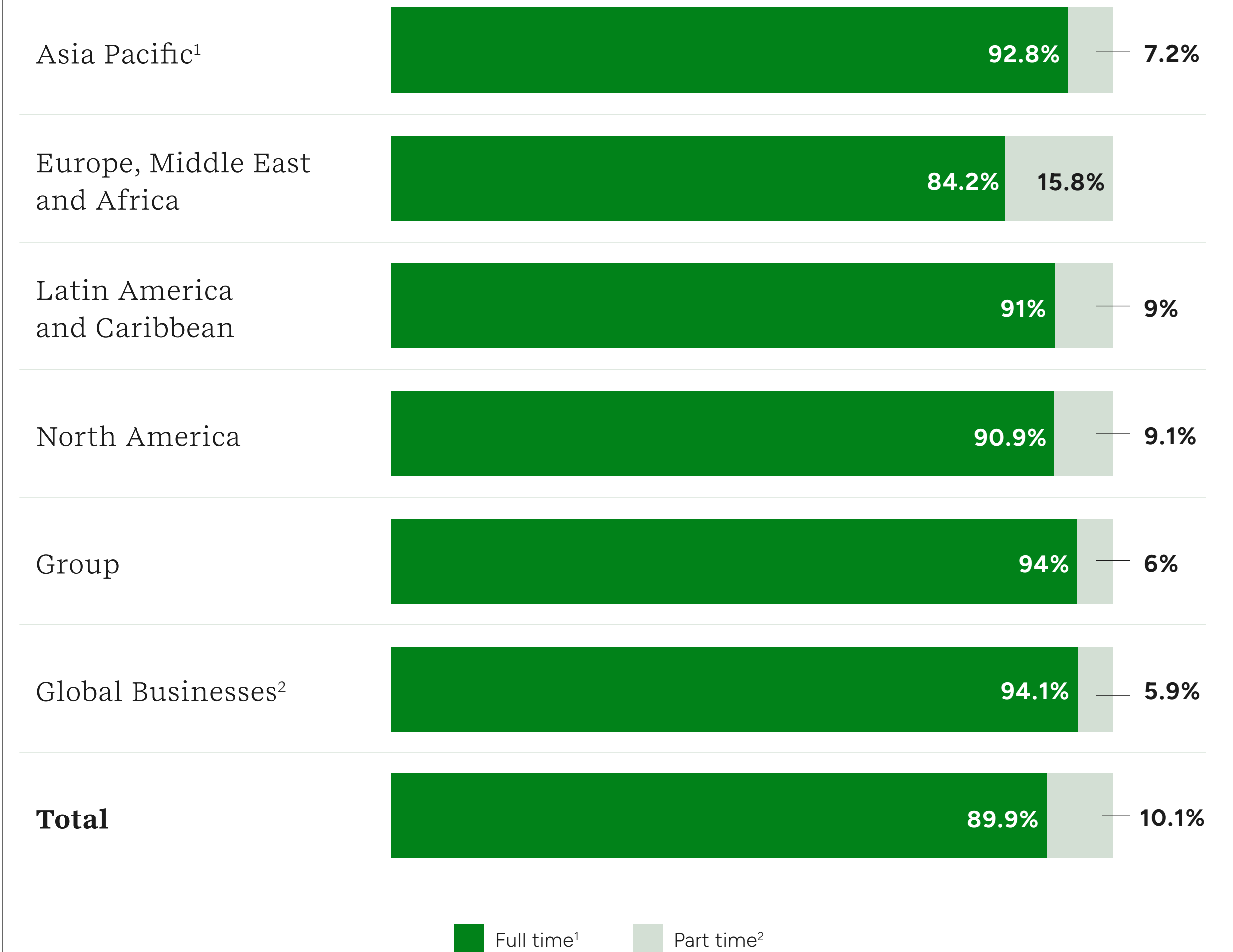
Region	Full time	Part time	Total
Asia Pacific ¹	1,215	94	1,309
Europe, Middle East and Africa	1,726	323	2,049
Latin America and Caribbean	789	78	867
North America	2,581	258	2,839
Group	327	21	348
Global Businesses ²	498	31	529
Total	7,136	805	7,941

¹ Asia Pacific includes Australia and Asia.

² Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement.

Employees, by employment type, by region FY24

GRI 2-7



Full time¹ Part time²

Data presented here supports the [People](#) section of this report.

New hires, by gender FY24^{1,2}

GRI 401-1

Gender	Total number	Rate
Female	623	16.4%
Male	577	16.2%
Nonbinary	5	18.0%
Not indicated or other	79	57.0%
Total	1,284	17.1%

New hires, by age group FY24^{1,2,3}

GRI 401-1

Age	Total number
Under 30	557
30-50	620
Over 50	107
Not indicated or other	0
Total	1,284

New hires, by region FY24^{1,2}

GRI 401-1

Region	Total number	Rate
Asia Pacific ⁴	271	22.1%
Europe, Middle East and Africa	279	14.0%
Latin America and Caribbean	100	12.8%
North America	499	18.8%
Group	38	11.2%
Global Businesses ⁵	97	18.0%
Total	1,284	17.1%

¹ Permanent hires, including acquisition hires.

² Rates calculated using average number of permanent employees in the reporting period.

³ ERM's systems cannot currently calculate average headcount by age for Rate calculations.

⁴ Asia Pacific includes Australia and Asia.

⁵ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement.

Data presented here supports the [People](#) section of this report.

Total turnover, by gender FY24^{1,2}

GRI 401-1

Gender	Total number	Rate
Female	668	17.6%
Male	656	18.4%
Nonbinary	5	18.0%
Not indicated or other	38	27.4%
Total	1,367	18.2%

Total turnover, by region FY24^{1,2}

GRI 401-1

Region	Total number	Rate
Asia Pacific ³	246	20.1%
Europe, Middle East and Africa	417	21.0%
Latin America and Caribbean	109	14.0%
North America	470	17.7%
Group	44	12.9%
Global Businesses ⁴	81	15.1%
Total	1,367	18.2%

¹ Only Permanent employees are included in turnover calculations.

² Turnover rates calculated using average number of permanent employees in the reporting period.

³ Asia Pacific includes Australia & Asia.

⁴ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services & Tech Enablement.

Data presented here supports the [People](#) section of this report.

Percentage of employees, by gender FY22 - FY24

GRI 405-1

Career level	FY22			FY23			FY24		
	Female	Male	Not indicated or other	Female	Male	Not indicated or other	Female	Male	Not indicated or other
Executive Committee	18.2%	81.8%	0.0%	14.3%	78.6%	7.1%	21.4%	71.4%	7.1%
Partners	26.5%	72.0%	1.6%	27.7%	70.4%	1.8%	29.0%	69.2%	1.9%
Senior Consultants ¹	35.2%	63.1%	1.7%	37.1%	60.4%	2.5%	39.1%	58.9%	2.0%
Consultants ²	49.6%	47.1%	3.2%	50.5%	45.3%	4.2%	51.5%	44.8%	3.8%
Business enablement ³	70.5%	27.4%	2.1%	69.1%	27.8%	3.1%	69.8%	27.9%	2.3%
All employees	48.4%	49.0%	2.6%	49.1%	47.4%	3.5%	49.9%	47.0%	3.0%

Percentage of employees, by age group FY24

GRI 405-1

Career level	Under 30	30-50	Over 50	Not indicated or other
Executive Committee	0.0%	14.3%	85.7%	0.0%
Partners	0.3%	52.0%	47.7%	0.0%
Senior Consultants ¹	0.9%	65.1%	34.1%	0.0%
Consultants ²	44.1%	50.0%	5.9%	0.0%
Business enablement ³	15.7%	60.8%	23.4%	0.0%
All employees	27.0%	54.8%	18.2%	0.0%

¹ Senior consultants include all consultants at ERM career levels 4, 5 and Technical Directors.

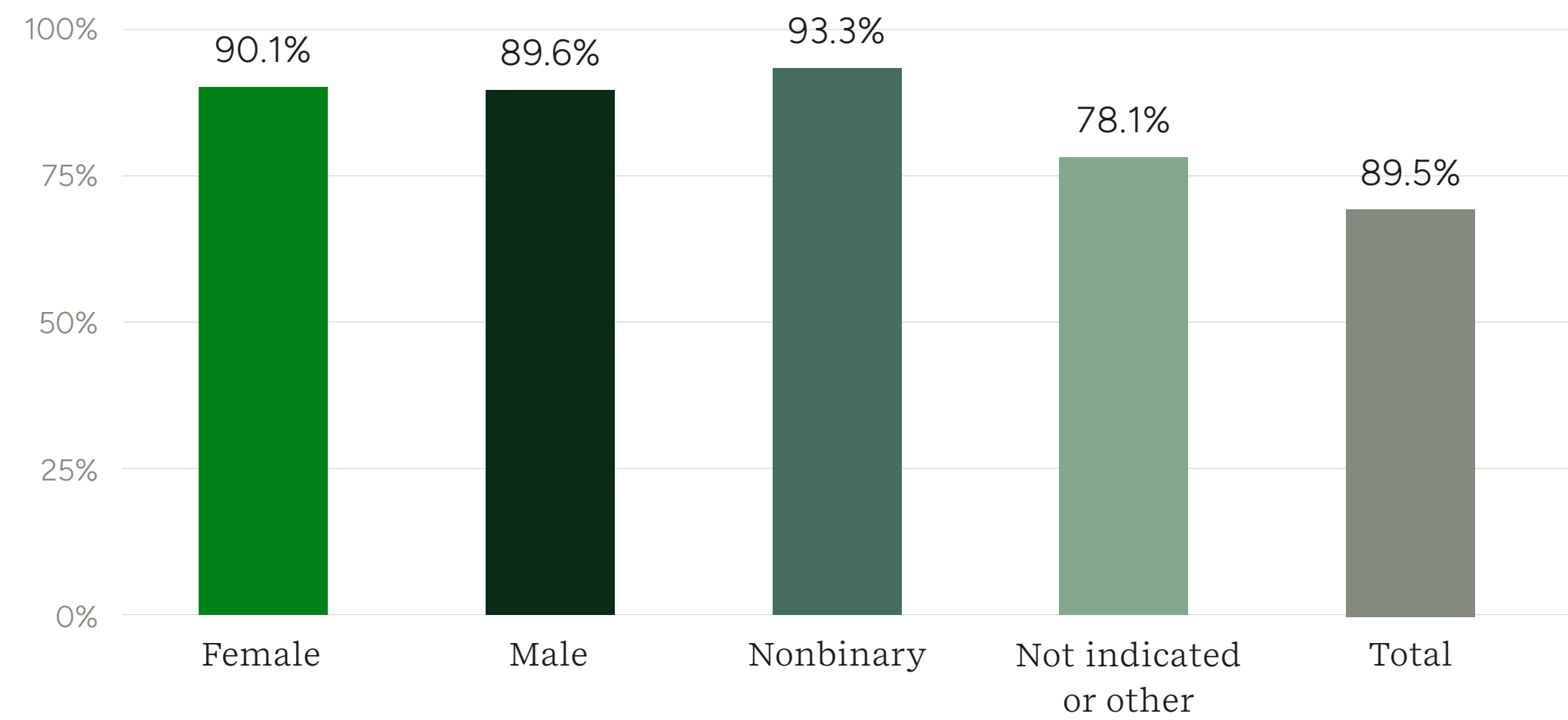
² Consultants include all consultants at ERM career level entry to level 3 and CLX.

³ Formerly referred to as professional support.

Data presented here supports the [People](#) section of this report.

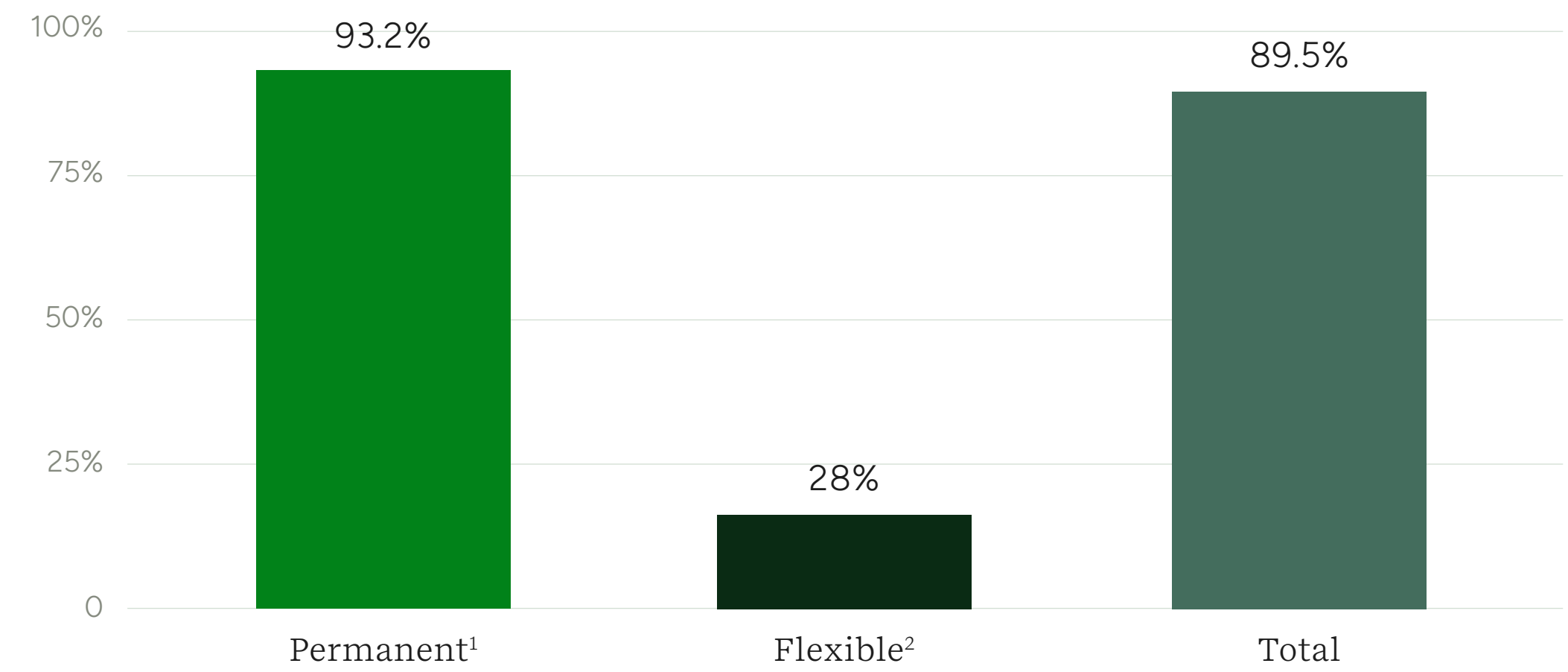
Percentage of total employees receiving performance and career development reviews, by gender FY24

GRI 404-3



Percentage of total employees receiving performance and career development reviews, by employment contract FY24

GRI 404-3



¹ Permanent refers to employees who have an Employee Type of Permanent/Regular.

² Flexible includes all employees who have an Employee Type of Fixed Term, Casual or Intern.

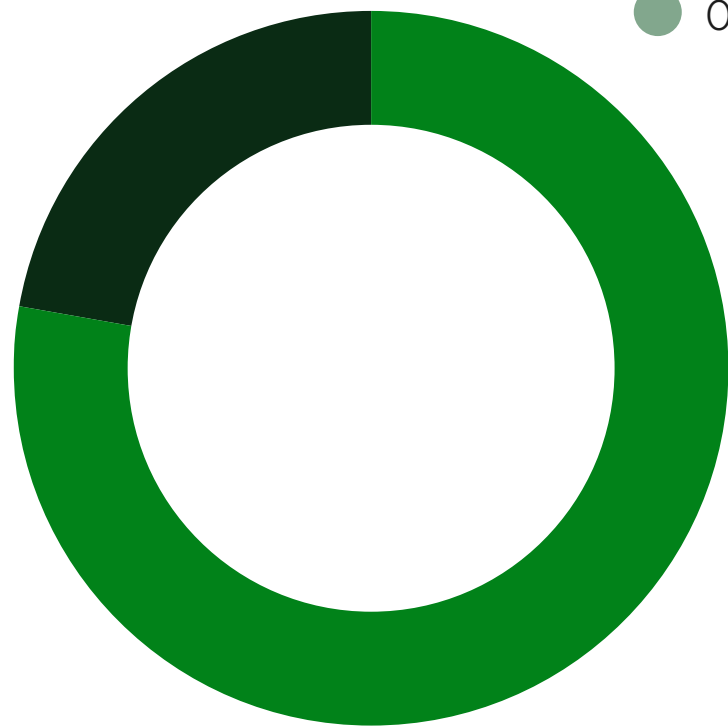
Data presented here supports the [People](#) section of this report.

Diversity of governance bodies and employees

GRI 405-1

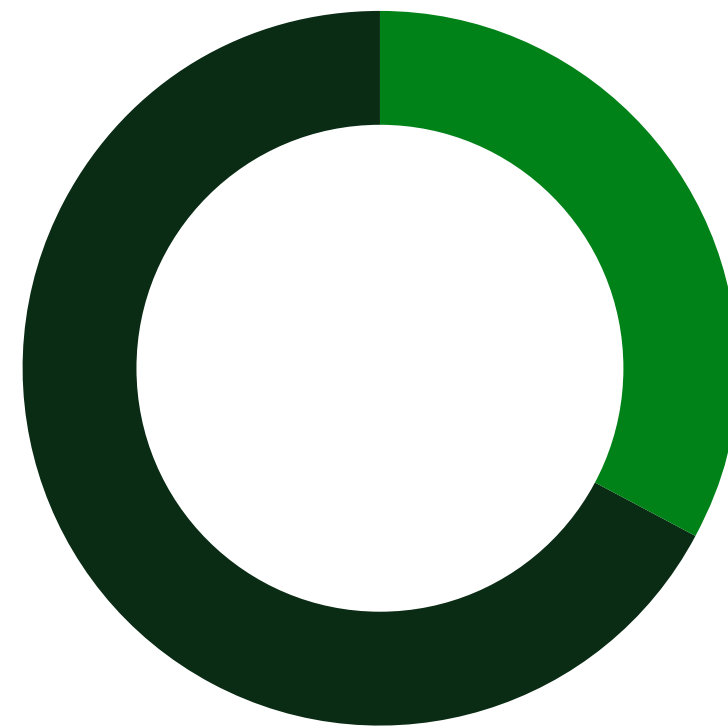
Gender

- 78% Male
- 22% Female
- 0% Nonbinary
- 0% Other or not indicated



Age

- 33% 30-50
- 67% Over 50



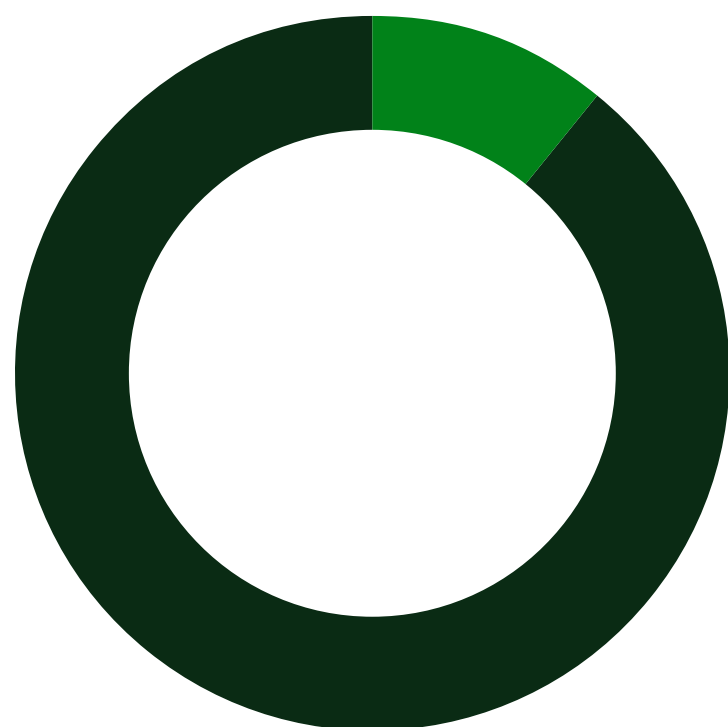
Ethnicity

- 11% Arab
- 89% White Other



Disability

- 11% Disability
- 89% No disability



Sexual orientation

- 56% Heterosexual
- 44% Not disclosed



Citizenship

- 11% Australia
- 56% Europe¹
- 22% United States
- 11% Dual²



Composition

There are currently nine Directors of the Board comprised of four Non-Executive Directors and five Executive Directors. More details can be found [here](#).

Tenure

ERM is a privately held company with external investors. Board membership includes non-executive Investor Directors. KKR completed its investment into ERM in October 2021, when TEIGL was incorporated and the Directors of TEIGL were appointed. Of the Executive Directors, David McArthur and Sabine Hoefnagel have been members of the Board since 2021; Tim Strawn and Tom Reichert joined the Board in 2022; and Susan Angyal joined the board in 2023.

Competencies

All Directors have experience in the governance of other organizations. Of the Executive Directors, all have professional and technical experience in ESG and sustainability given the nature of ERM's business.

Stakeholders

The Board collectively and all directors individually should foster effective stakeholder relationships aligned to the ERM Purpose and strategy, including with employees, customers, suppliers, external communities where it operates, regulators and government bodies – and have due regard to their views when making decisions. The Board develops and promotes the ERM purpose and ensures, through its decisions and actions, that the values, strategy and culture of the Group align with that purpose, to generate long-term sustainable value.

¹ Germany, Italy, Netherlands and Spain. ² United Kingdom and United States.

Training data

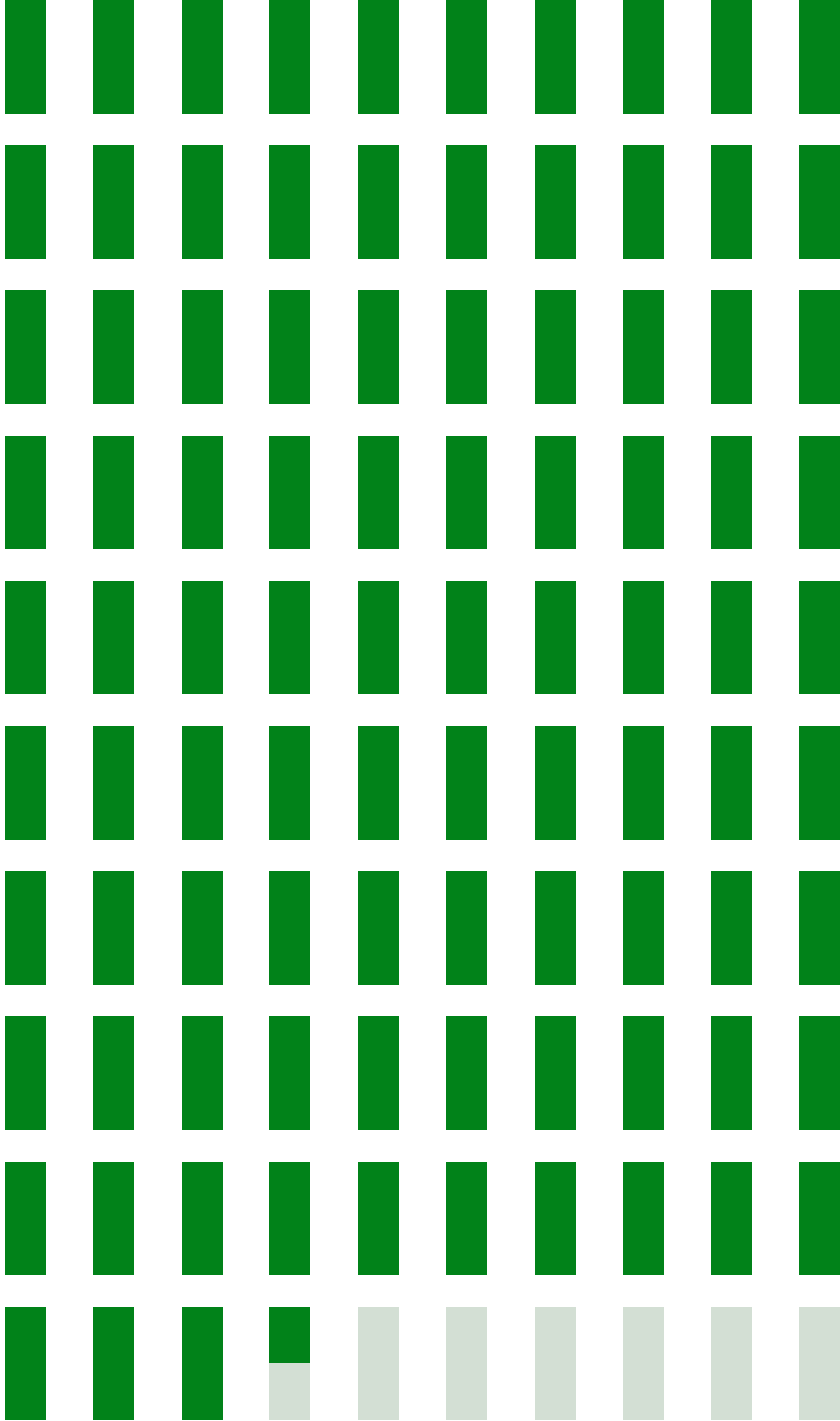
Data presented here supports the [People](#) section of this report.

New starter training, FY24

Percentage of new hires completing mandatory business conduct and ethics suite of training between the dates of April 1 2023 and March 31 2024.

Includes the following topics:

- Code of Business Conduct and Ethics
- Anti-Bribery/Corruption
- Cyber Security
- Data Privacy
- Anti-Money Laundering and Trade Sanctions



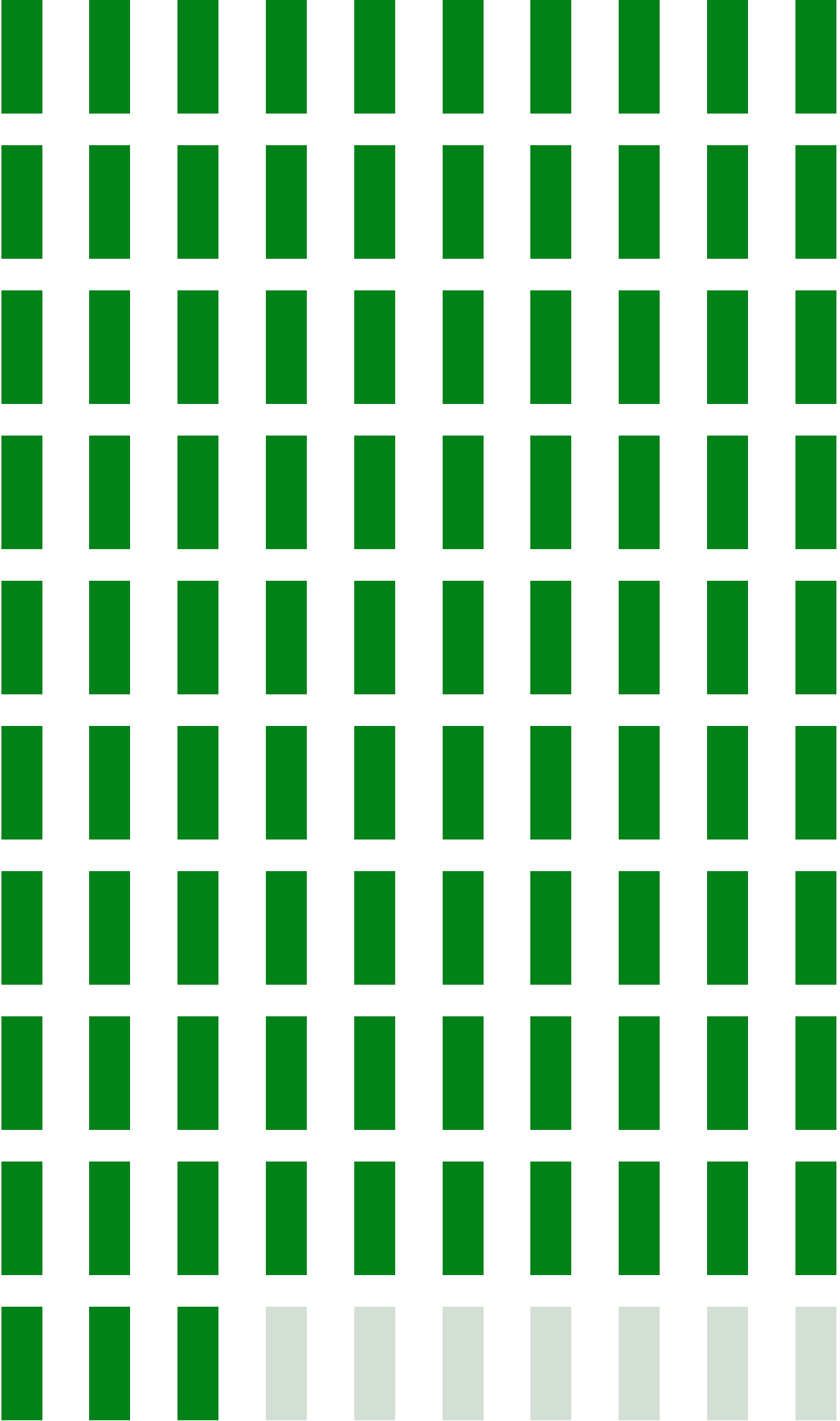
93.5% Completed
6.5% Not completed

Refresher training, FY24

Percentage completion of required refresher training between the dates of April 1 2023 and March 31 2024.

Includes the following topics:

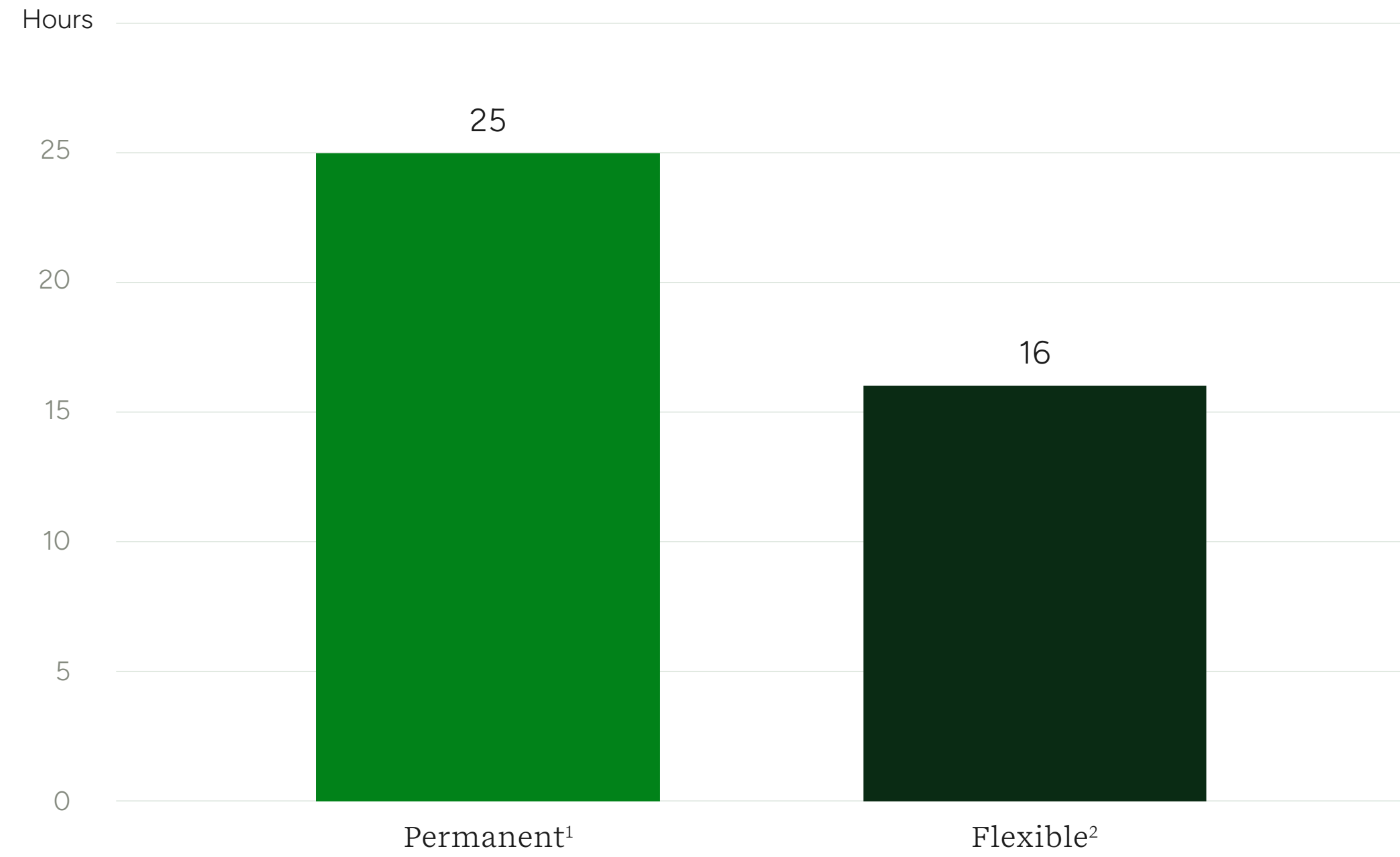
- Driver Training
- Global Travel Acknowledgement Training



93% Completed
7% Not completed

Data presented here supports the [People](#) section of this report.

Average hours of training per year per employee, by employment contract FY24
GRI 404-1



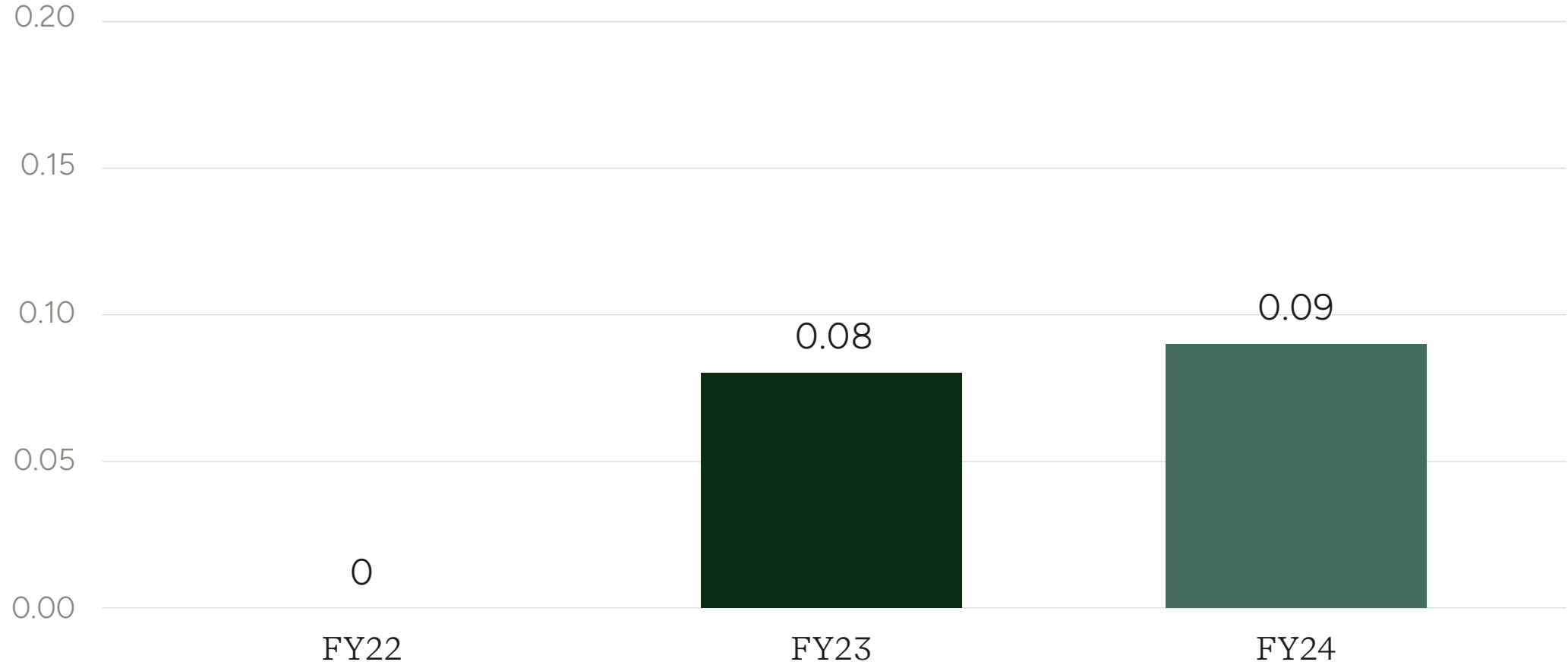
¹ Permanent refers to employees who have an Employee Type of Permanent/Regular.

² Flexible includes all employees who have an Employee Type of Fixed Term, Casual or Intern.

Health & safety data

Data presented here supports the [Health & safety](#) section of this report.

Days away from work case (DAWC) rate FY22 - FY24^{1,2}



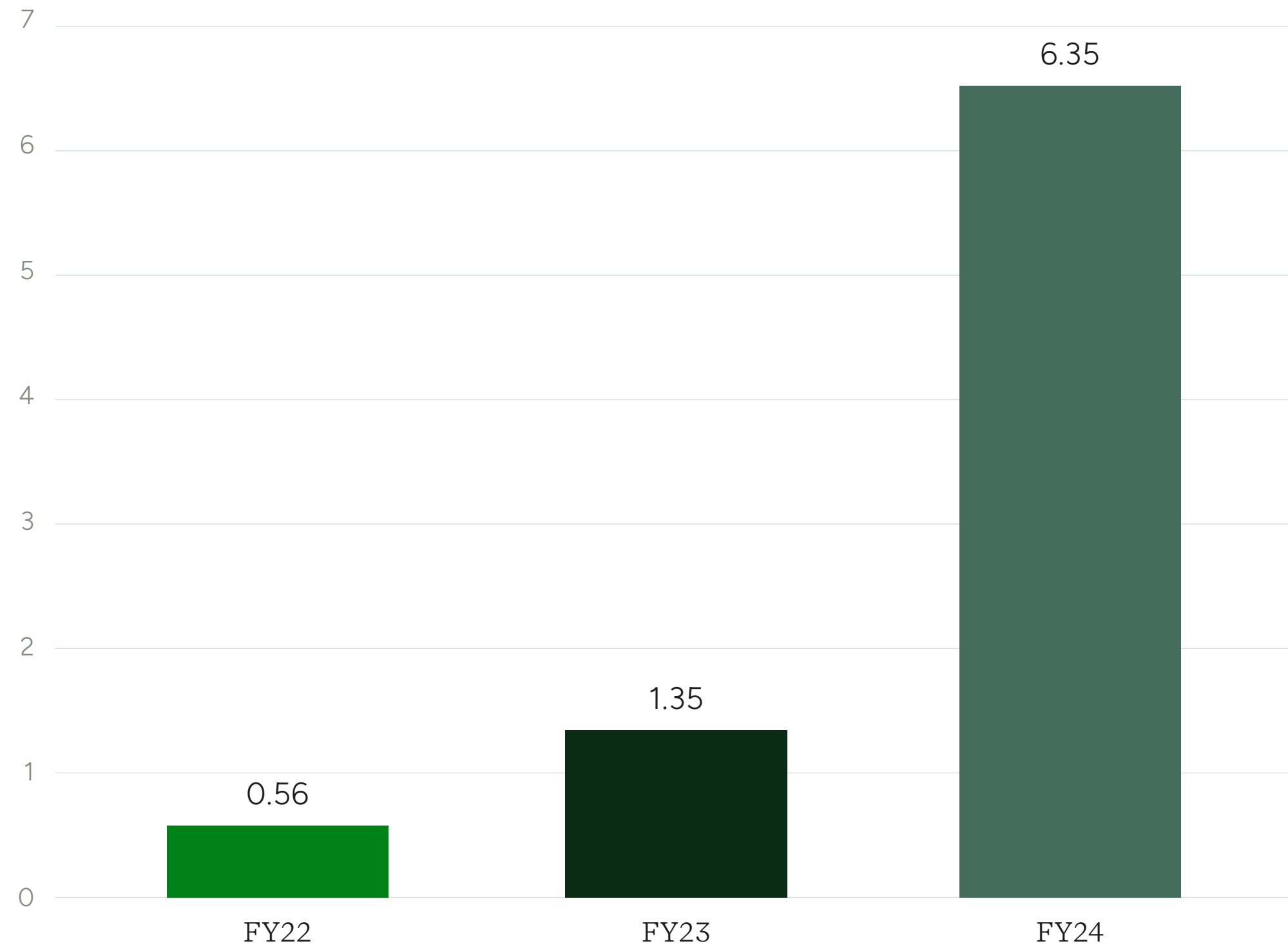
¹ Days away from work cases (DAWC) rate tracks any work-related injuries or illness cases that result in the injured/ill worker being unable to work for 1 or more days following the event. ERM tracks this metric for our sustainability targets and goals.

² FY23 data updated due to reclassification of a recordable/lost time injury after the reporting period ended.

Data presented here supports the [Health & safety](#) section of this report.

Severity rate FY22 - FY24^{1, 2, 3, 4}

GRI 403-9



Severity rate, by region FY22 - FY24^{1, 2, 3, 4}

GRI 403-9

Region	FY22	FY23	FY24
Asia Pacific ⁵	3.49	3.99	0.65
Europe, Middle East and Africa	0.00	0.85	0.06
Latin America and Caribbean	0.00	5.04	26.67
North America	0.00	0.00	7.98
Global Businesses ⁶	0.00	0.00	0.00
Group	0.00	0.00	0.00
Total	0.56	1.35	6.35

¹ Data includes ERM employees only.

² Severity rate is the total number of days away from work and restricted-duty days multiplied by 200,000 (with 200,000 hours equivalent to 100 employees working a 40-hour week for 50 weeks of the year) and divided by the total number of hours worked by all employees.

³ Severity rates can vary due to the number of hours worked, and the severity rate can be highly influenced by a single work-related injury or illness.

⁴ FY23 data updated due to reclassification of a recordable/lost time injury after the reporting period ended.

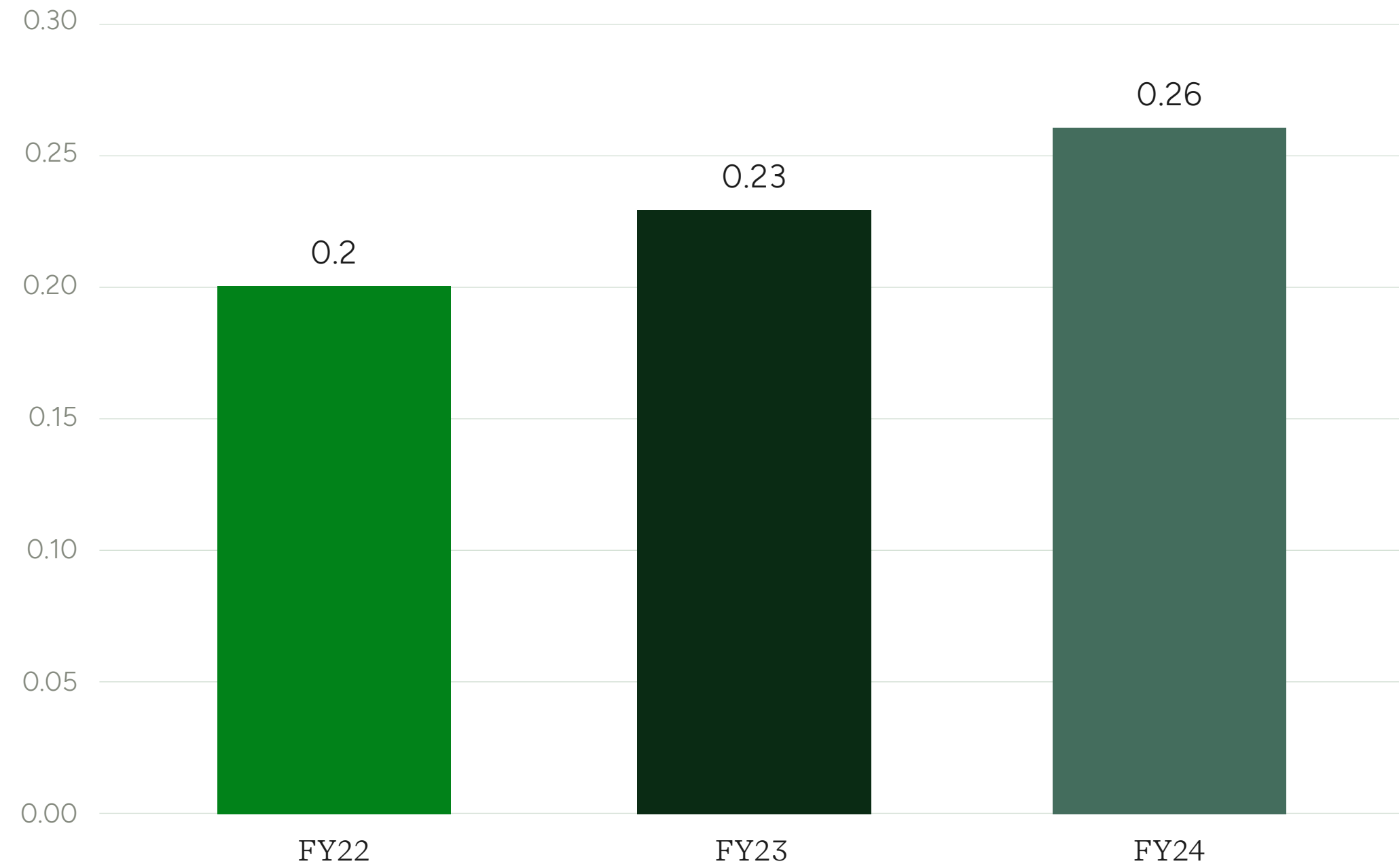
⁵ Asia Pacific includes Australia and Asia.

⁶ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement.

Data presented here supports the [Health & safety](#) section of this report.

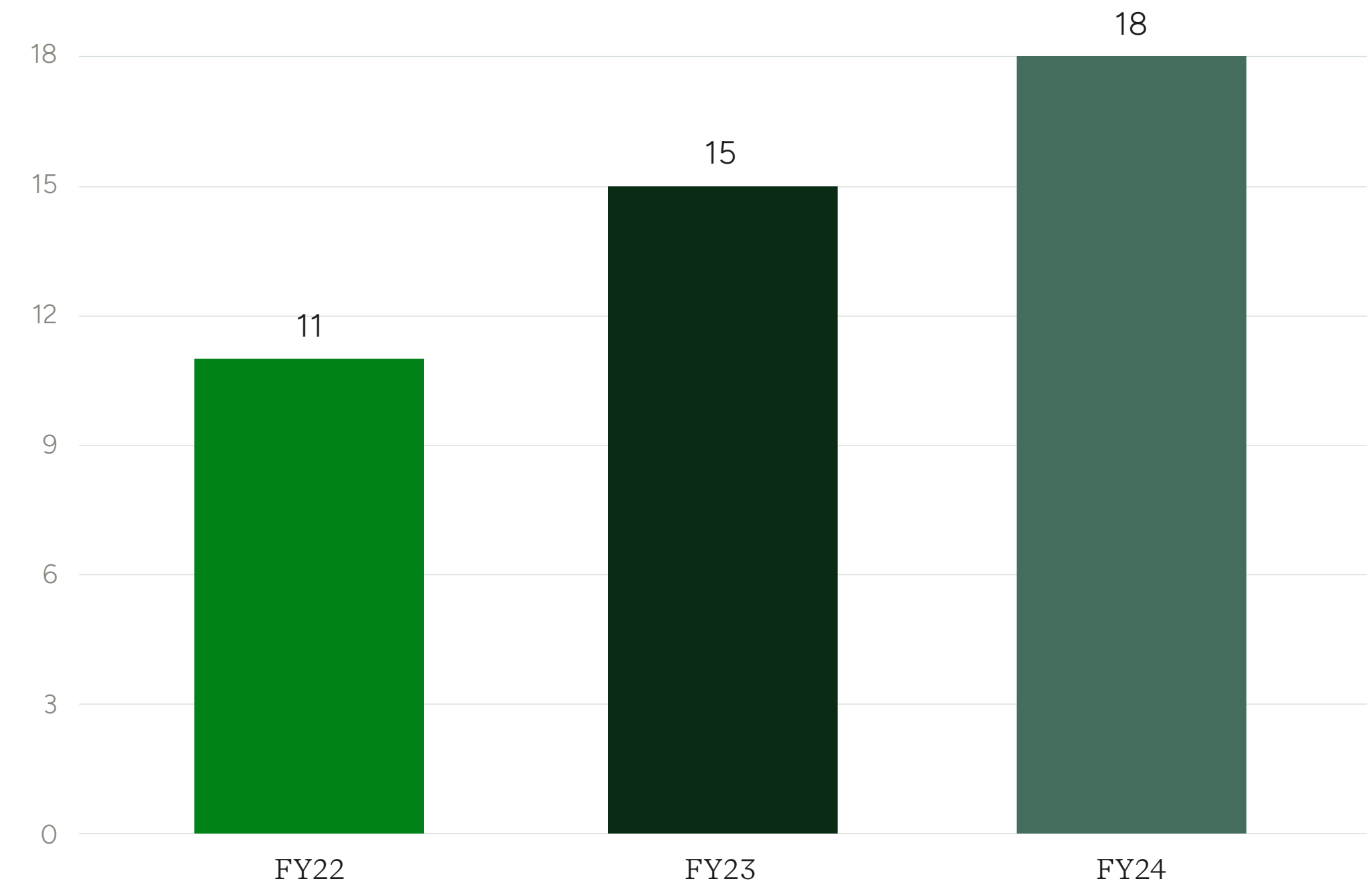
Total recordable incident rate (TRIR) FY22 - FY24^{1, 2, 3}

GRI 403-9, GRI 403-10



Number of recordable incidents FY22 - FY24^{1, 3}

GRI 403-9, GRI 403-10



¹ Data includes ERM employees only.

² Total Recordable Incident Rate (TRIR) is the number of recordable injuries and illnesses multiplied by 200,000 (with 200,000 hours equivalent to 100 employees working a 40-hour week for 50 weeks of the year) and divided by the total number of hours worked by all employees.

³ FY23 data updated due to reclassification of a recordable/lost time injury after the reporting period ended.

Data presented here supports the [Health & safety](#) section of this report.

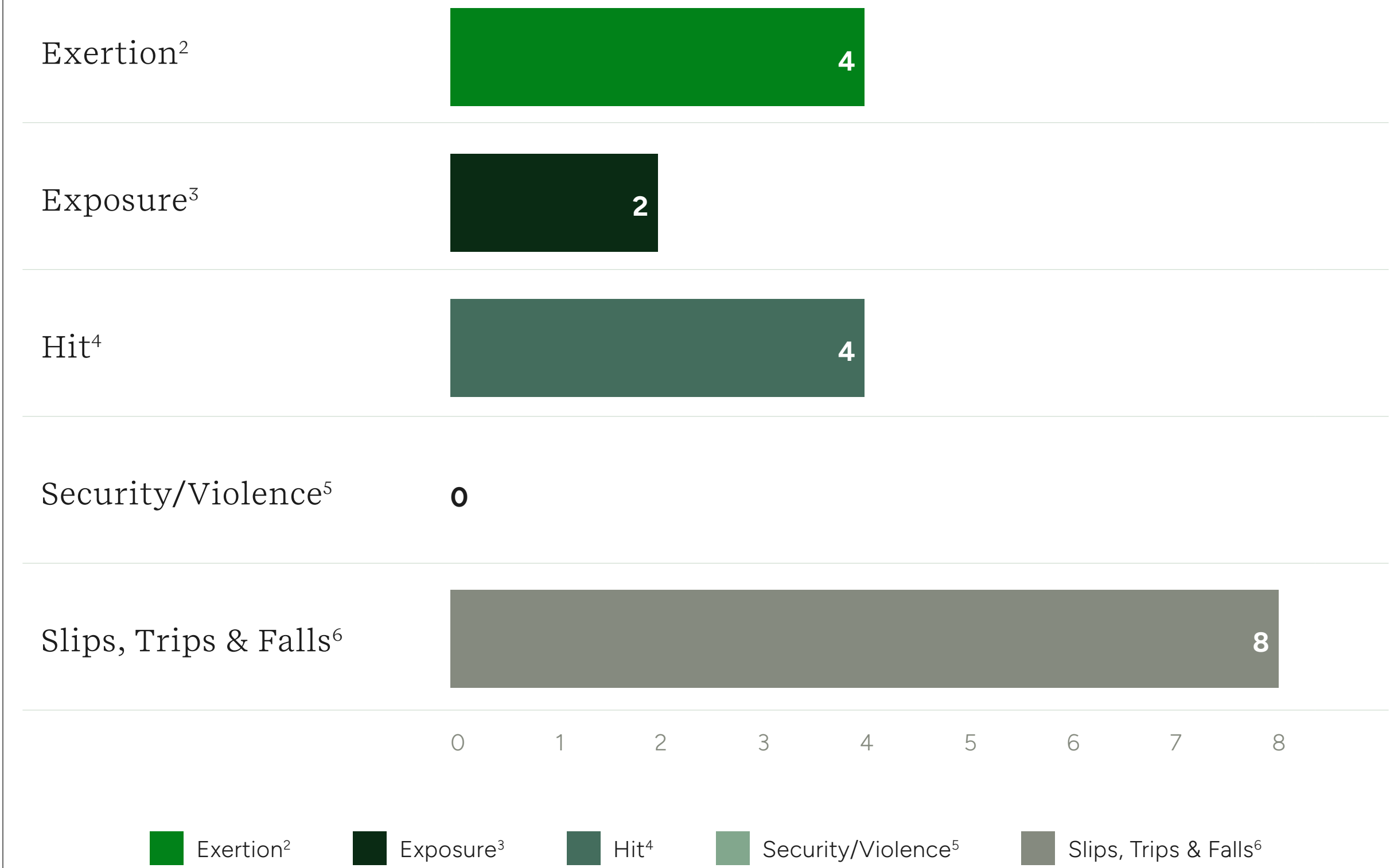
Number of recordable incidents, by type FY22 - FY24¹

GRI 403-9

Category	FY22	FY23	FY24
Exertion ²	2	6	4
Exposure ³	3	3	2
Hit ⁴	5	3	4
Security/Violence ⁵	0	0	0
Slips, Trips & Falls ⁶	1	3	8
Total	11	15	18

Number of recordable incidents, by type FY24

GRI 403-9



¹ FY23 data updated due to reclassification of a recordable/lost time injury after the reporting period ended.
² Includes ergonomic (office or field) and fatigue.
³ Includes chemical and environmental exposures.
⁴ Includes hit by and against.
⁵ Includes aggression/threats towards personnel.
⁶ Includes falls on stairs, falls to lower levels, falls from height, falls on the same level, and slip/trips from stairs.

Data presented here supports the [Health & safety](#) section of this report.

Number of LIFE Impacting events FY24^{1, 2, 3, 4}

GRI 403-9, GRI 403-10

Category	FY24
Fatal events	0
Life-impacting events	0
Total	0

Fatality rate FY24^{4, 4, 5}

GRI 403-9, GRI 403-10

Category	FY24
Fatality rate	0
Total	0

¹ Data includes ERM employees only.

² LIFE (acronym) - "Life Impacting or Fatal Events"

³ Life-impacting events are defined as any work-related injury/illness resulting in a permanent partial and/or permanent total disability.

⁴ A Fatal event is defined as any work-related injury/illness that results in a fatality.

⁵ Fatality Rate is the number of fatalities as a result of work-related injuries or illnesses multiplied by 200,000 (with 200,000 hours equivalent to 100 employees working a 40-hour week for 50 weeks of the year) and divided by the total number of hours worked by all employees

Data presented here supports the [Health & safety](#) section of this report.

Subcontractors injury and illness FY22 - FY24^{1,2}

GRI 403-9, GRI 403-10

Category	FY22	FY23	FY24
Fatalities (injuries/illnesses)			0
Life-Impacting (injuries/illnesses)			0
Recordable injuries	11	10	5
Total injury/illness incidents ²	35	33	35
Near miss	30	28	25
Total	76	71	65

Safety AT ERM Score FY22 - FY24¹

GRI 403-5

Region	FY22	FY23	FY24
Asia Pacific ²	93.5	76.7	97.9
Europe, Middle East and Africa	84	82.5	91.2
Latin America and Caribbean	92	92.5	85.3
North America	83.0	88.0	82.7
Global Businesses ^{3, 4}	75.7	50.5	26.8
Global score⁵	85.5	84.7	88.2

¹ Data includes subcontractor workers only. A subcontractor for ERM provides services on an ERM project ultimately for an ERM external client. This includes lower-tier subcontractors.

² Injury/Illness injuries total includes Recordable Injuries in addition to non-recordable injuries/illnesses.

¹ The Safety AT ERM score includes an evaluation of our overall program. The scores are calculated at the business unit level, and the global score is derived by calculating a weighted average of each operational Regional score (weighted based on hours worked). A target of 85 is given to each business unit and a target of 80 for each operational region for FY24. The Global target is 80.

² Asia Pacific includes Australia and Asia.

³ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement.

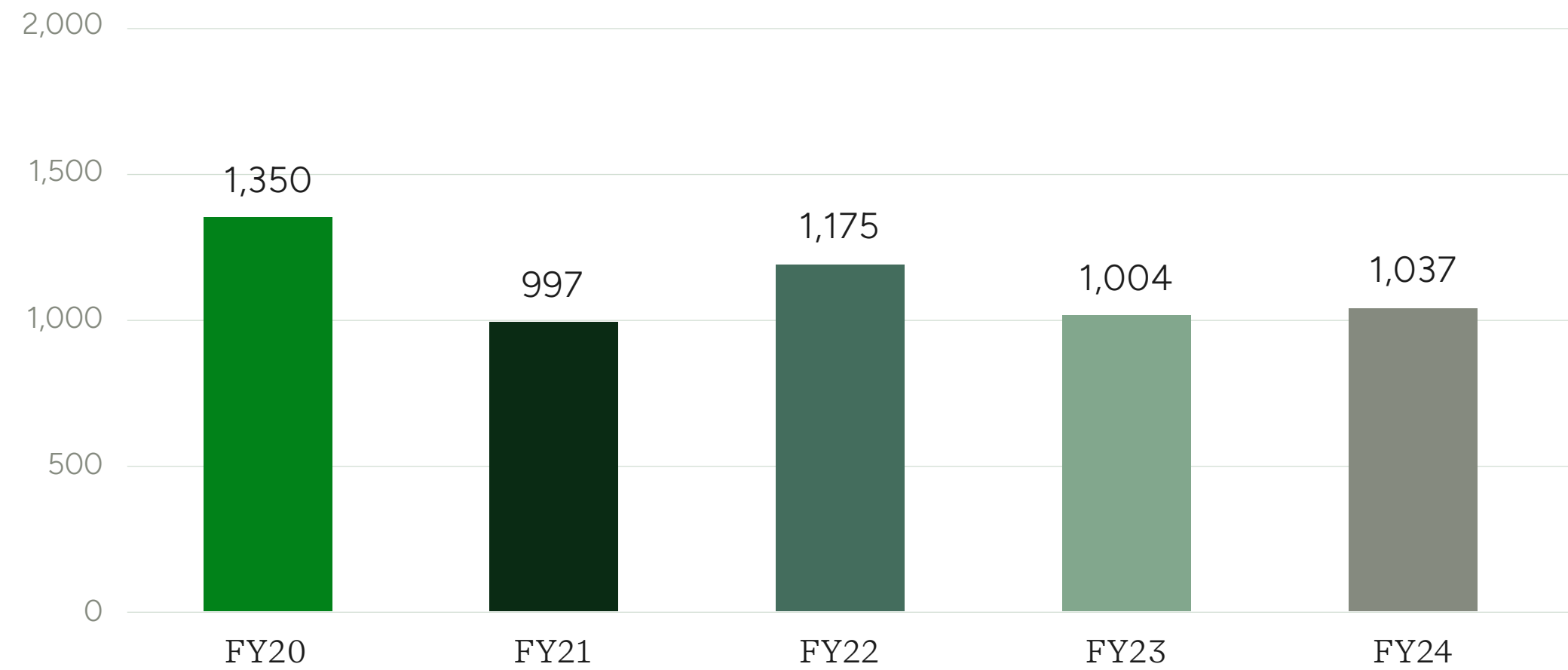
⁴ For Global Businesses (FY22/23), the maximum scoring potential is 95 instead of 100. Group does not have a goal as they are not considered an operational business unit.

⁵ The global score does not include Global Businesses or Group performance, only the four main regions.

Climate data

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Scope 1 emissions FY20 - FY24 (tCO₂e)^{1, 2, 3} GRI 305-1



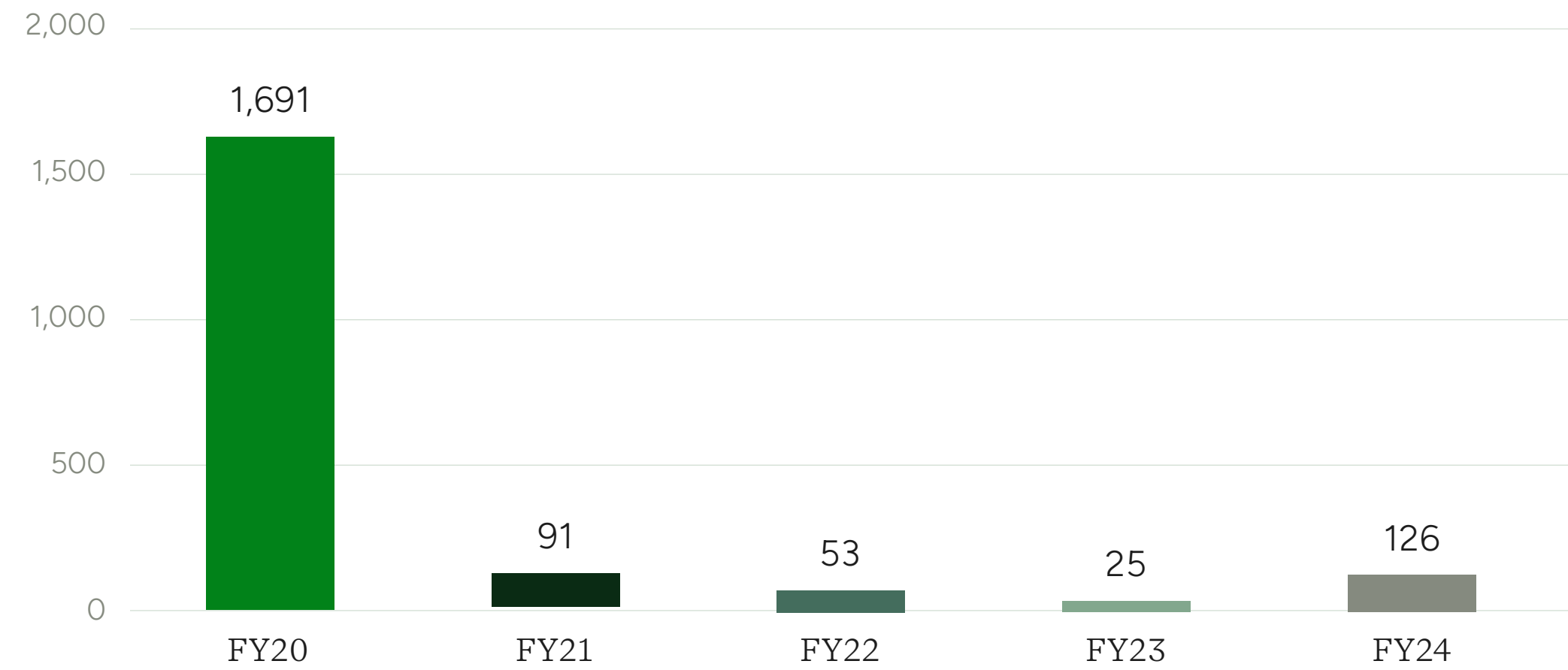
Scope 1 emissions, by region FY20 - FY24 (tCO₂e)¹ GRI 305-1

Region	Base year			Most recent year	
	FY20	FY21	FY22	FY23	FY24
Asia Pacific ²	59	54	60	43	44
Europe Middle East and Africa	572	322	461	407	448
Latin America and Caribbean	26	14	29	32	43
North America	693	607	625	510	487
Global Businesses ³	0	0	0	1	2
Group	0	0	0	11	14
Total	1,350	997	1,175	1,004	1,037

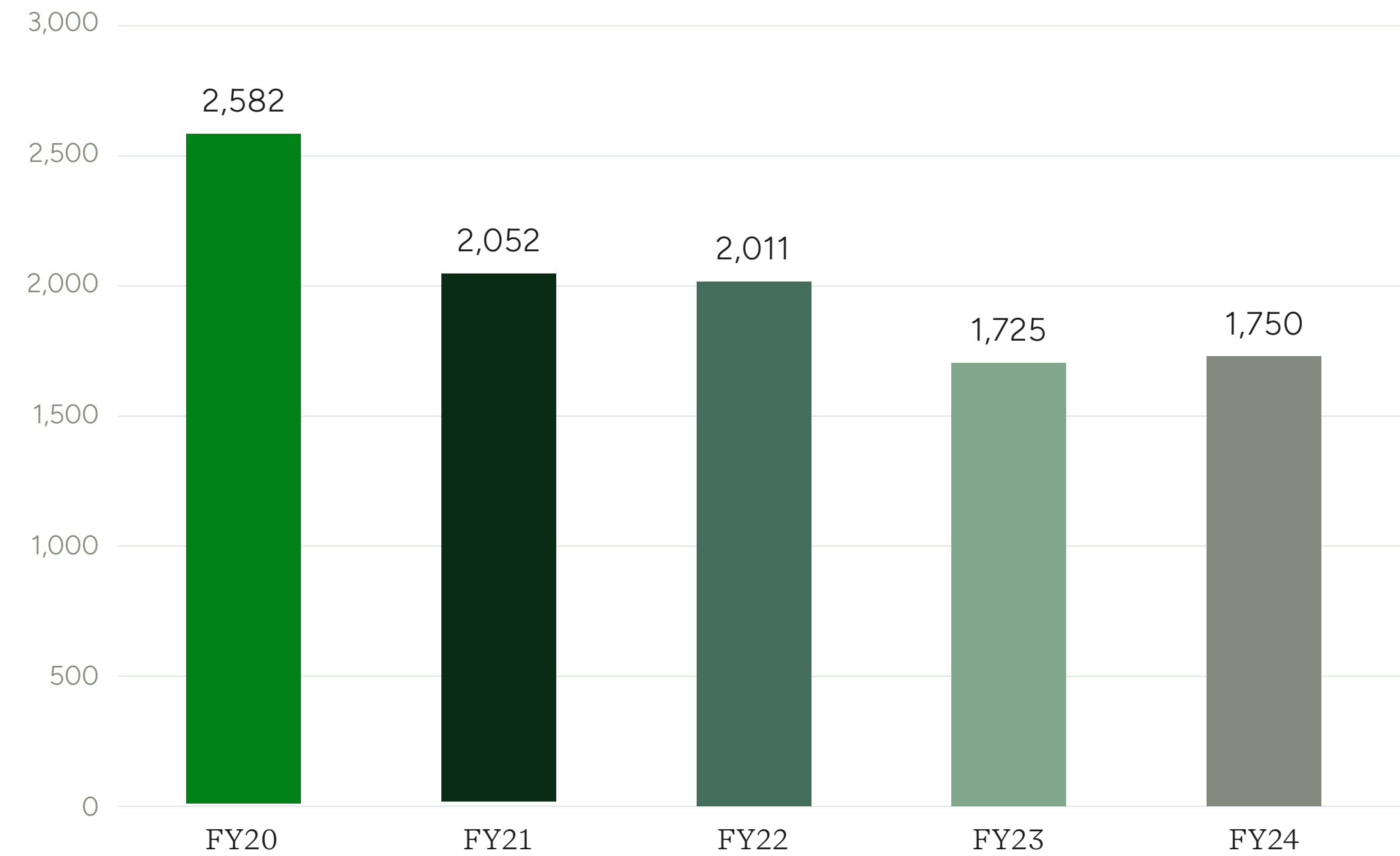
¹ Scope 1 includes direct emissions from operations we own or control. This includes emissions from company-owned cars, natural gas and refrigerant gas loss from air conditioning.
² Asia Pacific includes Australia and Asia.
³ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement. Scope 1 emissions from Global Businesses and Group are included in the data for the ERM region in which employees' home offices are located. In FY24 there are two offices under Global Business in Knoxville (Shelton Group) and Aberdeen (OPEX) reporting air conditioning.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Scope 2 market-based emissions FY20 - FY24 (tCO2e)^{1, 2, 3, 4}
GRI 305-2



Scope 2 location-based emissions FY20 - FY24 (tCO2e)^{1, 2, 3, 4}
GRI 305-2



¹ Scope 2 includes indirect emissions from purchased electricity, steam and battery electric & hybrid company cars.
² Our Decarbonization Strategy is supported by Energy Attribute Certificates (EACs). Following the market-based method, ERM purchased EAC's against 100% of our residual Scope 2 emissions from electricity.
³ Asia Pacific includes Australia and Asia.
⁴ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement. Scope 2 emissions from Global Businesses and Group are included in the data for the ERM region in which employees' home offices are located. There are two offices under Global Business in Knoxville (Shelton Group) and Aberdeen (OPEX) reporting office energy.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Scope 2 emissions, by region FY20 - FY24 (tCO2e)^{1, 2}
GRI 305-2

Region	Location based					Market based				
	Base year		Most recent year			Base year		Most recent year		
	FY20	FY21	FY22	FY23	FY24	FY20	FY21	FY22	FY23	FY24
Asia Pacific ³	558	443	368	293	355	558	12	2	2	3
Europe Middle East and Africa	527	270	295	298	382	347	4	8	6	102
Latin America and Caribbean	51	45	36	42	42	51	0	9	0	0
North America	1,446	1,294	1,297	1,072	933	736	75	35	17	18
Global Businesses ⁴	0	0	15	20	35	0	0	0	0	0
Group ⁵	0	0	0	0	3	0	0	0	0	3
Total	2,582	2,052	2,011	1,725	1,750	1,691	91	53	25	126

¹ Scope 2 includes indirect emissions from purchased electricity, steam and battery electric & hybrid company cars.

² Our Decarbonization Strategy is supported by Energy Attribute Certificates (EACs). Following the market-based method, ERM purchased EAC's against 100% of our residual Scope 2 emissions from electricity.

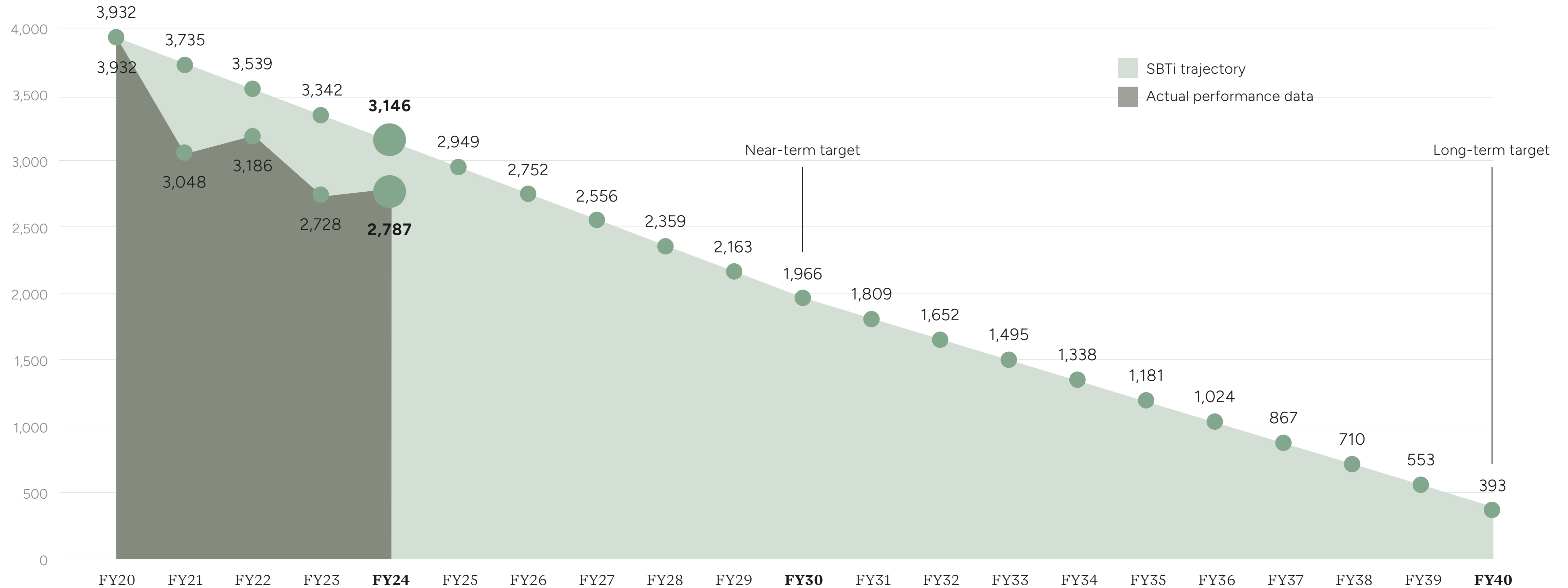
³ Asia Pacific includes Australia and Asia.

⁴ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement. Scope 2 emissions from Global Businesses and Group are included in the data for the ERM region in which employees' home offices are located. There are two offices under Global Business in Knoxville (Shelton Group) and Aberdeen (OPEX) reporting office energy.

⁵ Electric/hybrid company cars used by Group employee is reported.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Scope 1 & 2 performance against SBTi Net-Zero Standard trajectory FY20 - FY40 (tCO₂e)^{1,2}

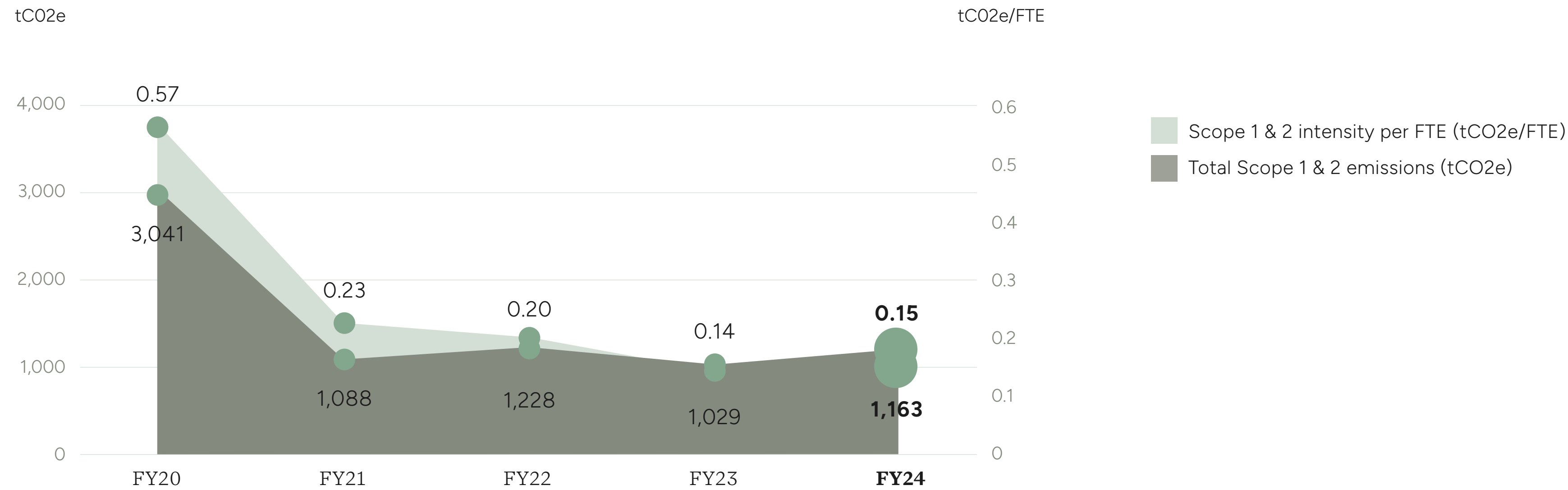


¹ ERM's near-term science-based target is to reduce absolute scope 1 and 2 GHG emissions 50% by FY30 from a FY20 base year. ERM's long-term science-based target is to reduce absolute scope 1 and 2 GHG emissions 90% by FY40 from a FY20 base year.

² Our Scope 2 target is location based. In addition to this, we have a renewable energy target to increase active annual sourcing of renewable electricity from 99% in FY23 to 100% by FY30.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Scope 1 & 2 total emissions and intensity per FTE FY20 - FY24^{1, 2, 3}



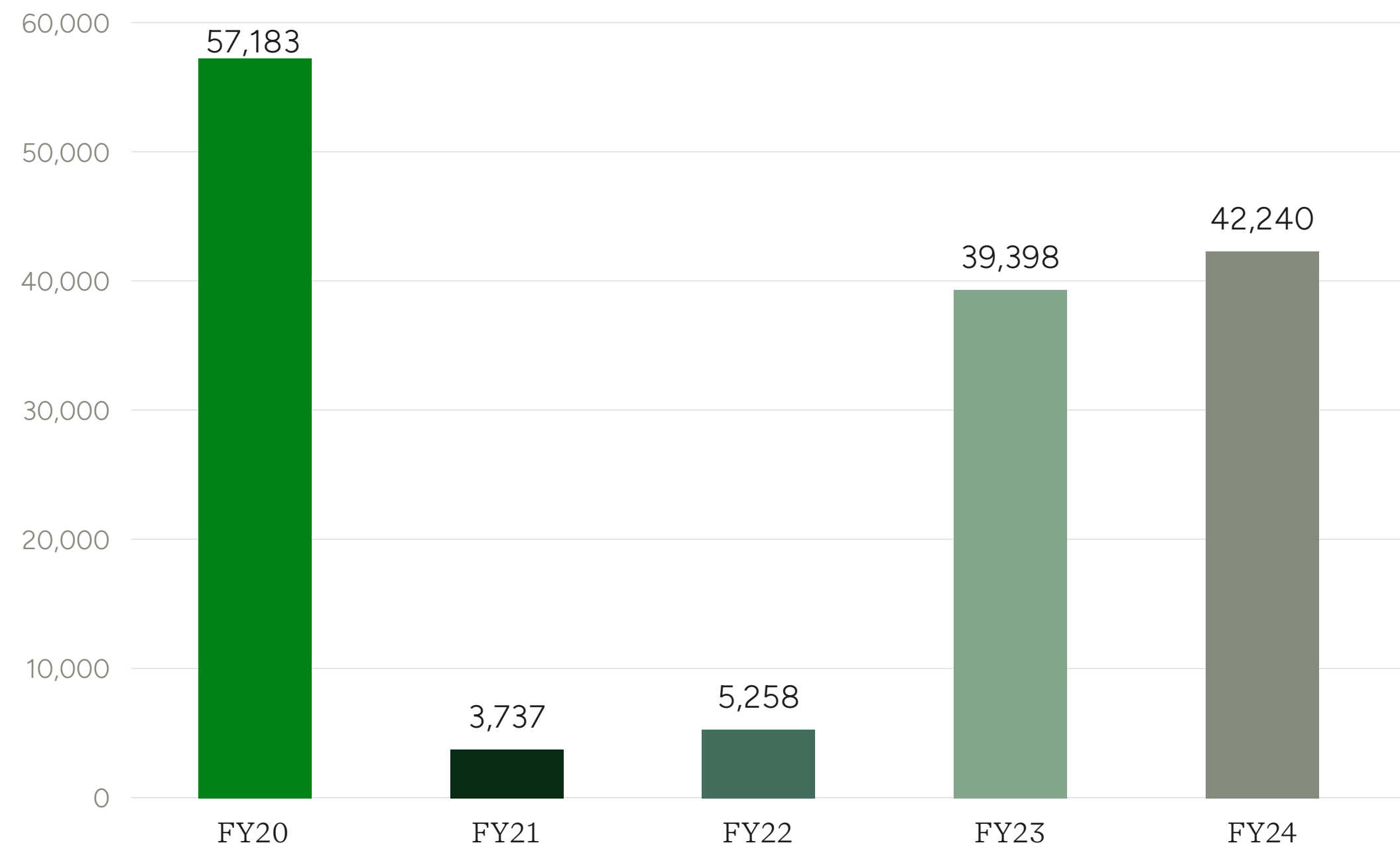
¹ Scope 1 & 2 GHG emissions normalized by average full-time equivalent employees (FTEs).

² tCO2e = tonnes of carbon dioxide equivalent.

³ The Scope 2 emissions are market-based emissions.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Scope 3 emissions FY20 - FY24 (tCO2e)^{1, 2}
GRI 305-3



Scope 3 emissions, by region FY20 - FY24 (tCO2e)^{1, 2}
GRI 305-3

Region	Base year			Most recent year	
	FY20	FY21	FY22	FY23	FY24
Asia Pacific ³	5,541	796	918	6,709	6,330
Europe Middle East and Africa	12,125	417	660	9,244	10,740
Latin America and Caribbean	3,275	244	296	3,111	3,527
North America	33,950	2,193	3,209	18,626	20,536
Global Businesses ⁴	1,251	40	160	1,260	655
Group	1,040	47	15	448	451
Total	57,183	3,737	5,258	39,398	42,240

¹ Scope 3 includes other indirect emissions that occur outside ERM.

² Our Scope 3 profile has been improved to reflect the well-to-wheel (WTW) emissions from business travel and employee commuting and we have restated historical emissions of these two categories to account WTW emissions. Additionally, we started reporting Category 3 (fuel and energy related activities) from this year.

³ Asia Pacific includes Australia and Asia.

⁴ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Scope 3 emissions, by category FY20 - FY24 (tCO2e)^{1, 2}
GRI 305-3

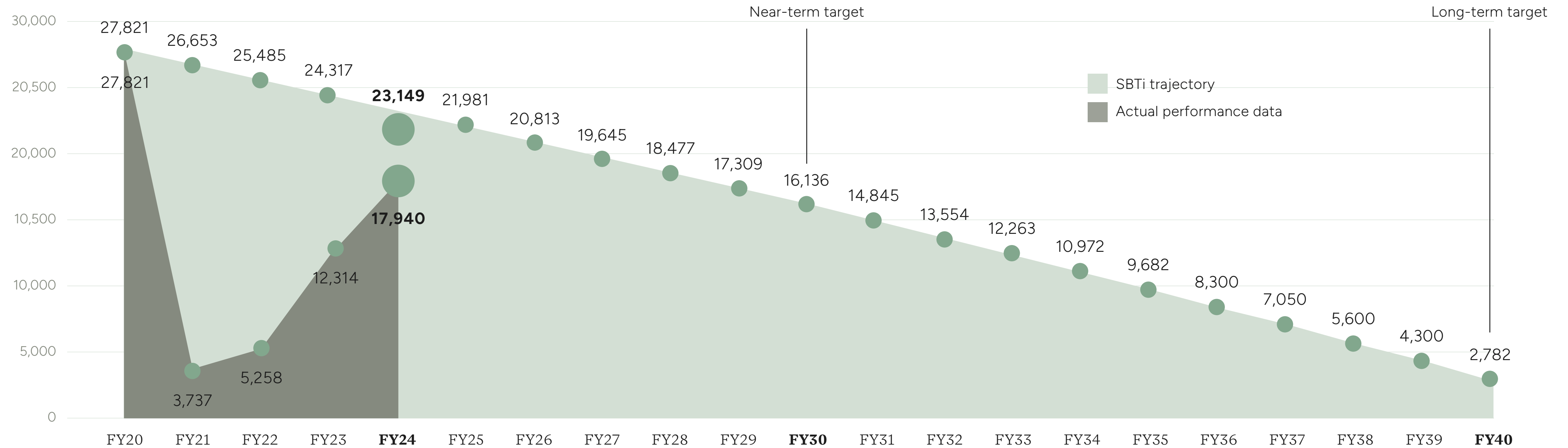
Category	Base year			Most recent year	
	FY20	FY21	FY22	FY23	FY24
Purchased goods and services	26,634	-	-	25,485	22,117
Capital goods	1,879	-	-	1,599	1,467
Fuel and energy related activities	850	-	-	-	716
Business travel	18,322	3,069	4,705	9,605	14,370
Employee commuting	9,499	668	553	2,709	3,570
Total	57,183	3,737	5,258	39,398	42,240

¹ Our Scope 3 inventory includes Category 1,2,3,6 & 7. ERM is reporting Category 3 (fuel and energy related activities) from FY24, the corresponding base year value is also reported. An actual data collection around office waste will be conducted in FY25, further ERM will start reporting emissions from waste.

² Transportation of subcontractors and goods purchased are included in Category 1 and emissions from ERM rented offices and leased vehicles are included in Scope 1&2 therefore ERM does not have emissions to report in Category 4 & 8. None of other Scope 3 categories are applicable to ERM.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Scope 3 performance against SBTi Net-Zero Standard trajectory FY20 - FY40 (tCO2e)^{1, 2}
GRI 305-3

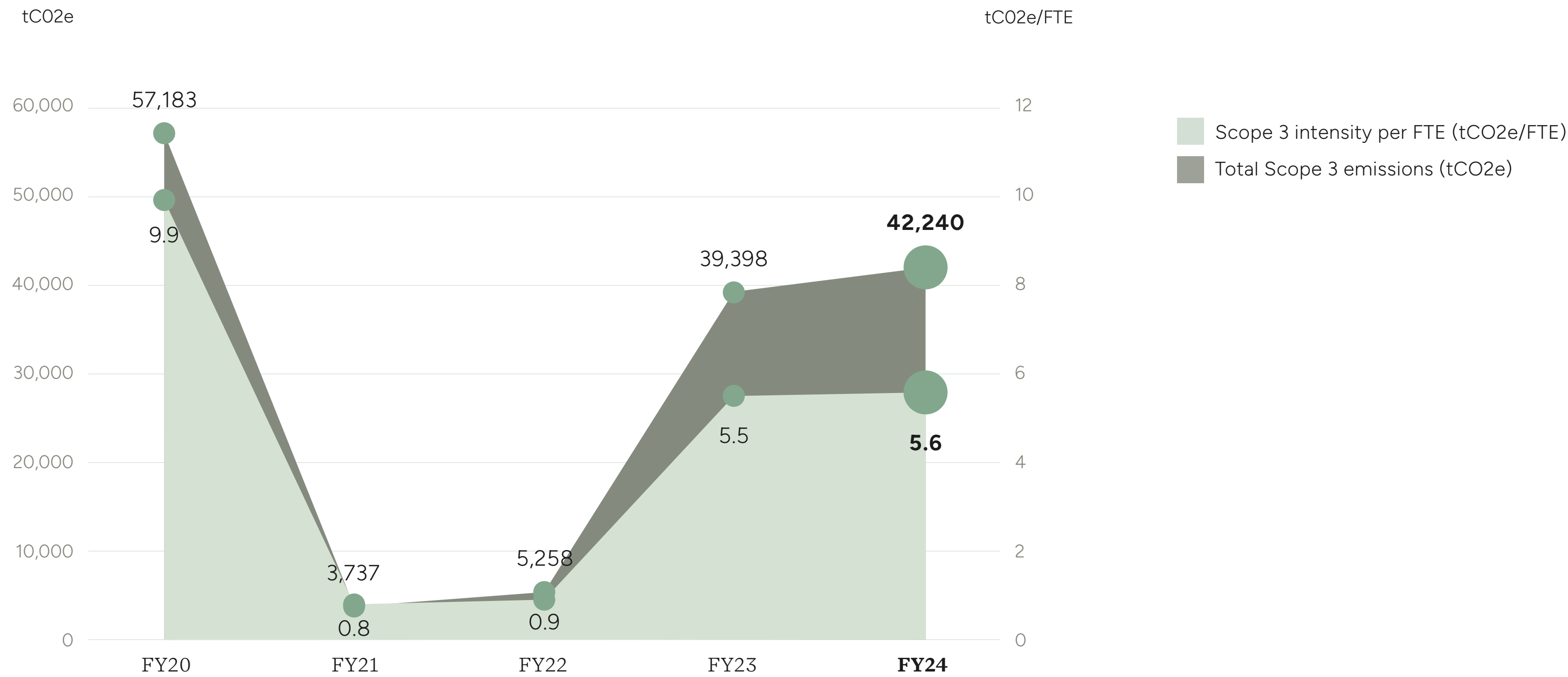


¹ ERM's near-term science-based target is to reduce absolute scope 3 GHG emissions from business travel and employee commuting 42% by FY30 from a FY20 base year. ERM's long-term science-based target is to reduce absolute scope 3 GHG emissions from business travel, employee commuting and purchased goods and services 90% by FY40 from a FY20 base year.

² In addition to the absolute targets, ERM has set a supplier engagement target that 45% of its suppliers by emissions covering purchased goods and services will have science-based targets by FY28.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Scope 3 total emissions and intensity per FTE FY20 - FY24^{1,2}
GRI 305-4

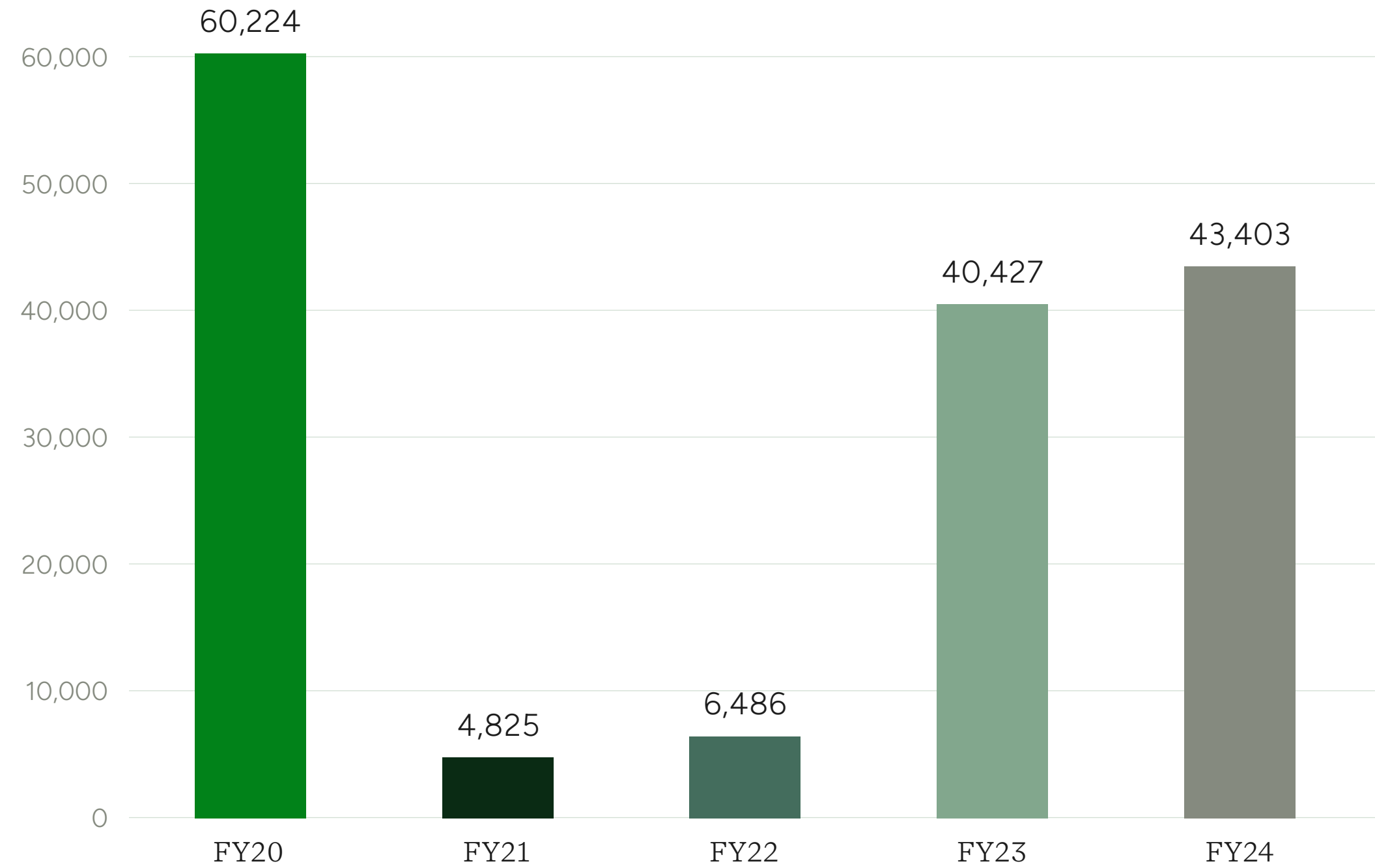


¹ Scope 3 GHG emissions normalized by average full-time equivalent employees (FTEs).

² tCO2e = tonnes of carbon dioxide equivalent.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Total GHG emissions FY20 - FY24 (tCO2e)^{1, 2}
GRI 305-4



Total GHG emissions, by region FY20 - FY24 (tCO2e)
GRI 305-1, GRI 305-2, GRI 305-3

Region	Base year			Most recent year	
	FY20	FY21	FY22	FY23	FY24
Asia Pacific ³	6,157	862	980	6,754	6,377
Europe Middle East and Africa	13,044	743	1,129	9,657	11,291
Latin America and Caribbean	3,352	259	334	3,143	3,570
North America	35,380	2,875	3,869	19,153	21,041
Global Businesses ⁴	1,251	40	160	1,261	657
Group	1,040	47	15	459	467
Total	60,224	4,825	6,486	40,427	43,403

¹ Total GHG emissions included is Scope 1, 2 and 3 emissions. Scope 2 reported is market-based emissions.
² tCO2e = tonnes of carbon dioxide equivalent
³ Asia Pacific includes Australia and Asia.
⁴ Global Businesses includes Climate Markets, CVS, Digital Products, Digital Services and Tech Enablement.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Total GHG emissions intensity FY20 - FY24 (tCO2e/FTE)¹
GRI 305-4

Category	Base year			Most recent year	
	FY20	FY21	FY22	FY23	FY24
Scope 1	1,350	997	1,175	1,004	1,037
Scope 2 (market-based)	1,691	91	53	25	126
Scope 3					
Purchased goods & services	26,634	-	-	25,485	22,117
Capital goods	1,879	-	-	1,599	1,467
Fuel and energy related activities	850	-	-	-	716
Business travel	18,322	3,069	4,705	9,605	14,370
Employee commuting	9,499	668	553	2,709	3,570
Total GHG emissions intensity	10.4	1.0	1.1	5.6	5.8

¹ Total GHG emissions normalized by average full-time equivalent employees (FTEs).

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Global energy use, by type FY20 - FY24 (MWh)^{1, 2}
[GRI 302-1](#), [GRI 302-2](#), [GRI 302-4](#)

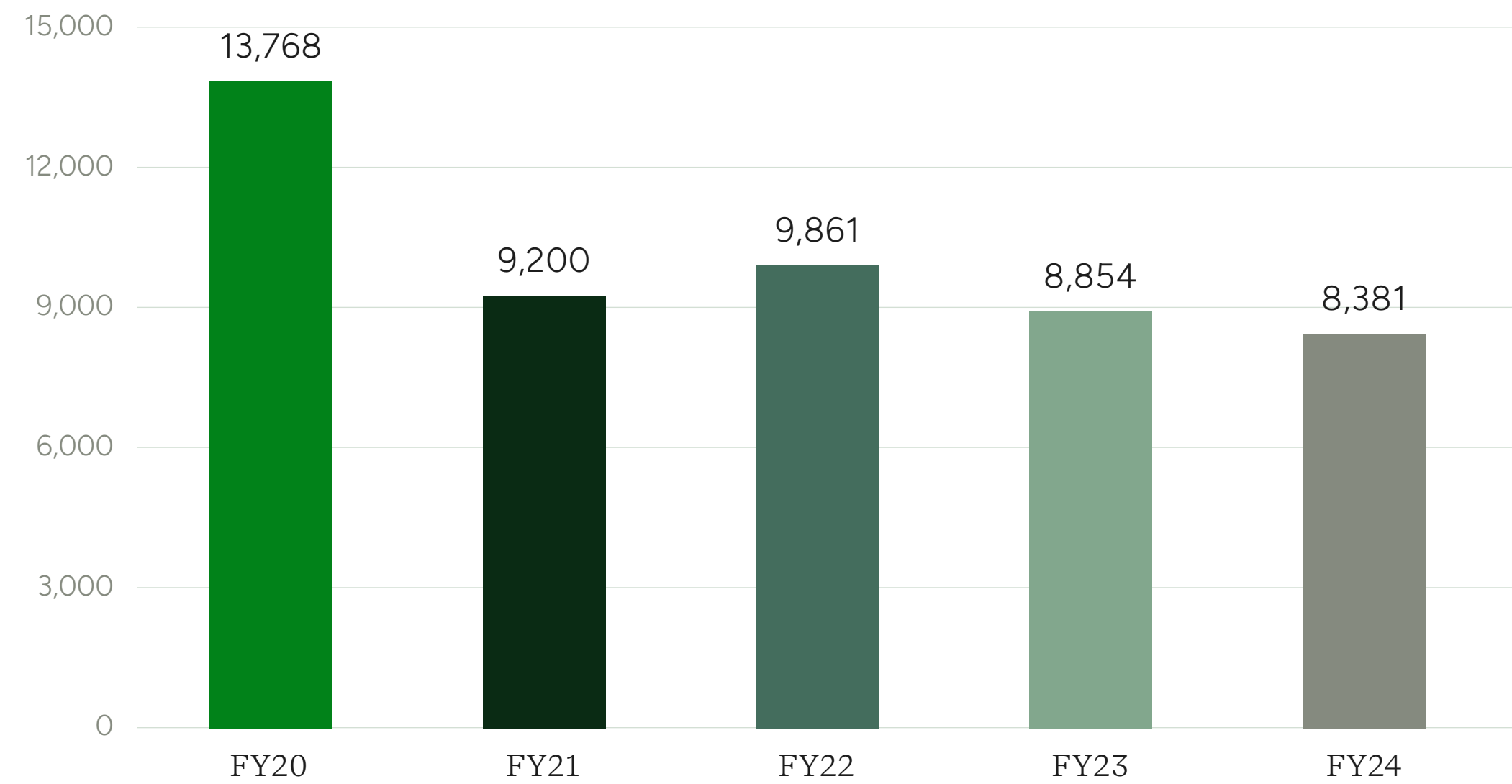
Category	Base year			Most recent year	
	FY20	FY21	FY22	FY23	FY24
Office electricity from non-renewable sources	4,888	22	15	0	0
Office electricity from renewable sources	2,878	4,933	5,327	5,071	4,892
From heating consumption	2,685	2,290	2,228	1,426	1,010
From steam consumption	598	355	188	94	104
Fuel consumption in company vehicles	2,719	1,600	2,103	2,263	2,375
Total	13,768	9,200	9,861	8,854	8,381

¹ Employees from Global Businesses and Group are included in the data for the ERM region in which their home offices are located.

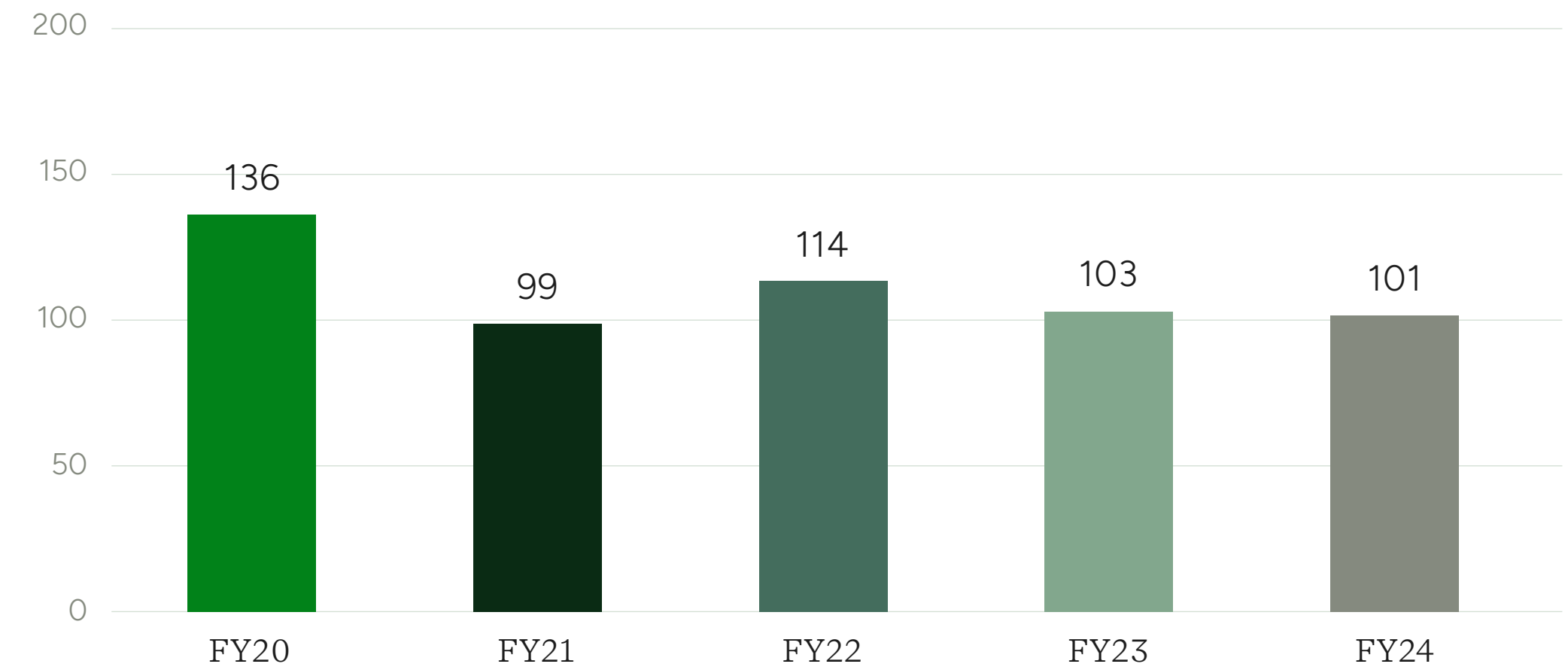
² For reporting purposes, only MWh using the regular method are included and upstream MWh are excluded.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Global energy use FY20 - FY24 (MWh)^{1, 2}
 GRI 302-1, GRI 302-2, GRI 302-4



Global office energy use intensity FY20 - FY24 (KWh/M2)³
 GRI 302-3



¹ Employees from Global Businesses and Group are included in the data for the ERM region in which their home offices are located.
² For reporting purposes, only MWh using the regular method are included and upstream MWh are excluded.
³ Energy use in office spaces normalized by ERM's total floor space for all stated years. Please note, fuel from company cars is not added here - as this does not relate to office space energy use. We use KWh/M2 to get best representation of our energy use intensity.

Data presented here supports the [Climate](#) section of this report. See [Climate supplement](#) for more information.

Beyond value chain mitigation (BVCM) in FY24^{1, 2}

Category	FY24 Residual emissions (tCO2e)	Carbon credit volumes (tCO2e)	Coverage of total Scope (%)
Scope 1	1,037	1,037	100%
Scope 2 - Market based	126	126	100%
Scope 3 - Category 1	22,117	2,587	12%
Scope 3 - Category 2	1,467	1,467	100%
Scope 3 - Category 3	716	716	100%
Scope 3 - Category 6	14,370	14,370	100%
Scope 3 - Category 7	3,570	3,570	100%

¹ From FY23 ERM is taking voluntary action to abate our residual emissions through carbon credits programs and projects that fall beyond our own value chain. Learn more about our FY24 approach and projects to help the global economy align with net-zero [here](#).

² In FY24, ERM purchased carbon credits to cover our full Scope 1 emissions, Scope 2 emissions not covered by a market-based instrument and full coverage of Scope 3 emissions related to business travel, employee commuting, fuel and energy related activities, capital goods and 12% of purchased goods and services.

Community investments FY22 - FY24 (\$'000)¹ GRI 201-1

Category	FY22	FY23	FY24
Pro bono time - ERM Foundation ²	142	164	95
Pro bono time - Strategic partners ³	1,347	617	1,182
In-kind support ⁴	222	145	158
Direct contributions			
Matching funds ⁵	178	273	270
Charitable contributions ⁶	212	12	12
Membership ⁷	217	459	314
Total	2,318	1,670	2,031
Percentage of Profit ⁸	1.97%	1.09%	1.25%
Employee contributions			
Employee contributions ⁹	126	126	273

¹ From FY21, the presentation of information has changed. In-kind support has been moved from Direct contributions, with pro bono support to Strategic partners listed separately.

² Pro bono hours are registered by consultants on approved ERM Foundation projects. For ERM Foundation projects, pro bono time is calculated at 80 percent of hourly chargeout rate.

³ From FY22, the value of the pro bono time provided by ERM employees to our strategic partners has been calculated based on standard fee rates.

⁴ In-kind support includes salaries and direct costs for employees responsible for the ongoing operations of the ERM Foundation.

⁵ From FY22, matching funds are made on a 100% match for each dollar donated basis, for most employee donations in all regions. A percentage of this budget is also used for 'seed funding' as part of the program to support longer-term partnerships with nonprofit organizations, particularly in geographies where employee-led fundraising is more challenging.

⁶ Charitable contributions made to organizations other than The ERM Foundation.

⁷ Membership fees for global sustainability-focused organizations, where ERM actively contributes to thought leadership activities.

⁸ Calculated from prior fiscal year's Earnings Before Interest, Tax and Amortization (EBITA). Therefore, FY24 percentage calculated using FY23 EBITA figure.

⁹ Funds raised by employees to support the ERM Foundation and other charities/nonprofit organizations. From FY24, this calculation includes shareholder contributions to the ERM Foundation Future Fund.

Reporting context



ERM continues to evolve our disclosures in line with emerging best practice and guided by our in-house experts who are supporting clients across the world to progress their own ESG and sustainability reporting.

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Photo credit: Kenneth Miller, United States

Our approach to reporting

This report details our performance during FY24 (1 April 2023 through to 31 March 2024) against our material topics identified through our materiality assessment. It addresses topics that are of significant interest to our stakeholders and our business. Our previous report (covering FY23) was issued in July 2023.

This report has been reviewed and approved by the Executive Committee Sustainability Working Group, under delegated authority from the Executive Committee.

This report is prepared in accordance with the Global Reporting Initiative (GRI) and we are preparing for accordance with the Corporate Standard Reporting Directive (CSRD). While developing this report we focus on the following principles:

- Accuracy;
- Balance;
- Clarity;
- Comparability;
- Completeness;
- Sustainability context;
- Timeliness; and
- Verifiability.

ERM has taken steps to ensure the information, data and materials mentioned in this report are correct at the date of publication (July 2024). However, we are not able to guarantee that the information, data and materials remain correct after that date. For this reason, the contents of this report are provided for informational purposes only and may not be relied on. ERM disclaims liability for any reliance made on the information, data and materials contained in this report. If you would like more detail on any information in this report, contact sustainability@erm.com.

Double materiality assessment

Our materiality assessment process enables us to identify, prioritize, and validate our material topics. We conduct a comprehensive process to confirm that our material topics are relevant and set annual targets to track the effectiveness of our material sustainability issues.

While continuing to align with the GRI standards, given the changes in regulations, this year we looked to align our process with the Corporate Sustainability Reporting Directive (CSRD). Our approach drew on a range of inputs to develop a view on what matters to our internal and external stakeholders, and assessed them across our risks, opportunities and impacts.



Photo credit: Sophie Sax, United Kingdom

Assessing our risks, opportunities and impacts across our value chain

Topic	Financial or impact materiality	Risk or opportunity	Positive or negative	Timeframe	Our response
Governance	Impact	Risk and Opportunity	Positive and negative	Current state and future state	Page 41
People	Financial and Impact	Risk and Opportunity	Positive	Current state and future state	Page 61
Human Rights	Financial and Impact	Risk and Opportunity	Positive and Negative	Current state and future state	Page 83
Climate	Financial and Impact	Risk and Opportunity	Positive	Current state and future state	Page 93
Nature	Financial and Impact	Risk and Opportunity	Positive	Future state	Page 109
Supply chain	Impact	Risk	Negative	Current state and future state	Page 129



Photo credit: Amanda Abiella Resmana, Indonesia

Stakeholder engagement

In accordance with the GRI Standards, ERM describes the stakeholders to whom we consider ourselves accountable. Our sustainability report content draws upon the outcomes of our stakeholder engagement throughout the year as well as the results of stakeholder engagement we undertake specifically for our sustainability report. The outcomes of these stakeholder engagement processes inform and are consistent with the material topics we include in our sustainability report.

ERM's stakeholders

Our stakeholders include our employees, clients, investors, lenders, suppliers and subcontractors, strategic partnerships, local communities, governments, nongovernmental organizations (NGOs), business and industry associations, and academics and other thought leaders.

Approach to stakeholder engagement

As part of our commitment to good business, we engage regularly with key stakeholders. This process helps us to understand, prioritize and manage our sustainability impacts as an organization as well as to evolve our client services. We engage with stakeholders through a variety of mechanisms, including direct dialogue, surveys, engagement at professional and industry forums, and sharing information.

The frequency and nature of this dialogue are designed to enable regular communication with stakeholders on key issues. We conduct additional engagement with stakeholders as part of the development of our sustainability reports, and this feedback is an important input of our report preparation.

Key issues raised by stakeholder groups, along with our response, can be found on the following pages.

Stakeholder group	Frequency & method of engagement	Topics of interest and ERM's response
Clients	<p>Ongoing:</p> <ul style="list-style-type: none"> • Reviews of projects, programs and relationships • Client feedback tool • Supplier surveys 	<ul style="list-style-type: none"> • Technical competence: see Projects • Understanding and managing risks: see Risk management • Protecting the privacy and security of data: see Digital governance • Health and safety at work sites: see Health and safety • Sustainability performance: see Operationalizing sustainability and Performance data • Diversity, equity, inclusion and belonging: see DEIB • Innovation and digitization: see Digital governance • Insights and thought leadership: see Sustainability Institute • Impact of our services: see Our impact
Senior managers and Partners	<p>Ongoing:</p> <ul style="list-style-type: none"> • Partner calls (global and regional) • Meetings • Open door leadership <p>Semi-annual:</p> <ul style="list-style-type: none"> • Performance and development discussions <p>Annual:</p> <ul style="list-style-type: none"> • Employee reviews 	<ul style="list-style-type: none"> • Understanding and managing risks: see Risk management • Sustainable financial performance: see Financial overview • Protecting the privacy and security of data: see Digital governance • Health and safety at work: see Health and safety and Wellbeing • Employee attraction, development and retention: see People • Innovation and digitization: see Digital governance • Criteria for selecting clients and projects: see Governance • Business conduct and ethics: see Governance • Governance: see Governance

Stakeholder group	Frequency & method of engagement	Topics of interest and ERM’s response
Employees and potential employees	<p>Ongoing:</p> <ul style="list-style-type: none"> • Knowledge sharing through collaboration tools • Open door leadership • Employee information sharing sessions • Employee and team meetings • Open forums with Group CEO and senior leaders • Employee surveys • Technical communities • Employee resource groups <p>Semi-annual:</p> <ul style="list-style-type: none"> • Performance and development discussions <p>Annual:</p> <ul style="list-style-type: none"> • Employee reviews 	<ul style="list-style-type: none"> • Climate: see Climate • Diversity, equity, inclusion and belonging: see DEIB • Wellbeing of employees: see Health and safety and Wellbeing • Health and safety at work: see Health and safety and Wellbeing • Training and career advancement: see People • Innovation and digitization: see Digital governance • Salary, benefits and workplace flexibility: see People • Criteria for selecting clients and projects: see Governance • Protecting the privacy and security of data: see Digital governance
Board Directors and Investors	<p>Bimonthly:</p> <ul style="list-style-type: none"> • Board meetings <p>Ongoing:</p> <ul style="list-style-type: none"> • Business updates 	<ul style="list-style-type: none"> • Governance: see Governance • Understanding and managing risks: see Risk management • Sustainable financial performance: see Financial overview • Business conduct and ethics: see Governance • Performance against sustainability goals: see Targets and goals and Performance data
Lenders	<p>Ongoing:</p> <ul style="list-style-type: none"> • Lender briefings 	<ul style="list-style-type: none"> • Performance against financial goals: see Financial overview • Performance against sustainability goals: see Targets and goals and Performance data

Stakeholder group	Frequency & method of engagement	Topics of interest and ERM's response
Strategic partnerships	Ongoing: <ul style="list-style-type: none"> • Reviews of initiatives, projects and relationships 	<ul style="list-style-type: none"> • Technical competence: see Projects • Innovation and digitization: see Digital governance • Insights and thought leadership: see Sustainability Institute • Impact of our services: see Our impact
Contractors and suppliers	Ongoing: <ul style="list-style-type: none"> • Communications on policies and expectations • Vendor surveys 	<ul style="list-style-type: none"> • Health and safety at work sites: see Health and safety and Wellbeing • Business conduct and ethics: see Governance
Community members	Ongoing: <ul style="list-style-type: none"> • Project-related meetings 	<ul style="list-style-type: none"> • Technical competence: see People • Compliance: see Governance • Communities: see Human rights

Stakeholder group	Frequency & method of engagement	Topics of interest and ERM's response
Industry peers, thought leaders and academics	Ongoing: <ul style="list-style-type: none"> • Conferences, webinars, meetings • Participation in collaborative project 	<ul style="list-style-type: none"> • Climate change: see Climate • Biodiversity: see Nature • Communities: see Human rights • Human rights: see Human rights • Diversity, equity, inclusion and belonging: see DEIB • Innovation and digitization: see Digital governance • Insights and thought leadership: see Sustainability Institute • Criteria for selecting clients and projects: see Governance • Impact on nature and society: see Nature and Human rights
Nongovernmental organizations	Ongoing: <ul style="list-style-type: none"> • Conferences, webinars, meetings • Participation in collaborative projects 	<ul style="list-style-type: none"> • Climate change: see Climate • Biodiversity: see Nature • Communities: see Human rights • Human rights: see Human rights • Diversity, equity, inclusion and belonging: see DEIB • Innovation and digitization: see Digital governance • Insights and thought leadership: see Sustainability Institute • Criteria for selecting clients and projects: see Governance • Business conduct and ethics: see Governance

As a leading provider of sustainability and environmental, social and governance (ESG) advisory services, including reporting and disclosure advise, ERM strives to be a leader in our own reporting approach.

We have transparently set out how we have gathered, recorded, compiled, analyzed and reported information and processes used in the preparation of this report. This is done to enable our stakeholders to understand our approach and have confidence in the quality and materiality of the information.



Photo credit: Austin Groff, United States

Our assurance approach integrates both internal and external review processes, leveraging ERM's specialized in-house expertise. We have established governance, reporting and internal review mechanisms to ensure the integrity of the information in this report and to bolster stakeholder trust in the accuracy and reliability of our reporting.

We took onboard the findings from our external assurance provider last year (for greenhouse gas and selected health and safety, diversity and employee data verification) and have incorporated their findings into our ways of work and our approach to assurance this year.

We engaged LQRA to provide limited assurance to International Standard on Assurance Engagements (ISAE) 3000 for data reported from ERM's global operations for the following data:

- Scope 1 GHG emissions
- Scope 2 GHG emissions (location-based and market-based)
- Scope 3 GHG emissions that are part of our current Science Based Targets initiative (SBTi)
 - Category 1: Purchased goods and services
 - Category 2: Capital goods
 - Category 6: Business travel (both internal and external)
 - Category 7: Employee commuting and working from home
- GRI 403-9: Work-related injuries
- GRI 403-10: Work-related illnesses
- GRI 2-7: Employees
- GRI 401-1: New employee hires and employee turnover
- GRI 405-1: Diversity of governance bodies and employees



SUSTAINABILITY REPORT 2024

Stepping up

Sustainability is our business