

ERM Modern Slavery Statement 2017

Note: This Statement is made pursuant to section 54(i) of the UK Modern Slavery Act 2015 and constitutes the Modern Slavery Statement 2017 for ERM Worldwide Group Ltd and its global subsidiaries.



ERM has a longstanding commitment to ethical business conduct in our operations and supply chains, and is opposed to all forms of corruption and unethical business conduct. We are particularly strong supporters of the international effort to abolish all forms of modern slavery.

Accordingly, ERM provides our second Modern Slavery Statement wherein we provide an overview of the approach and tools we have in place to prevent modern slavery in our business and supply chains (in more detail than we provided in our first Statement), and describe the specific actions that we have taken in the past fiscal year. This Statement also notes our next steps on this topic planned for the fiscal year ending 31 March 2018.

Summary of Actions taken during fiscal year ending 31 March, 2017

The specific actions that ERM has taken during the fiscal year ending 31 March 2017 to progress our efforts can be summarised as follows:

We have:

- improved and expanded our global subcontractor standards and systems;
- as part of our internal audit and risk assessment program, performed risk assessments on corruption risks (including human rights abuses) and provided preliminary education on modern slavery in some of the higher risk locations where we have offices: Brazil, China and Sub-Saharan Africa (South Africa, Mozambique and Kenya);
- updated our values to include 'caring for our people' to underline the absolute priority that we have always maintained for the safety and health of our employees, as well as our strong focus around the growth and development of our employees;
- increased the work we do with our clients to help them understand where risks of human rights abuse may appear in their operations or supply chains, how they can improve their performance to avoid these risks from occurring, and/or how they might remedy any cases if discovered;
- carried out external engagement to inform and educate ERM about international best practices to eliminate modern slavery as well using this information to evolve our own approach; and,
- introduced better strategic oversight of our efforts and planning for actions to be taken in respect of modern slavery in the next fiscal year.

Our Business

ERM is a leading global provider of sustainability consultancy services, including environmental, health, safety, risk, social and human rights consulting services.

As a professional services firm that has operated for more than 45 years, our people are our greatest asset. We have more than 160 offices in over 40 countries and territories.

The Board of Directors and Executive Committee are ERM's highest governing bodies. Our operational and governance structure is further detailed in our [Sustainability Policy](#).

While our business is structured on a corporate model and is not a partnership in the legal sense, we use the term "Partner" to designate our top executives and leaders. ERM is led by approximately 550 Partners and at any given time, we have between 4,500 to 5,000 people working on projects for clients around the world.

We provide both office-based services and on-site work all over the world. Our work takes us to manufacturing plants, construction sites, mine sites, offshore and onshore rigs, agricultural and rural areas. We provide services to clients in many countries and in all types of industries, with a focus on the following key sectors: Oil and Gas, Mining, Power, Manufacturing, Technology, Media and Telecommunications, Chemical and Pharmaceutical, and Banking and Finance.

As part of our work we also act as advisors to multi-national corporations on human rights and the Sustainable Development Goals (SDGs). In our consulting work over the past fiscal year, ERM has seen a significant increase in the work we do with our clients to help them understand where risks of human rights abuses may appear in their operations or supply chains, how they can improve their

performance to avoid these risks from occurring, and/or how they might remedy any cases if discovered.

Our Supply Chain

Our supply chains include various forms of capital (human, financial and physical), and goods and services. As a professional services firm, our people (human capital) are our greatest asset. Financial capital enables us to grow our business, while physical capital includes our 160 offices and site-based facilities. We require goods and services for our global offices and to support our delivery of projects to clients, including travel management, technical and personal protection equipment, office and IT equipment, facilities and maintenance providers as well as specialist support from subcontractors.

Because ERM is a services company and not a products company, we have decided to focus our modern slavery efforts on subcontracted services as they are our primary supply chain. Since 2008, ERM has required our global subcontractors to commit to our anti-bribery/corruption standards, which include the abolition of slavery and human trafficking. As noted in our [2017 Sustainability Report](#), in the last fiscal year supply chain management of our subcontractors has continued to be a key focus for us.

Our Policies

As we noted in our 2016 Modern Slavery Act Statement, when the Modern Slavery Act 2015 was enacted, ERM updated our [Slavery, Child Labour and Human Trafficking Policy](#) in line with the terminology of that Act. Accordingly, our policy prohibits the use of child or forced labour in our business and any involvement by ERM with organisations that support prohibited labour practices or human trafficking. This policy works in conjunction with ERM's [Vision and Values](#) and [Code of Business Conduct and Ethics](#) wherein we express our corporate philosophy

of how we conduct business and provide the basis for professional, respectful and fair dealings in our daily operations. Additionally, ERM maintains a compliance [reporting site](#), which offers a means for reporting or raising concerns about any wrongdoing to the Group Compliance Officer, in confidence and without fear of retaliation.

ERM's [Sustainability Policy](#) and [Sustainability Approach](#) articulate our commitments to sustainability, and ERM became a signatory of the UN Global Compact in 2011. As part of our ongoing support for the protection of international human rights, we have continued to use our UN commitment and other international developments as a basis to improve our policies, procedures, and approach to business. Our policy framework and corporate governance disclosures associated with the Ten Principles of the UN Global Compact, which include points on anti-corruption and human rights, [are mapped in ERM's 2017 Sustainability Report](#) along with further details of operational and governance structure.

Our Partners use our vision, values, policies, and internal governance arrangements to lead an ERM culture based on sustainability principles, including fair labour and human rights. Our ability to attract, develop, reward and retain talented employees is central to our business strategy and vital to our future. As part of ERM's new corporate Strategy, which we started rolling out in May 2016, we updated our values to include 'caring for our people' to underline the absolute priority that we have always maintained for the safety and health of our employees, as well as our strong focus on the growth and development of our employees. ERM strives to provide a work environment where all employees have an equal opportunity to reach their full potential and contribute to our success.

Our Due Diligence and Risk Management Efforts

ERM has processes in place to support on-going assessment and management of risks associated with our direct business operations and business relationships. We do not work with clients, suppliers or sub-contractors whom we know not to share our commitment to high ethical standards, and we would correct any situation if cases were ever discovered.

ERM believes that the greatest potential for risk to human rights (and for modern slavery) exists with our subcontractors and suppliers.

ERM's Global Contractor Management Program provides a centrally managed global process for prequalifying contractors, collecting relevant information for more effective decision-making and risk reduction, and adding value to services provided to our clients by reducing their risk around our use of contractors. As the program is implemented around the world, it provides a consistent approach for mandating contractors to adhere to the requirements of our policies- including a prohibition on the use of forced and slave labour - and to track their compliance. During our fiscal year ending 31 March 2017, we have extended the program to additional geographies and piloted a tailored approach for smaller sub contractors. Suppliers of goods and services for our offices are managed separately by our business units.

We recognize different geographic locations and sectors present higher risks of slavery and human trafficking than others. For this reason ERM has been performing assessments on corruption risks, including human rights abuses, as part of our internal audit and risk assessment program since 2011. The assessments have focused primarily on recognized industry and geographic corruption risks faced by our staff in numerous

jurisdictions ranked as “high risk” on the Transparency International Corruption Perception Index. Based on our assessments over the past several years, ERM believes that the risk of slavery and human trafficking within our employed staff is negligible. This conclusion is also based on our global commitment to the recruitment of highly skilled professionals, our commitment to ensuring the safety and security of our workforce, the monitoring and auditing of our global employment practices, as well as the education of our staff on ethics, management expectations, and international standards.

During our last fiscal year, ERM performed risk assessments, as well as preliminary education on modern slavery in some of the higher risk locations where we have offices: Brazil, China and Sub-Saharan Africa (South Africa, Mozambique and Kenya) operations. From a base of publicly available materials relating to modern slavery risks around the world, as well as our general inquiries, we determined key risk issues to focus on in each jurisdiction. We conducted interviews of ERM staff from all levels and functions within these businesses. We then examined internationally recognized risks and data in the context of ERM business risk. The risk assessments last year covered different risk perspectives for geography (including urban vs rural), industry, types of humanitarian abuses/corruption, and the type of ERM service.

Our global programs, as described above, help us to manage these risks. In addition, we are exploring ways we might improve our identification of modern slavery and leverage our influence to remediate cases if ever found.

Our External Engagement

In addition to our work for clients on modern slavery matters and the external supply chain engagement described above, ERM participated in a number of external

engagements related to modern slavery in the last year. Examples include:

- participation in the Working Group on Modern Slavery facilitated by the UK chapter of the United Nations Global Compact;
- participation in a World Business Council on Sustainable Development (WBCSD) workshop on Human Rights and Business in the UK;
- chairing a conference on Conflict Minerals, including slavery in mineral supply chains;
- attending and reporting on the 60th Session of the UN Commission on the Status of Women (CSW60) on Women’s Empowerment and Sustainable Development.

This external engagement enables ERM to contribute to international best practices to eliminate modern slavery and we are using this information to evolve our own approach.

Our Next Steps

This year we have reviewed how to improve our strategic oversight for modern slavery risk assessments and actions within our business, as part of our compliance and assurance program. For the fiscal year ending 31 March 2018, we are intending to evolve our commitment and endeavours related to modern slavery as follows:

- develop and implement global slavery awareness training for all staff;
- continue to do geographic corruption risk assessments as part of our internal audit governance focused on high risk areas;
- continue to expand and improve subcontractor management in the many jurisdictions where we have offices;

- develop a code of conduct for our suppliers;
- continue to protect the rights of our staff through robust policies and procedures and evolve our approach to diversity in the business; and,
- expand our work with clients and maintain active involvement in industry forums and working groups to promote the elimination of slavery around the world.

We will provide detail on progress made and our performance in next year's Statement.

ERM is committed to the goal of respect for human rights and a world free of slavery, and in furtherance of this goal, we will make efforts that extend beyond our own immediate organizational interests. Not only will we continue to set internal goals, we will also participate 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 of shaping a more sustainable future with the world's leading organisations.

Signed on behalf of the Board of Directors and Executive Committee:

Keryn James
Group Chief Executive

Signed: 7 September 2017 for financial year 2017 (1 April 2016 to 31 March 2017) for ERM Worldwide Group Ltd and its global subsidiaries.