



# Sustaining Impact

SUSTAINABILITY REPORT 2025





This image was taken by Alicia Arcidiacono, while conducting a biological survey near Salton Sea, California, United States.

All images used in ERM’s Sustainability Report 2025 were provided by ERM employees or taken in ERM offices. Thank you to all of the talented employees who contributed these images.








ERM’s Sustainability Report 2025 covers the fiscal year 2025 (FY25) from 1 April 2024 to 31 March 2025.

To find out more about ERM and the services we provide to clients, visit [www.erm.com](http://www.erm.com).

In the interest of sustainability, please view this report in digital format only and do not print.

# Supplementary information

For those seeking more in-depth information, we provide downloadable files of our key documents that supplement ERM’s Sustainability Report and approach.

Executive Summary	Our Approach to Materiality & Reporting	Our Contribution to the UN Sustainable Development Goals (SDGs)	Climate Supplement & CFD/TCFD
 Download	 Download	 Download	 Download
Modern Slavery Statement	Sustainability Performance Data Supplement 2025	GRI Index	
 Download	 Download	 Download	

For more information on the topics set out in the Sustainability Report or ERM’s sustainable operational programs, please contact [sustainability@erm.com](mailto:sustainability@erm.com).



# CEO message

Tom Reichert | ERM Group CEO

“We will continue to help organizations navigate the terrain in front of them, aligning sustainability and commercial impact.”

I am proud and excited to share ERM’s 2025 Sustainability Report ‘Sustaining Our Impact’. This report is a celebration of what makes ERM such a special place, including a huge wealth of data and incredible stories about the positive impact our brilliant teams have had. It also reflects our ongoing commitment to the UN Global Compact’s ten principles and GRI reporting standards.

As a society we face profound sustainability challenges across climate change, nature depletion, water scarcity and social issues. Everyone at ERM plays an instrumental role in tackling these urgent challenges. I want to thank you all for your unwavering dedication to our purpose of shaping a sustainable future with the world’s leading organizations and the progress we have made together in the last financial year.

For example, in FY25 we contributed to more than 200 GW of installed renewable energy capacity and 47 GW of energy storage. By comparison, global annual renewable capacity additions amounted to 660 GW in 2024, according to the International Energy Agency. We supported the decontamination of 2.5 million liters of water, which equates to the recommended daily water consumption of 1.25 million North American adults. We assisted with the treatment of over 58 million cubic meters of soil, which would cover the entire spatial area of Paris. We facilitated the treatment or destruction of over 84 million kg of contaminants - that’s equivalent to the weight of around 150 jet airliners. Cleaner energy, cleaner water and cleaner land, all thanks to you!

As we look ahead, it’s clear that we’re living through a period of rapid change:

geopolitical and economic uncertainty; technological disruption; societal instability. Across many dimensions, the pace of change continues to accelerate.

Within that context, ERM remains committed to our purpose. For many decades, ERM has been a trusted advisor to clients and partners around the world, grounded in our technical expertise and deep understanding of the science of sustainability. We will continue to help organizations navigate the terrain in front of them, aligning sustainability and commercial impact. We will also continue to hold ourselves to the same high standards we ask of our work with clients and partner organizations.

Thank you to all of you who are on this journey with us. Our work together matters and it has never been more important.



# Foreword

Sabine Hoefnagel | **Global Leader of Sustainability & Risk**

**“This work requires deep levels of expertise and pragmatism to meet clients wherever they are on their journey and help them move forward.”**

Reading this year’s Sustainability Report brought me back to the very reason I joined ERM almost 25 years ago. It’s easy to forget sometimes in such a fast-paced, competitive industry but this report is a powerful reminder of the one thing that connects all ERMers, past and present: our purpose and our dedication to tackling the toughest sustainability challenges that society is facing.

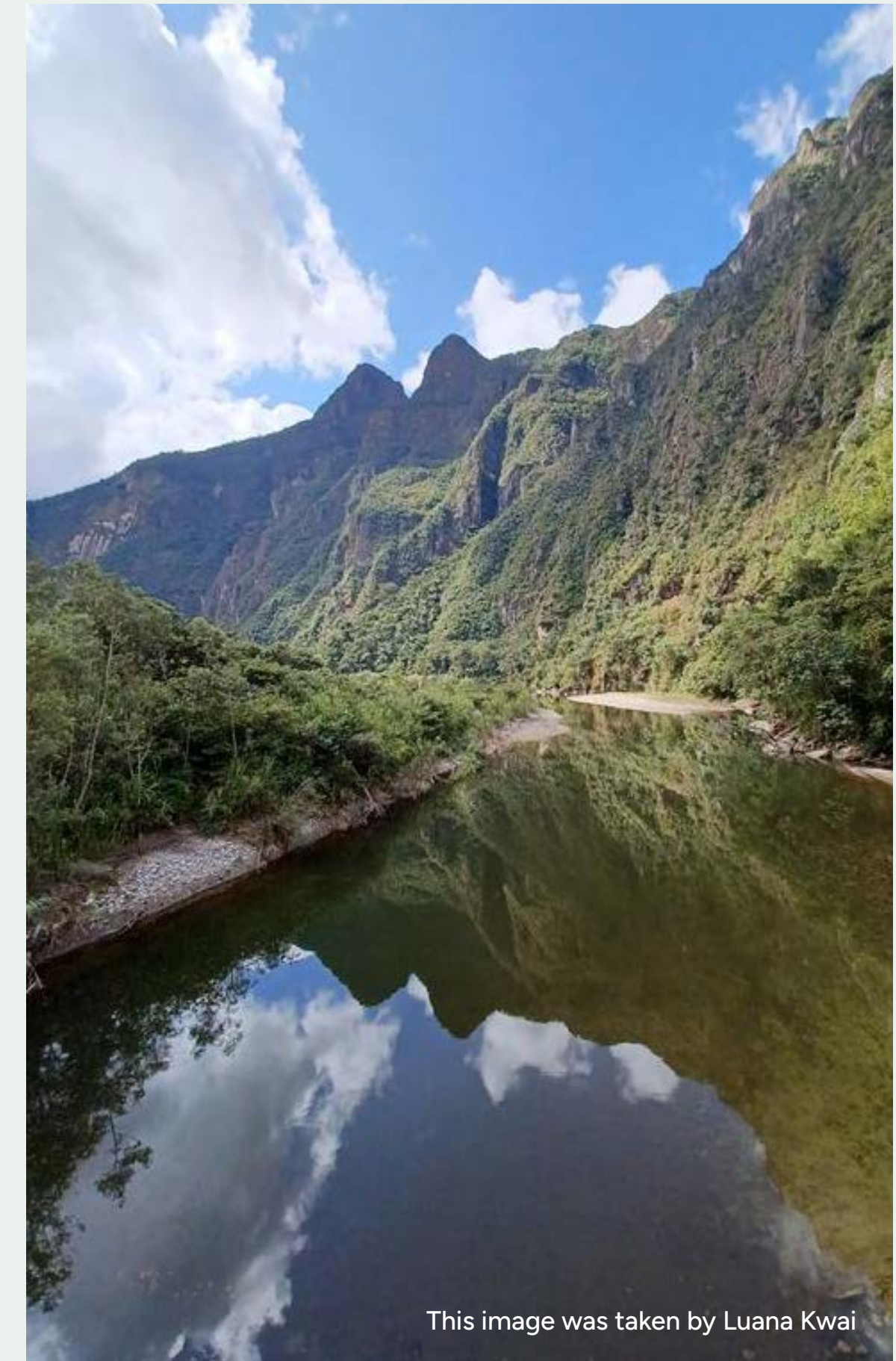
This work requires deep levels of expertise and huge reserves of pragmatism to meet clients wherever they are on their journey and help them move forward. Every day I see ERMers doing just that.

The impact we have is part of something bigger. It’s amplified by the partnerships we’ve built with suppliers, collaborators, and organizations that share our purpose. Because we know that real, lasting change doesn’t happen in isolation. It happens when we come together, united by a common desire to deliver systemic change.

One of the most inspiring parts of our story is the work of the ERM Foundation. This year, we celebrate its 30th anniversary and acknowledge its incredible achievements. Through the Foundation, we’ve helped more than 3 million people gain access to clean water and protected nearly 0.5 million hectares of land. That’s a legacy that every ERMer should feel deeply proud of.

To everyone who contributed to this annual update on our sustainability impact - thank you. Sustainability disclosure is of course an important requirement but for us it is more than that. It is an opportunity to reflect on and celebrate the achievements we have made together, as well as make a commitment to accelerate action in the future.

I look forward to working with you all on the next chapter in this story.



This image was taken by Luana Kwai

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This image was taken by Sarah Ben Hamandou



This image was taken by Arnab Basu



This image was taken by Jean Lima



# Introduction

For more than 50 years, ERM has advised clients across the globe on how to navigate times of geopolitical uncertainty, challenging market conditions, evolving scientific knowledge and technological responses, to deliver commercial value whilst shaping a sustainable future.

**We are the world's largest advisory firm focused solely on sustainability, offering unparalleled expertise to corporates and the financial sector. We partner with clients to operationalize sustainability at pace and scale, through our unique combination of strategic transformation and technical delivery capabilities.**

Much has changed in the world since we last reported in mid-2024 but the pressing need to address global sustainability challenges has not, and nor has the scientific evidence which underpins this. The latest findings from the Intergovernmental Panel on Climate Change (IPCC), Office of the High Commissioner for Human Rights (OHCHR) and the International Union for the Conservation of Nature (IUCN), amongst other leading bodies, reflect upon the increasing scale, complexity and urgency of the need to address these challenges.

We stepped up last year to demonstrate our commitment to sustainability leadership and this year we set out how we have, and will continue, to sustain our impact through our services to clients, our own operational programs, and through our partnerships and collaborations with organizations across the globe.

The regions in which we operate face many different challenges and we, like our clients, reflect upon this when determining what is material to us as a business and our stakeholders. 'Glocalization' has reemerged as the need for global ambition to be translated to the regional and local context and remains critical to engagement of local people and tangible action. Throughout this report we showcase examples from across our global operations, delivered by our greatest strength as a business, our people. The breadth and depth of ERM subject-matter expertise, driven by science, objectivity and a common purpose, is what enables us to sustain our impact and supports our clients to do the same.

# Asia

Asia is at the forefront of opportunity, accounting for over half of global GDP. With 4.6 billion people, representing 60% of the world’s population, resident in Asia there are significant local markets driving economic growth. Alongside this, many companies form integral parts of global supply chains and are therefore navigating the challenges associated with international trade.

ERM has 21 offices across Asia and has had a presence in the region for over 40 years. This breadth and depth of coverage has enabled us to build a strong foundation across many industries and value chains. Our teams bring expertise in local economic and societal contexts, coupled with wider regional and global expertise which our clients report as being essential to navigating local and international markets.

We are committed to developing the sustainability professionals required to address complex challenges across emerging markets, and are proud to see the next generation of leaders develop through the opportunities we offer to our employees. We have a diverse and engaged workforce who are committed to an inclusive culture, resulting in creative and collaborative approaches to sustainability challenges and opportunities.



This image was taken by Tommy Ju

## HIGHLIGHTS

- Supporting Jindal Stainless on their ESG and decarbonization transformation journey
- ERM supports Nissui’s nature loan with Sumitomo Mitsui Trust Bank
- ERM expands its Southeast Asia (1SEA) Hub in Singapore



“In a time of volatility, the entrepreneurial spirit of Asia kicks in, and we are seeing investment in the energy transition, infrastructure and the development of local capability. We are supporting Asia clients to win in a more sustainable economy.”

**Nat Vanitchyangkul,**  
**ERM Regional CEO, Asia**

# Australia & New Zealand

It’s been an important year for ERM in Australia, as we welcomed over 100 new colleagues from Energetics into our business. At a time when the Australian government is working towards its legislated target of net-zero greenhouse gas emissions by 2050, we are exceptionally well placed to support the biggest and fastest economic transformation since the industrial revolution.

Since the early 1980’s, ERM in Australia and New Zealand has built a business across seven cities focused on infrastructure development, remediation of contaminated lands to productive use, supporting investment in companies and assets with strong environmental and social credentials, and decarbonizing the economy. In recent years, we have acquired a number of companies that have enhanced our digital and technology offerings and strengthened our health and safety services.

I am particularly proud that this year, we received formal approval from Reconciliation Australia for our Reflect Reconciliation Action Plan (RAP), which reaffirms our commitment to advancing reconciliation and developing meaningful connections with Aboriginal and Torres Strait Islander peoples. This important step has resonated with all our colleagues and we are committed to practical action.



This image was taken by Dylan Roberts

## HIGHLIGHTS

**ERM’s Reflect Reconciliation Action Plan launched**

**Acquisition of Energetics - Australia’s leading climate risk and energy transition consultancy**

**New partnership with Truescape provides dynamic visualization on projects**



“When I started my career as a graduate at ERM two decades ago, I couldn’t have imagined that one day I would be leading this organization of over 600 colleagues. It’s all about leadership – and this comes through ERM’s investment in its people, the opportunities we have to work with great clients on some of the most complex projects and a commitment to create a sustainable future.”

**Michael Gaggin,**  
**Business Unit Managing Partner, ANZ**

# Europe, Middle East & Africa

EMEA is a region of many contrasts, with diverse sustainability challenges. In Africa, the focus on access to energy is coupled with the need for greater employment opportunities, the protection of human rights and preservation of the natural environment. The Middle East is leading investment in the energy transition whilst seeking to promote sustainable urban development and water management, as the economy is building out alternative foundations of wealth. Within Europe, we see discussions on the role of regulation as a driver for action, coupled with a focus on competitiveness to establish market differentiation, amidst sustained societal scrutiny.

Spanning over 40 offices across 18 countries, our EMEA team is ideally positioned to respond to the diversity of our client needs, supporting with the level of technical depth and topical breadth required to add value and create positive impact at every point of sustainability maturity. Our cross-country collaboration ensures that our clients benefit from both nuanced local insights and globalized technical skills expertise.

Through our regional strategy refresh we are placing a strong emphasis on capability building, whether through our internal technical communities or through partnerships with external experts, ensuring we can continue to create innovative solutions that meet the diverse challenges our clients face.



This image was taken by Lucca Kallenberger

## HIGHLIGHTS

**L’Oréal: Enhancing wellbeing through relational safety in global EHS audits**

**Broad-Based Black Economic Empowerment in South Africa**

**Building resilience in the mining sector: The International Finance Corporation & ERM Framework**



“Europe has been a leader in sustainable solutions for some time and we are now seeing the Middle East rapidly advancing investment in the energy transition and associated drivers. Across the African continent, innovation is tackling multiple challenges in creative ways. It is an exciting time to be leading this region.”

**Mathias Lelievre,**  
**ERM Regional CEO, EMEA**

# Latin America & the Caribbean



This image was taken by Goulnaz Duportic

From Mexico in the north to Chile, 7500 km to the south, the LAC region encompasses Latin America and the Caribbean, a rich and diverse set of cultures and economies. We have a long history of serving multinational companies with their investments into the region, spanning energy, mining, chemical and pharmaceutical, technology and finance sectors. We also have supported LAC based companies to expand their operations within the continent and enter new international markets.

In 2024, Colombia hosted the 16th UN Biodiversity Conference (COP16), which shone a spotlight on the region’s efforts to conserve and enhance our natural environment, and the protection of indigenous peoples. Later in 2025, Belem, Brazil, in the heart of the Amazon, will host the 30th UN Climate Change Conference (COP30), with ambitious plans for implementation of actions to address the changing climate.

These pivotal global events have brought a renewed focus and energy to the work of the private sector, as it collaborates with wider stakeholders to advance economic development, without further impacting nature, the environment and local communities. ERM is actively working with leading companies to drive growth and investment that benefits both the regional economy and society.

## HIGHLIGHTS

Supporting Vale with their decarbonization roadmap

ERM LAC Walking the World

NatureTech Alliance launches ‘NatureTech Revolution’ report at COP16 in Colombia



“At ERM, I have witnessed the tangible impact we have through the work we do with our clients and partners. Across the region, there are many vulnerable populations where the realities to attend basic needs are really a daily challenge. Through working on the key economic and social challenges of our time, our impact endures for future generations.”

Carlos Pereyra,  
ERM Regional CEO, LAC

# North America

Our North American operations were founded in the 1970’s when the first environmental and pollution regulations were introduced in the United States, and were proceeded by the establishment of our Canadian operations 35 years ago, which has grown to include 350 employees serving clients across the country. The region now accounts for half of ERM’s global presence and during FY25, we continued to expand our capacity with the acquisition of NewFields Environmental Division.

Through the years, we have worked on thousands of projects that have helped return polluted sites back to productive use, enabled companies to effectively meet their regulatory obligations, enhanced business continuity and resilience, and supported worker health and safety. We continue to bolster our capabilities to support our clients’ sustainability agendas and with the emergence of the technology, media and communications sector, as well as ongoing change within the energy sector, we support the development of infrastructure to keep pace with demand through securing regulatory permits and community support.

We are supporting companies to remain agile and resilient within this period of ongoing change in the US, Canadian and global regulatory, policy, economic and disclosure spheres and enable their ability to drive commercial value through enhanced sustainability performance.



“In times of uncertainty, companies look to those they can trust to provide objective, independent, data-driven analysis and advice. We are actively working with companies and investors to identify and respond to the risks and opportunities that emerge in times of change. Our experts, drawn from diverse backgrounds and experience, collaborate to find solutions and work alongside clients on their implementation to achieve results”.

Susan Angyal,  
ERM Regional CEO, NA

## HIGHLIGHTS

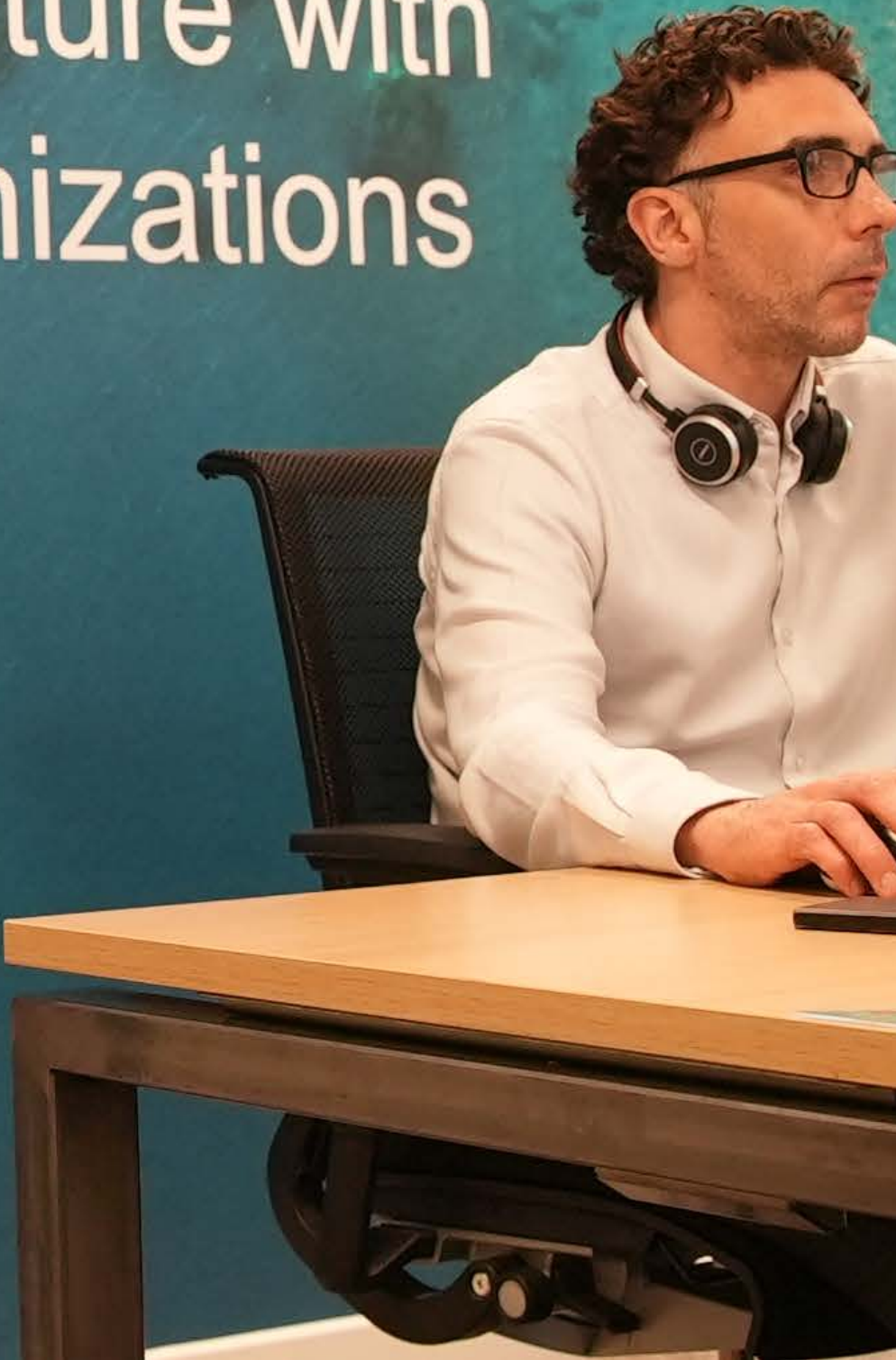
**ERM advises on human rights and tailings governance integration at Vale Base Metals**

**ERM supports EverWind in unlocking global green hydrogen markets**

**Reef Check: ERM Foundation provides GIS mapping support for North American coastline**

# About Us

Shaping a sustainable future with  
the world's leading organizations



This image was taken by ERM

**Underpinned by our set of beliefs, our purpose guides decision-making in everything we do, from day-to-day service delivery to longer-term business decisions across our global operations. We deliver our purpose through working with clients to support sustainable transformation, operationalizing sustainability in our own business, and through partnerships and collaborations, in line with our commitment to contribute to the United Nations Sustainable Development Goals (SDGs).**

Our focus, both within our operations and in our service delivery to clients, continues to be on long-term value creation and increasing positive impact on the environment and society. To enable this, we continue to enhance our platforms, systems and internal structures ensuring we are resilient in the face of a changing external environment and can respond to client demands in an agile manner.

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# Our operations

**Our diverse global teams of experts work with the world’s leading organizations to help them set clear sustainability-focused business targets, operationalize strategy and measure progress through program implementation and business transformation.**

During FY25, we continued to develop our operational capabilities through expansion in key geographies, such as Singapore, and strategic acquisitions of specialist companies such as NewFields and Energetics, details of which are set out in this report.

### ERM expands Southeast Asia Hub

In FY25, ERM announced the expansion of its Southeast Asia (1SEA) hub in Singapore, a move that will further strengthen its ability to advance the green economy and sustainability across Asia.

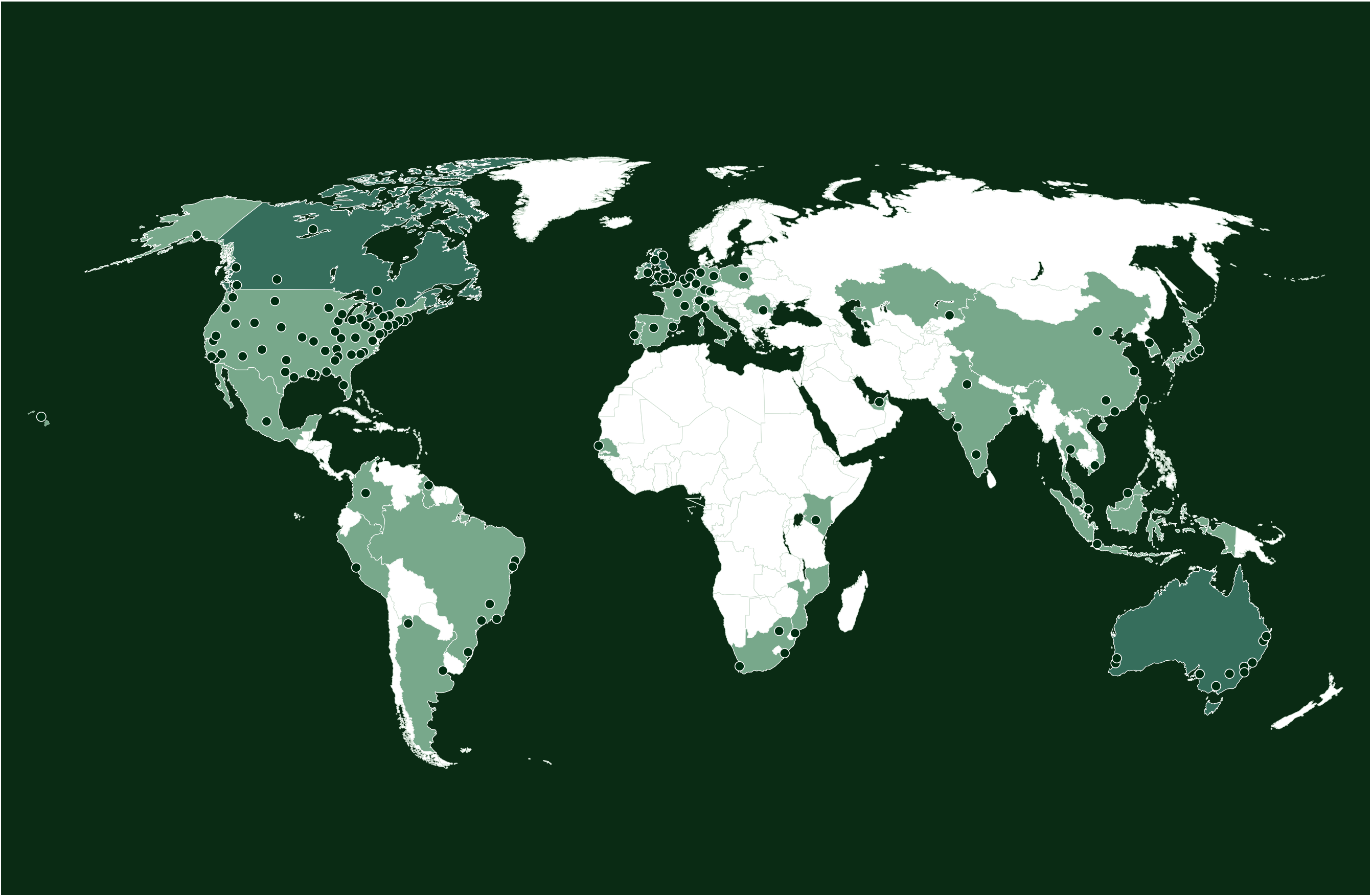


“We will grow our business by shaping a sustainable future for our clients with high impact solutions through 1SEA Service Lines with cross collaboration.”

**Plerngtape Chamikorn,**  
**1SEA Business Unit Managing Partner**

Information on our global financial performance is published annually and available on [erm.com](https://erm.com). All financial information in this report is published in US Dollars (USD) unless otherwise stated.

## ERM OFFICE LOCATIONS



We have more than 8,000 experts, spread across our 140 offices, 40 countries and five regions. Our ability to integrate sustainability solutions and depth and breadth of our technical knowledge are why organizations choose to partner with us as their trusted advisor.

# Awards & recognition in FY25

## VERDANTIX RECOGNITIONS

Named Environmental Services Leader

ERM CVS ACHIEVES TOP SCORES for ESG and Sustainability Assurance Services capabilities



MARKET-LEADER amongst health and safety consulting providers



HIGHEST SCORES FOR CONSULTING SERVICES for CSRD and ESG regulation readiness

verdantix  
Green Quadrant  
Environmental Services

Leader



HFS HORIZONS Sustainability Services 2024 report names ERM as a market leader in Sustainability Services

ERM & ContourGlobal collaboration Highly Commended for our Transformational Partnership by the SUSTAINABILITY DELIVERY AWARDS



RealDeals ESG AWARDS DUE DILIGENCE PROVIDER OF THE YEAR as part of the Real Deals ESG Awards



TRIPLE CERTIFICATION by the Human Rights Campaign for our work in Latin America



THIS CAN HAPPEN AWARD for Best New Workplace Approach to Mental Wellbeing

RoSPA AWARDS ERM Northern Europe Health & Safety award for 11th consecutive year



MOST LOVED WORKPLACE certified by the Best Practice Insititute

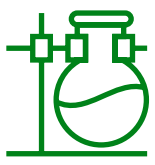



Top 15 on the 2024 LINKEDIN TOP COMPANIES LIST in the UK


# Our industries, services & solutions


As companies around the world are responding to the challenge of the low-carbon economy transition, ERM is supporting clients at every stage of their sustainability journey. ERM works across a range of sectors, focusing on the industries where we have seen the greatest sustainability challenges.

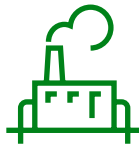
## OUR PRIMARY INDUSTRIES

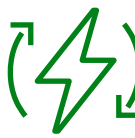
**Chemicals**


**Pharmaceuticals**

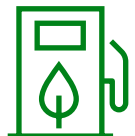
**Financial Services**


**Power**

**Manufacturing**

**Renewables**

**Mining & Metals**

**Diversified Energy**

**Technology, Media & Communications**

## ERM’S SERVICES & SOLUTIONS

Assurance & Certification (ERM CVS)	Capital Projects & Infrastructure	Carbon Markets
Circular Economy	Clean Energy Procurement & Risk Management	Climate & Net Zero
Compliance & Auditing	Data & Digital	EHS Management
Energy Transition	Health & Safety	Mergers, Acquisitions & Transactions
Nature & Water	Product Stewardship	Remediation & Regeneration
Reporting & Disclosure	Social Impact & Human Rights	Strategy & Transformation
Strategic Communications & Marketing	Supply Chain	Sustainable Finance
Training Programs & Courses	Visual Communication & Design	

ABOUT US

We also work in Aerospace, Automotive, Consumer Products & Retailers, Diversified Energy, Food & Drink, Government, Legal, Real Estate & Land Development, Textiles & Apparel and Transportation industry sectors.

ERM’s industry expertise is coupled with our solutions to ensure we can effectively help clients across the world respond to their complex sustainability ambitions including building business resilience, supporting the transition to a low-carbon future and enabling progress on their sustainability priorities.

We also utilize our subject matter expertise to support the delivery of our own sustainability commitments, with our experts supporting the development of our corporate strategy and operational programs, further details of which are set out in this report. For more in-depth information refer to [ERM’s solutions](#).

CASE STUDY

ERM and Dolphyn Hydrogen launch UK’s first offshore hydrogen production trials



Whilst known for professional services, ERM is also pioneering development in hydrogen production via the [Dolphyn Hydrogen Business](#), in line with our purpose of shaping a sustainable future.

In FY25, Dolphyn Hydrogen undertook offshore trials at Pembroke Port, South Wales, to test its Dolphyn Hydrogen process after six years of development. These trials are a major step toward scalable, low-carbon hydrogen production in the UK.

To accelerate deployment and learnings, the team has incorporated a first-of-its

kind digital twin using ERM’s emissions.AI SaaS solution to help operations teams optimize energy efficiency of facilities. Dolphyn integrates electrolysis, desalination and hydrogen production on a floating wind platform, delivering hydrogen to shore via pipeline for use in power, transport, heating and industry. This avoids grid constraints or consumption of energy from other renewable sources.

Supported by the UK Government’s £1B Net Zero Innovation Portfolio and backed by Welsh and Scottish governments, the project has received significant strategic investment to date.



“Seven years ago, ERM had a vision to produce low-carbon hydrogen from floating wind at a scale that would help accelerate the transition to a net-zero economy. We are excited to see this vision translate into reality with the UK’s first offshore hydrogen production trials.”

Tom Reichert, ERM Group CEO



“The Dolphyn Hydrogen trials mark an important milestone in our journey to deploy affordable, low-carbon hydrogen at a scale that will help to deliver a more sustainable future for all.”

Steve Matthews, Dolphyn Hydrogen CEO

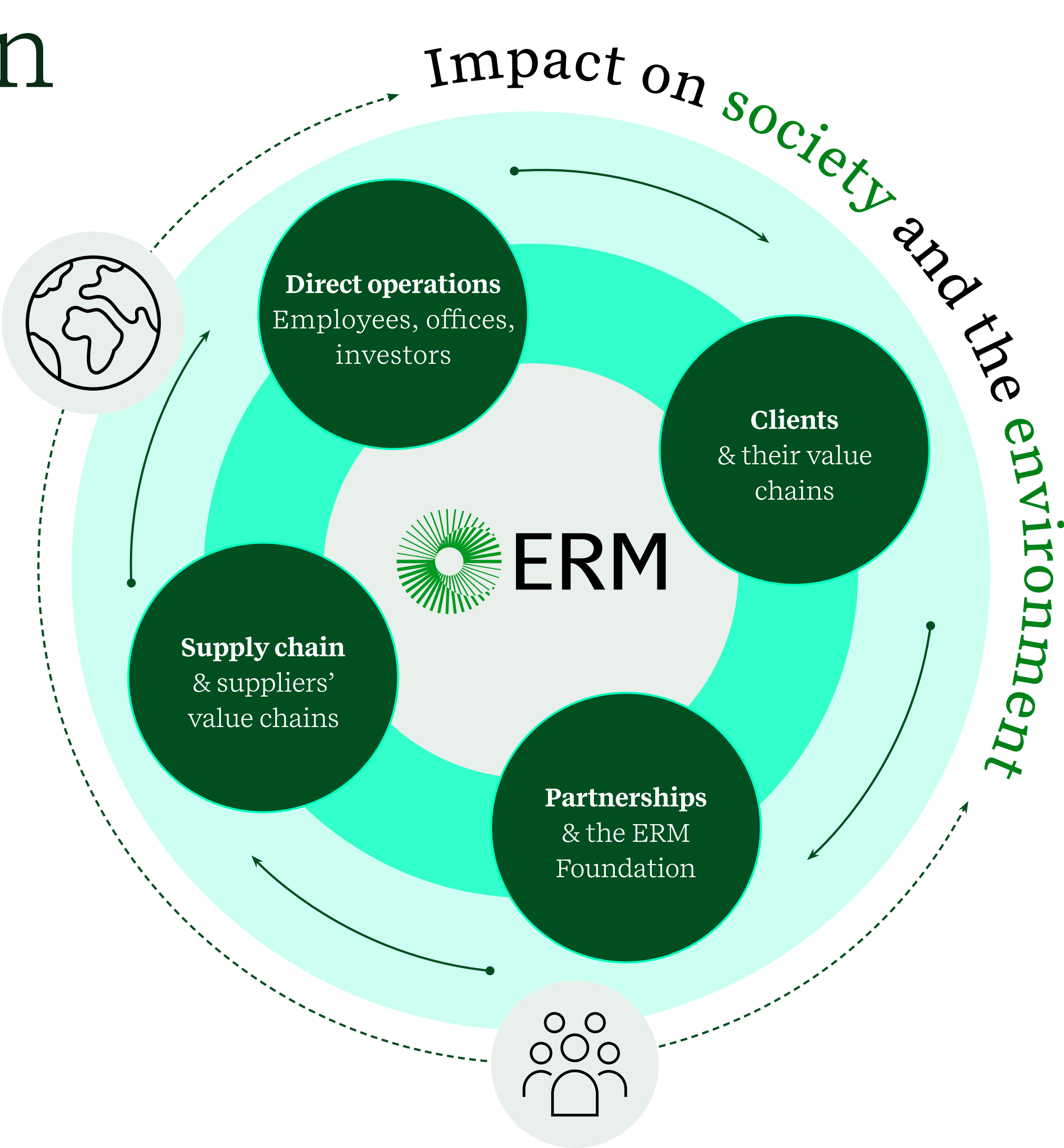
# Our value chain

ERM’s value chain consists of four key components: our own direct operations, our clients, our suppliers and our partnerships.

We consider the breadth of our value chain and wider society in the management of our sustainability-related risks, opportunities and impacts, ensuring our decision-making is based on a holistic view of our business.

In our direct operations and to ensure we meet the diverse needs of our clients, we purchase goods and subcontract services from suppliers, enabling the delivery of our work. Spanning 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.

Partnerships and the ERM Foundation play an important role in amplifying our positive impact on society and the environment, allowing us to contribute to global thought leadership and give back to communities around the world, whether that’s through pro bono work or grant funding.



## Upstream

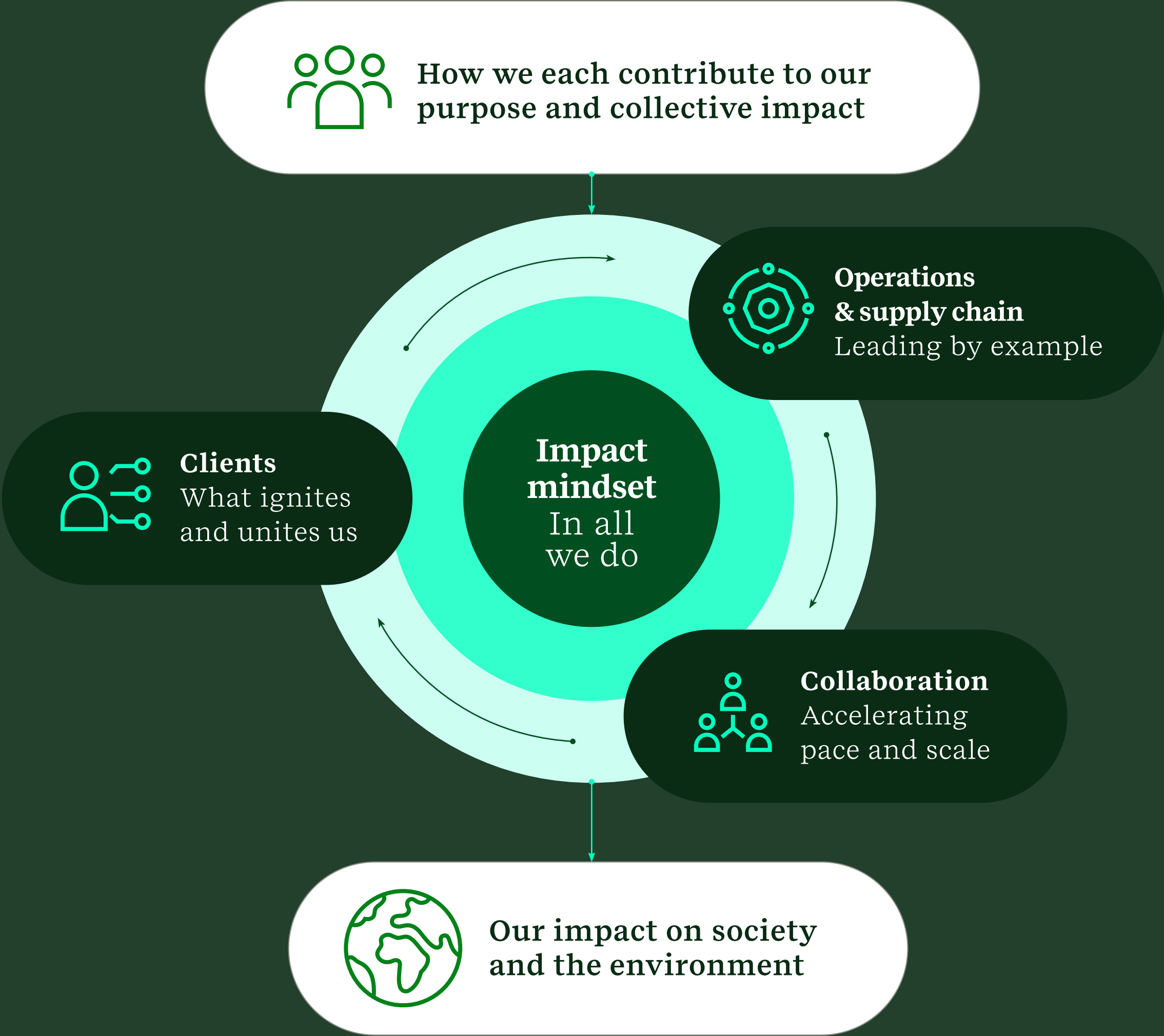
Upstream, our value chain includes employees, partners and investors, our offices and the materials required to support them, and the services provided by the diverse suppliers and contractors who comprise our supply chain.



## Downstream

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

# Managing Our Impact



In line with our purpose to shape a sustainable future, we adopt an impact mindset to all that we do. We strategically seek to create and sustain positive impact across our value chain and achieve this through three key mechanisms: the management of our direct operations and our supply chain; our delivery of services to clients; and through our collaborations and partnerships with like-minded organizations.

During FY25, we delivered in excess of 32,000 projects with clients, supported a multitude of international and national W and delivered our ambitious sustainability programs across our global operations. Throughout this report, we highlight the material impact and sustained impact that we have generated through the delivery of our business.

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# Impact of our operations

Sustainability is central to our operation as a business. It is embedded in our corporate strategy, our commercial proposition, and internally operationalized through our Group Sustainability function, working in conjunction with the suite of corporate functions. Ensuring an integrated approach, Group Sustainability works in close collaboration with the Legal and Compliance, Operations and Procurement, People, Digital and Finance, our regional and business unit teams.

Group Sustainability oversees five operational programs, aligned to our material topics. Each program is guided by our published strategies, aligned to our corporate policies and supported by detailed internal implementation plans. Further information on these strategies is set out in the respective sections of this report.



“Our sustainable operational programs reflect the importance we place on leading by example and are guided by our in-house subject matter experts, to ensure we align with evolving best practice.”

**Bronwyn Purvis,**  
Global Head of Sustainable Operations, ERM

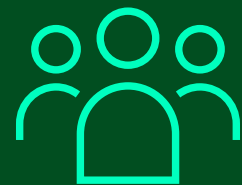
## 5 WE HAVE FIVE KEY OPERATIONAL PROGRAMS COMPRISING:



**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.



**SUSTAINABLE SUPPLY CHAIN**  
Enhancing supplier sustainability performance.



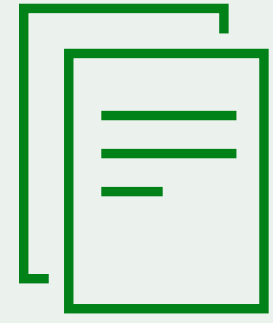
**IMPACT & REPORTING**  
Transparent sustainability reporting drives accountability and improvement.



# Operational Impact

Produced

10+  
global



stakeholder disclosures

Exceeded target to contribute

1% of  
profits



towards sustainability initiatives

Met

100%  
KPIs



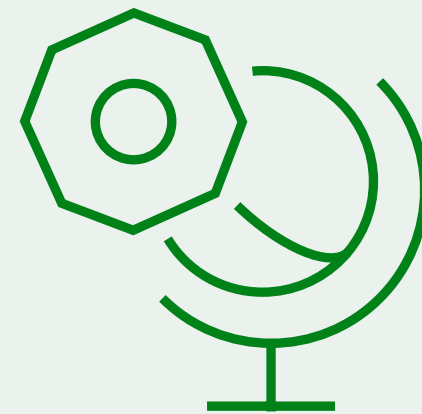
for Sustainability  
Linked Loan

180,000+  
hours



of employee training

Introduced  
new  
Sustainability  
Supplier  
Portal



Undertook

600+  
sustainability due diligence  
reviews of suppliers

sustainability due diligence  
reviews of suppliers

100%



of new client  
projects assigned  
impact categories

5,000+

colleagues participated  
in Global Commuter Survey



40%  
reduction



in SBTi scoped target  
emissions since FY20

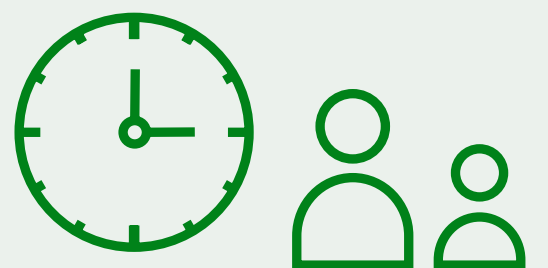
Implemented new

Global  
Modern  
Slavery  
Awareness  
campaign



6,000+

employee hours  
contributing  
to our own



sustainability  
and ERM  
Foundation  
initiatives

# Celebrating ERM’s Sustainability Network

At ERM, our people are essential to embedding sustainability into our operations. Our Global Sustainability Network plays an important role in driving meaningful change across our sustainability programs worldwide.

The Network includes representatives at the regional, business unit and office levels and is led by our Regional Sustainability Leads. Employees at all career stages participate to help foster a culture of shared responsibility for sustainability and engagement on global sustainability challenges.

A wide range of initiatives are supported by the Network, from raising awareness of ERM’s sustainability campaigns to leading community-focused volunteering efforts.

These initiatives demonstrate how our people are not only champions of sustainability within ERM but also active contributors to positive environmental and social outcomes in their own communities.

SPOTLIGHT: ERM SINGAPORE NETWORK



In October 2024, the ERM Singapore office organized a successful community event, ‘Kayak n Klean Up’, bringing together employees and their families to contribute to local environmental conservation efforts.



“Change starts from within so to change the world we need to change ourselves. Many thanks to our Sustainability Network that continues to engage staff in advancing our sustainability agenda.”

**Fandy Suradji,**  
Regional Sustainability Lead for Asia, ERM

SPOTLIGHT: ERM US NETWORK



Our Indianapolis office were involved in a variety of activities in FY25 to support their local communities. They collected over 136kg of electronic waste to be recycled, staffed booths for public education at Indiana State Museum and organized a food drive for donations to a local community organization.



“As ERM continues to work toward our 1.5 SBTi aligned targets, engaging with staff across each of our regions is even more important. This is a great opportunity for our team members to celebrate their passion for sustainability in all aspects of their work, which helps make their work activities more rewarding and the planet healthier.”

**Sara Meyer,**  
Regional Sustainability Lead for North America, ERM

MANAGING OUR IMPACT

The ERM Sustainability Network gets involved in local community initiatives across the globe



Employees in Japan taking part in a forest maintenance event.



Colleagues from the Ewing Office getting involved in the annual Delaware River Cleanup.



Melbourne office employees experiencing life as a marine biologist for a day. They took part in collecting and auditing trash and conducting a shell survey.



This image was taken by ERM



Berlin office Sustainability & Foundation team got involved in Inklusionslauf 2024, an inclusive running event in Germany.



Mexico office employees participated in a reforestation day in Barrance de Santa Fe.

# Impact of our client projects

Recognizing that our most significant influence stems from our work with clients, we define and assess these impacts by creating and implementing methodologies across various areas of our work. We have developed a framework to quantify the impact of this work and are progressively applying this to different client offerings.



This image was taken by Andrea Gigliuto

We are progressively enhancing our methodologies in partnership with our technical teams and other stakeholders. Additionally, we introduced new topics that enable us to capture our contribution to the SDGs and the global agreements and frameworks to which we are committed to making a contribution.

## ENGAGEMENT

Our colleagues are critical to the implementation of our framework, and our evolving methodology and data collection. They are also instrumental to engaging our clients and working in collaboration with them to assess the impact of the projects we deliver with them.

During FY25, we developed materials to support ‘Impact Conversations’ and encouraged teams to weave these conversations into regular team calls, project kickoff sessions, milestone meetings and other client engagements. Our colleagues across the consulting and business enablement teams shared the value of taking time to reflect on how our daily work delivers impact, and how they can contribute to our evolving assessment.

We will continue to encourage conversations internally and with clients and other stakeholders.

## OUR IMPACT TRACKER

As part of building our understanding of the impacts we deliver through our work for clients, we have developed an impact tracker that is built into our customer relationship management tool. As project managers set up new projects, they are required to select one or more impact areas they believe the project will deliver against – either through how the project is executed, or as a result of meeting project objectives.

On a weekly basis we update the ‘impact tracker’ results on the front page of our global intranet. This tracker visualizes the number of projects in each impact area. This raises awareness of the areas where we are delivering impact and prompts conversations between colleagues. We will continue to analyze and refine this tool to support our understanding of what impact we are currently delivering through our clients’ projects and how this can be enhanced in the future.

## FY25

Low-carbon economy transition (LCET) sales increased almost

# 20%

Over the past

# 5 years

our LCET sales have grown

# over 500%

In FY25 ERM has worked on

# +700

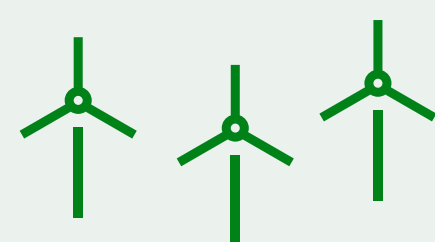
nature projects in

# +50

countries

In FY25, ERM worked on over

# 1,100



renewable energy development projects

Contributed to in excess of

# 200 GW



of installed renewable capacity and more than

# 47 GW

of installed energy storage

ERM facilitated new, additional, renewable energy projects that completed construction and started operating in FY25, through contracted capacity of

# 1,355 MW

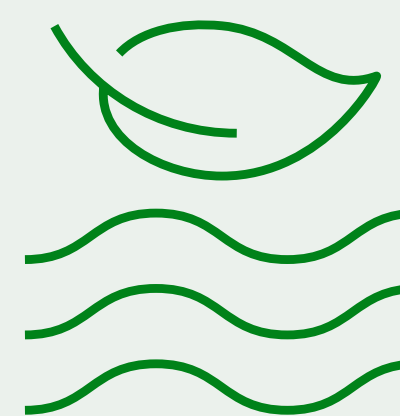
Clients reported allocating

# \$1.5 billion

in capital investments to meet carbon emission reduction targets

ERM has worked in

# 310



sites in 37 out of 100 of the priority water-stressed basins to address water risks for businesses and surrounding communities

We treated, destroyed or removed

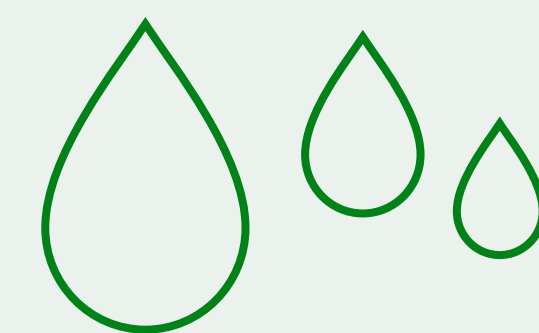
# +84.2 million



kg of contaminants

We processed

# +2.5 million



liters of water and

# +58.3 million

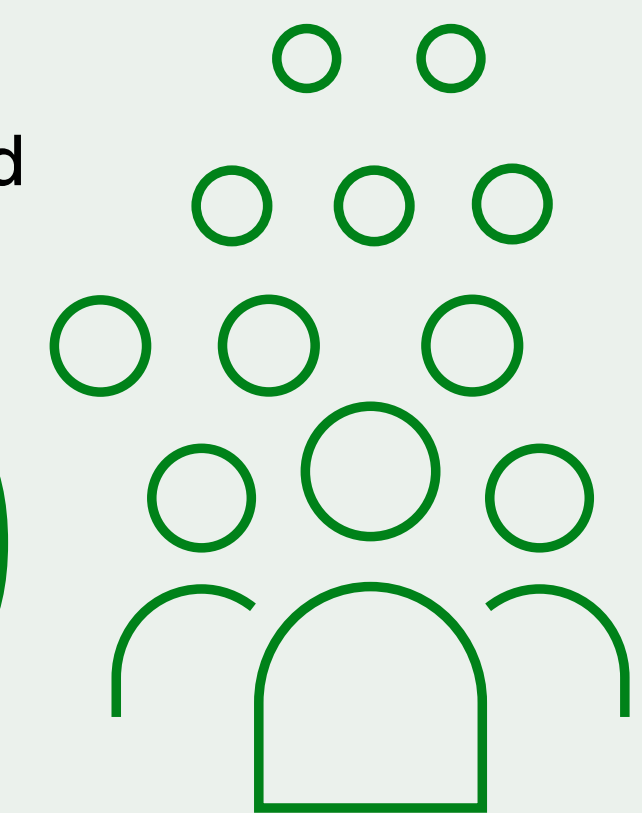


cubic metres of soil

Our 'boots to boardroom' health and safety programs engaged more than

# 500

executive leaders



# Impact of our collaborations

## Strategic partnerships

ERM values our partnerships with like-minded organizations and the impact which we collectively deliver. During FY25 we continued our collaborations with industry coalitions such as the World Business Council for Sustainable Development, UN Global Compact, Global Reporting Initiative, Business for Nature, Capitals Coalition and other leading entities, and industry and sector specific bodies at global, regional and national level.

In line with our commitment to demonstrating sustainability leadership, we regard it as our responsibility to contribute to the development of technical guidance and frameworks, collective learning, policy and regulatory updates and advancement of industry practice in countries, regions and globally. We also recognize that through partnerships we can increase our impact by focusing on collective action.

Our partnerships, the commitments we make through our memberships, and the insights shared, all inform our annual double materiality assessment and the ongoing development of our operational sustainability programs. Examples of these partnerships are detailed across the sections of this report, as they relate to our material topics.



“The societal and planetary challenges we face can only be solved by working together – that is why we partner with the world’s leading organizations to drive change.”

**Linden Edgell,**  
**Global Sustainability Director, ERM**

# Commercial & digital partnerships

ERM continues to grow our ecosystem of commercial partnerships to increase our impact across the sustainability value chain. Our strategic partnerships enable our clients to accelerate progress on compliance, reporting, and decarbonization, providing a single source of truth for sustainability data and helping organizations confidently meet regulatory demands. This year, we focused on deepening four strategic partnerships that integrate leading technology with ERM’s advisory and implementation capabilities to deliver best-in-class, scalable solutions. These partnerships, with Salesforce, Wolters Kluwer Enablon, Workiva and Microsoft, are central to our approach for helping the world’s largest organizations align with new regulations, unify sustainability data, and embed sustainability into core operations.



“ERM is accelerating impact by aligning with technology leaders across the sustainability landscape. Through our partnerships, we help clients turn sustainability ambition into operational reality.”

Kushal Mashru,  
Head of Strategic Partnerships, ERM

Together, we are enabling change in sustainability performance management, while delivering meaningful value creation as companies increasingly recognize sustainability as a strategic lever for top-line growth.

- **Salesforce** supports emissions management, climate risk, and stakeholder engagement.
- **Wolters Kluwer Enablon** powers integrated EHS and sustainability performance tracking.
- **Workiva** enables connected sustainability and financial reporting workflows.
- **Microsoft** provides secure, scalable data infrastructure to operationalize sustainability data.

## EXPANDING OUR ECOSYSTEM

As we continue to expand and refine our ecosystem to support delivery across all ERM service lines, we announced several new collaborations in FY25 that extend our reach and capabilities:

- **Truescape**, a visualization expert, helps ERM and our clients bring complex sustainability strategies to life through 3D visualizations and immersive digital storytelling.
- **Optel**, a global provider of advanced traceability solutions, is working with ERM to help clients meet product-level disclosure requirements.



This image was taken by ERM

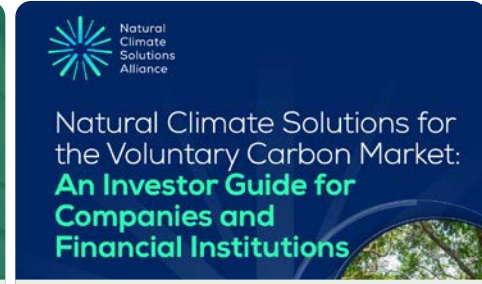

# Thought leadership

The contribution made by our subject-matter experts to thought leadership across their respective technical areas and to sustainability generally reflect our long-standing commitment to innovation and data-driven decision making. Through conferences and seminars, articles and insights, podcasts and blogs, our people have sustained our impact in shaping a sustainable future. Two of the key institutional mechanisms by which we deliver thought leadership and pro bono activity are the ERM Sustainability Institute and the ERM Foundation.

The ERM Sustainability Institute serves as a vital platform for sharing the knowledge and perspectives derived from our client engagements and our broader expertise in sustainability. Through a variety of channels, including comprehensive research papers, global surveys, blogs, podcasts, and interviews, the Institute delivers both practical and thought-provoking insights. Examples of FY25 publications are included throughout this report and further information on the Institute can be found at [erm.com](https://erm.com).

Information on the ERM Foundation is set out in the Social Impact & Human Rights section of this report and our latest publication, the [2025 ERM Foundation Annual Review](#) is available [here](#).

## ERM SUSTAINABILITY INSTITUTE HIGHLIGHTS FY25

 <p><b>THE NEW DISCLOSURE LANDSCAPE</b> Comparing sustainability standards and regulations: ESRS, IFRS S1/S2, SEC Climate Rule, and CA SB 253/261 September 2024</p>	 <p><b>2025 ANNUAL TRENDS REPORT</b> The Path Forward for Sustainable Business January 2025</p>	 <p><b>The Global Regulations Radar</b> Bi-annual Update on ESG and EHS Regulations July 2024</p>	 <p><b>Breaking Chains, Building Sustainably:</b> Overcoming supply chain barriers July 2024</p>	 <p><b>Catching the wave</b> → Seizing the opportunities of the sustainability transformation</p>
<p><b>The Evolution of Sustainability Disclosure Regulation: Comparing the 2024 SEC, ESRS, ISSB, and CA SB 255/261</b></p>	<p><b>Annual Trends Report 2025: The Path Forward for Sustainable Business</b></p>	<p><b>The Global Regulations Radar: Bi-annual Update on ESG and EHS Regulations</b></p>	<p><b>Breaking Chains, Building Sustainably: Overcoming supply chain barriers</b></p>	<p><b>Catching the wave: Seizing the opportunities of sustainable transformation</b></p>
 <p><b>Embedding Just Transition into Corporate Climate Action Strategies</b> September 2024</p>	 <p><b>Rising to the Energy Challenge in Asia</b> A review of policy trends on energy transition technologies across the region November 2024</p>	 <p><b>J.P.Morgan</b> <b>The Future of Water Resilience in the U.S.</b> October 2024</p>	 <p><b>RENEWABLES CONUNDRUMS</b> Building Benefit: Four steps to mitigate renewable energy's environmental downsides September 2024</p>	 <p><b>RENEWABLES CONUNDRUMS</b> How to unlock wind and solar energy potential in Latin America and Africa July 2024</p>
<p><b>Embedding Just Transition into Corporate Climate Action Strategies</b></p>	<p><b>Renewables Conundrums – Unlocking Net Zero: Why Renewables Conundrums are Key to Corporate Climate Action</b></p>	<p><b>The Future of Water Resilience in the U.S.</b></p>	<p><b>Renewables Conundrums – Building Benefit: Four steps to mitigate renewable energy's environmental downsides</b></p>	<p><b>Renewables Conundrums – How to unlock wind and solar energy potential in Latin America and Africa</b></p>
 <p><b>PODCAST</b> <b>Sustainable Connections</b></p>	 <p><b>THE NEW DISCLOSURE LANDSCAPE</b> Comparing sustainability standards and regulations: ESRS, IFRS S1/S2, SEC Climate Rule, and CA SB 253/261 September 2024</p>	 <p><b>Natural Climate Solutions Alliance</b> Natural Climate Solutions for the Voluntary Carbon Market: An Investor Guide for Companies and Financial Institutions</p>	 <p><b>The Nature Tech Revolution: The tools to move from 'do no harm' to 'nature positive'</b></p>	 <p><b>ERM</b> <b>2030 ZEV Mandate Plan</b> Supporting the European Union's Green Deal Sustainability &amp; Risk Solutions</p>
<p><b>Sustainable Connections podcasts</b></p>	<p><b>The New Disclosure Landscape: Comparing Sustainability standards and regulations: ESRS, IFRS S1/S2, SEC Climate Rule and CA SV 253/261</b></p>	<p><b>NCS for the Voluntary Carbon Market: An Investor Guide for Companies and Financial Institutions</b></p>	<p><b>The nature tech revolution: The tools to move</b></p>	<p><b>ERM ECF ZEV Mandate</b></p>

# Collaborations Impact

Through the ERM Foundation,  
we delivered:



ERM  
FOUNDATION

20,500+

people supported  
through low carbon  
products, initiatives  
and services



21,400+

sustainable  
livelihoods  
supported



17,800+

hectares planted, restored,  
rewilded and protected



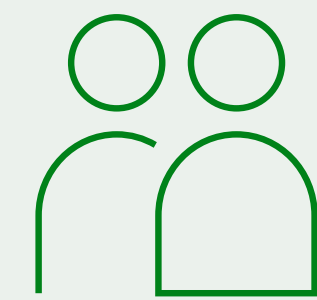
The ERM  
Foundation  
delivered

48



projects  
across

33



countries  
contributing to 12 SDGs

\$750,000+

distributed in  
grant funding,  
pro bono support,  
employee donations  
and volunteering  
initiatives



1,000+  
hours

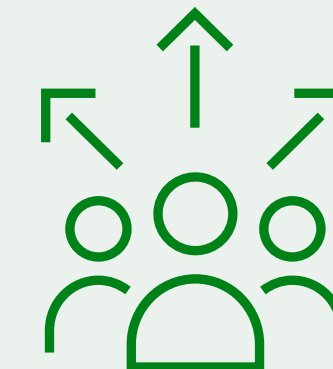


of pro bono expertise and leadership  
valued at over

\$500k

8

formal pro bono  
secondments  
valued at over



\$600k

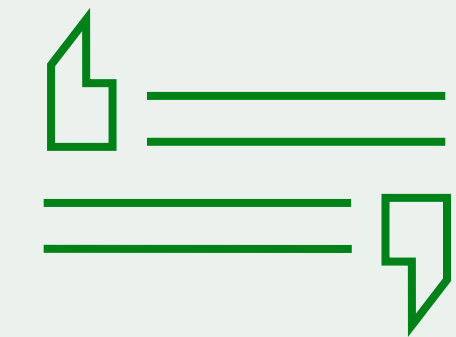


2,400+  
hours

of time contributed by the  
Sustainability Institute on thought  
leadership valued at over

\$600k

20+



thought  
leadership reports  
and published

Contributed to key  
conferences in



25+  
countries

OUR APPROACH TO MATERIALITY

ERM’s approach to sustainability is guided by our double materiality assessment (DMA) and our wider strategic business imperatives. Through this process, we ensure that our strategic approach focuses on those issues most material to us and we effectively manage our risks, opportunities and impacts.









































We update our DMA annually and last year, we undertook a significant reassessment of our material topics to align more closely with evolving standards such as the European Union Corporate Sustainability Reporting Directive (CSRD). Our latest assessment has focused on refining the list and

scope of topics, including an updated analysis of where in our value chain we have most material impact. We have introduced one new material topic, that of Technology & Gen AI, in recognition of the increasing importance which this topic assumes for businesses.

Our updated list of material topics is summarised in the accompanying table which also explains where and how these topics are material to us. Find a detailed overview of [Our Approach to Materiality and Reporting](#) [supplement here](#).

OUR MATERIAL TOPICS

COMPONENTS OF OUR VALUE CHAIN

		GOVERNANCE	TECHNOLOGY & GEN AI	SUSTAINABLE SUPPLY CHAIN	PEOPLE	SOCIAL IMPACT & HUMAN RIGHTS	CLIMATE & ENERGY	NATURE & WATER
	Supply chain							
	Direct operations							
	Client services							
	Partnerships							
	Wider society							

SCALE OF IMPACT

 LOW

 MEDIUM

 HIGH

# Governance

**ERM’s corporate governance is the framework of policies and processes that enable us to deliver on our purpose and values, and direct the operational management of our company. Corporate governance is pivotal to the ethical running of ERM, compliance with regulatory requirements, the protection of our reputation and supports our ability to create and sustain our impact.**



Why this topic is material to ERM	31
Targets & performance	32
Governance structures, leadership & accountability	33
Business conduct	36
Risk management	37
Equipping our employees & wider stakeholders	38
Client services	40

# Why this topic is material to ERM

Corporate governance is most material to us within the sphere of our direct operations, which comprise more than 140 offices in 40 countries. Our corporate governance also extends to the breadth of our supply chain, from whom we commission services to support the delivery of our client projects across the globe. Our clients expect consistency and alignment of standards between ERM, our suppliers and their own corporate governance and this is reflected in our procurement requirements.

While we can not impose our own corporate governance requirements across our wider value chain, we do have the opportunity to partner with organizations whose standards and values are consistent with our own. As a company, we diligently review and select our clients and partnerships based on their compatibility with our own purpose and governance requirements.

ERM also supports our clients to strengthen or adapt their corporate sustainability governance in face of new and evolving material issues and challenges.

In this section, we provide an overview of our governance structures, leadership and accountability for operationalizing sustainability, overseeing business conduct and managing risk across our direct operations and supply chain.



## GOVERNANCE

Supply chain



Direct operations



Client services



Partnerships



Wider society



## Scale of impact

- Low
- Medium
- High

# Targets & performance

In line with our targets, during FY25 we continued to focus on the evolution of our governance in key areas including data and disclosure, reporting of our societal impact and due diligence of our client work and operations.

We continue to prioritize the disclosure of meaningful sustainability data to internal stakeholders, including our Board, as well as external reporting to our wider stakeholders.

Our assessment of the societal impact of our work continued to progress during FY25. Working with our technical communities and client teams, we introduced new metrics to assess the impact of our work. We also held impact conversations with many of our Key Accounts that strengthened project outcomes. Further details of how we sustained impact are detailed throughout this report.

Integral to our risk management strategy is the undertaking of due diligence screening of our clients through the Sustainably Transparent Assessment of Risk and Reward (STARR) process, further

information on which can be found in this section. Meeting our target, all key client accounts were subject to STARR review.

In addition, we undertook country-level due diligence assessments in three of our business units to further understand the evolving risk profile within our operations. Further information on this process is set out in the Social impact & Human Rights section of this report.

In recognition of the ongoing material importance of assessing and managing the risks and opportunities associated with the delivery of our services, as well as wider operations, our FY26 headline targets maintain our focus on adaptation and resilience in the face of evolving geopolitical and wider societal change.

## FY25 HEADLINE TARGETS

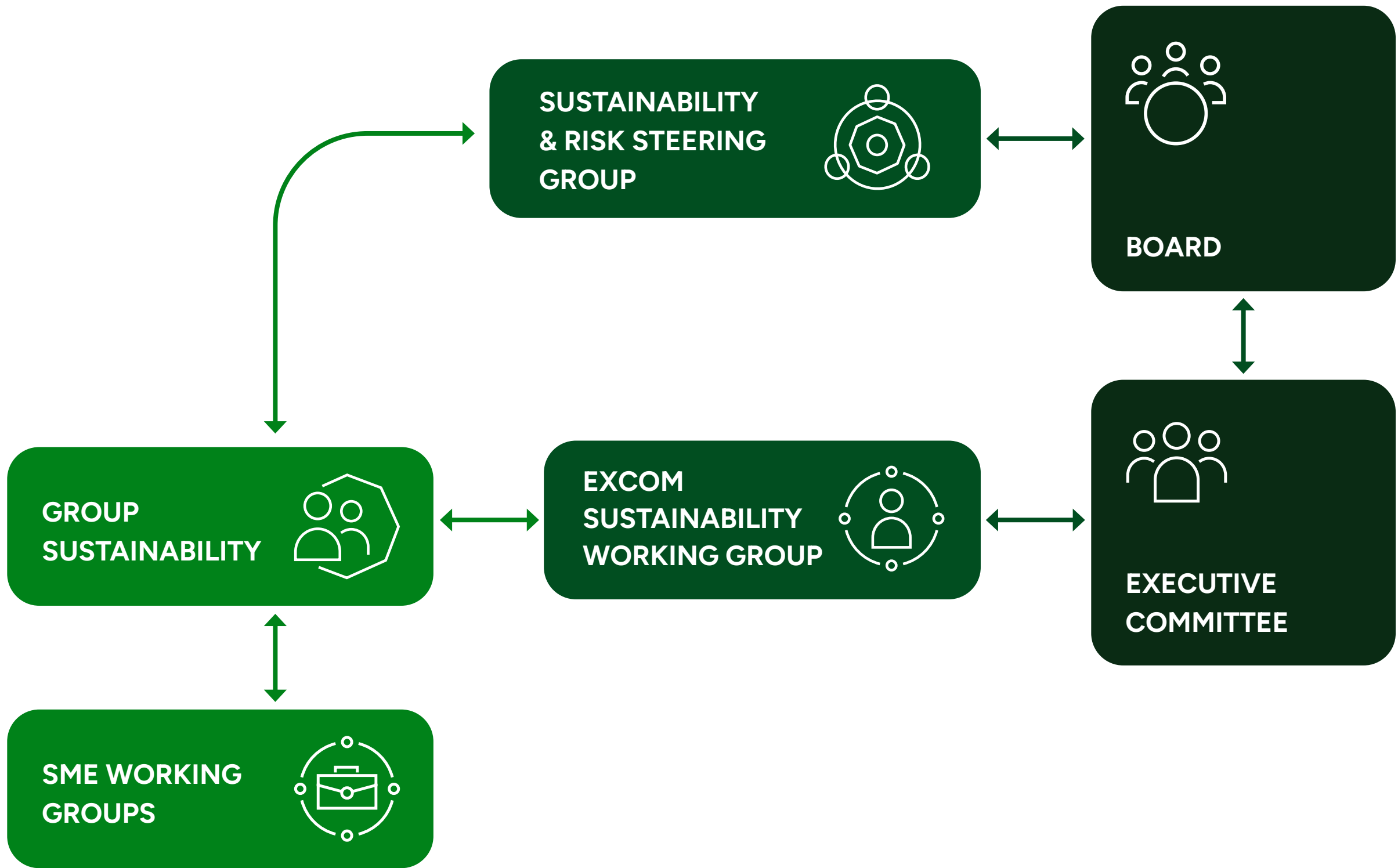
## PERFORMANCE

Deliver quarterly reporting of sustainability metrics to the Board ESG Risk and Sustainability Steering Group.	☑ Partially achieved
Develop three additional societal impact measures and hold impact conversations with all Key Accounts.	☑ Partially achieved
Screen all Key Accounts through STARR process.	✅ Achieved
Undertake three ESG risk country-level due diligence assessments.	✅ Achieved

## FY26 HEADLINE TARGETS

Implement program wide risk reviews of project delivery in geographies with elevated geopolitical risk.
Deliver partner risk awareness training.

# Governance structures, leadership & accountability



At ERM, we believe the rigor of our corporate governance enables clear accountability across our operations, creates trust and transparency with our stakeholders, ensures robust management of risk and enhances both our commercial and sustainability impact.

Our corporate governance is facilitated through a clear structure of leadership and accountability that spans the breadth of our operations, from the Board to our employees. We believe that it is the individual and collective responsibility of all our employees to adhere to our governance standards and promote them.

## ERM'S BOARD OF DIRECTORS

The Board of Directors (Board) is ERM's 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 six to seven times each 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 and other Executive Directors, Non-Executive Directors, members of the Executive Committee (ExCom) 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.

**SUSTAINABILITY & RISK STEERING GROUP**

Supporting the Board is the Sustainability & Risk 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, Sustainability & Risk Steering Group and the ExCom. The role and composition of these are set out on the next column.

The performance of 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 and Safety and Digital among others.

**EXECUTIVE COMMITTEE SUSTAINABILITY WORKING GROUP**

ERM’s ExCom is responsible for the ongoing operational management of the company, including management of our material risks and opportunities, and meets throughout the year to review the implementation of our strategy and performance. It comprises four of the five Executive Directors of the business and a number of other senior Partners in executive management roles who lead our geographic, service, sector and client divisions of our operations, business development, people development and other professional support functions.

ExCom is supported by the ExCom Sustainability Working Group on issues of strategy, approach and operational management in pursuit of progressing ERM’s sustainability performance. The Working Group comprises representatives from the Board, ExCom and our Global Sustainability Team.

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.

Drawing on our in-house expertise, the ExCom Sustainability Working Group is supported by a panel of ERM’s subject matter experts (SMEs) who inform our materiality assessment, strategic direction, performance review and disclosures.



This image was taken by Maren Steinkemper

## 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 Global Head of Sustainable Operations. Group Sustainability works with wider corporate functions such as Legal, Compliance and Risk, and senior management across our regions and business units to deliver our sustainability operational programs and commitments.

### SUSTAINABILITY AT ERM



## CASE STUDY

### Council on Sustainability Transformation

As part of our commitment to advancing sustainability leadership, ERM has convened the Council on Sustainability Transformation—a group of highly experienced and globally respected leaders with backgrounds in business, policy, and academia focused on accelerating private sector action on critical sustainability challenges.

The Council considers obstacles to progress on the sustainability agenda, then develops recommendations on how to overcome them and future proof businesses based on their experience. Their strategic, forward-looking insights are designed to inform and influence sustainability practices across industries.

The Council is developing a series of white papers and has published two so far, Company-Investor Engagement as a Catalyst for Climate Action and Navigating Change: Delivering sustainability value in a volatile world.

While the Council is an independent entity, its deliberations are supported by ERM. This lets the Council’s perspectives remain objective while complementing ERM’s own expertise and ability to fulfill its purpose of creating a sustainable future with the world’s leading organizations.

Click on the images or visit [erm.com](https://erm.com) to learn more about the Council and their latest white papers.



#### NAVIGATING CHANGE: DELIVERING SUSTAINABILITY VALUE IN A VOLATILE WORLD

CST white paper

#### COMPANY-INVESTOR ENGAGEMENT AS A CATALYST FOR CLIMATE ACTION

CST white paper

# Business conduct

ERM is committed to the highest standards of business conduct and requires everyone working for, or with, us to comply with them; they are set out in our codes of conduct, business values, professional standards, employee training and practices.

## ERM’S GLOBAL CODE OF BUSINESS CONDUCT AND ETHICS

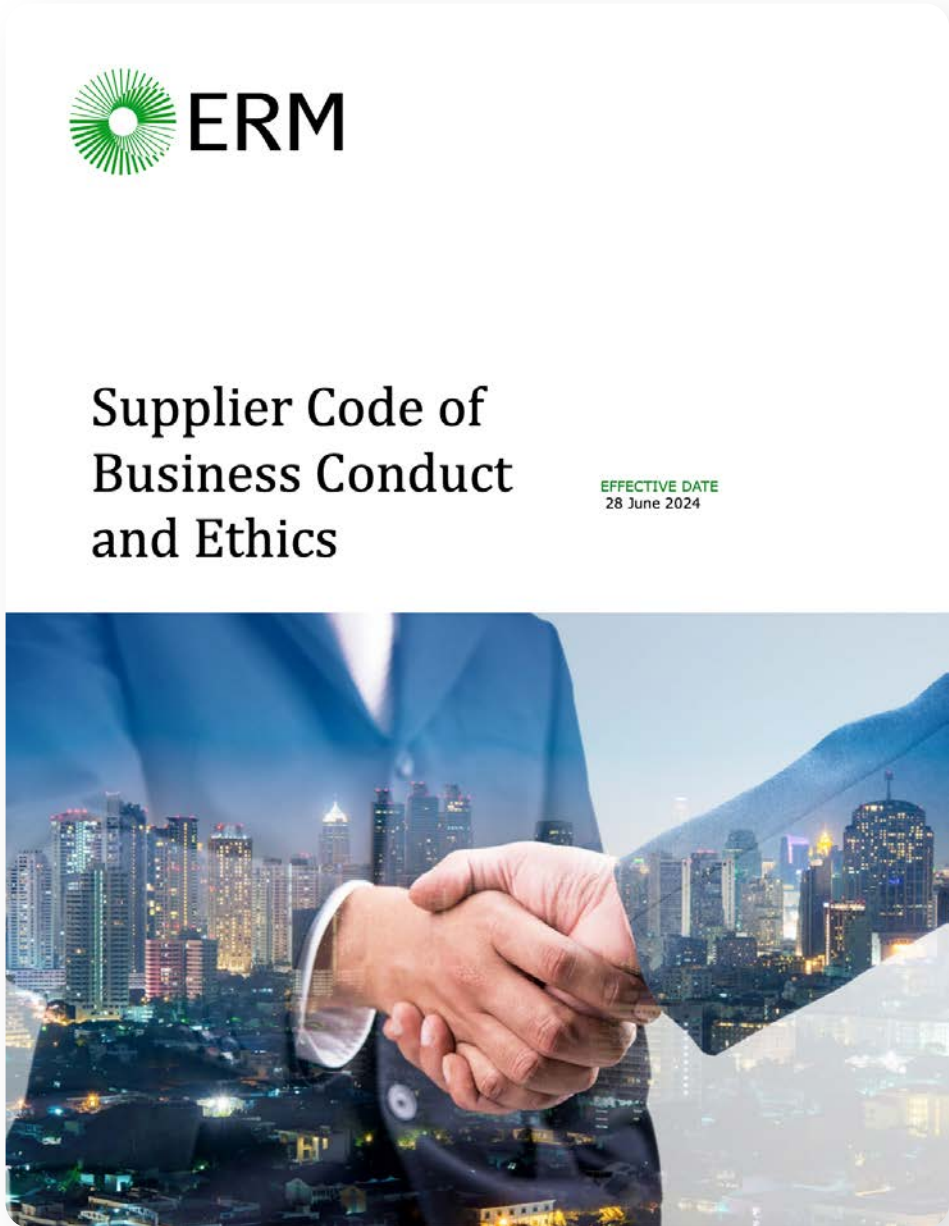
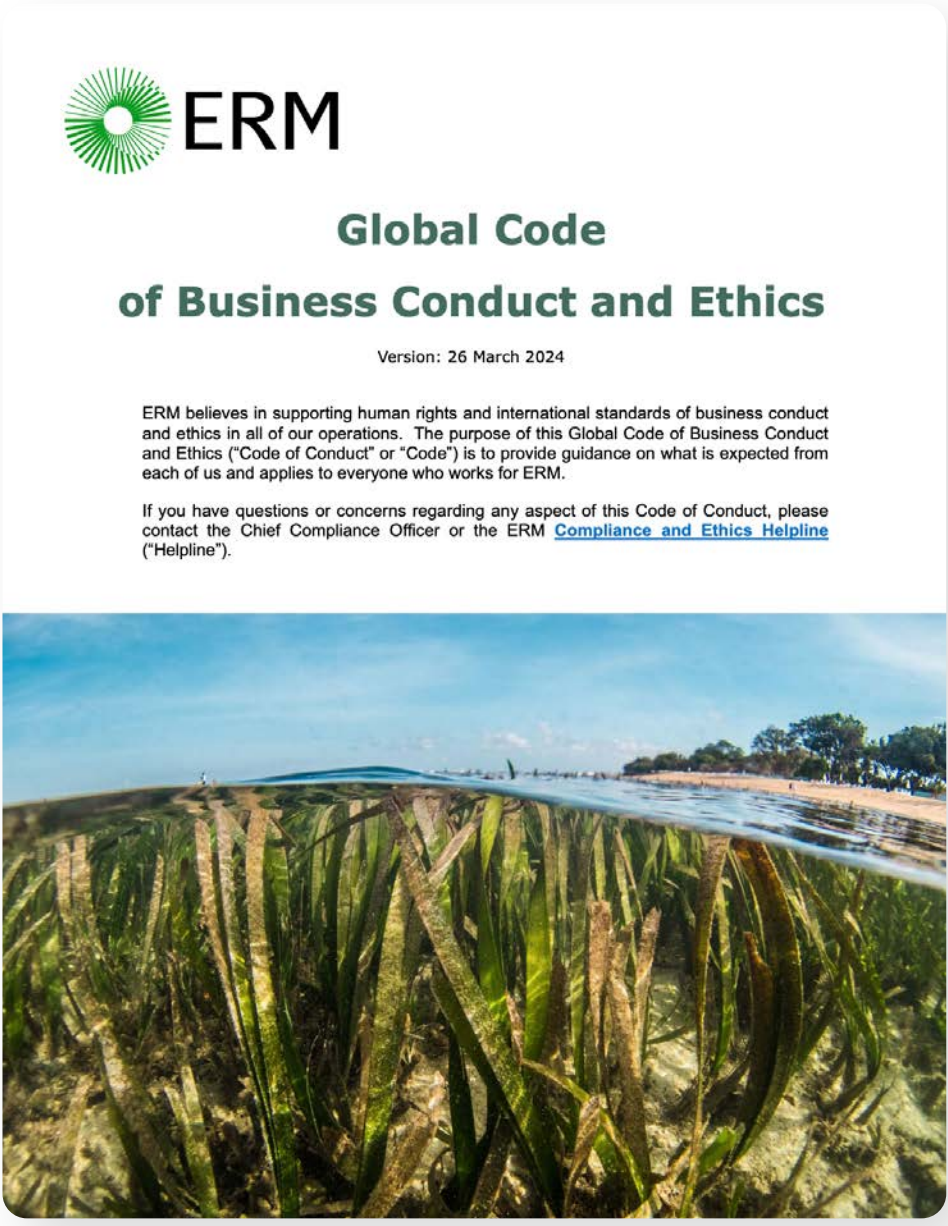
Our commitment to operating ethically and sustainably is set out in our Global Code of Business Conduct and Ethics (Code), which reaffirms the importance of following the highest ethical standards in everything we do, everywhere. Our Code sets clear requirements to ensure we conduct business with uncompromising 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. Our Code is supported by a wider suite of corporate policies and procedures which guide the ethical operation of the company. Further information on these policies is set out in this report and also available at [erm.com](http://erm.com). All employees and Partners are held responsible for compliance with our Code and policies.

## ERM’S SUPPLIER CODE OF BUSINESS CONDUCT AND ETHICS

Our Supplier Code of Business Conduct and Ethics (Supplier Code) is one of the key mechanisms by which we ensure alignment of our suppliers with our wider corporate governance. It sets out the requirements expected of suppliers, consistent with our Global Code of Business Conduct and Ethics, and wider policies. It is a contractual requirement that contractors adhere to the Supplier Code and we will investigate all suspected incidences of non-compliance. These can be reported through the grievance mechanism outlined in this section, or uncovered through our ongoing due diligence procedures.

Our approach to sustainable supply chain management is detailed within the Sustainable Supply Chain section of this report.





“The way we do things is just as important as what we do. Our personal and professional passion for sustainability drives our success. Our strong ethical culture enhances our reputation and gives us a competitive advantage.”

**Susan Armour,**  
**Chief Compliance Officer, 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.

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.

Our Enterprise Risk Management (erm2) system manages risks - including sustainability-related risks and opportunities - by providing a structured, enterprise-wide approach to identify, assess, manage and monitor threats and opportunities that could affect our ability to achieve our objectives.

erm2 supports operationalizing sustainability by integrating sustainability-related risks and opportunities into core business processes, decision-making and governance. This includes oversight and review at the ExCom and Board level, which in turn informs our overall business strategy and operational planning, including operationalizing sustainability.

## DUE DILIGENCE OF COMMERCIAL OPPORTUNITIES

ERM seeks to advance and expand 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 the review of client sustainability, governance and performance, including 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.

All opportunities are screened for sustainability-related triggers and in the event of assessed elevated risk, these are escalated to our Sustainability and Risk Committee, subject to Regional CEO approval or evaluated as part of our broader opportunity risk process, as per our erm2 governance process.

## OPERATIONAL RISK PROCESS

When 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 a project starts or at significant change-in-scope events. ERM has a Global Project Risk Review Policy to strengthen project risk management throughout the life of significant projects. This policy applies where a project has a potential 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.

## KEY AREAS OF RISK & OPPORTUNITY

Our risk management process, including our double materiality assessment, considers those issues that present the most significant risks and opportunities to us as a business and through which we generate impact, in our own determination and that of our stakeholders. 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 section of this report.

# Equipping our employees and wider stakeholders

Employees have a critical role to play in supporting our ethical business conduct – just as robust systems and processes support our operational management. We equip our employees to identify and report any issues they may have in respect of our own operations and those of our supply chain and service delivery to clients.

## TRAINING & AWARENESS

Training is an integral part of our governance and systems to support business conduct in line with our purpose and values. Training on business conduct is mandatory for all employees, with refresher training required to ensure that the company’s expectations are understood and applied by all. Additional training may be required depending on an employee’s role or where they are based. Every supervisor is required to complete an annual self-certification on compliance with our global policies regarding conflict of interest, manager duty and anti-bribery and corruption policies, among others.

## ERM’S MANDATORY CURRICULUM INCLUDES:

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

Data protection and privacy



GRIEVANCE MECHANISMS

Our employees and wider stakeholders can raise potential issues or concerns through grievance mechanisms established across our global operations. ERM’s grievance mechanisms are accessible to all employees, suppliers and subcontractors, clients and the public. We publish information on how to access our grievance mechanisms through our Code of Business Conduct and Ethics and on erm.com.

ERM investigates, addresses and remedies issues where possible and appropriate. We address any issues promptly but do not put limits on the time we take to ensure thorough investigation and remedy. Engagement is maintained throughout the process.

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 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

All employees can report concerns anonymously through the ERM Speak Up Helpline which is available online at all times or can be accessed as a call-in option. The Helpline is a third-party independently administered system, with more than 30 different language options, accessible to all employees. Information on the Helpline is set out in annual mandatory training and also signposted in offices.

Alternatively, employees can raise concerns to their local or regional legal counsel, team lead, line manager or Business Unit Managing Partner. If there are concerns relating to a specific project, employees can also raise concerns to their Partner in Charge of the projects they are working on, who is ultimately accountable for all project-related activity under the ERM project management model.

Clients

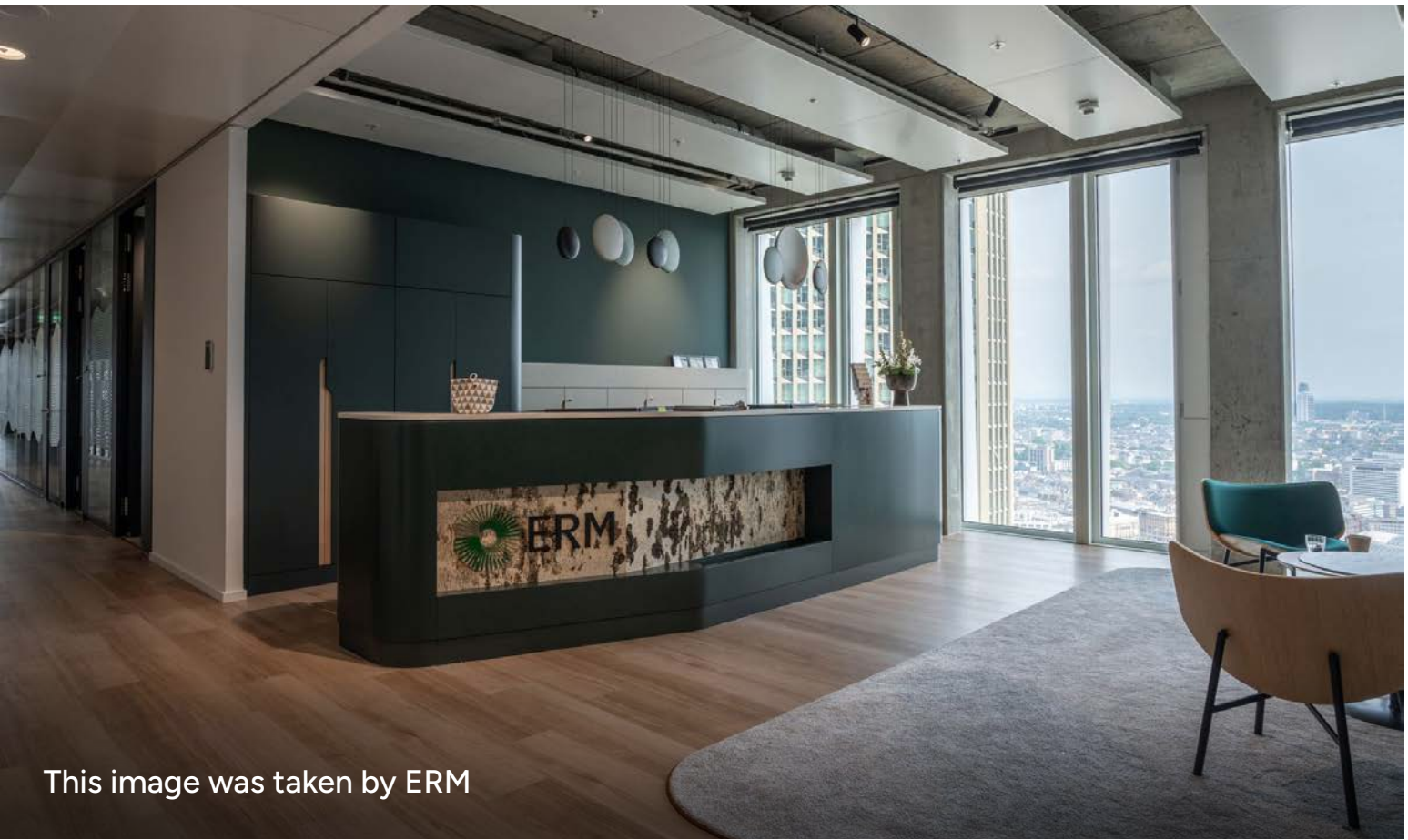
Clients can report concerns through ERM’s client feedback program. The approach uses a global project and client management tool, based on our customer relationship management platform, to document, internally publicize and respond to client feedback. Feedback is reviewed and appropriate actions identified to further consider or redress any issues raised. Should a client wish to raise an issue outside of the project management team, they can contact the ERM relationship manager, senior management or email [businessconduct@erm.com](mailto:businessconduct@erm.com).

Suppliers

The ERM Speak Up Helpline and Partner in Charge are also available for our suppliers and their employees to report issues or concerns. Details on how to access the Helpline are set out in the Supplier Code of Business Conduct and Ethics, which all suppliers are contractually required to adhere to. Further information on our supply chain governance is set out in the Sustainable 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](mailto:businessconduct@erm.com).



This image was taken by ERM

# Client services

We recognize the governance challenges and complexities faced by organizations across the world, adjusting to evolving markets and escalating regulatory and wider stakeholder pressures. Our services and solutions support clients with developing corporate goals and challenging current operating models and organizational designs to support their strategy. We help organizations redesign their governance and business models to build greater capacity for innovation, transformation and impact. Through our delivery of services and solutions to clients, ERM sustains our impact beyond our direct operations.



“Our commercial teams serve an important role in driving impact by ensuring we leverage ERM’s full capabilities to support our clients’ sustainability agenda.”

**Liam Walsh,**  
**Chief Commercial Officer, ERM**

Further information on our solutions can be found on [erm.com/solutions](https://erm.com/solutions).

## ERM’s related services & solutions

-  **ExCo/board leadership ambition development sessions**
-  **Governance and strategy maturity benchmarking and development**
-  **Simulation and scenario modelling and technology envisioning**
-  **Change management, cultural transformation and learning**
-  **Topic-specific strategies, including product and supply chain**
-  **Commercial strategy/business model alignment**
-  **Sustainability readiness review**
-  **Fully-costed, investment-grade business case plan development**
-  **Technical implementation plans**
-  **Sustainability materiality assessments, strategies and reporting**

## CASE STUDY

### Supporting Jindal Stainless on their ESG and decarbonization transformation journey

**Jindal Stainless Ltd., one of India’s leading stainless-steel producers, having well-established, pre-existing practices in place and in line with its commitment to continuous improvement, partnered with ERM to further strengthen its sustainability practices and embed them into core operations to be positioned among the global sustainability leaders.**

ERM is developing a comprehensive three-year sustainability transformation roadmap, beginning with a double materiality assessment to identify and prioritize key risks and opportunities. Leveraging global standards such as GRI and SASB, ERM is designing a tailored framework to guide the company’s sustainability evolution.

As part of this ongoing transformation, ERM is laying the foundation for a clear decarbonization pathway. This roadmap outlines a suite of emissions-reduction levers across Jindal’s steelmaking operations and includes recommendations for policy and process enhancements to strengthen sustainability governance and energy efficiency.

Through ERM’s strategic guidance, Jindal Stainless Ltd. is steadily advancing toward its climate goals and is positioning itself as a responsible leader in the global metals industry.

# Sustainable Supply Chain



This image was taken by Liza Acevedo

As a professional services company, ERM subcontracts services to support the delivery of our work with clients across the industries and sectors we work in, as well as sourcing goods and services for the operation of our business. Our supply chain is diverse, from sole contractors to multinational companies and spans our global operations.

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# Why this topic is material to ERM

At a time of rising geopolitical tensions and regulatory and wider societal pressures, we believe our supply chain must be governed by strong sustainability principles. Our suppliers act as an extension of our in-house teams and their delivery of the services we commission, as well as their own sustainability performance, reflect on us and our reputation.

Governance and management of our supply chain is therefore of material importance to us as a business, and we are committed to working with suppliers who share our purpose and values. Our strategy is to promote improvements in the sustainability performance of our supply chain through active engagement and practical support.

ERM also supports our clients in the management of their own supply chains, enhancing the resilience and sustainability of their operations and the positive impact which this generates.



This image was taken by Nerea Álvarez

## SUSTAINABLE SUPPLY CHAIN

Supply chain



Direct operations



Client services



Partnerships



Wider society



### Scale of impact

- Low
- Medium
- High

# Targets & performance

Last year, ERM launched its Sustainable Supply Chain Management Strategy, setting out our approach and objectives for managing our suppliers.

Key to this strategy and one of our FY25 targets, is the engagement of our suppliers and extension of our corporate sustainability governance across the breadth of our supply chain. A systematic program of engagement, governance and due diligence began in FY25 and will continue throughout FY26, as set out in this section.

To support this program, we carried out systematic due diligence of our top tier suppliers to inform our understanding of the maturity of their sustainability approach. In addition, we conducted country level assessments inform our understanding of how suppliers are selected and managed within the delivery of our services.

The country-level assessments were aligned with guidelines from the Organization for Economic Co-operation and Development and the United Nations Guiding Principles on Business and Human Rights. They explored opportunities to further strengthen our governance procedures and protocols and have informed our priorities for FY26 and beyond. Further information on this process is set out in the Social Impact and Human Rights section of this report and the findings of the assessment inform the priorities detailed in this section.



This image was taken by Thien Nguyen

## FY25 HEADLINE TARGETS

## PERFORMANCE

Expand sustainable supply chain governance program across top-tier spend of suppliers.

✔ Partially achieved

## FY26 HEADLINE TARGETS

Onboard top tier suppliers to new Sustainability Supplier Portal.

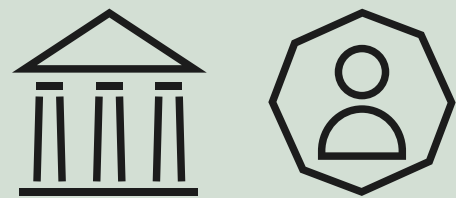
Engage top tier suppliers on human rights.

Engage top tier suppliers on climate.

Engage top tier suppliers on nature.

# Our approach

ERM seeks to work with suppliers who are committed to our purpose of shaping a sustainable future with the world’s leading organizations, as set out in the ERM Sustainable Supply Chain Management Strategy 2024-2027.



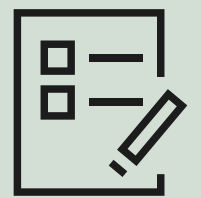
STAGES 1 & 2:  
**Evolving our governance and systems**



STAGE 3:  
**Engagement of our supply chain**



STAGE 4:  
**Expanded due diligence**



STAGE 5:  
**Data collation, auditing & disclosure**



STAGE 6:  
**Grievance mechanisms & remedy**

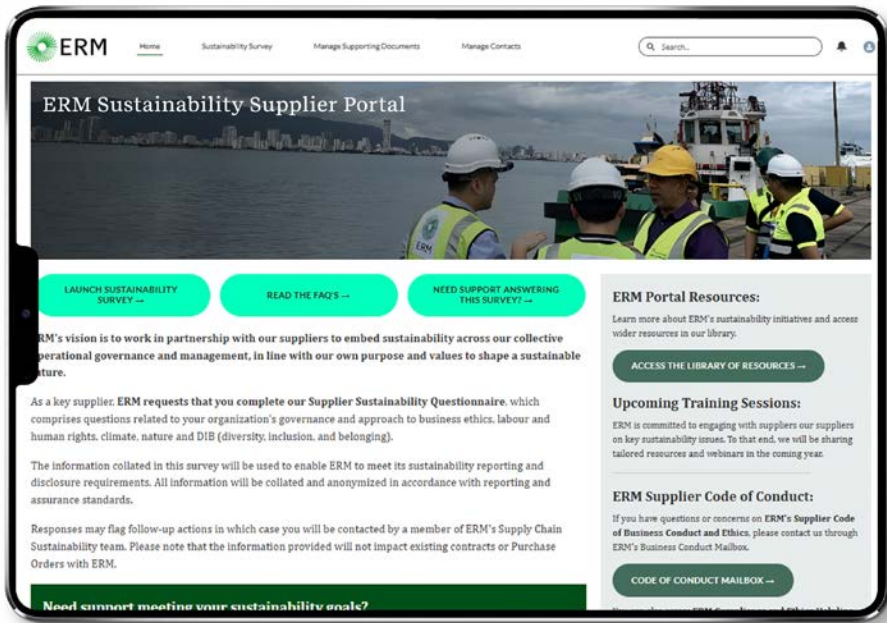
# Governance

ERM’s corporate governance encompasses the management of our suppliers. We have established policies and protocols in place which our suppliers are contractually obligated to adhere to.

The **ERM Supplier Code of Conduct and Ethics (Supplier Code)** establishes the principles and standards of conduct that ERM expects of any person or entity who provides goods or services to ERM. The Supplier Code addresses criteria related to health and safety, environmental leadership and sustainability performance, human rights, business conduct and integrity, confidentiality and external communications.

The **ERM Sustainable Procurement Policy** operationalizes our supply chain strategy by establishing internal guidance and directing ERM employees to prioritize suppliers that have taken active measures to improve their sustainability performance within their own organizations and supply chains.

The **ERM Global Subcontractor Management Policy** outlines responsibility within each project team for the pre-screening, selection, monitoring and management of subcontractors consistent with ERM’s health and safety requirements and protocols.



The **ERM Sustainability Supplier Portal** is a new platform through which we will engage our suppliers, extend our governance standards and protocols and gather data on strategy and performance on material sustainability issues such as human rights and decarbonization. The portal serves as a central management platform which will also enable us to cascade our performance targets in pursuit of key strategic commitments such as our SBTi emissions reductions targets. Supporting our suppliers, the Portal will provide training and guidance on our material issues, overseen by our sustainable supply chain team.

# Due diligence

We conduct rigorous due diligence as part of our supply chain management.

## NEW CLIENT OPPORTUNITIES

ERM assesses the risks associated with all new client projects and where appropriate, conducts a more rigorous risk assessment review through our STARR assessment process (Sustainably Transparent Assessment of Risk and Reward). The assessment process specifically considers both the use of the specified supplier and their proposed activity, and when required identifies specific measures which must be implemented as part of the project delivery plan.

## INDIVIDUAL SUPPLIER ASSESSMENTS

During FY25, we carried out sustainability due diligence across our top-tier suppliers to assess material risks, identify opportunities for engagement and strengthen alignment with our governance standards. This process also informed our efforts to pinpoint areas for performance enhancement in line with our strategic objectives. While the analysis covered the overall scope of supplier sustainability governance and performance, it placed particular emphasis on our material topics, including human rights, climate and nature.

## ONGOING MONITORING

While the detailed assessments supported our annual double materiality assessment, ongoing monitoring is conducted of suppliers through project delivery, to ensure that operational performance continues to align with our requirements. Periodic reviews are also carried out as and when required or in response to any issues or concerns raised by our project or client teams.

## GRIEVANCE MECHANISMS

As outlined in the Governance section of this report, ERM addresses any potential issues of non-compliance with our codes of conduct, policies and protocols. We have established grievance mechanisms which our suppliers and their workforces can use, in addition to our wider stakeholders, who can also report any issues or concerns regarding to our suppliers.

# Focus areas for our supply chain management

## MANAGEMENT OF HUMAN RIGHTS

Through our FY25 country-level due diligence assessments, we explored opportunities to enhance our supplier governance and exercise of care in respect of human rights. The assessment explored opportunities to further formalize aspects of our due diligence processes, taking into consideration new and emerging country specific requirements. As with all multinational companies, the challenge lies in ensuring consistency of standards and process, while also recognizing issues specific to the diverse socio-cultural and political contexts within which we operate. Building on the actions emerging from the assessment, during FY26 we will continue to evolve our governance, due diligence and human rights risk approach to support supplier procurement and management consistent with our Human Rights Strategy, Human Rights Policy, purpose and values.

## SUPPLIER DIVERSITY

Supplier diversity involves engaging a wide range of suppliers—including small businesses and those owned by underrepresented groups—to build a more equitable and sustainable supply chain. ERM’s Sustainable Supply Chain Strategy and Procurement Policy promote inclusive sourcing by encouraging partnerships with suppliers that reflect the diversity of the communities in which we operate and by supporting spend with diverse-owned businesses.

To increase visibility into diverse spend within our supply chain, the new ERM Sustainability Supplier Portal includes monitoring of diverse-owned suppliers, enabling us to develop targeted initiatives across sectors and regions. These initiatives include analyzing client requirements to identify opportunities for responsible spend with diverse-owned businesses and offering tailored capacity-building workshops to enhance transparency across our procurement processes.

## DECARBONIZATION

During FY25, due diligence was conducted to understand our suppliers’ maturity in terms of climate and decarbonization strategy, reporting and reduction targets. The due diligence exercise highlighted divergent strategic approaches and level of commitment to decarbonization amongst our supplier base. Whilst many of our suppliers have established science based targets, there remain those for whom this is still in development and who will require support to map and implement an emissions reduction program. The outcomes of this work are informing the next phase of our supplier engagement program and guiding how we aim to achieve our SBTi target: ensuring that, by 2028, 45% of our suppliers by emissions—covering purchased goods and services—have science-based targets in place.

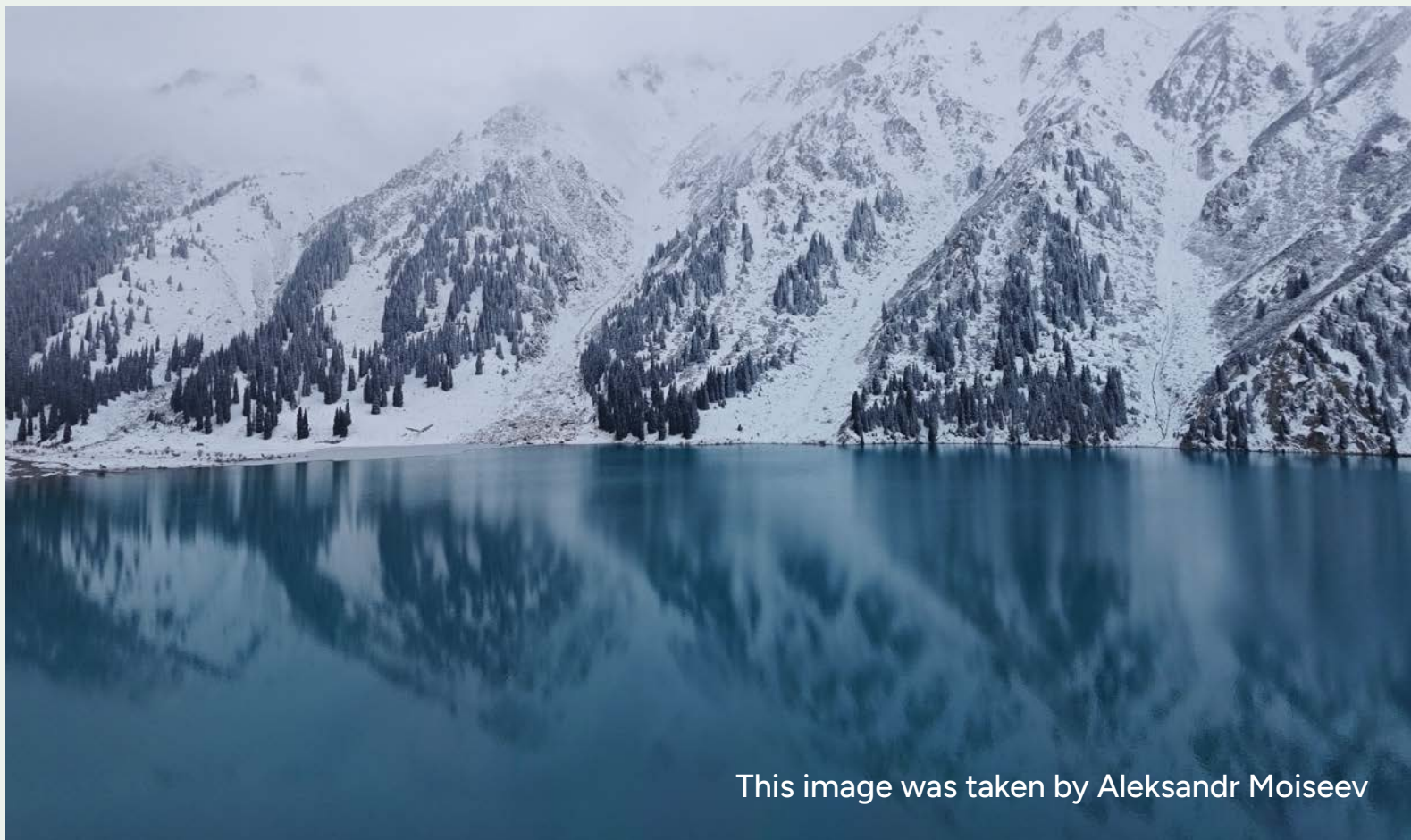


Read ERM’s blog on human rights in mining supply chains.

As risks increase for the mining industry, human rights shows the way forward



This image was taken by Hanh Nguyen



# Client services & partnerships

## Client services

Although the management of our own supply chain is of greatest material impact to us, we also support our clients to sustainably manage their own supplier base. Through the provision of these services, we extend and sustain our material impact.

ERM supports organizations in navigating the complex challenges facing supply chain management, accelerating transformation to gain competitive advantage and deliver positive impact with future-fit products and resilient, sustainable supply chains. By improving safety, compliance, resilience and ethical responsibility, we help clients drive positive environmental and social impact on a global scale.


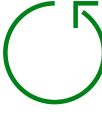



We believe that greatest impact can be generated through an integrated and iterative business approach which embeds sustainable supply chain management within core operational strategy.



“Today’s leading organizations know that resilient, transparent and sustainable supply chains aren’t just good practice - they’re a competitive advantage. By addressing supply chain risks through sustainability principles, companies can build trust, drive innovation and lead with purpose in a rapidly evolving global market.”

**Olaf Schatteman,**  
**Global Service Leader for Sustainable Products & Supply Chain**

### ERM’s related services & solutions

-  **Sustainable Product & Portfolio Transformation**
-  **Sustainable Sourcing & Supplier Management**
-  **Driving Towards Circularity**
-  **Global Product Stewardship & Market Enablement**
-  **Responsible Product, Supply Chain & Supplier Compliance**
-  **Supply Chain Decarbonization**

Further information on our solutions can be found on [erm.com/solutions](https://erm.com/solutions).

## ERM & OPTEL partner to advance supply chain visibility and reporting

ERM has formed a strategic partnership with OPTEL, a leading provider of end-to-end and highly granular traceability solutions that help businesses unlock the potential of intelligent digital supply chains.

The partnership has been developed as businesses are increasingly required to track and report their supply chain performance in line with rapidly evolving environmental regulations including the EU Deforestation Regulation (EUDR) and EU Corporate Sustainability Reporting Directive (CSRD), the Carbon Border Adjustment Mechanism (CBAM), and the Digital Product Passport (DPP).

By blending ERM’s expertise in corporate and product sustainability with Optchain™ – OPTEL’s advanced digital supply chain platform– capabilities, the partnership will not only enable clients to meet their regulatory requirements but will also help them to drive performance improvements across their supply chains in support of sustainability goals.



“This partnership with ERM enhances our mission to advance supply chain transparency and sustainability. By integrating OPTEL’s traceability technologies with ERM’s sustainability expertise, we empower clients to exceed regulatory expectations and achieve their sustainability objectives efficiently.”

**Florent Bouguin,**  
**Chief Technology Officer, OPTEL**

## Supply chain partnerships & collaborations

ERM has an expanding ecosystem of partners across each key area of the sustainability value chain, enabling us to meet our clients’ evolving needs and scale our impact.

World Business Council  
for Sustainable Development

Circular Electronics Partnership

Responsible Business Alliance

Responsible Minerals Initiative



This image was taken by Emma Neff

# Technology & Generative AI



This image was taken by Pedro Rosario

Technological advancements support ERM’s own operational management and the basis of our ever growing digital services and solutions to support our clients transform their own businesses. With the exponential growth of digital technologies and Generative Artificial Intelligence (Gen AI), comes the challenge for businesses to capitalize on the significant potential which they generate but mainstream their usage in a responsible and sustainable manner. Increasing data centre usage and technology infrastructure requirements also present a wider societal challenge of ensuring that associated environmental and social impacts are carefully monitored and responsibly mitigated.

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# Why this topic is material to ERM

Technology is embedded in the management of our offices and people and supports our supply chain engagement. It is materially important in both parts of our value chain but deployed at greatest scale and impact through our direct operations. Technology and the use of Gen AI enable us to drive operational efficiency, capture and manage data at scale and deliver our services and solutions effectively.

Digital transformation and the proliferation in use of AI, has required a significant increase in the use of data centers with associated environmental impacts including increased energy use, carbon emissions and water consumption. There are also social impacts from the significant increase in the construction of new data centers near to residential areas which has, at times, caused concern within local communities. More broadly, the expanding use of technology and Gen AI has brought into focus the ever increasing digital divide which exists within society and the impact on employment opportunities which is posed by the use of AI.

We are closely monitoring the environmental and social implications of Gen AI, with a particular focus on carbon emissions, water usage and societal impact, as we continuously evolve our understanding and application of Gen AI within our business.

We also sustain impact by delivering digitally enabled services to our clients and, through our partnerships, by implementing technology and Gen AI systems for organizations.

To recognize the enormous potential, the need for responsible deployment, and the scale of impact it assumes across our value chain, we are identifying it as a material topic for our business for the first time.



## Technology & Generative AI

Supply chain	●
Direct operations	●●
Client services	●●
Partnerships	●
Wider society	●

## Scale of impact

- Low
- Medium
- High

# Targets & performance

Data privacy and cybersecurity are core to ERM’s operations and values. We met our FY25 target of no reportable data privacy breaches and this reflects our strong governance and proactive risk management. To support this, we continued to enhance our internal policies and systems, achieving certification against the latest International Organization for Standardization/ International Electrotechnical Commission (ISO/IEC) 27001:2022 standard.

We are aligned with global best practices and committed to protecting sensitive information and maintaining stakeholder trust in an evolving digital landscape.

Further details are set out in this section, with information on how we sustained our impact in driving responsible use of technology and Gen AI across our operations, those of our clients and in collaboration with partners.

Our FY26 headline targets reflect our ongoing focus on cybersecurity and data privacy and the promotion of responsible use of Gen AI across our organization.

### Managing the footprint of our technology and Gen AI use

ERM manages its technology footprint through initiatives such as promoting asset reuse and recycling through IT Service teams, optimizing data center operations, encouraging the responsible use of generative AI and prioritizing video conferencing as the preferred method of communication in alignment with our travel policy.



This image was taken by Simon Cochrane

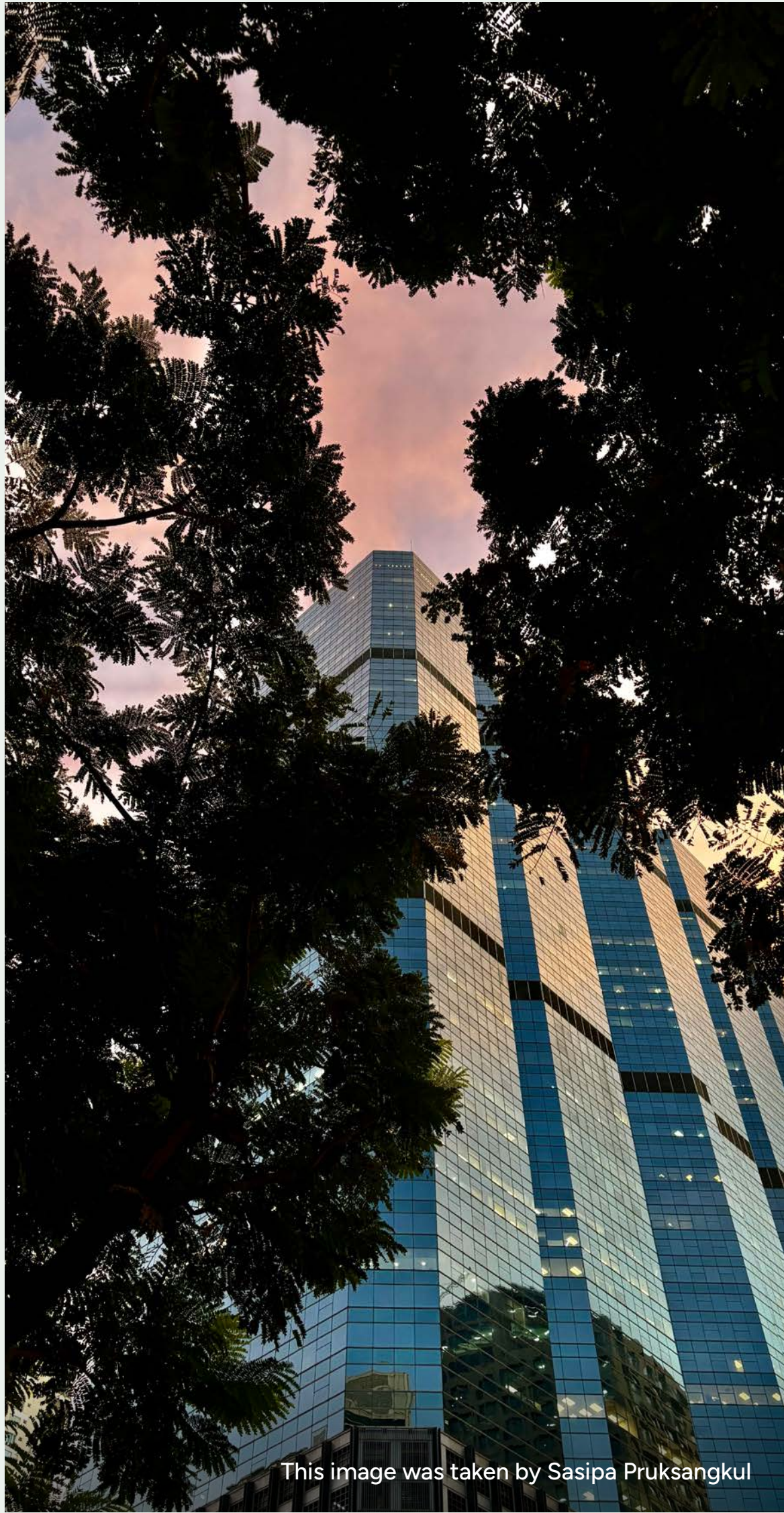
FY25 HEADLINE TARGET	PERFORMANCE
Achieve no reportable breaches of data privacy.	✔ Achieved
FY26 HEADLINE TARGETS	
Achieve no reportable breaches of data privacy.	
Implement Responsible AI training for all employees through the ERM Academy.	

# Our approach

## GOVERNANCE

Companies around the world are embracing innovation and seeking new opportunities for value creation through 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.

With information assets becoming increasingly valuable to organizations, ERM has established systems to safeguard the confidentiality, integrity and availability of data within our own operations. Our policies and processes ensure 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 comprises policies, procedures and best practices to shield information assets from unauthorized access, misuse, exposure, destruction, alteration and interruption.



This image was taken by Sasipa Pruksangkul

## CYBERSECURITY

Threats to cybersecurity are a growing risk for any business and 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 these are regularly reviewed. We are independently assessed against standards including the International Organization for Standardization 27001 and are certified against the latest ISO/IEC 27001:2022.

ERM has a dedicated cyber and information security team comprising of cybersecurity engineering, operations, governance, risk and compliance. The team is led by the Global Chief Information Security Officer. We have strong security controls based on the principles of defense and adopt a threat-led approach to ensure that the controls we implement are appropriate and effective. Our Security Operations Centre is managed around the clock to investigate security events and alerts.

Our Information Security Incident Management Policy, Security Incident Response Plan and supporting procedures ensure consistent incident handling. The response plan is tested annually to validate effectiveness and identify improvements. ERM runs a vulnerability management program using up-to-date tools and procedures to detect and address risks. Annual security testing informs ongoing refinements to strengthen our defenses.

Despite the technical protections ERM has in place, we know the first layer of defense is our people. We provide robust mandatory cybersecurity training to all employees and regularly test employees’ ability to identify fake emails through simulation exercises. We will continue to focus on training and testing employees in FY26.

DATA SECURITY AND PRIVACY

Protecting personal data privacy and upholding integrity and trust is of upmost importance to ERM’s business operations. The ERM Data Privacy Notice details how we handle personal data collection and processing through contact collection and engagement with clients, suppliers and other external parties.

ERM adheres to all the relevant privacy laws in the areas and jurisdictions in which it operates and 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 and affiliated companies. Employees face disciplinary measures for non-compliance.

Acquired companies and joint ventures are engaged collaboratively to ensure compliance with ERM’s privacy standards. We use an appropriate data processing agreement to reflect both the nature of the personal information being processed and the jurisdictions in which we are working. All third parties with whom we share ERM personal data or where we are using sub processors are evaluated accordingly.

The ERM Technical Operating Measures Schedule provides assurance to clients that we have the necessary controls and measures to identify and safeguard personal data. Privacy assessments are conducted to ensure we understand the risk when bringing in new technologies or services which will involve the processing of personal information, and these are used to ensure the most appropriate controls are in place.

Data privacy training, which covers awareness and current standards and policies, is a critical component of the training for all employees, especially for those processing client personal data.

We are committed to the continuous improvement and ongoing development of our data protection framework to address evolving laws and regulations, new technologies and business activities. We work closely with our IT, Human Resources and Business Enablement teams to ensure a holistic approach to security, the use of personal data and the development of new controls.

GEN AI

The potential of Gen AI is reshaping how companies use technology. Government regulations and growing interest in sustainability-focused innovation are prompting organizations to explore Gen AI applications across a range of areas - from energy optimization and emissions reduction to sustainable material identification and climate resiliency planning. Like many companies, ERM is gradually increasing its use of Gen AI across our operations and in the delivery of services to clients.

We use Gen AI and machine learning responsibly to enhance our services, boost productivity and improve client experiences. Recognizing both the opportunities and risks of Gen AI, we have developed a comprehensive Gen AI 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 use across our business. Our AI governance committee is dedicated to overseeing and refining our Gen AI integration and we are committed to the ethical use of Gen AI. Through these initiatives, ERM is poised to harness the transformative power of Gen AI while mitigating potential risks.

ERM’S SEVEN GUIDING PRINCIPLES FOR RESPONSIBLE AI

- 1 **Transparency** - ERM explains its intentions and methods, and reports on performance.
- 2 **Governance** - ERM assesses and manages products based on values, obligations, and best practices.
- 3 **Accountability** - ERM takes responsibility for its actions and outcomes.
- 4 **Environmental sustainability** - ERM prioritizes sustainability and manages AI’s environmental impact.
- 5 **Safety & privacy** - ERM protects personal data and ensures product security.
- 6 **Human & nature positive** - ERM enhances AI’s benefits while minimizing harm to people and the planet.
- 7 **Fairness** - ERM addresses bias using fair data and methods.

# Client services & partnerships

## Client services

One of the key ways in which we scale and sustain our impact is through the delivery of our technology and embedded Gen AI capabilities to clients. These services are central to how we help organizations navigate complex sustainability challenges, including the transition to a low-carbon economy, as well as being material to ERM’s business. By integrating advanced digital solutions into our offerings, we enable clients to make data-driven decisions, accelerate progress towards their sustainability goals and build resilience in a rapidly evolving world.

ERM offers a fully integrated, end-to-end suite of services to support clients through every stage of their climate digital transformation journey. By combining expertise in sustainability consulting, digital technologies, and sustainability data management and disclosures, we support clients to develop actionable, digital-first strategies that integrate decarbonization pathways, climate risk management and

sustainability data initiatives into their existing business models.

Our technology portfolio now contains an array of products directly created to meet identified need and positions strongly to capitalize upon growing market demand. This includes AI-driven carbon monitoring and life-cycle assessment tools which provide data-driven insights into how businesses can optimise their operations and incrementally deliver decarbonization. These technologies are augmented by commercial partnerships with many third-party digital software providers.

We work with clients across sectors to assess and support data and Gen AI maturity, readiness and governance frameworks. ERM integrates Gen AI into its tech-enabled and digital products to support setting measurable targets and evaluating performance against various commitments, including corporate goals and international reporting standards.

### ERM’s Digital products



#### ERM Energy & Emissions Performance

Discover new actionable insights for energy and emissions efficiency.



#### ERM Compliance

Know your legal requirements around environment, health and safety. Anywhere. Anytime.



#### Conformance Management

ERM’s SaaS solution that brings sustainability standards into one smart workflow.

This image was taken by Camila Avilés Iлама

CASE STUDY

Detecting energy inefficiencies and excess emissions in large scale operations

Bumi Armada Berhad (BAB), an international offshore energy facilities and services provider, is leveraging the ERM emissions.AI platform to enhance the sustainability of its operations. On one of its production vessels in the UK North Sea—which requires significant energy to support ongoing activities—Bumi Armada Berhad is using emissions.AI to support its energy and emissions reduction.

Enabled by ERM’s emissions.AI, the client operations team ran various optimization trials across the asset to drive improvements in energy efficiency, emissions reduction, pollutant management, flaring minimization, and equipment reliability.

The client could identify and demonstrate that adjusting the temperature set points on steam production equipment by just a few degrees Celsius could reduce energy requirements and associated fuel demand by 5%. This translates into avoided energy costs of \$6.5 million per year and a meaningful reduction in environmental impact. Importantly, this change had no negative impact on production and was seen as a significant gain from the deployment of emissions.AI.



“With the speed and scale of this AI-based solution, we can now see the full picture in real time and understand how even small changes in configurations can yield significant environmental and financial improvements.”

**Dr. Helen Drewery,**  
**Environmental Advisor, Bumi Armada Berhad**

CASE STUDY

TE Connectivity streamlines global compliance with Libryo

TE Connectivity is a global manufacturer of interconnection solutions that stretch across communication solutions, transportation and general industrial with thousands of employees worldwide. With every site operating under ISO 14001 and ISO 45001 standards, TE Connectivity needed a centralized solution to identify relevant legal obligations, track changes, and support ongoing compliance.

TE Connectivity implemented ERM Libryo’s digital compliance platform across 20 operational sites, which proved ideal for it’s multinational operations.

It ensures site-specific legal requirements are continuously updated and accessible, with multilingual support enabling local teams to conduct due diligence independently. The intuitive interface and live chat support made onboarding straightforward.

TE Connectivity now benefits from improved visibility into compliance activities and Libryo’s targeted notifications ensure users are only alerted when relevant changes occur, helping TE Connectivity maintain ISO standards and build a proactive compliance culture.



“It’s been a privilege to grow a long-term partnership with the TE Connectivity team—from a single UK site in 2019 to a global rollout in 2025—and most rewarding to see the ERM Libryo platform empowering their teams worldwide to confidently navigate EHS responsibilities.”

**Malcolm Gray, Partner, ERM**

TECH IN ACTION: DRIVING SUSTAINABLE OPERATIONS

During FY25, ERM sustained its impact through the delivery of technology and Gen AI projects at scale for our clients, supporting key aspects of operational management from strategy development to supply chain decarbonization. We also deployed our technical expertise to support our ERM Foundation partner organizations.

DIGITAL PROJECT AREAS	NUMBER OF PROJECTS
Digital strategy development and solution design	250+
Digital solutions for supply chain and product decarbonization differentiators and tools	60+
Digital technology implementation and process change management	400+
AI strategy and implementation	20+

CASE STUDY

Spatial Intelligence in Action: Mapping Conservation with SOS and ERM Foundation



This image was taken by SOS / Zac Mills

An ERM Foundation pro bono project for the Sumatran Orangutan Society (SOS) was shortlisted for the Esri ArcGIS StoryMaps Competition in FY25. The team used ArcGIS technology to help SOS better understand complex geographical challenges and to present decades’ worth of data in a clear,

accessible format. This work highlights the vital efforts SOS is making to restore ecosystems in Sumatra.

You can read more about their work here: [Connecting Orangutan Landscapes](#).

# Partnerships & collaborations

Working in partnership with like-minded organizations, we sustained our impact in promoting responsible use of technology and Gen AI for the benefit of our clients and broader society. At a time of misinformation and deep fakes, it is imperative that we promote integrity in data and disclosure to support stakeholder confidence in reporting.

## Responsible AI Institute

ERM contributed to a new white paper led by the Responsible AI Institute, titled AI’s Impact on Our Sustainable Future: A Guiding Framework for Responsible AI Integration Into ESG Paradigms.

The white paper presents a practical framework for responsibly integrating AI into ESG strategies to enhance sustainability commitments and it provides, a lens to holistically evaluate AI projects for associated risks such as energy use, bias and privacy concerns.

[Read the full white paper here.](#)

## THE SUSTAINABILITY VALUE CREATION PARTNERSHIP

During last year, ERM became part of a pioneering new research partnership bringing together five leading organizations with a shared vision for advancing enterprise-wide value creation based on sustainability: Accounting for Sustainability (A4S), SustainableIT.org, Salesforce, GlobeScan and the ERM Sustainability Institute.

The partnership aims to accelerate how companies can most effectively integrate sustainability across corporate functions including finance, technology, and sustainability to drive long-term value.

Key steps include integrating the latest transformational technologies, particularly Gen AI, which must be scaled effectively and responsibly across enterprises and industries.

## CASE STUDY

### ERM and Truescape Partnership for next generation visualizations

ERM has formed a strategic partnership with Truescape, a visualization expert which transforms complex technical data into clear, engaging visuals and specializes in the mining, energy and infrastructure sectors.

Together, ERM and Truescape deliver advanced tools that transform engineering and environmental data into survey-accurate, photo-realistic simulations. This supports client communications in a way that improve stakeholder understanding, reduce risk and support better decision-making across the full project lifecycle — from design to permitting, construction and operations.

The partnership reflects ERM’s commitment to expanding its innovation ecosystem. Together, we are equipping clients with powerful tools to enhance stakeholder engagement and deliver sustainable infrastructure more effectively.

“We’re seeing an increase in AI-generated visual content designed to mislead or misinform. The most effective way to counter this is by producing visuals that are equally compelling but grounded in accurate data and built to communicate facts with clarity and integrity.”

**Sam Chaffey,**  
Founder and CEO at Truescape

# People



This image was taken by Alline Lopes

At ERM, we exist because of our people. The breadth and depth of our industry-leading technical expertise drives our service delivery and trusted advisory status with clients and partners. Our passion and commitment enable us to collaborate and develop impactful partnerships with like-minded organizations across the globe. It is also through our people that we sustain our operational sustainability performance and create a workplace of which we are all proud.

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# Why this topic is material to ERM

People is a material topic for us across all aspects of our value chain but is of greatest significance in terms of our direct operations and the management of our workforce. We are committed to protecting the health, safety and well-being of those who work for us as well as supporting them in the development of their technical expertise and careers.

Our commitment to health, safety and well-being also applies to our supply chain workforce and specifically those whom we commision to support us in the delivery of our services to clients. This is of material importance to us and we seek alignment of workforce standards between our own and those of our suppliers.

ERM supports our clients to drive forward health and safety standards within their own organizations and through this we have a material impact. We seek to partner with like-minded organizations and contribute to wider society through which we have a smaller but, nonetheless, material impact.

Through the collective contribution of our people, our suppliers, clients and partners, we create and sustain impact that meaningfully contributes to a sustainable future.



This image was taken by Andrea Capera

## PEOPLE

Supply chain



Direct operations



Client services



Partnerships



Wider society



## Scale of impact

- Low
- Medium
- High

# Targets & performance

Last year we maintained our focus on attracting, developing and retaining talent through strong engagement and responding to employee feedback.

During FY25, we sustained our impact by continuing to evolve our training and leadership programs, proactively engaging and catering to the needs of our employees. Our initiatives enable access for everyone across our diverse and inspiring workforce.

We implemented innovative programs, such as ‘Security to Thrive’, and an array of skills and leadership initiatives which engaged people across our global operations. Central to people management is our Diversity, Inclusion and Belonging (DI&B) program which saw us review and reshape our Employee Resource Groups (ERGs) to drive engagement in sections of our employee base and provide visible representation (see DI&B overview).

In FY25, there has been an increase in the number of women and people from minority groups within the business. Increased representation will continue to be a focus for us during FY26.

ERM’s voluntary turnover rate decreased during FY25 but was offset by a slight increase in our involuntary turnover rate, resulting in a combined turnover that was marginally above our FY24 level but still below industry average rates.

We are retaining our focus on turnover during FY26, alongside our ongoing commitment to employee engagement and training.

FY25 HEADLINE TARGETS	PERFORMANCE
Implement ‘Security to Thrive’ Program.	✔ Achieved
Increase participation in ERG groups by 10% from FY24.	Goal changed
Achieve combined voluntary and involuntary turnover rates below FY24.	✔ Partially achieved
Improve talent brand as measured by brand awareness metrics.	✔ Achieved
Increase representation of women and minorities at Partner and Director levels from FY24.	✔ Achieved
FY26 HEADLINE TARGETS	
Implement Evolving our Manager program.	
Increase representation of women and minorities in leadership roles.	
Achieve employee engagement above industry average.	
Achieve voluntary turnover below industry average.	

# Attract, develop & retain talent

## ATTRACTING AND RETAINING TALENT

ERM is committed to attracting passionate professionals from around the world who share our purpose and values, which are at the heart of everything we do. We believe our ethos, blend of world-class expertise and vibrant working environment enable us to attract and retain the highest caliber of professionals across the globe.

We provide our employees with meaningful opportunities for professional and personal growth through innovative client projects, continuous learning and development, ERGs and global partnership networks. All employees have the opportunity to be part of the ERM Foundation, which opens up new opportunities to work with social enterprises and communities across the globe.

Like many organizations, our workplace has evolved significantly in recent years and we have adopted a hybrid working model that reflects the global nature of our business, meets client expectations and offers greater flexibility for our people.



**Life at ERM**  
Employees share their stories in their own words, bringing to life what we do. Read more stories from ERM employees at [Life at ERM](#).



“There is a real togetherness at this company, a strong sense of common purpose. ERM lives by its values, from boots to board room. It’s not just talk, but something we do in a realistic, practical way – it’s how we make an impact.”

**Ali Hasan, Consultant, ERM**

We believe in a balanced working approach, respecting our employees’ time with their families and communities. We value engagement with our people and undertake regular engagement through staff calls, drop in sessions with our ExCom and engagement surveys.

## LEARNING AND DEVELOPMENT

Learning is central to our people management strategy, enabling professional growth for employees and facilitating our service delivery to clients. We employ individuals who are passionate about learning and growing, so our commitment to supporting that growth is critical.

The ERM Academy is our central hub for training, through which we facilitate career-long learning across our many and diverse technical and business enablement teams. Supporting this, we have an array of programs and initiatives that provide opportunities for employees to develop their technical, project management and leadership skills.



“Being part of a global community means I get the chance to collaborate with teams from different geographies – the international experience has broadened my perspective on how data drives sustainability around the world.”

**Shalini Mukhopadhyay,  
Principal Technical Consultant, ERM**

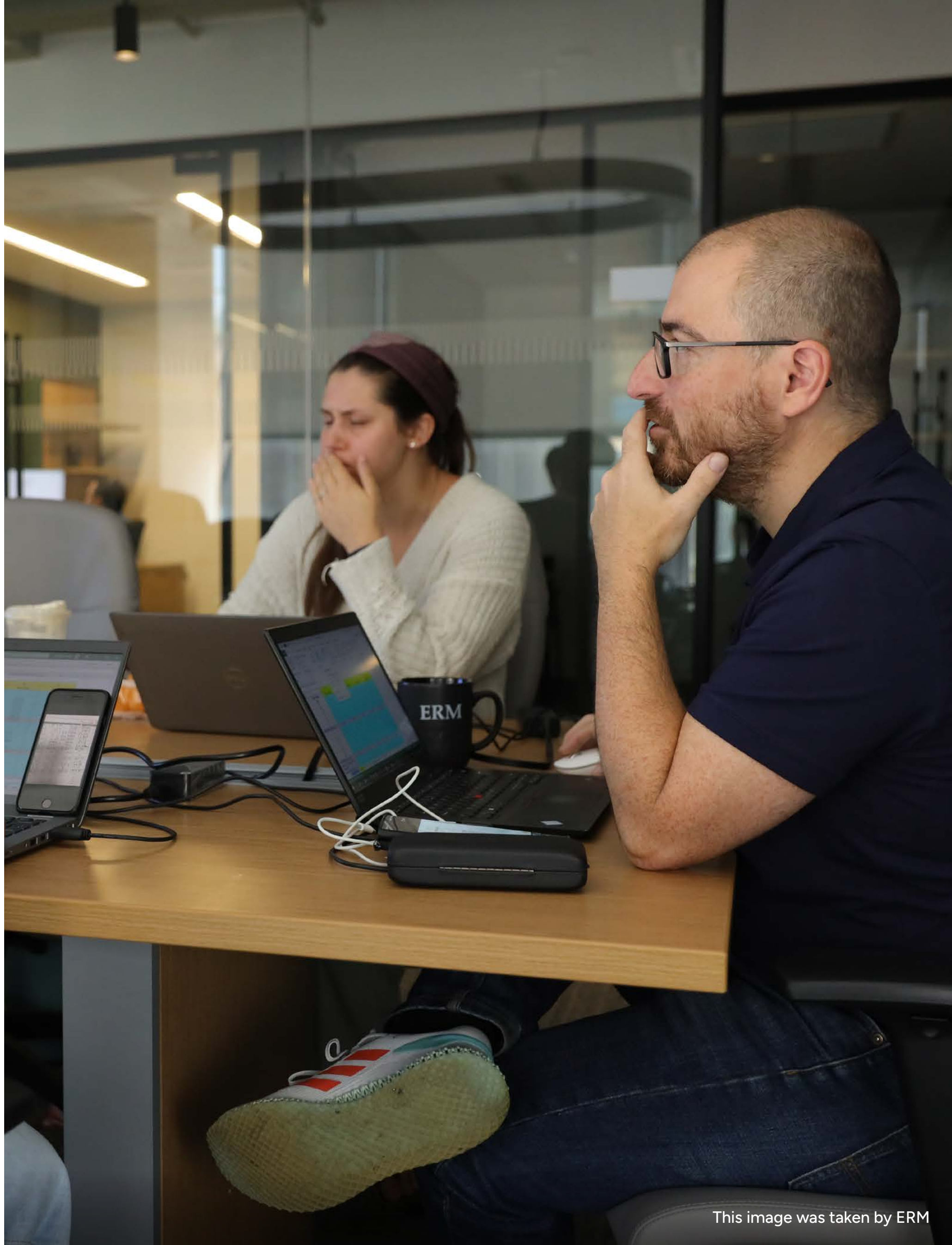
## EMPOWERING OUR FUTURE LEADERS

Aspire is ERM's flagship talent development program, purposefully designed to cultivate the next generation of leaders. This annual, nomination-based initiative engages a global cohort of mid-career professionals, offering them a transformative journey of growth, learning and leadership development.

In FY25, Aspire welcomed its largest global cohort ever and introduced internships to complement the existing project element of the program. These internships provided selected participants with the opportunity to collaborate directly with Business Leaders on critical, high-impact projects and strategic initiatives.

“The Aspire program has not only deepened my professional skills but has also solidified the value of collaboration, adaptability and continuous learning in achieving success as a team.”

**Khaliq Abu Bakar,**  
Regional Health and Safety Director, Malaysia, ERM



This image was taken by ERM



This image was taken by Jessi Campbell

## TECHNICAL COMMUNITIES – INNOVATION WITHOUT BORDERS

Our 29 Technical Communities (TCs) bring together specialists from across the company to collaborate, innovate and elevate best practices. The communities provide an engaging and inspiring working space for debate and development, incorporating global perspectives and building capabilities.

Our employee surveys reflect the high importance that colleagues place on our technical communities and their ongoing expansion reflects the sheer diversity of skills within the company. By nurturing technical talent in these communities, we not only strengthen individual careers but also increase the impact our people make through client work and cross-functional collaboration.

## Careers Festival: Inspiring growth and empowering futures

ERM's Careers Festival is designed to enhance transparency around career pathways and elevate career development across the company. This global initiative provides access to valuable tools, resources and peer connections, while offering inspiring insights from senior leaders sharing their career journeys. Tailored sessions for early, mid and leadership-level professionals ensure meaningful engagement and support at every stage of a person's career.



This image was taken by Lubin Grosbuis

## HIGHLIGHTS OF FY25

**Widespread engagement and growth:** More than 6,600 members across all business units took part in TCs, with a strong presence from newer staff, highlighting TCs' role in onboarding and integration.

**Extensive learning and collaboration:** TCs hosted more than 180 global meetings and delivered over 150 hours of training, with stand out contributions from Site Investigation, Safety and Project Management communities.

**Skills and knowledge development:** All 29 TCs collaborated with the Skills Team to identify more than 2,300 technical skills and align these to training and development pathways.

**Recognition and impact:** 98 employees were recognized for technical excellence through conference presentations and publications.

# Technical Recognition Awards

ERM’s Technical Paper and Publication Recognition Awards celebrate ERMers for showcasing thought leadership at industry conferences and forums. Here are a small selection of the 2025 award winners.



“Lone working: safety planning, risk awareness, and emergency communication” presentation for American Society of Safety Professionals



“Demystifying the Use of Artificial Intelligence in HAZOP Studies: A Case Study of a Primary Wastewater Treatment System” presentation for the 10th Latin American Conference on Process Safety



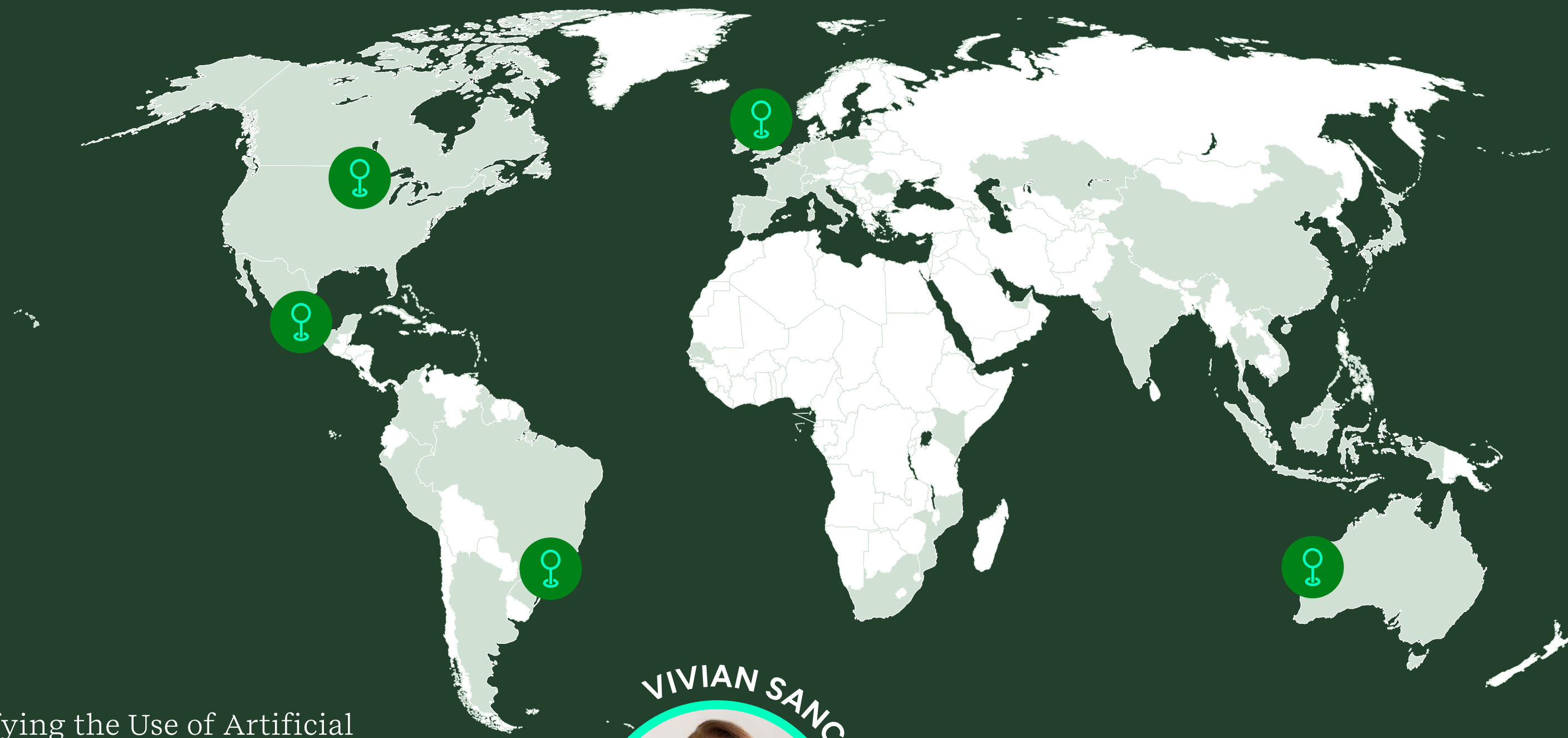
“Holistic Approach to Redefine Mine Closure Plan” publication for the 5th International Congress on Planning for Mining Closure



“Mapping risk to Atlantic Herring and Sandeel for offshore decarbonisation projects” presented at the International Association for Impact Assessment 2024 conference.



“Ammonia - an assessment of potential environmental impacts including prevention and mitigation measures” article for the Australian Energy Producers Journal



# Diversity, inclusion & belonging

As a global business, we are proud of our diverse and inclusive culture, where creating a sense of belonging is essential to making ERM a great place to grow a career.

We believe our diverse skills, experience and approaches enable us to develop tailored solutions for the complex challenges faced by our clients and the communities we support and drive positive impact for the world.

We are building a workforce that mirrors the communities we serve, where every employee feels respected, empowered and able to thrive. We embed inclusion and belonging into our everyday practices supported by customized systems and tools.

More than a decade ago, we formalized our commitment to these values with our first global diversity policy. Since then, we’ve continued to nurture an inclusive environment where everyone is valued for the perspectives and experiences they bring.

**EMPLOYEE RESOURCE GROUPS**

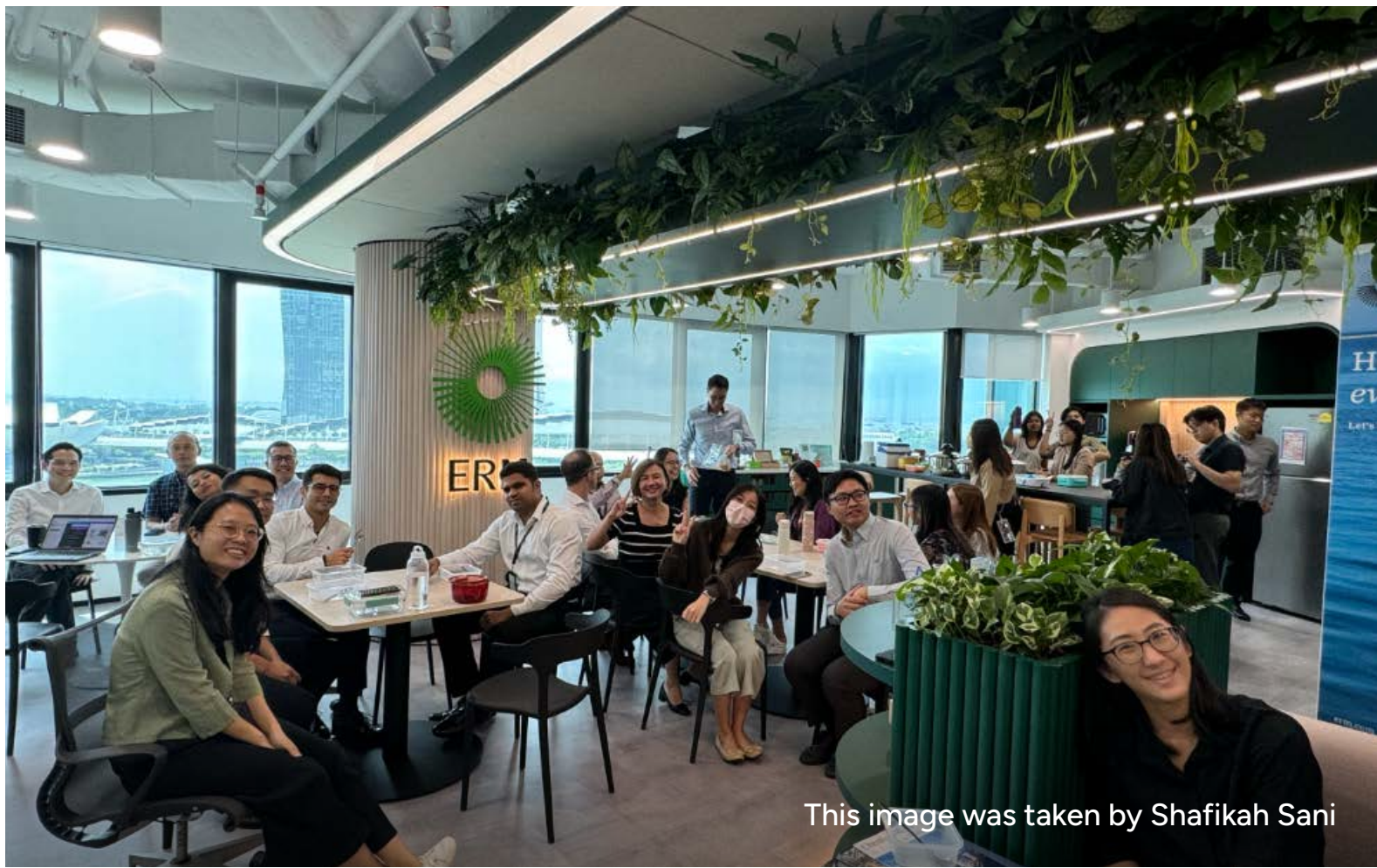
Communities formed by employees who share common identities or interests, along with their allies, Employee Resource Groups (ERGs), are open to all employees at ERM globally. These groups offer a sense of connection and belonging, while also supporting the company’s broader inclusion and belonging goals. ERGs serve as collective voices for employees representing various dimensions of diversity - such as gender, ethnicity and sexual orientation - and help foster a more inclusive workplace.

Each year, ERM recognizes key global observances through events that reflect our commitment to fostering an inclusive and globally aware workplace.



**New ERGs created in FY25**

Responding to feedback, during FY25 we changed our target to focus on extending our suite of ERGs to facilitate further representation of our employees. We introduced three new ERGs to reflect the evolving diversity of the workforce. The Asian Professionals Network, the Black Professionals Network and the Hispanic/Latinx Professionals Network create a platform for communities and allies to come together across the globe, share experiences and provide support and career development opportunities.



## LEAD – Our sponsorship program

The LEAD program aims to build meaningful, long-term relationships between sponsored individuals - employees seeking professional growth - and sponsors - senior leaders who advocate and guide others. LEAD comprises four key stages of developing a beneficial relationship: Listen (to each other),

Elevate (a skill), Advocate (for opportunity) and Dedicate (new experiences). All participants receive tailored training and engage in structured activities that foster career development, expand internal networks, and deepen their understanding of ERM. After the initial program, participants remain engaged on a more informal basis. The program especially supports underrepresented groups by matching them with sponsors aligned to their career goals and development needs.



“The LEAD program provided me with a unique opportunity to learn from a seasoned energy transition expert whose 20+ years of journey mirrors my aspirations.”

**Dhruv Jhaveri,**  
**Senior Analyst, ERM**



“Thanks to LEAD and my sponsor, I successfully facilitated a Core Consulting Skills training module and delivered a workshop for our China team, boosting my confidence and communication skills.”

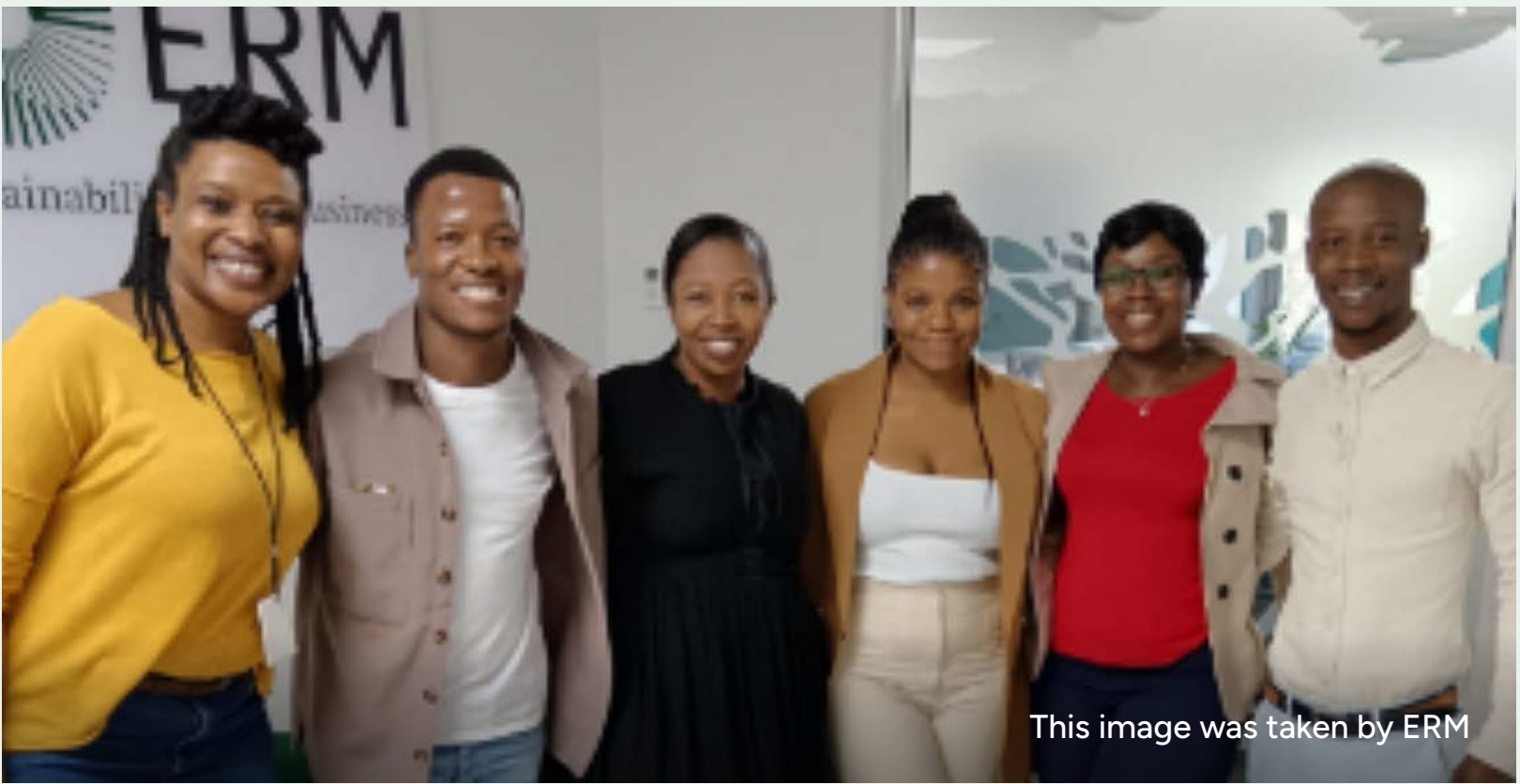
**Fanny Kong,**  
**HR Manager, ERM**

## CASE STUDY

### Broad-Based Black Economic Empowerment (BBBEE)

**BBBEE is a South African government policy aimed at redressing historical economic disparities by promoting the inclusion of Black South Africans in the economy. The ERM Southern Africa approach has two critical pillars - Enterprise and Supplier Development and People Empowerment: Ownership and Skills Development.**

ERM’s commitment to building skills and continuous development is reflected in our investment to structured training programs, learnerships and internships aimed at upskilling Black employees



and unemployed youth. These efforts ensure a pipeline of skilled professionals who can contribute meaningfully to the economy.

ERM participates in Youth Employment Services (YES), which is South Africa’s largest and most impactful not-for-profit dedicated to addressing the youth unemployment crisis in South Africa by creating 12-month quality work experiences for unemployed youth. Since the start of the program, we have absorbed 20 youth into our business and hired 17 interns into full-time employment.

“At ERM, ‘Impact Ignites Us’ and through meaningful investment in our communities and suppliers, we create shared value that delivers lasting societal impact and drives sustainable growth for our business.”



**Krishni Maduray,**  
**Transformation Director, ERM**

# Health & safety

At ERM, health and safety is fundamental to our organizational culture and our top operational priority. We take all necessary steps to protect people working for or representing ERM and those in and around our work areas. Safety is an essential shared responsibility - everybody at ERM plays a role in ensuring a safe work environment.

The ERM Stop Work Authority is our formal policy which empowers every ERM employee to temporarily stop any ERM-controlled work activity if they believe it presents a risk to health, safety or psychological well-being to themselves, their colleagues or others.

ERM’s comprehensive Safety Management System helps us manage health, safety and environmental risks and aligns with international standards set by the International Organization for Standardization (ISO). Across our organization, we use the AT ERM framework to guide our safety practices and maintain our focus on continuous improvement:

A

**Active leadership**

Safety leadership is expected from everyone and enforced through our Active Leadership Audit Program.

T

**Training and competency**

ERM ensures all employees are equipped with the skills and knowledge needed to work safely.

E

**Emphasizing positive safety**

Safety achievements are recognized regularly, and incidents are treated as learning opportunities.

R

**Risk management**

We use both formal and informal methods to identify, control and monitor hazards including through our travel safety and See. Own.Share programs.

M

**Maintaining balance**

Safety is embedded to ensure ERM employees balance safety and outcomes.

Together, these five pillars help our workforce understand and communicate the core elements of our safety program. They also guide us in identifying opportunities to enhance our safety performance.



This image was taken by Larisse Silva

CASE STUDY

Health & Safety planning

Project teams carry out Health & Safety planning before any field activity to identify potential hazards and establish measures to eliminate, monitor, manage or reduce corresponding risks. They document this evaluation in project-specific Health & Safety Plans (HASP) based on the scope of work and identified risks.

An example of successful Health & Safety planning occurred during a project in Northwest British Columbia. An ERM employee and a subcontractor were transported to and from a remote monitoring site by a client-contracted helicopter. At the end of the day’s work, a snowstorm began to move into the area. The team attempted to take off, but the worsening weather made it unsafe to fly back to basecamp. The team had to spend the night in the field to wait out the storm.

Thanks to thorough pre-mobilization Health & Safety planning, the team were equipped with emergency communication devices and a survival kit. They informed basecamp that they were spending the night in the field



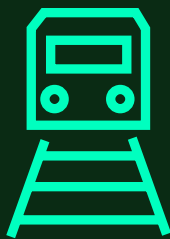
This image was taken by Coby Hall

due to the storm. The survival kit included a temporary shelter capable of withstanding snow and wind and supplies to cook dinner. By the next morning, the weather had cleared and the team safely departed for basecamp.

Understanding risks and hazards and developing a thorough plan in advance are crucial for ensuring safety in challenging environments. We support our clients to prepare them for all foreseeable scenarios, and we operate consistently with this ourselves.



This image was taken by Debojyoti Kundu



Global Travel Policy with Health & Safety embedded in travel systems

ERM’s new Global Travel Policy reaffirms our emphasis on ensuring the safety and well-being of our people while travelling, whilst also travelling sustainably. Through our travel management platform and protocols, we have tailored resources to meet diverse safety needs, including wellbeing considerations, support for LGBTQ+ travellers, incident response protocols and guidance for other at-risk communities.

All travel itineraries are integrated with the International SOS system, which provides real-time travel risk updates and 24/7 support for medical and security emergencies. By combining ERM’s Health & Safety planning tools with these travel systems, we enable our people to travel with confidence and peace of mind, safe in the knowledge that if anything were to happen, help is at hand.

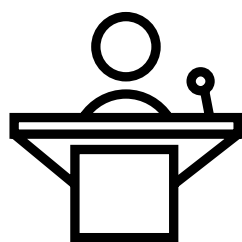
# Well-being

We define well-being as a state of being comfortable, happy and healthy, which encompasses our mental, physical and financial health, self-worth and ability to make meaningful contributions in our workplace and broader communities. When employees feel at their best physically and mentally, and share a sense of safety at work together, they can deliver the most innovative, impactful projects and drive more sustainable solutions.

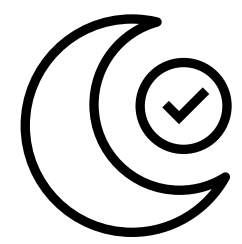
Led by our Global Head of Mental Health and Well-being and sponsored by our Chief People Officer, ERM continues to focus on education, collaboration and destigmatizing issues. With strong collaborations across stakeholders including ERM’s Mental Health Champions, People Programs and DI&B, ERM’s well-being campaigns have gained further momentum again this year.

## STRENGTHENING EMPLOYEE WELL-BEING

We have enhanced our support for employee well-being through a range of global and regional initiatives:



**Global and regional external speaker programs** – reflected regional nuances and included World Mental Health Day, Suicide Awareness Week and Veterans.



**Sleep hygiene campaign** – an ERM social campaign to raise awareness of the importance of quality sleep and promote habits that support better rest and recovery.



**Movement Campaign** – to encourage regular physical activity as a core component of daily well-being, supporting both physical and mental health.

### Security to Thrive

The Security to Thrive program raises awareness of the impact psychological safety has on employees, well-being and performance. It supports employees to foster psychologically safe environments across the business, understanding what this means and how to facilitate the creation of this across our operations. In line with our FY25 target, the program was rolled out across our operations in an initiative that will continue throughout FY26.



“Being one of the Employee Resource Group Leads of the Hispanic/Latinx ERG means holding space for people to celebrate who they are, where they come from and where they want to go together. The Security to Thrive session helped me see how creating that sense of belonging starts with intentional listening, vulnerability and building trust across cultures.”

**Mauricio Sánchez,**  
Senior Consultant, ERM

WHERE CULTURE MEETS CUISINE

As part of our people well-being strategy, a new program ‘Where culture meets cuisine’ was introduced across our global operations. Its aim was to increase well-being through nutritional awareness while celebrating cultural diversity.

This innovative program combined education with fun. Colleagues from around the world contributed recipes, sampled delicious food at office events and attended webinars to broaden their understanding and awareness of the impact of nutrition on physical and mental health.

“The Nutritional Campaign became more than just creative healthy eating, it gave me and my son a memory we will always remember, cooking my mum’s recipe, full of laughter and love.”

Alicia Paricio,  
Regional Diversity, Inclusion & Belonging Manager, ERM



This image was taken by Benjamin Fargeas



This image was taken by Suzanne John

## CASE STUDY

### Enhancing well-being through relational safety in global EHS audits

In the realm of environmental, health and safety (EHS) auditing, trust and open communication are essential - not only for regulatory compliance but for creating a culture that drives long-term operational success and individual well-being. This case study shows how ERM partnered with L'Oréal to include relational safety principles across its global QEHS audit training - enhancing both audit performance and human connection.

Relational safety - the ability to interact in ways that foster trust, empathy, and psychological openness - is especially critical in high-pressure environments such as audits. When auditees feel safe to be open, share, and learn, they are more likely to acknowledge gaps, explore improvements, and engage constructively without fear of blame. This openness leads to deeper insights, more meaningful dialogue, and stronger outcomes. It's not about being agreeable - it's about enabling clear communication, emotional regulation, and empathy-driven collaboration under stress.

This approach is grounded in human physiology. Scientific research shows that when people feel socially safe, the nervous system shifts from a threat response to a state of calm and clarity. This reduces the release of stress hormones, such as cortisol, and enhances higher brain functions responsible for critical thinking, listening and decision-making.

In an audit setting, this translates into greater transparency, reduced defensiveness, and a stronger capacity to work through difficult topics constructively.

To build this capacity, ERM co-designed and co-facilitated a two day workshop with L'Oréal that equipped EHS auditors with the tools to promote relational safety during audits. The workshop emphasized experiential learning grounded in physiological awareness, using role-play, reflection, and realistic audit scenarios to help auditors recognize and regulate their own stress responses - and support the same in others.

Around 50 global EHS auditors from L'Oréal and ERM participated, learning practical techniques such as active listening, empathetic inquiry, conflict management, and respectful de-escalation. These practices were integrated with insights on nervous system regulation, helping auditors stay present, grounded, and responsive - even in high-pressure audit conversations.

The outcome? Auditors left with more than procedural expertise - they gained the ability to create audit environments where people feel heard, valued, and motivated to improve. Through this collaborative initiative, L'Oréal strengthened not only its compliance outcomes but also the well-being and relational capacity of its global EHS function.

**“When audits become conversations built on trust and empathy, compliance transforms into a catalyst for growth and connection.”**

**Moustafa ElSawalhy, Global Health & Safety Manager, L'Oréal**

This image was taken by L'Oréal

# Client project impact

ERM worked on over 2,300 health and safety projects in FY25, 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 continued to work with the health and safety technical community to evolve approach for measuring the impact of our work with clients. We have observed changes in what our clients are requiring as their businesses evolve, including the adoption of new technologies and ways of work. With the growth in data center construction, we are being requested to provide on-site services for either the owners or the developers/contractors. This is also occurring on other major capital projects and we saw a substantial increase in management improvement projects with over 1,700 of these being delivered in the past year.

With tightening regulations, a growing need to prevent major accidents on ageing infrastructure, investments in clean energy and increased automation and control systems (which includes robotics safety) we are also seeing growth in demand for process and functional safety. We undertook more than 600 risk reduction projects across a range of industries.

We maintained our focus on leadership as 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 the 2023/2024 Global Safety Survey). They also told us that more than ever before, psycho-social risks and mental health are becoming increasingly important to them.

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 more than 65 leadership-focused projects. These ‘boots to boardroom’ programs engaged more than 500 executive leaders, advising leadership teams, co-diagnosing problems, developing strategic and tactical plans, coaching teams of change agents and implementing programs to drive improvement.

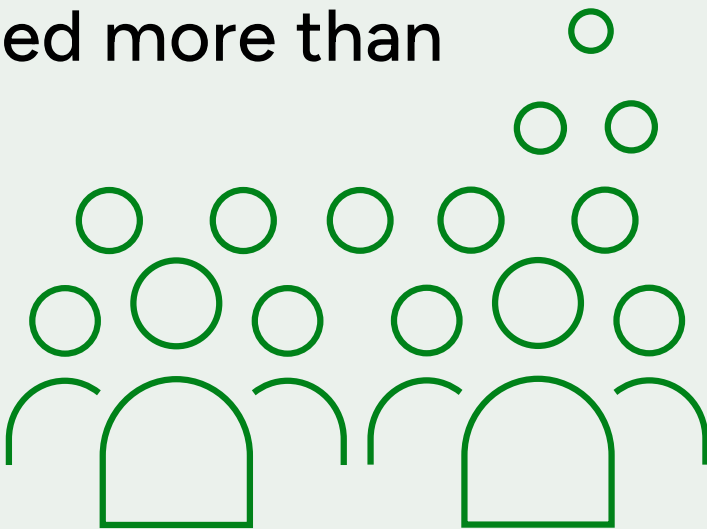
ERM worked on over  
**2,300**  
health and safety  
projects in FY25

We undertook  
more than  
**65**  
leadership-focused  
projects

Substantial increase  
in management  
improvement  
projects with over  
**1,700**  
being delivered  
in the past year

We undertook  
more than  
**600**  
risk reduction  
projects across a  
range of industries

Our ‘boots to boardroom’ health and  
safety programs engaged more than  
**500**  
executive leaders



# Social Impact & Human Rights



This image was taken by Luana Kwai

The UN Global Compact emphasizes that social impact involves businesses actively managing their impacts, both positive and negative, on people including employees, workers in the value chain, customers and local communities. At ERM, enhancing our positive social impact is foundational to our purpose and values. Integral to this is the protection of human rights, aligned to the UN Guiding Principles on Business and Human Rights. We are committed to creating a lasting legacy in the communities where we operate, serve our clients and support through volunteering and pro bono technical work.

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# Why this topic is material to ERM

Our most material social impact is made through the delivery of our professional services to clients, which includes our social impact and human rights advisory work, delivered as part of the wider societal transition to a low-carbon, sustainable, future.

One of the key elements of social impact is the universal human rights. When the UN Declaration of Human Rights was adopted on December 10th 1948, it set out a vision for universal human rights, yet over a quarter of a century later, the vision has yet to become a reality. Hundreds of millions of people are still subject to discrimination on the basis of their gender, sexual orientation, age, race and ethnicity, amongst other factors. Tens of millions of people are estimated to be subject to modern slavery.

As we work with our clients and wider stakeholders to progress towards a low-carbon economy, we support them to engage and contribute towards the protection of human rights and creation of positive social impact, which includes the fundamental need to ensure that this transition is just. Nowhere is this challenge of just transition and the protection

of human rights more evident than in developing economies, where access to clean water, education, low-carbon energy and a sustainable livelihood remain pressing basic needs for large portions of society.

It is the individual and collective responsibility of all stakeholders to respect and promote human rights and create positive social impact. This responsibility is of material importance to ERM, in our role as an employer, a company which procures services from suppliers, provides professional services to clients and through our ERM Foundation, which partners with organizations across the globe to deliver social benefits to communities across the globe.



This image was taken by Pedro Flores

## SOCIAL IMPACT & HUMAN RIGHTS

Supply chain



Direct operations



Client services



Partnerships



Wider society



### Scale of impact

- Low
- Medium
- High

# Targets & performance

ERM has robust corporate governance in place to protect the rights of our employees and our supply chain, further details of which are set out in this section. During FY25, consistent with our [Human Rights Strategy](#), we focused on key areas of our value chain where we identified opportunities for further development of our governance and operational management.

Our strategic approach to people management is fundamental to the protection of our employee rights and during FY25 we had no material and unintended pay equity issues or use of unpaid workers in our direct operations.

In recognition of the growing complexity and human rights challenges faced in different geographies across our global operations, we conducted a human rights due diligence assessment in three business units to inform our ongoing development of governance and operational management. The assessment was conducted with the active participation of senior leadership in the respective countries and has been instrumental in shaping our action plan for the coming years.

Beyond our direct operations, management of human rights in our supply chain remained a key focus for FY25. A detailed analysis was conducted of our top tier suppliers approaches to the governance and operational approach of human rights, which will continue through FY26.

During FY26 we will continue to evolve our approach to management of pay and equity across our direct operations and supply chain. We will continue our engagement with suppliers and further explore issues of social impact and human rights with our top tier suppliers and, supporting our evolving impact program, we will focus on the identification of new metrics to assess the social impact of our projects with clients.

## FY25 HEADLINE TARGETS

## PERFORMANCE

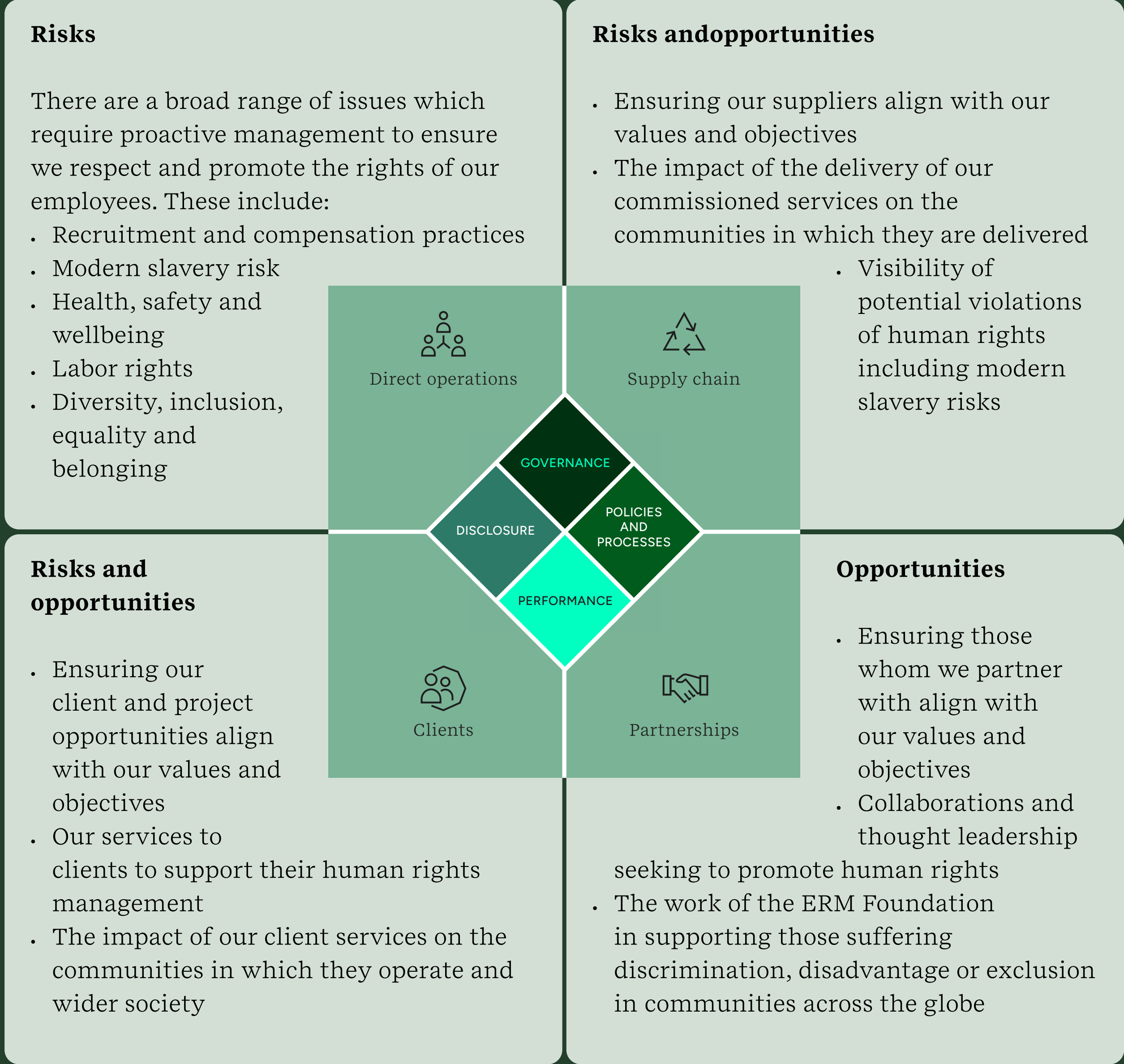
Ensure no unpaid workers, no material and unintended pay equity issues.	✔ Achieved
Undertake country and service human rights due diligence assessment.	✔ Achieved
Engage top tier of suppliers on human rights.	✔ Partially achieved

## FY26 HEADLINE TARGETS

Implement expanded process to ensure no unpaid workers, no material and unpre-meditated pay equity issues.
Develop 2 new societal impact metrics in key service lines.
Engage top tier of suppliers on human rights.

# Our approach

Human rights represents one of ERM’s key material topics, as we look to further identify, manage and mitigate those risks and impacts we cannot avoid through the delivery of our operations and across our wider value chain. We seek to manage these impacts in accordance with our purpose and commitments, and in support of the UN Sustainable Development Goals (SDGs).



## SUMMARY OF HEADLINE HUMAN RIGHTS RISKS AND OPPORTUNITIES FOR OUR BUSINESS

# Our operations & supply chain

## OUR COMMITMENT

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.

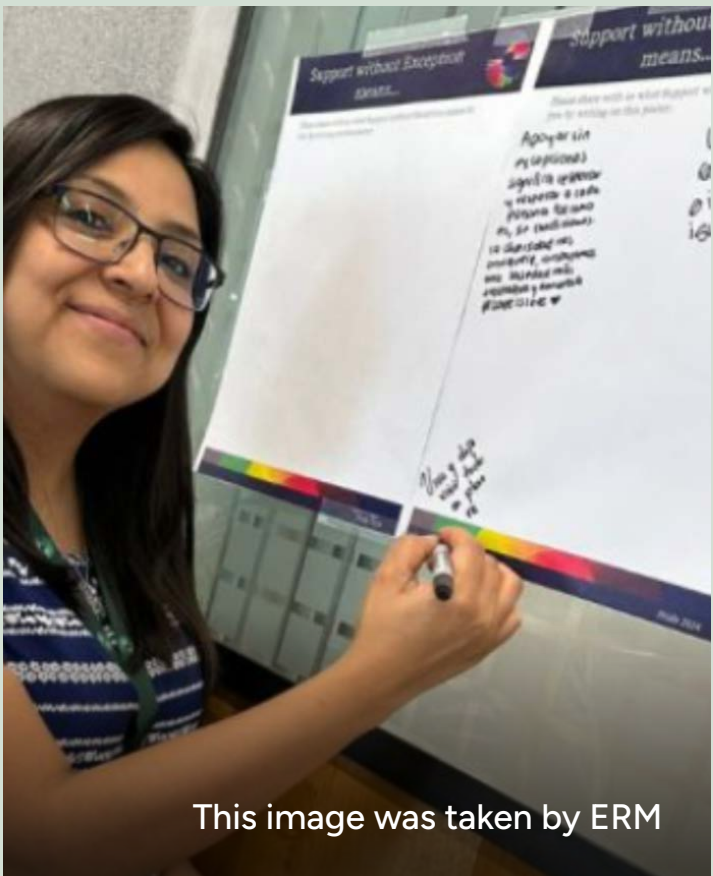
Our commitments to the respect and promotion of human rights are integrated into our Human Rights, Modern Slavery and Child Labor Policy, as well as our wider suite of policies and codes of conduct. They are integral to our governance, management systems and future objectives, as set out in our updated Human Rights Strategy.

## GOVERNANCE

The protection of the rights of our employees and the promotion of equality across our operations, is fundamental to our people management, as outlined in the People section of this report. Our mature governance and operational management reflect the longstanding commitment we have to protection of the rights of our workforce, and the zero tolerance policy we adopt towards any and all forms of discrimination. We are unequivocal in our affirmation of the rights of subsections of our employees who may experience ongoing inequality within broader society, and who find community within our Employee Resource Groups (ERGs). We are also unequivocal in our requirement for our suppliers to behave consistent within our own approach.

ERM has been awarded the triple certification by the Human Rights Campaign (HRC), an achievement held by only 30 companies worldwide.

The HRC plays a vital role in advancing LGBTQIA+ equality globally and its presence in Latin America is particularly meaningful.



This image was taken by ERM

During FY25, we assessed the governance and management of human rights across the breadth of top tier suppliers, and specifically reviewed their alignment with ERM’s Human Rights Policy and Human Rights Strategy.

Our analysis reflects the diversity of approach being adopted by our suppliers to the management of human rights. Our suppliers have established labor management and stakeholder engagement strategies, as well as recognition of the varying socio-cultural challenges of the respective geographies they operate in.

All suppliers must adhere to ERM’s Human Rights, Modern Slavery and Child Labor Policy as a contractual requirement of the Supplier Code of Conduct. During FY26, we will build upon this, consistent with the approach outlined in ERM’s Human Rights Strategy and require annual disclosure of human rights performance.

## ERM Supplier Code of Business Conduct and Ethics excerpt

“Suppliers will identify and avoid as far as possible any adverse human rights impacts caused or contributed to by their operations or activities. ERM will cease doing business with a Supplier who engages in abusive labor practices or exploits vulnerable worker groups. In addition to treating all persons with dignity and respect, the Supplier will provide workers with safe and humane working conditions. ERM expects its Suppliers to have adequate procedures in place to ensure they are not directly or indirectly through their supply chain involved in any form of involuntary or forced labor.” Further information is set out in the Supply Chain section of this report and ERM’s Sustainable Supply Chain Management Strategy.

# Recognition of the rights of Indigenous peoples

In protecting the rights of our employees, we also recognise the communities from which they emanate and within which we operate. Recognition of the rights of Indigenous peoples and their communities is an integral part of ERM’s approach to respect and promotion of human rights. During FY25, ERM Australia took an important step to reflect our company’s commitment to the protection of Aboriginal and Torres Strait Islander peoples’ rights.



## RECONCILIATION ACTION PLAN FOR AUSTRALIA

In January 2025, ERM Australia proudly received endorsement from Reconciliation Australia for its Reflect Reconciliation Action Plan (RAP), which reaffirms ERM’s commitment to advancing reconciliation and developing meaningful connections with Aboriginal and Torres Strait Islander peoples throughout Australia. At our core, our purpose is to create a sustainable future. We strongly feel that embarking upon a journey of reconciliation is not only the right thing to do, but integral to realising ERM’s purpose.

ERM acknowledges that Aboriginal and Torres Strait Islander peoples have lived on and cared for the land in Australia for tens of thousands of years. Despite this deep connection, these communities continue to face systemic inequalities. We recognize the invaluable knowledge and cultural heritage they hold, and we are committed to learning from and respecting this legacy.

Throughout Australia, it is common practice for medium and large businesses to develop

a RAP as a formal framework to embed cultural awareness, respectful relationships, and equitable opportunities into everyday operations. ERM Australia’s Reflect RAP marks the first formal step in realizing its commitment to reconciliation - laying the foundation for long-term engagement and positive social impact.

The RAP outlines clear steps ERM Australia will take to advance reconciliation within our business and beyond. These actions aim to strengthen relationships, deepen respect, and in the long term expand opportunities for Aboriginal and Torres Strait Islander peoples, the First Nations peoples of Australia.

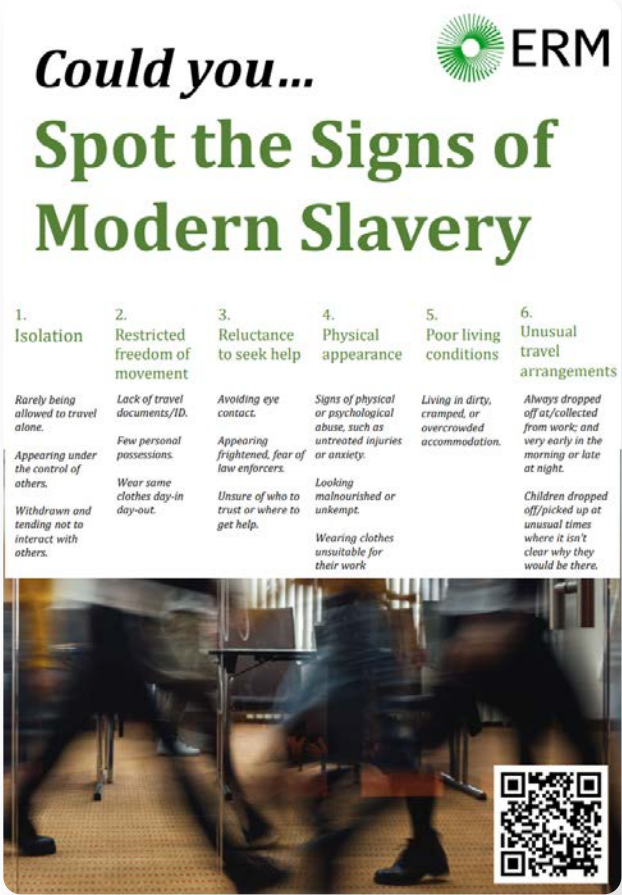
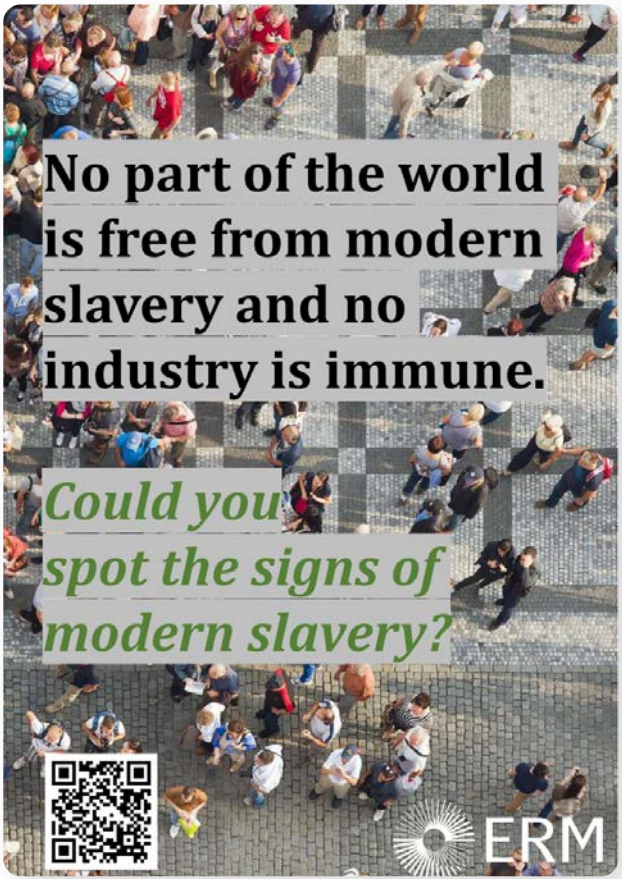
Since receiving approval, ERM has established a dedicated Working Group of ten members, supported by three focused workstreams. Currently, 30 people are actively involved in implementing the RAP. During FY26, ERM Australia will continue to demonstrate our commitment to advancing reconciliation and driving meaningful change.

RAISING AWARENESS

Raising awareness on human rights issues, and modern slavery in particular, has been a key focus for us in FY25.

Our aim is for all colleagues globally to feel equipped to act when they observe or identify actual or suspected modern slavery red flags and human rights risks. In FY25, we expanded our ongoing engagement with stakeholders across our operations to develop and disseminate posters into our offices as part of a modern slavery and forced labour awareness campaign. The posters encourage our people to be alert to the risks of modern slavery and encourage an open dialogue across our offices.

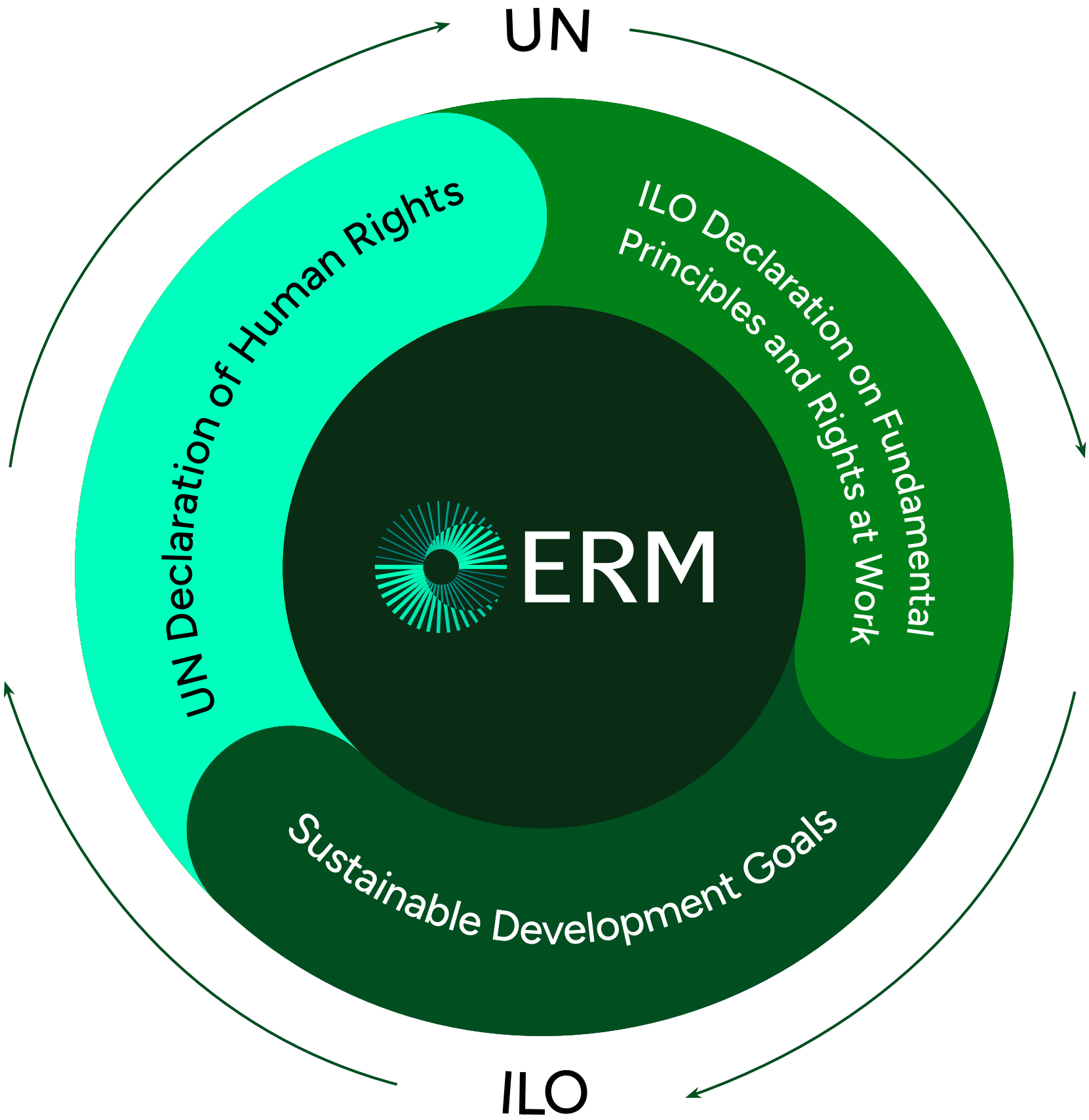
We will continue this campaign into FY26, with further communication, updates to our tools and the dissemination of region-specific guidance packs. Further information on ERM’s approach to management of modern slavery risks across our value chain, is set out in the [2025 ERM Modern Slavery Statement](#).



OUR ROLE

At ERM, we recognize our role in supporting the fight against modern slavery, in particular, through our own operations and our supply chain. We also recognize the role we have to play in our business partnerships and the organizations we collaborate with.

We are fundamentally committed to respecting and promoting human rights for all, as set out in our ERM Human Rights Strategy and consistent with the UN Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and UN Sustainable Development Goals (SDGs).



# Integrating Human Rights Risk Management and Tailings Governance at Vale Base Metals

Vale Base Metals, a global leader in the production of nickel and copper, enlisted ERM’s assistance to deliver a consolidated human rights impact assessment and socio-economic baseline study to support continued implementation of international human rights and tailings management requirements and strengthen sustainability performance across six sites in Canada.

This work supports Vale’s conformance with Requirements 1 and 2 of the Global Industry Standard on Tailings Management (GISTM) - respecting the rights of project-affected people in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGP) and developing an Integrated Knowledge Base required for effective tailings governance.

Consolidation of the human rights and socio-economic components into a single, integrated process maximized reporting efficiencies and resources, and minimized assessment and engagement fatigue from stakeholders.

In addition to the impact assessment and socio-economic baselines, which were informed by community visits and internal and external stakeholder and rightsholder input, ERM was also able to support Vale Base Metals in assessing readiness for 2025 GISTM disclosures, and conduct human rights maturity assessments and develop action plans at the corporate and site levels to identify opportunities for continuous improvement.

Together, these efforts are strengthening alignment between corporate objectives and site-level implementation following recent restructuring, embedding human rights due diligence across the company.

As regulatory requirements and stakeholder expectations continue to evolve, this work helps position Vale Base Metals to move beyond compliance, enhance their understanding of their operating contexts, and move towards proactive risk mitigation and measurable value creation.



“This was a great opportunity to help Vale Base Metals at an exciting stage of their evolution as a company. By collaborating closely with their corporate and site teams, we were able to meaningfully contribute to their progress on human rights due diligence.”

**Simon Chorley,**  
Human Rights Lead, ERM



“Our work with Vale Base Metals enabled the consolidation of critical information while maximizing efficiencies across related scopes and providing robust support in GISTM preparation.

By integrating insights across these domains, we helped the client proactively manage risk and emphasize their commitment to responsible tailings governance.”

**Gillian Gregory,**  
Social Closure Lead, ERM

# Client services & partnerships

## Client services

One of the key areas by which we generate and sustain our material impact is through the provision of our services to clients. Our specialist technical community supports clients with stakeholder engagement, building social acceptance, protecting human rights, and advancing social impact and performance across client operations and value chain. Our services enable organizations to identify human rights risks, prevent and address negative impacts and demonstrate due diligence as required by evolving regulations.

### Welcoming Anna Jakobsen, our EMEA service lead for Social Impact & Human Rights

Supporting our Social Impact & Human Rights (SI&HR) services to clients, Anna Jakobsen has joined ERM, providing specialist expertise in human rights due diligence across Europe.



“Our integrated environmental and human rights risk-based due diligence approach is about helping businesses understand their most significant impacts on people and the planet. Managing such impacts strengthens business and value chain resilience, can increase access to capital and markets, and contributes to tackling the dual challenges of climate change and inequality.”

### ERM’s related services & solutions

-  Social baseline studies, impact assessments and monitoring
-  Social impact strategy, investment and measurement
-  Human rights risk and impact assessments, value chain due diligence and audits
-  Stakeholder engagement and strategic communications
-  Resettlement and livelihood restoration
-  Just transition planning and implementation
-  Reconciliation and meaningful Indigenous Peoples engagement and collaboration
-  Geopolitical and societal trends analysis, and benchmarking with LicenseSecure™
-  Responsible policy engagement

Further information on our solutions can be found at [erm.com/solutions](https://erm.com/solutions).

This image was taken by Pilar Arenas Merino

# Partnerships & collaborations

A key mechanism by which we sustain our impact is through our collaborations including with the UN Global Compact, the World Business Council for Sustainable Development (WBCSD), the Business Commission to Tackle Inequality (BCTi) and other organizations, as well as through the work of the ERM Sustainability Institute and ERM Foundation.

Our Global Social Performance & Human Rights service lead, Alexandra Guaqueta, is co-chair of the WBCSD Just Transition Working Group and ERM has seconded one of our technical experts to support the development of the Business Guide to the Just Transition, which will be launched at COP30. Through our collaborations and partnerships, we advocate for the respect and promotion of human rights and social sustainability for broader society.

### Embedding Just Transition into Corporate Climate Action Strategies

ERM’s Global Service Lead for Social Impact & Human Rights, Alexandra Guaqueta, and Sabrina Genter, Partner and Social Performance & Stakeholder Engagement Technical Community Lead, set out their thoughts on how businesses can support the just transition. [Read the report.](#)



This image was taken by Harriet Spiegel

### 13th UN Forum on Business & Human Rights

ERM attended the 13th UN Forum on Business & Human Rights in Geneva where our subject-matter experts contributed to the debate on how businesses can respond to the ever growing need to address the challenges posed by geopolitical instability, the importance of a just transition and the critical role of supply chains in the promotion of human rights within business operations.

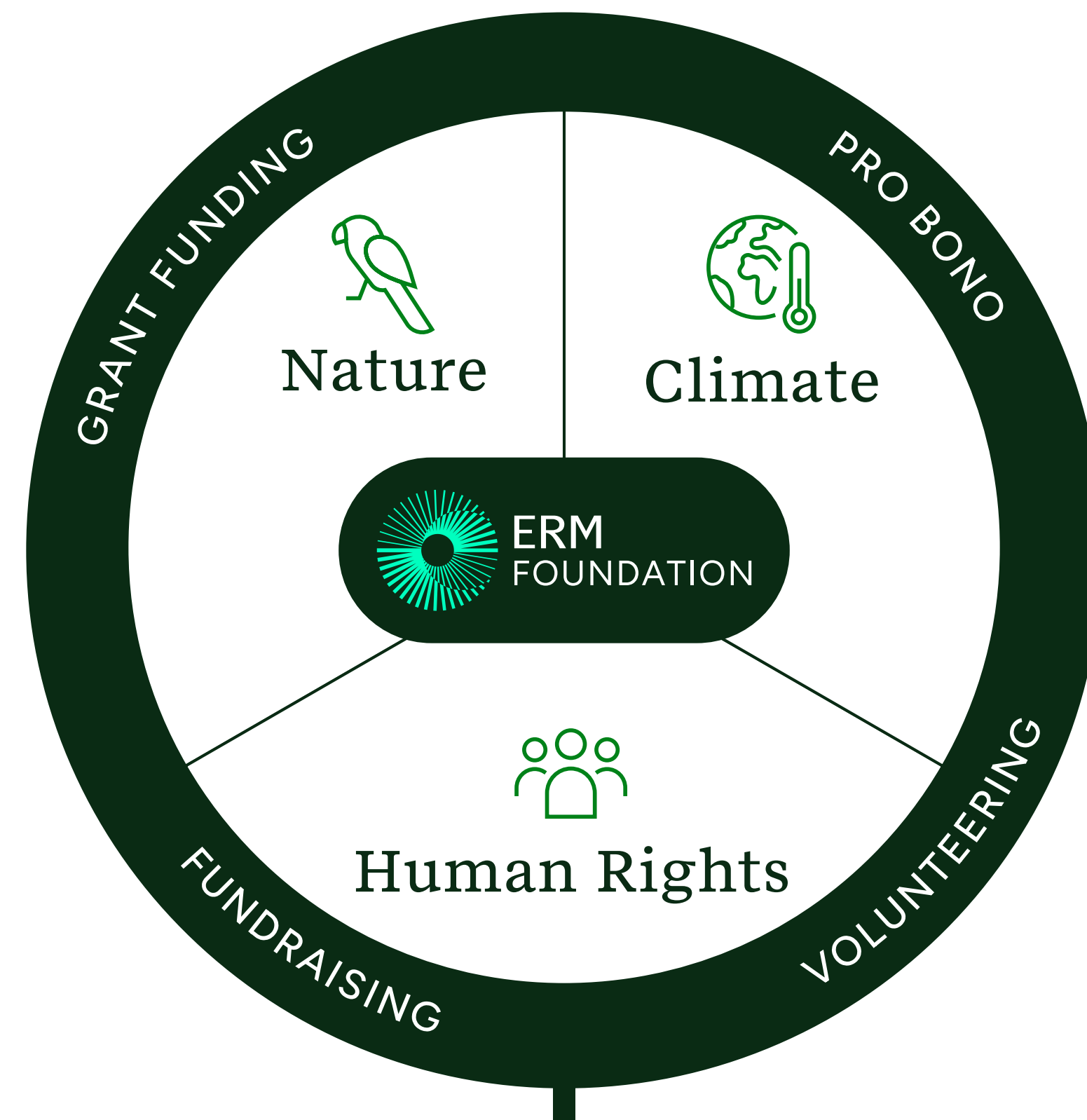


# ERM FOUNDATION

The ERM Foundation is one of our most direct and impactful mechanisms by which to create and sustain positive social impacts where it is most needed, within local communities across the globe. This year, the ERM Foundation celebrates its 30th year of working in partnership with nonprofit organizations across the globe.

Our focus lies at the intersection of biodiversity protection, climate action and human rights. The work of the Foundation is funded by ERM with additional funding generated by employee donations and fundraising initiatives.

We distribute funding across the world, focusing on projects and initiatives within communities or across regions where our support is most needed. The driving force for the Foundation remains the passion of our employees, who commit their time and professional expertise through technical reviews, pro bono work, volunteering and fundraising.



## Contributing to the SDGs



# 30 years of the ERM Foundation



“Being able to work with hardworking and deserving non-profits has been an amazing experience and I have learned a lot about giving back sustainably.”

Morgan Farmer, Consultant, US

“It epitomizes ERM’s purpose, driven and delivered by super passionate people who genuinely care about the environment, society and ensuring a sustainable future for generations to come.”

James Stacey, Global Leader of Clients and Industries, UK

“I find it incredibly motivating to see firsthand the environmental and social projects that the associations supported by the ERM Foundation funds are carrying out.”

Beatrice Boarolo, Consultant, France

“It gives me the opportunity to give back to society and to contribute to the impact that our company creates.”

Sonia Bhattacharyya, Learning and Development Team Leader, India

“It is our helping hand to the world in need and a critical puzzle piece to the sustainable future that we envisioned.”

Fandy Suradji, Regional Sustainability Lead, Asia

“ERM Foundation empowers me to create impactful projects with communities, building their skills and resilience in water resources management.”

Paola Aldana, Consultant, México

“It has allowed me to connect with people passionate about sustainability around the world, generating changes in the communities of my country.”

Martha Peñuela, Partner, Colombia

“It embodies the spirit of global collaboration, harnessing collective expertise and passion to drive meaningful environmental and social change.”

Gulf Magut, Consultant, Kenya

“It has given me, and colleagues, a mechanism through which to get on-ground experience in working with communities to provide a meaningful contribution.”

Sabrina Genter, Partner, Australia

## ERM Foundation partners with IHRB in support of Human Rights

**The ERM Foundation is delighted to be working with the Institute for Human Rights and Business (IHRB) on a new project in Colombia as we seek to maximize our impact on human rights.**

For 15 years, IHRB has been the leading global think tank working to ensure corporate activity respects the rights of workers and communities. It is committed to playing a constructive role in addressing interconnected challenges of inequality, human rights abuses and environmental disaster through engagement with partner organizations such as governments, private foundations, and international businesses.

In FY25, the Foundation commenced a partnership with IHRB and its sister organization in Colombia, Centro Regional de Empresas y Emprendimientos Responsables (CREER). CREER seeks to research and promote the protection, respect, and remedy of human rights and sustainable development in the context of business activities, as well as the transformation of conflicts and human rights perspectives through dialogue and consensus building. Working through their sister organization allows IHRB, an internationally renowned think tank, to engage with local stakeholders easily and build strong, lasting relationships.

This collaboration aims to deliver a data-driven understanding of the climate challenges affecting communities and ecosystems in Cartagena. The team is identifying gaps and opportunities in mangrove restoration, climate financing, and carbon markets—beginning with a Prefeasibility Diagnosis for the Generation of Carbon Credits in the Ciénaga de la Virgen, Cartagena. Ultimately, this work will support informed decision-making by coastal stakeholders to strengthen ecosystem resilience. The ERM Foundation looks forward to continuing this strategic partnership in FY26 and beyond.



“We anticipate this collaboration will provide a valuable, data-driven understanding of climate challenges in Cartagena, which will be very helpful in informing our efforts to strengthen the Human Rights and Business Agenda and ecosystem resilience. Our interest lies in leveraging this expertise to identify key gaps and opportunities, ultimately equipping coastal stakeholders with useful information for their participation and decision-making.”

**Isabel Botero Suárez, Leader of the Coastal Environments and Water Care Research Line, CREER**



This image was taken by Bruno Reategui

# Climate & Energy

We understand the magnitude of the climate crisis and our responsibility to help address it. In line with our support for the Paris Agreement, ERM recognizes the need for urgent, science-based action to limit global warming to 1.5°C. Our goals are aligned to the Science Based Targets initiative’s Corporate Net-Zero Standard. Grounded in science, our approach shapes our operational decarbonization strategy and the support we provide to our clients and partners in our collective pursuit of the low-carbon economy transition.



This image was taken by Jessica Herrmann

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# Why this topic is material to ERM

Climate and energy are material issues for ERM across our value chain.

We operate in accordance with our longstanding commitment to demonstrate credible net-zero leadership and implement operational programs consistent with this. This includes the incremental decarbonization of our supply chain, which accounts for two-thirds of all our emissions.

Of most material importance to us are the professional services we offer to clients developing low-carbon energy solutions and those seeking to decarbonize their own operations and value chain in line with a transition to a low-carbon economy. During FY25 we experienced sustained growth in our services supporting the low-carbon economy transition (LCET) and have strategically positioned ourselves to capitalize upon ongoing demand through capacity building across our operational geographies.

Our material impact is extended through our partnerships and collaborations which support the shared vision of a net-zero future and through which we drive thought leadership and innovation. Further information on these and out wider material impact, is set out in this section and the [Climate Supplement](#).



This image was taken by Daniel Savage

## CLIMATE & ENERGY

Supply chain



Direct operations



Client services



Partnerships



Wider society



### Scale of impact

- Low
- Medium
- High

# Targets & performance

During FY25 we made progress on decarbonizing our internal operational footprint while evolving our understanding of the emissions associated with our supply chain, Scope 3 Category 1, purchased goods and services.

We remain on track to meet our SBTi targets for Scope 1, 2 and 3. Our established decarbonization program, which has been validated to align with the SBTi Corporate Net- Zero Standard, sees us on a sustained pathway of emissions reduction in pursuit of net-zero by 2040. Further information on our FY25 emissions data is set out in this section, with additional data provided in our [Climate Supplement](#).

We carried out in depth analysis of our top tier suppliers during FY25. This analysis supports our work to reduce emissions associated with our supply chain, and enhances our ability to support our clients enhance their decarbonization goals. For more information, please see the Sustainable Supply Chain section of this report.

We continue to increase our sales supporting the low-carbon economy transition (LCET). During FY25 we met and exceeded our 10% year-on-year growth target. We anticipate sustained demand in LCET services as we progress towards 2030 and the urgency of addressing climate change further intensifies. More information on our LCET related work can be found in this section of the report and in our Climate Supplement.

Given the importance of this topic to our business, we have retained our targets for FY26.

FY25 HEADLINE TARGETS	PERFORMANCE
Remain on track to meet SBTi targets for Scope 1, 2 and 3.	✔ Achieved
Engage top tier of suppliers on decarbonization to promote stronger climate governance and emissions reductions targets.	⦿ Partially achieved
Increase sales supporting the low-carbon economy transition by 10% year on year.	✔ Achieved
FY26 HEADLINE TARGETS	
Remain on track to meet SBTi targets for Scope 1, 2 and 3.	
Engage our top tier suppliers on decarbonization.	
Derive 40% total revenue from projects supporting the low-carbon economy transition.	

# Our approach and summary of FY25 emissions

ERM’s approach to incrementally reducing the carbon emissions associated with our operations is set out in our 2024-2027 Decarbonization Strategy. This explains how we are reducing our Scope 1, 2 and 3 emissions in line with our SBTi Corporate Net-Zero Standard.



## ERM’S GREENHOUSE GAS (GHG) EMISSIONS ACROSS OUR MATERIAL SOURCES OF EMISSIONS, FY25

SCOPE OF GHG EMISSIONS	TOTAL EMISSIONS (tCO2e)
Scope 1 GHG emissions	1,024
Scope 2 GHG emissions (location-based) <sup>1</sup>	1,454
Scope 2 GHG emissions (market-based) <sup>1</sup>	101
Scope 3 GHG emissions Category 1 - Purchased Goods and Services	34,823
Scope 3 GHG emissions Category 2 - Capital Goods	848
Scope 3 GHG emissions Category 3 - Fuel- and Energy-Related Activities	685
Scope 3 GHG emissions Category 6 - Business Travel	13,335
Scope 3 GHG emissions Category 7 - Employee Commuting	3,206
Total GHG emissions (location-based) <sup>2</sup>	55,375
Total GHG emissions (market-based) <sup>2</sup>	54,022

<sup>1</sup>Scope 2 location-based and Scope 2 market-based are defined in the WRI/WBCSD GHG Protocol Scope 2 Guidance, 2015.  
<sup>2</sup>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 and 2. Therefore Categories 4 and 8 have been determined as not applicable to ERM. All other Scope 3 categories have been assessed as not relevant to ERM at this time.

# Scope 1 and 2 emissions

## OUR EMISSIONS SOURCES

ERM’s direct emissions, Scope 1 and 2, are central to the decarbonization of our operations. Our Scope 1 sources of emissions arise from company-owned or leased cars that we use for business purposes, natural gas use and air conditioning losses within our offices. Our Scope 2 sources of emissions include office electricity, steam and the use of battery electric/hybrid company cars.

## OUR FY25 PERFORMANCE

In FY25, we achieved a 37% reduction in Scope 1 and 2 compared with our FY20 base year and an 11% reduction when compared with our FY24 emissions.

Our most significant Scope 1 emissions reductions came from the transition of our company cars to hybrid and electric vehicles, now comprising 50% of the fleet. Scope 2 emissions also declined, driven by improved office energy efficiency and decarbonized electricity sources. Our emissions intensity also improved significantly, falling to 0.34 tCO2e per full-time equivalent employee in FY25, a 54% reduction since FY20.

## SCOPE 1 AND 2 EMISSIONS BY CATEGORY FY20, FY23-FY25 (tCO2e) <sup>1,2</sup>

GRI 305-2

	Scope 1 & 2 emissions (tCO2e) <sup>1,2</sup>			
	Base year FY20	FY23	FY24	FY25
Company cars (Scope 1)	791	639	692	550
Air conditioning	169	99	154	230
Natural gas	390	266	191	244
Office electricity (location-based)	2,436	1,700	1,624	1,353
Steam	146	22	25	17
Company cars (Scope 2)	0	3	101	94
Total <sup>3</sup>	3,932	2,729	2,787	2,488

<sup>1</sup> Scope 2 emissions are location-based.  
<sup>2</sup> Our Scope 1 sources include company cars, natural gas use and air conditioning losses. Our Scope 2 sources include office electricity, steam and electric or hybrid company cars.  
<sup>3</sup> The total figure may differ slightly from the sum of individual values due to rounding. The reported total reflects the accurate value when decimal places are taken into account.

## CASE STUDY

### ERM Germany’s shift to electric vehicles

Our German business decided to change to electric vehicles to address one of its most significant single sources of emissions - its vehicle fleet. Moving from pure internal combustion engine cars to hybrid and fully electric vehicles is a crucial step in reducing the company’s carbon footprint.

By introducing tools, such as charging cards, and fostering employee engagement through transparent communication and hands-on experience, the business successfully transitioned to operating exclusively with electric vehicles and plug-in hybrids.



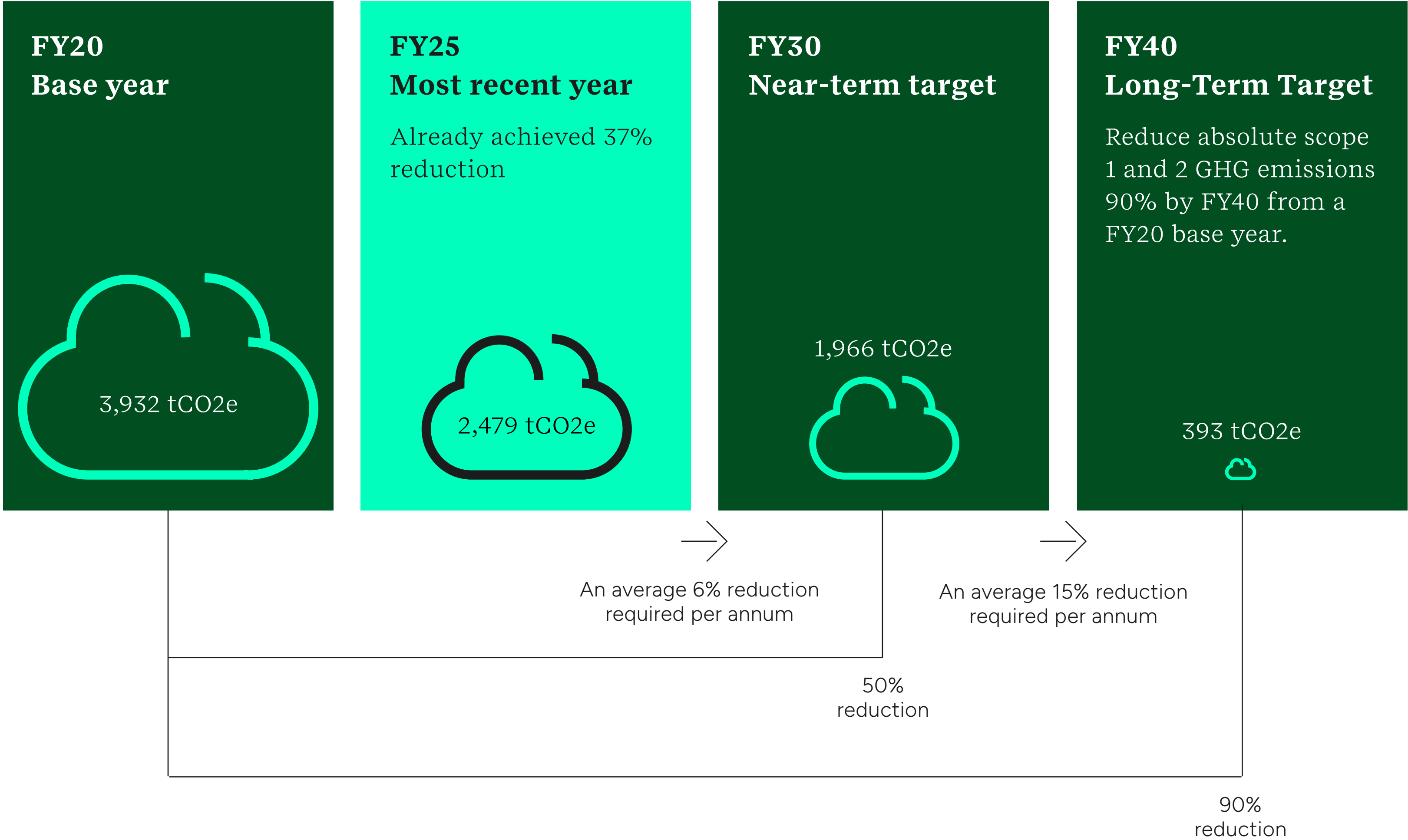
“Reducing our overall carbon footprint is of utmost importance. If we can contribute to this goal through our vehicle fleet, it’s a significant step forward - and we hope it will serve as a signal to others that change is both necessary and possible.”

**Maïke Halkenhausen,**  
**Frankfurt Office Manager, ERM**

# Scope 1 and 2 emissions

## PERFORMANCE AGAINST OUR SBTi TARGETS

We have short and longer-term targets to reduce our Scope 1 and 2 emissions in line with our delivery of net-zero by 2040. We are on track to meet our SBTi net-zero targets to achieve a 50% reduction in Scope 1 and 2 emissions by 2030, compared with our base year.

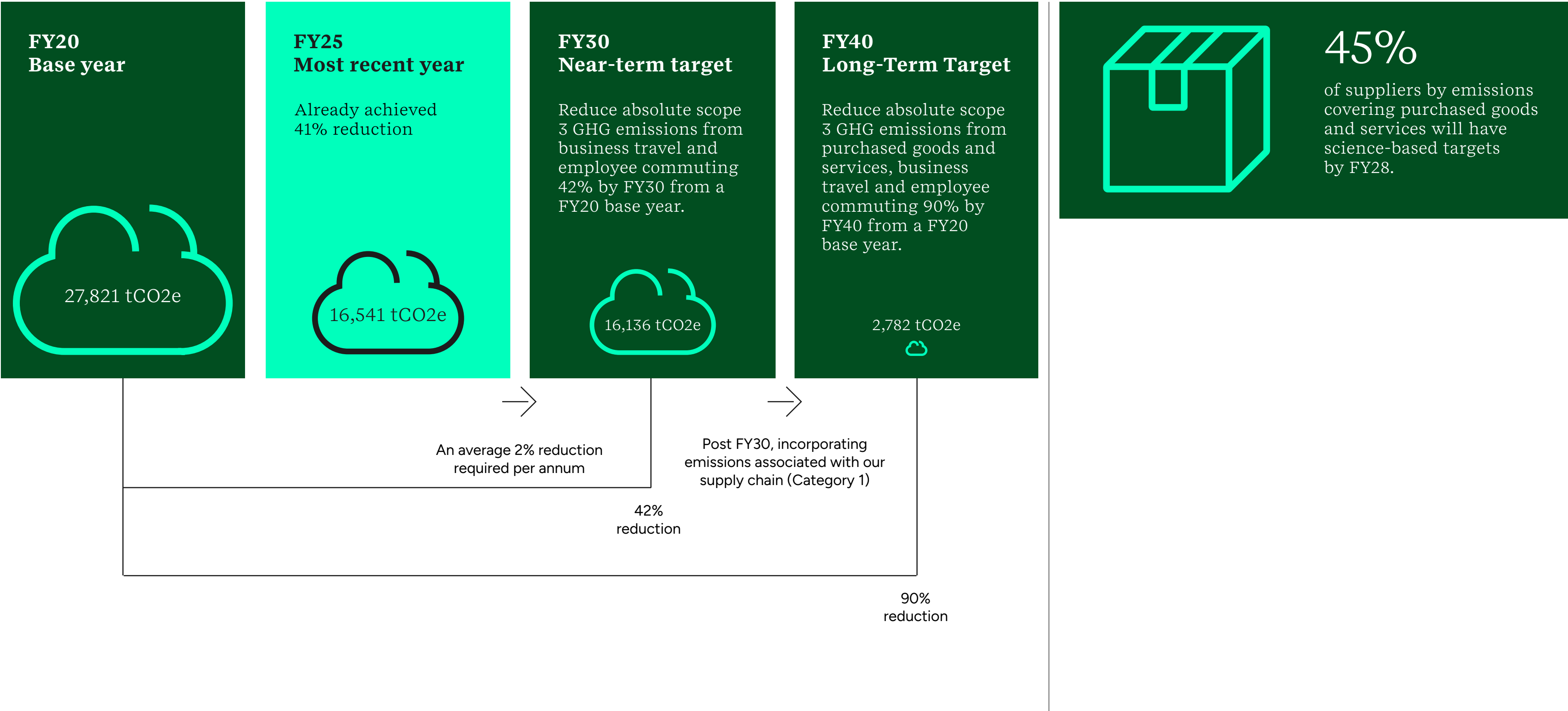


**100%**  
Active annual sourcing of renewable electricity to increase from 99% in FY23 to 100% by FY30.

# Scope 3 emissions

## OUR EMISSIONS SOURCES

As the largest share of ERM’s carbon footprint, accounting for 97% of our total emissions, Scope 3 emissions are a key focus of our net-zero strategy. ERM’s most significant Scope 3 emissions derive from Business Travel (Category 6), Employee Commuting (Category 7) and Purchased Goods and Services (Category 1), Capital Goods (Category 2) and Fuel- and Energy-Related Activities (Category 3). Other categories of Scope 3 emissions assessed not to be material to our business at this time.



## OUR FY25 PERFORMANCE

We have achieved a 41% reduction in Scope 3 emissions from business travel and employee commuting compared with our FY20 base year and an 8% reduction when compared with FY24.

## PERFORMANCE AGAINST OUR SBTi TARGETS

We have short and long-term targets to reduce our Scope 3 emissions. We are on track to meet our SBTi net-zero targets to reduce our Scope 3 GHG emissions from business travel and employee commuting by 42% by 2030 compared with 2020.

We are on track to meet our SBTi target of ensuring that 45% of suppliers by emissions covering purchased goods and services will have science-based targets by 2028.

# Detailed breakdown of our Scope 3 emissions

## SCOPE 3 EMISSIONS BY CATEGORY FY20, FY23-25 (tCO2e) <sup>1, 2, 3</sup>

GRI 305-3

Category	Base year FY20	FY23	FY24	FY25
Category 1 Purchased goods and services	26,634	25,485	22,117	34,823
Category 2 Capital goods	1,879	1,599	1,467	848
Category 3 Fuel and energy related activities <sup>4</sup>	850		716	685
Category 4 Business travel	18,322	9,605	14,370	13,335
Category 5 Employee commuting	9,499	2,709	3,570	3,206
Total <sup>5</sup>	57,183	39,398	42,240	52,897

<sup>1</sup> Our indirect Scope 3 emissions include upstream categories such as 1, 2, 3, 6 & 7. Refer <https://ghgprotocol.org/corporate-value-chain-scope-3-standard> to learn more.

<sup>2</sup> Please note: ERM does not report Category 4 and 8 as 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 and 2.

<sup>3</sup> The increase in Scope 3 emissions in FY25 is due to improved data quality and coverage in purchased goods and services. Further enhancements across Scope 3 categories and updates to historical data sets are expected in future reporting cycles.

<sup>4</sup> ERM did not start measuring Category 3 data until FY24. The corresponding base-year value is reported.

<sup>5</sup> The total figure may differ slightly from the sum of individual values due to rounding. The reported total reflects the accurate value when decimal places are taken into account.

### CATEGORY 1 AND 2: PURCHASED GOODS AND SERVICES, AND CAPITAL GOODS

By far the largest single source of emissions, accounting for nearly two-thirds of our total, is associated with our supply chain, and captured primarily under Purchased Goods and Services (Category 1). Approximately 90% of emissions in this category derive from our use of subcontractors to support the delivery of our projects.

During FY25, we refined our methodology for calculating these Category 1 emissions, which has resulted in an increase in reported emissions compared with FY24. The refined methodology reflects our growing understanding of emissions associated with our supply chain and supports our approach to supplier decarbonization but is not associated with any significant increase in activity in this category.

Given the significance of supply chain related emissions to our overall emissions profile, these methodological improvements resulted in a 25% increase in overall Scope 3 emissions during FY25, compared with FY24, driven by a 57% increase in emissions reported under Category 1.

Capital Goods (Category 2) which includes IT equipment and office infrastructure was not impacted by these methodological updates and emissions remained stable.

During FY25, we carried out due diligence to understand our suppliers’ maturity in terms of climate and decarbonization strategy, reporting and reduction targets. The outcome of this work informs the next phase in our supplier engagement program and how we will seek to achieve our SBTi target of ensuring that 45% of suppliers by emissions covering purchased goods and services will have science-based targets by 2028.

CATEGORY 3:  
FUEL AND ENERGY-RELATED ACTIVITIES

Starting in FY24, ERM began reporting emissions under Scope 3, Category 3, which covers fuel and energy-related activities not included in Scope 1 or Scope 2. These emissions account for the upstream impacts associated with the production and distribution of fuels and energy that ERM purchases and consumes during the reporting year.

In FY25, Category 3 emissions were included under limited assurance, reflecting our commitment to enhancing transparency and data integrity across our value chain emissions. Although Category 3 represents only 1% of ERM’s total Scope 3 emissions, we recognize its relevance in providing a more complete picture of our indirect environmental impact.

CATEGORY 6:  
BUSINESS TRAVEL

In FY25, ERM launched a new global travel policy to reinforce our action towards our net-zero by 2040 goals and set the benchmark for sustainable business travel. The policy encourages employees to prioritize virtual meetings and low-carbon travel options where possible. It is driving more purposeful travel choices, supported by improved management, integration with health and safety and other operational measures and data systems.

Since the policy’s implementation, air travel emissions have decreased by 17%, with a notable drop in long-haul flights. Additionally, the roll out of our travel management company platform across all our regions during FY25 has resulted in better visibility and control over travel-related emissions.



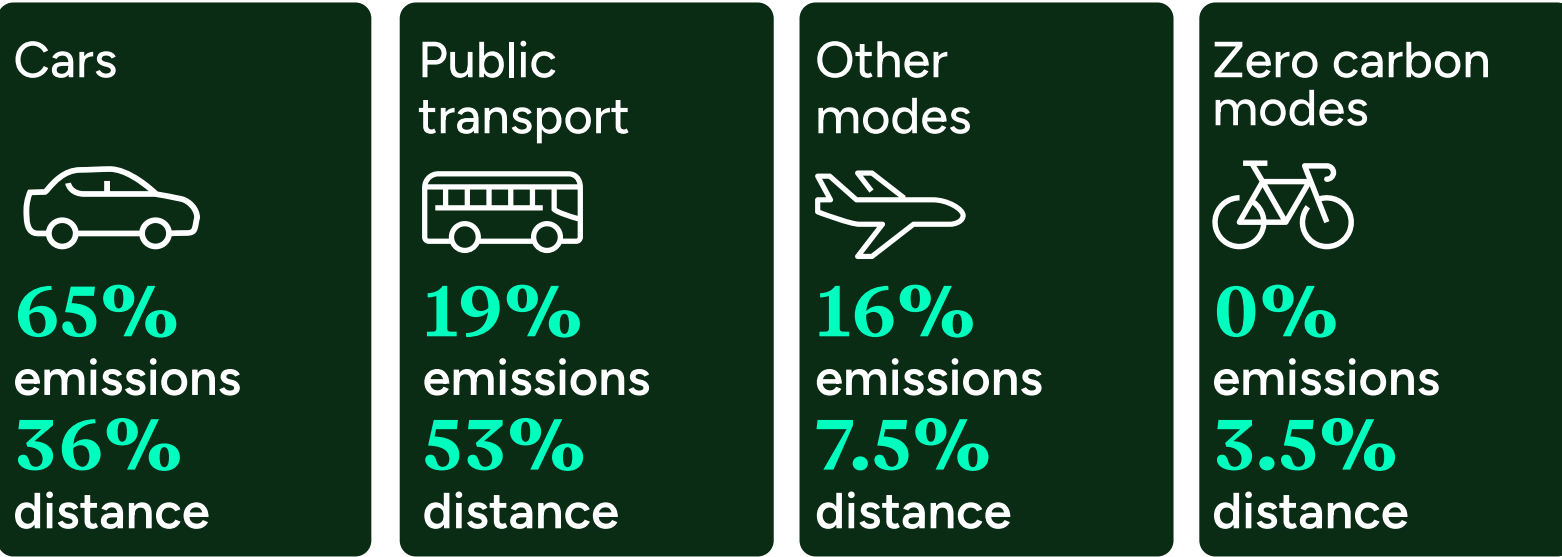
CATEGORY 7:  
EMPLOYEE COMMUTING

In FY25, ERM advanced its long-term strategy to reduce emissions resulting from the commuting patterns of our employees by continuing to promote hybrid working, sustainable office locations and low-carbon commuting choices.

In FY25, our GHG emissions related to commuting fell by 10% compared with FY24, despite increases in headcount and the distance travelled. In short, more people are commuting to our offices, but in smarter and more sustainable ways. On average, each employee uses 0.4 tCO2e per year. That’s just under three full tanks of gasoline in the average US car for a whole year.

This progress reflects a growing shift towards public transportation and other lower-impact travel modes, supported by employee engagement efforts and targeted incentives such as cycle to work schemes. These results reinforce the impact of local action on driving progress toward our net-zero targets.

SPLIT OF EMISSIONS PER TRANSPORTATION TYPE



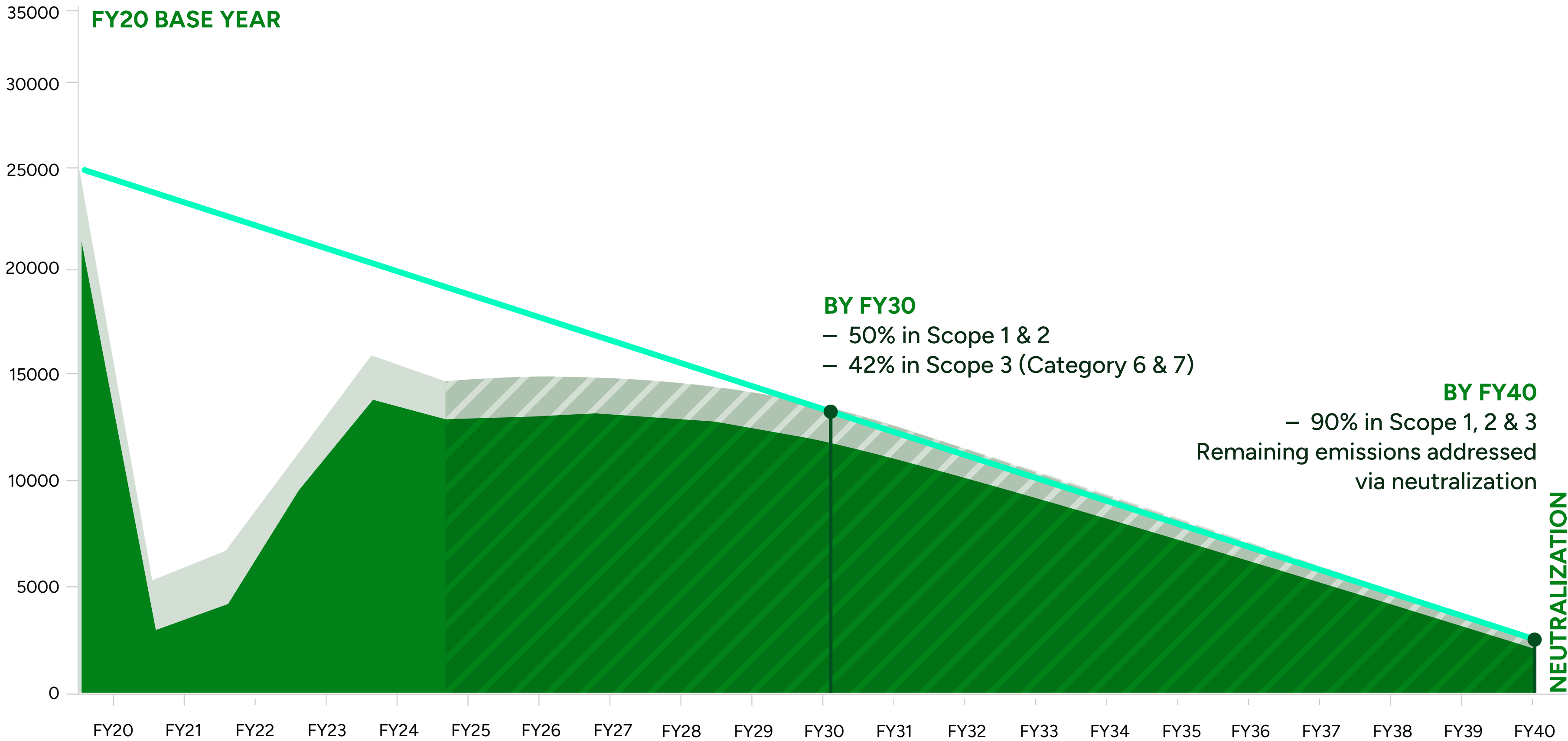
While cars are the biggest contributor of ERM’s commuter GHG emissions, public transport (rail, subway and bus) rank highest in terms of distance travelled.

ERM'S DECARBONIZATION PATHWAY TO NET-ZERO BY 2040 ALIGNED WITH THE NET-ZERO STANDARD

WE ARE ON TRACK TO MEET OUR NEAR AND LONG-TERM SBTI TARGETS

The graphic on the right highlights ERM's progress in reducing absolute emissions, in line with our decarbonization pathway to reach net-zero by 2040. We have updated our pathway to incorporate actual emissions data for FY25, which shows accelerated progress toward our targets. Future projections are informed by expected operational trends that support our continued progress toward net-zero by 2040.

- Actual Scope 1 & 2 emissions
- Scope 1 & 2 projected for upcoming years
- Actual Scope 3 emissions (Category 6 & 7)
- Scope 3 projected for upcoming years
- Net-zero standard trajectory



# Compensating for our residual emissions

## BEYOND VALUE CHAIN MITIGATION

ERM is committed to reducing Scope 1, 2, and 3 emissions under our Decarbonization Strategy, while also addressing residual emissions on the path to net-zero. We support climate action beyond our value chain, using the voluntary carbon market to scale finance for nature, communities, and innovation.

We have conducted a rigorous preview of credit options with the ERM Climate Markets Team, ensuring transparency under the Verified Carbon Standard and the Climate, Community and Biodiversity Standards.

Following this, we are continuing our investment in the REDD+ Katingan Project in Indonesia, that is conserving 150,000 hectares of peatland, reducing emissions, supporting more than 45,000 local community members and protecting endangered species.

We have purchased 2,757 carbon credits (2020 Vintage) to mitigate our unabated Scope 1 emissions, Scope 2 emissions not addressed through market-based instruments and more than 40% of Scope 3 emissions from internal business travel in FY25.

In compliance with the California Voluntary Carbon Market Disclosures Act (Assembly Bill 1305), we have disclosed full details of our FY25 carbon credit project investment, full details of which can be found in our [Climate Supplement](#).

ERM is also a member of the Beyond Value Chain Mitigation (BVCM) working group of the World Business Council for Sustainable Development (WBCSD) and the Natural Climate Solutions Alliance, committing to a high-integrity BVCM approach. These efforts reflect our long-term commitment to climate action, biodiversity and community resilience through credible carbon finance.



# Disclosures & assurance



This image was taken by Jelisa Fields

## DISCLOSURES

We are open and transparent in reporting our progress towards net-zero and our governance and strategic management of climate-related risks and opportunities. In addition to the information provided in this section, we publish a [Climate Supplement](#) that provides more detailed emissions and associated information.

Included in the Supplement are our regulatory disclosures which include:

- ERM’s 2025 Climate-related Financial Disclosure, aligned with the Taskforce on Climate-related Financial Disclosures recommendations and fulfilling the requirements of the UK’s Climate-related Financial Disclosure Regulations 2022;
- Information provided in pursuit of the UK Streamlined Energy and Carbon Reporting requirements, setting out emission sources under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended);
- Information disclosed in compliance with the California Voluntary Carbon Market Disclosures Act – Assembly Bill 1305.

## ASSURANCE

To ensure that stakeholders can have confidence in the quality, clarity and materiality of the information we report, ERM has engaged LRQA to undertake external assurance. Our assurance approach integrates internal and external review processes, using our in-house expertise. ERM has established governance, reporting and internal review mechanisms, ensuring the integrity of the information we provide. See the [Climate Supplement](#) for more information.

# Client services & partnerships






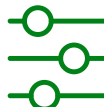




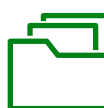
## Client services

Our most material opportunity to contribute to societal net-zero, is through our client work. Over the course of the last five years, our low-carbon economy transition (LCET) sales have grown over 500% reflecting the ever increasing demand from clients for our services. During FY25, we continued to expand on our in-house expertise through acquisition of specialist capacity and strategic partnerships, which have significantly enhanced our ability to meet ever increasing client demand and further capitalize upon our market presence.



ERM climate expert Braulio Pikman has been selected for the United Nations Framework Convention on Climate Change (UNFCCC) Article 6.4 Methodological Expert Panel. This panel of 10 top climate experts from around the world will provide technical advice on methodologies and systems necessary to issue carbon credits under the UNFCCC system.

### ERM’s related services & solutions

-  **Ambition, goal and target setting**
-  **Decarbonization strategies, including reductions, removals and transition plans**
-  **Carbon accounting (from corporate to asset to product-level)**
-  **Compelling data visualization and robust analytics**
-  **Clean energy development and procurement**
-  **Physical and transition climate risk and opportunity framing, including scenario analysis**
-  **Emissions quantifications and inventory development**
-  **Verifiable, compelling and defensible disclosures**
-  **Evaluation of low-carbon technologies, including carbon removal options**
-  **Climate policy and carbon market analysis and intelligence**
-  **Capital project development**

Further information on our climate and low-carbon economy transition solutions can be found at [erm.com/solutions](https://erm.com/solutions).

### ERM ACQUIRES ENERGETICS



To strengthen our position as a leader in sustainability consultancy in Australia and New Zealand, ERM has acquired Energetics, Australia’s leading climate risk and energy transition consultancy. The acquisition enhances our ability to support clients with strategic advice and practical, on-the-ground implementation across a range of climate transition issues in the region.

### COHO COMES ABOARD



ERM has expanded its expertise in decarbonization and water optimization through the acquisition of Coho, a global firm recognized for its climate and energy advisory services. Coho’s experts help organizations reduce emissions, procure renewable energy, enhance supply chains and strengthen water resiliency.

Combined with ERM’s strategic and technical strengths, the acquisition enhances support for clients pursuing climate goals and opportunities in decarbonization and water optimization.

# Client project impact



This image was taken by Thien Nguyen

We have established a range of impact metrics to measure how we are supporting the different aspects of the transition to a lower-carbon future and we will continue to evolve these methodologies and report on our performance each year.

## TRANSITIONING OUR COMMERCIAL STRATEGY

For the past 5 years, we have tracked 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. Over that time, our sales have grown over 500%, demonstrating how we are deploying our capabilities and growing capacity to meet the commitments of the Paris Agreement.

We set a target for FY25 to increase our sales from low-carbon economy transition (LCET) projects by 10% from the previous year. Our FY25 sales increased almost 20% over FY24, 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 economy transition. We have met this target in FY25.

Over the past

5 years  
our LCET sales  
have grown  
over 500%



FY25  
LCET sales  
increased almost  
20%



Longer term target for FY26 for

40%

revenue from projects  
supporting the low-carbon  
economy transition

We have met  
this target in

FY25



**SUPPORTING THE DEVELOPMENT OF  
NEW RENEWABLE ENERGY PROJECTS**

At the 28th United Nations Climate Change Conference of the (COP28) Parties, the goal of tripling renewable energy to 11,000 gigawatts (GW) was agreed. ERM was an active member of the campaign for adoption through the Global Renewables Alliance.

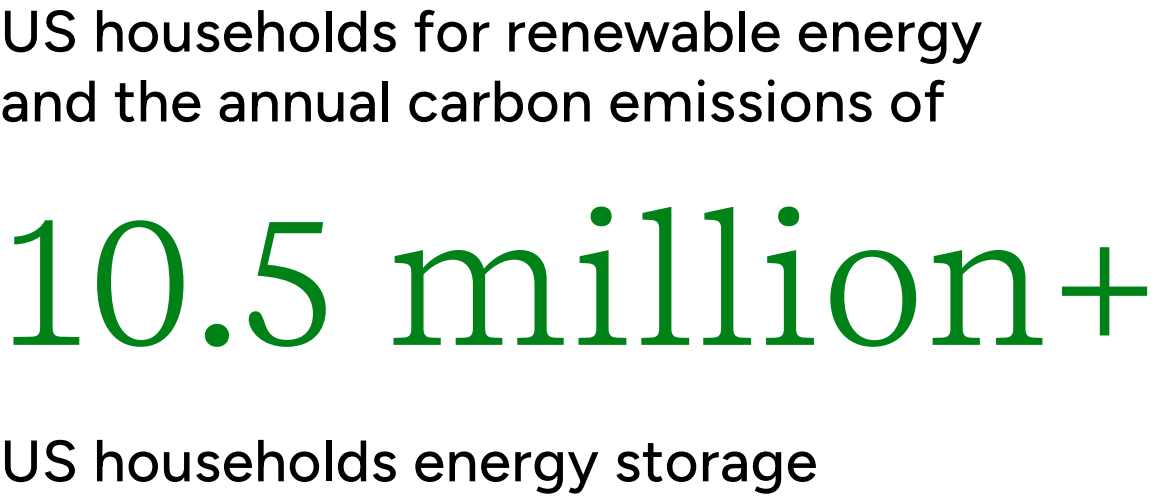
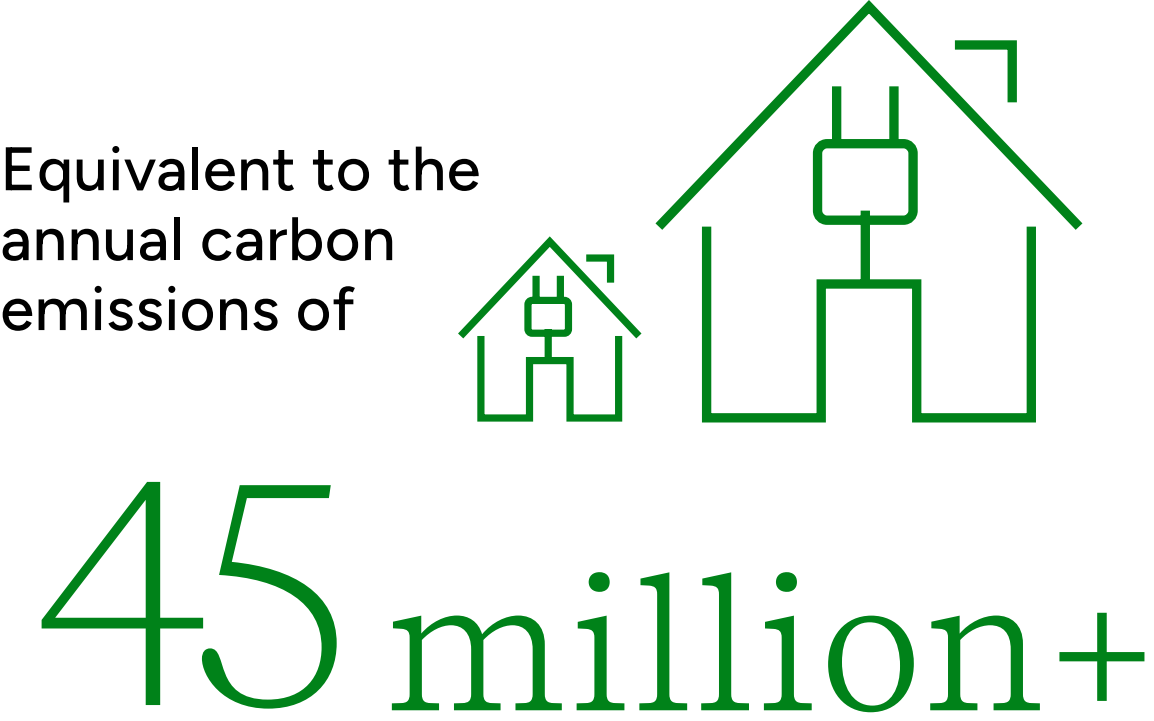
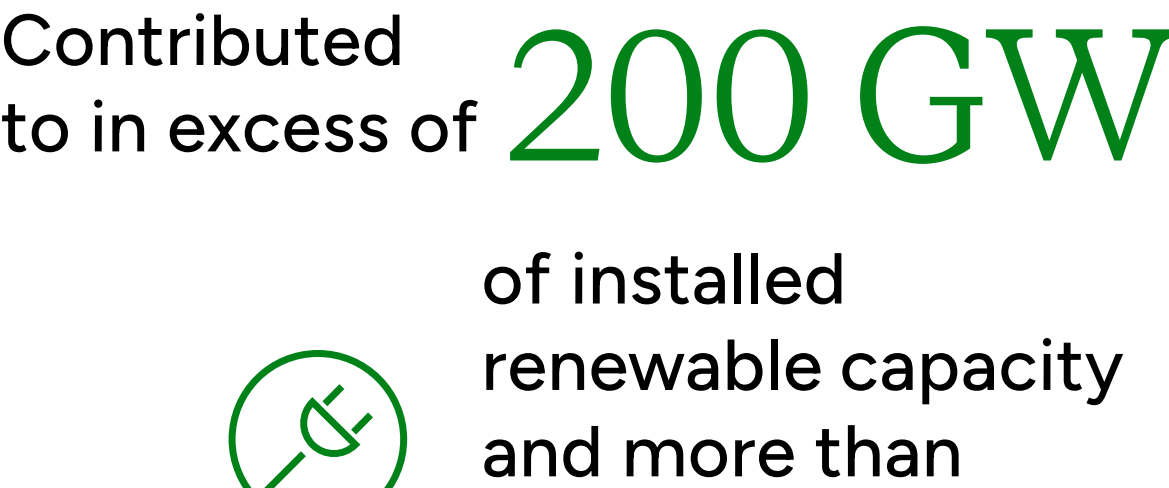
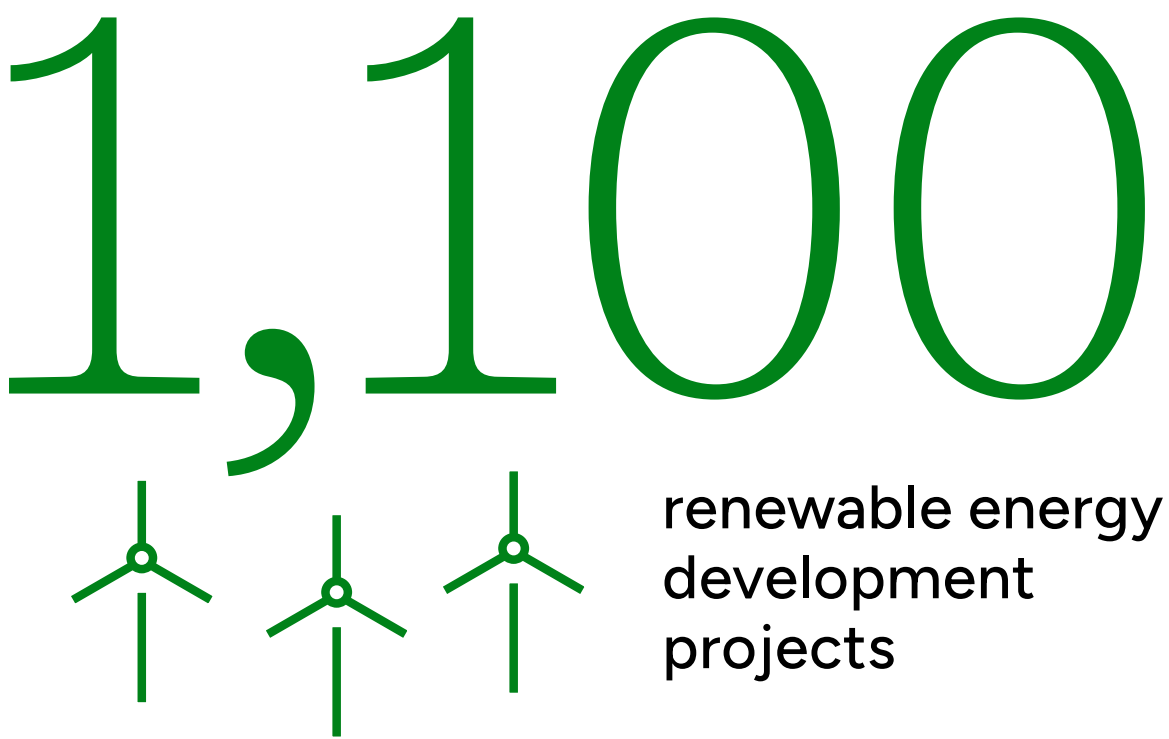
To reflect the importance of this goal, we set a target focused on working with clients on capital project delivery for renewable energy projects.

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 FY25, ERM has worked on over 1,100 projects contributing in excess of 200 GW of installed renewable capacity and more than 47 GW of installed energy storage. This is equivalent to the annual carbon emissions of more than 45 million US households for renewable energy and the annual carbon emissions of more than 10.5 million US households for energy storage. According to the International Energy Agency, global annual renewable capacity additions increased to over 660 GW in 2024.

We have therefore more than tripled our own contribution to renewables development over the past 5 years and are committed to supporting the growth of renewable energy and the associated changes required to energy infrastructure and markets in the years to come. We have evolved our methodology for these metrics each year, with data remaining comparable over this time.

In FY25, ERM worked on over



ENABLING ACCESS TO RENEWABLE ENERGY


An important element of meeting the objectives of the Paris Agreement is the decarbonization of the global economy through accessing renewable energy. ERM has specialist teams which work with companies to secure long-term supply of renewable energy through power purchase agreements (PPAs) and other contractual mechanisms.

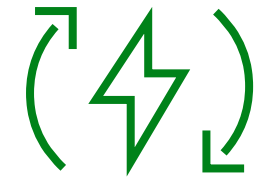
With strong demand signals from the market, renewable energy developers can secure project financing and complete projects within a timely manner. In the past year, we have developed measures to quantify our impact in this growing market. By their nature, contracts tend to be longer-term and commercially sensitive, and so we have produced aggregated data to reflect the impact during the past financial year.

In FY25, our team enabled clients to secure the supply of 1,484 MW of renewable energy. The electricity generated by these contracts is equivalent to the energy usage of about 304,000 average US households.

ERM also facilitated the execution of contracts for new, additional renewable energy projects that completed construction and started operating in FY25, through contracted capacity of 1,355 MW.

In FY25, our team enabled clients to secure the supply of  
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 **1,355 MW**



IMPACT INSIGHTS

Through securing forward supply of renewable energy, companies are able to:

- 1 Meet their public commitments to decarbonize.
- 2 Negotiate electricity and renewable energy certificate prices into the future, with the objective of mitigating long term price fluctuations (hedging benefit).
- 3 Support the development of new renewable energy infrastructure, contributing to the broader clean energy transition.
- 4 Support regional and rural communities where renewable energy projects are typically developed and operated.

SUPPORTING DECARBONIZATION JOURNEYS

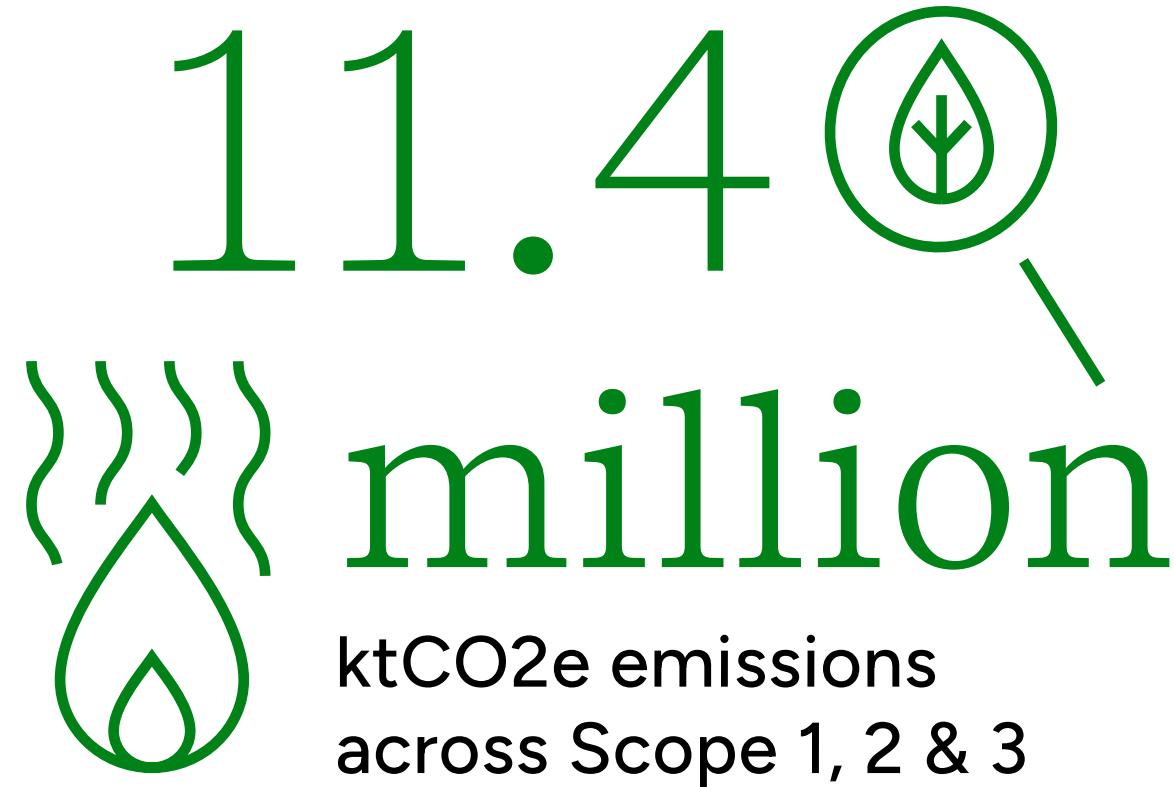
This year we have introduced new metrics to measure how we are supporting clients in their decarbonization efforts, which begins with a baseline of robust GHG emissions data, through to target setting, planning and implementation of actions. Clients engage us at different stages of their decarbonization journey. Therefore, in this initial year of data collection, we have focused on 130 of our largest projects with selected clients and will build on this in the future.

Applying rigorous protocols is essential in establishing a GHG baseline and disclosing this to regulators, investors and other stakeholders. In the past year, we identified over 11.4 million ktCO2e of Scope 1, 2 and 3 emissions through applying detailed GHG accounting methodologies. From this foundation, we worked with many of these clients to develop robust emission reduction targets, typically aligned with the Science Based Targets initiative for near-term and long-term targets.

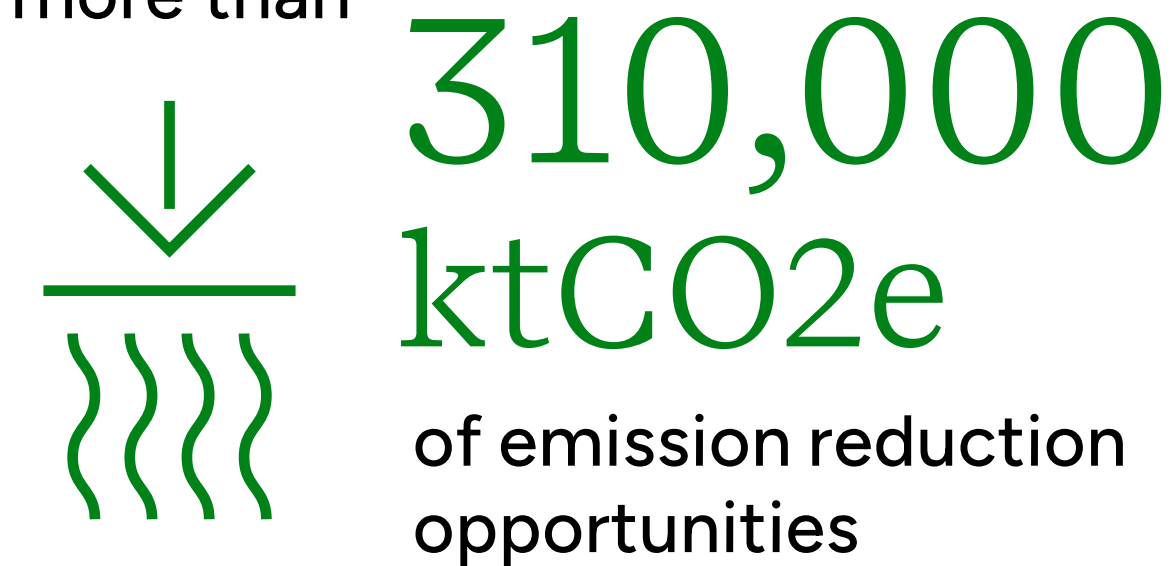
From this basis, clients identified more than 310,000 ktCO2e of emission reduction opportunities. In addition, the clients in this cohort reported allocating \$1.5 billion in capital investments to meet reduction targets.

We will continue to work with our technical teams and clients to extend the scope of projects and metrics within this methodology.

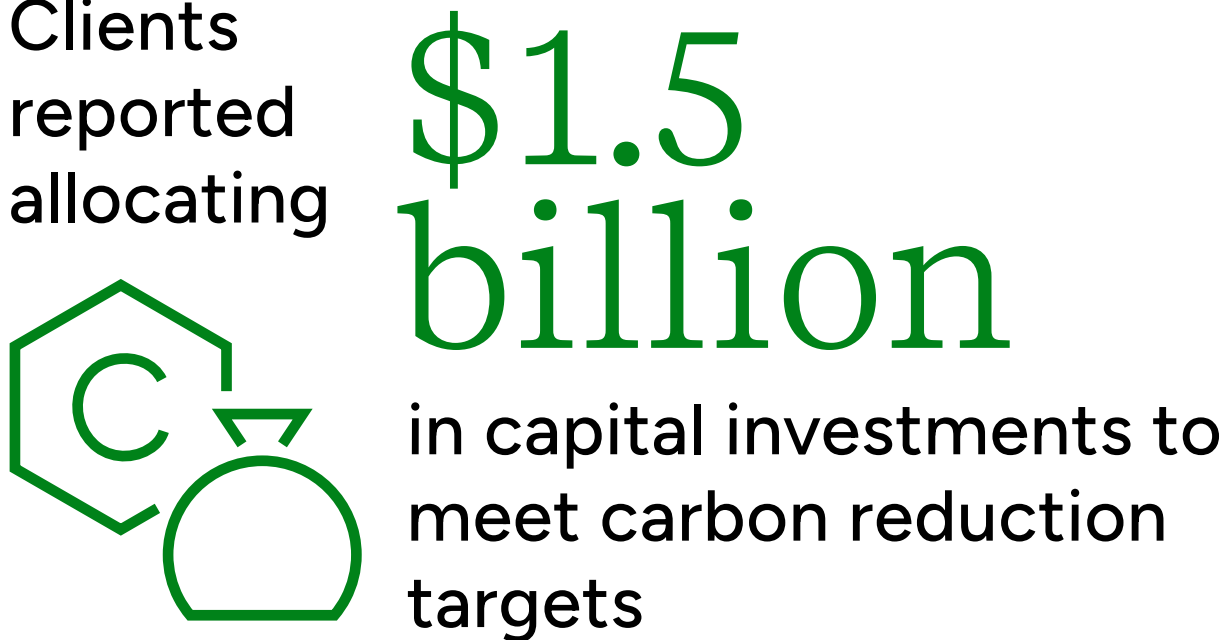
In the past year, we identified over



We helped clients identify more than



Clients reported allocating



This image was taken by Hannah Watts

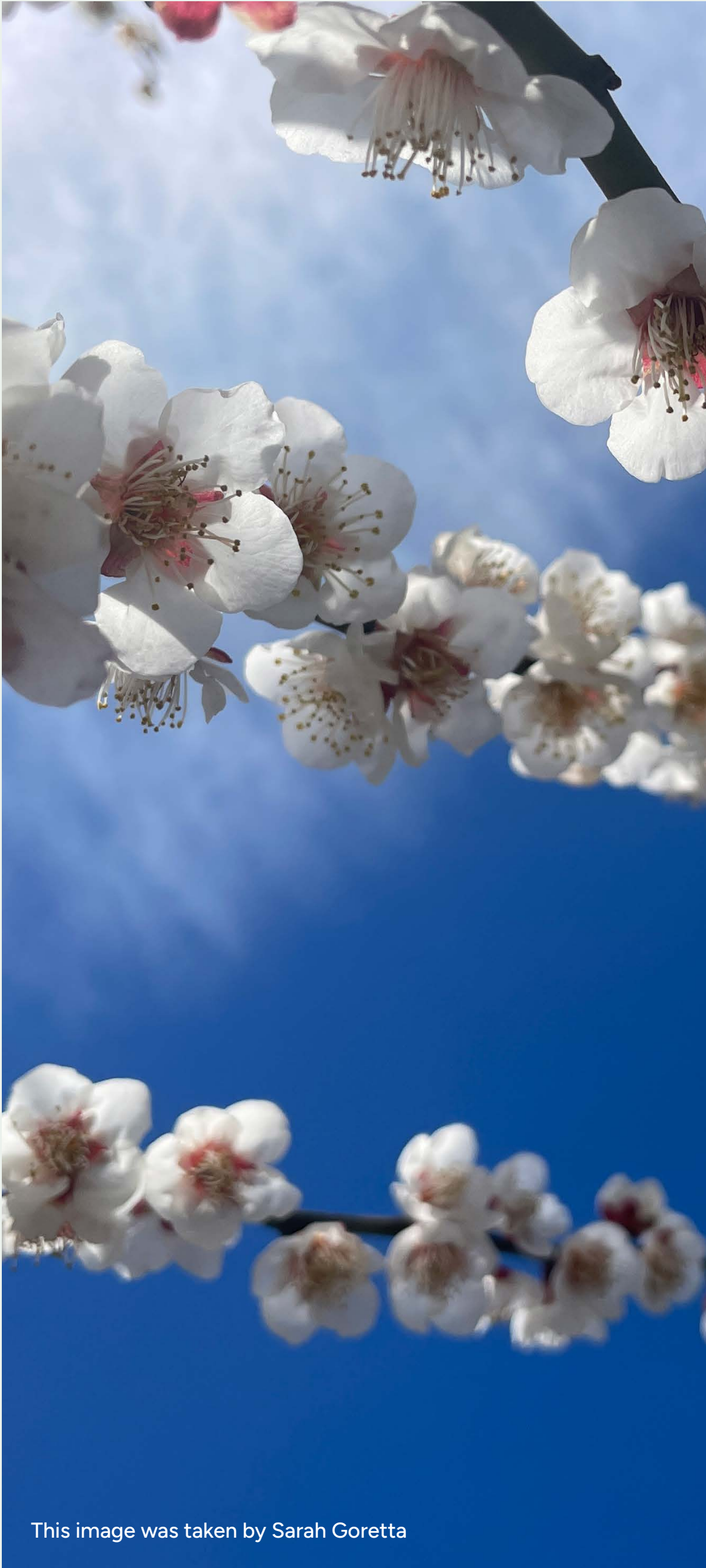
CASE STUDY

## Supporting Vale with its decarbonization journey

Vale, a Brazilian multinational in the mining sector, operating across more than 20 countries appointed ERM to support its transition to a low-carbon economy through a comprehensive decarbonization roadmap. Our role as a technical climate advisor to Vale began in FY25 and includes identifying projects to expand alternative energy use and reduce fossil fuel reliance.

Under a three-year agreement, ERM is providing technical support on Vale’s decarbonization strategy and analyzing Scope 1, 2 and 3 targets in the context of regulatory frameworks and sector trends. Our experts in Brazil have developed a tool to project the carbon footprint of Vale’s products, helping identify gaps and opportunities to improve data quality and target tracking.

ERM is also assisting with land use and land change inventories, adapting carbon management processes for new investments and assessing climate risks and opportunities across Vale’s operations.



This image was taken by Sarah Goretta

CASE STUDY

## Financing net-zero: how ERM supported ContourGlobal

ContourGlobal, a UK-based power-generation company operating in 20 countries, is accelerating its transition to renewable energy with ambitious decarbonization goals, including phasing out coal by 2027, adding at least 4 GW of renewable energy capacity by 2030 and bringing its net-zero date forward to 2040, assuming an enabling policy and infrastructure environment.

To help finance this transition, ContourGlobal partnered with ERM to develop a Green Bond framework underpinned by a viable net-zero pathway that would provide a robust, credible, and transparent foundation for sustainable financing.

The Green Bond Framework aligned with the International Capital Market Association Green Bond Principles, and anchored against the EU Taxonomy, enabling sustainable financing for solar, wind, hydropower, low-carbon hydrogen, and energy storage projects.

ERM ensured all investment categories aligned with the United Nation’s Sustainable Development Goals and the EU Taxonomy Eligibility and Technical Criteria, engaging with a Second-Party Opinion provider who issued an “Excellent” rating for the Framework and a “Substantial Transition” outcome for the net-zero strategy.

In May 2025, the ERM - ContourGlobal partnership also received recognition as Highly Commended at the Sustainability Delivery Awards in Chicago, US. Beyond technical support, ERM facilitated strategic alignment across ContourGlobal’s leadership, integrated sustainability criteria into mergers and acquisitions processes and initiated a Marginal Abatement Cost Curve modelling program to refine the preliminary cost of abatement and prioritize optimal emissions reductions pathways.

Through ERM’s expertise, ContourGlobal now has a validated net-zero pathway, a robust Green Bond Framework, and strong investor alignment- positioning the company as a leader in sustainable energy transformation.

“Engaging with the highly responsive and experienced ERM team resulted not only in a strengthened Green Bond Framework, which will facilitate ContourGlobal’s ongoing transition to increase our renewable energy generation, but also galvanized our sustainability-linked strategy, which is reflected in our values of “The Right Power Forward”.”

**Linda Wrong,**  
**Global Head of Sustainability, ContourGlobal**

# Our partnerships & collaborations

During FY25, we sustained our societal impact through our diverse network of collaborations and partnerships with like minded organizations across the globe, who share our commitment to a net-zero future. ERM remains committed to the Pledge to Net-zero, Climate Pledge and continues to work with other business and investor organizations focused on climate action. We also contributed to consultation processes on science-based targets, the GHG protocol and the use of voluntary carbon credits.

Thought leadership continued to be a central focus for much of our involvement, as we seek to not just participate but actively drive change. Examples of the many publications and podcasts are included throughout this report and further information can be found on [erm.com](https://erm.com).

## ISING TO THE ENERGY CHALLENGE IN ASIA



Asia’s role in delivering a global net-zero future is critical. The scale of the challenge in meeting the unrelenting demand for energy growth, while drastically reducing greenhouse gas emissions in line with targets under the Paris Agreement, is immense. ERM’s thought leaders offer a perspective on how to progress the low-carbon economy transition within Asia.

## EMBEDDING JUST TRANSITION INTO CORPORATE CLIMATE ACTION STRATEGIES



This report represents ERM’s contribution to the goals of the Business Commission for Tackling Inequality (BCTI), launched by WBCSD and partners, and is aimed at pragmatically supporting businesses as they plan for a just transition. It highlights the critical social and human rights dimensions that need to be considered as businesses seek to decarbonize their value chain.

## CASE STUDY

### Building climate resilience in the Mining sector

The International Finance Corporation (IFC) Climate Resilient Mining Initiative, supported by ERM, aims to embed climate resilience into the core of mining sector planning, investment, and policy.

Recognizing that climate risks are not yet consistently integrated into mine design or financial models, the initiative sets out three strategic objectives:

1. Empower mining companies by defining mining archetypes and their climate risk profiles.
2. Support financial decision making by quantifying the benefits of resilience.
3. Inform policy and regulation by producing policy guides to incentivize climate-smart mining practices.

The IFC and ERM partnership was launched at two leading mining conferences and aims to build a framework that quantifies the benefits of positive interventions at mining sites throughout every stage of the mine lifecycle.

The framework will also show the financial benefits of climate resilience by demonstrating how approaches that include efforts both inside and outside the mine fence can have a positive effect on mining financial performance and economics - and inform access to tailored finance for accelerated climate action.

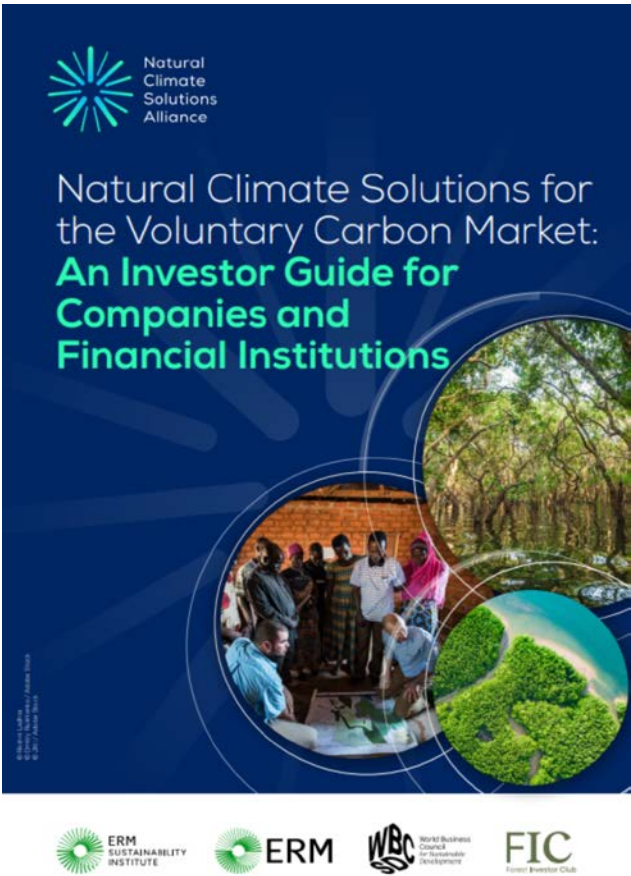


“Mines and other large industrial assets face significant climate risks. By investing in resiliency, operators de-risk these assets. The IFC framework helps quantify that value, making it visible in sustainability-linked finance and driving climate action.”

**Stacy Hope, Partner, ERM**

LONDON CLIMATE WEEK,  
JUNE 2024

In the build up to the Conference of Parties (COP29), ERM reinforced our commitment to sustainability leadership through a series of events and initiatives in London Climate Week. Events included hosting a joint WBCSD and ERM event on the business case for nature-based solutions and hosting a workshop on aligning associations with climate ambition.



ERM was also involved in the launch of the investor guide for Natural Climate Solutions (NCS) which was produced by ERM and its Sustainability Institute alongside the Natural Climate Solutions Alliance (NCSA) and Forest Investor Club (FIC). The guide provides insights to investors on how to identify and invest in high-integrity NCS projects – all for the ultimate purpose of increasing the flow of financial capital into these promising and high impact solutions.

NEW YORK CLIMATE WEEK,  
SEPTEMBER 2024



Reflecting the growing importance of New York Climate Week, ERM hosted a series of events during the week which focused on navigating the complexity of geopolitical change and uncertainty in the markets, to deliver practical, scalable solutions through cross-sectoral collaboration.

The ERM delegation participated in more than 80 events during the week including the UN Private Sector Forum and UN Global Compact Summit, the WBCSD Council Meeting, Principles for Responsible Investment (PRI) Forum and Climate Pledge Summit.

ERM co-hosted roundtables with WBCSD, Global Reporting Initiative (GRI), Persefoni, Salesforce and Sweep, amongst others. We organized sessions on quantifying the financial value of investment and responsible policy investment, and sponsoring the Voluntary Carbon Markets Initiative (VCMI) Day, the International Emissions Trading Association (IETA) event and Sustainableit.org reception. As members of the Global Renewables Alliance (GRA), our senior leaders participated in their summit, along with roundtables where we contributed to discussions on just transition, financing and other related topics.

ERM’s delegation to COP29 included thought leaders from across our climate-related communities and was also attended by senior leaders. In addition to speaking at assorted events, ERM also hosted the Council for Sustainable Transformation roundtable on company-investor engagement as a catalyst for climate action and co-hosted a transition planning roundtable with WBCSD.





For insights on COP29,  
please listen to the ERM podcast.

# Nature & Water



This image was taken by Ben Pizii

With six of the nine planetary boundaries exceeded, one third of the world’s population impacted by water stress and biodiversity under ever increasing threat from over-exploitation and pollution, the protection and enhancement of nature is of critical importance. Encompassed within the topic of nature are both geodiversity and biodiversity, and the critical role which both oceans and freshwater bodies assume within this.

Why this topic is material to ERM	107
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# Why this topic is material to ERM

In terms of nature and water, ERM’s greatest material impact is the work undertaken by our supply chain in support of our service delivery as well as the impact which our work with clients has on their operations and the physical environment in which they operate. Our direct operational footprint, comprising of leased premises in office buildings, is of limited impact and materiality.

During FY25, we delivered nature-based services to clients across our global operations, through over 700 projects in 50 countries.

Our partnership with organizations also provides a material opportunity for us to work towards a nature-positive future. This section showcases some of the work undertaken through both client service delivery and collaboration, through which we have sustained our impact during FY25.



This image was taken by Arnab Basu

## NATURE & WATER

Supply chain	●
Direct operations	●
Client services	●
Partnerships	●
Wider society	●

## Scale of impact

- Low
- Medium
- High

# Targets & performance

Over the past year, we continued advancing our commitment to a nature-positive future through close collaboration with subject-matter experts (SMEs), suppliers, partners and clients.

Leveraging the expertise of our nature-focused SMEs, we laid the groundwork for our inaugural TNFD disclosure, by identifying best practices in nature-related reporting for professional services firms like ERM. In alignment with our Sustainable Supply Chain targets, we also initiated engagement with our top tier suppliers to begin collecting nature-related data throughout FY26.

To further explore our impact opportunities, we collaborated with service teams and technical communities to continue gathering impact data for our Water and Remediation services.

Further information on our performance and our priorities for FY26 are detailed within this section. Our FY26 headline target reflects the critical importance of our supply chain in supporting our pursuit of a nature-positive future.



This image was taken by Peter Miles

FY25 HEADLINE TARGETS	PERFORMANCE
Publish TNFD disclosure.	✔ Partially achieved
Engage top tier of suppliers on nature.	✔ Partially achieved
FY26 HEADLINE TARGET	
Engage top tier of suppliers on nature and water.	

# Our operations

## Our strategy

With the launch of our Nature Strategy in 2024, we set out a three-year program of action, FY25 representing the first year of this rolling program. We have continued to evolve our assessment to identify where and how we can both create and sustain our impact in terms of contributing towards a nature-positive future. During FY25, we also continued to evolve our approach to data management, monitoring and assessing the impact arising from our operations, including through the contribution of people, delivery of services to clients and our partnerships.



## Our people

We have over 700 dedicated nature SMEs, supported by our wider technical communities (TCs) and employees, who collectively contribute to our nature-based services and solutions for clients.

### Ensuring quality and innovation through our Nature Technical Communities (TCs)

Keeping up with evolving best practices requires active knowledge sharing. At ERM, our TCs bring together SMEs from across the globe to deepen expertise, support quality delivery and foster technical leadership.

Among ERM’s 29 TCs, several focus directly on nature topics – such as Biodiversity and Ecosystems, Marine Systems, Nature Positive, and Water Resources & Storm/Wastewater – while others, like Site Investigation and Remediation Management, are closely related. Many SMEs engage across multiple TCs, helping to share insights and strengthen collaboration organization-wide.



### NewFields acquisition

This year, we further enhanced our nature-related technical expertise through the acquisition of the Environmental Division of NewFields in the United States, a firm renowned for its expertise in strategic consulting, site investigation and sustainable remediation. NewFields is a leading environmental engineering and consulting firm dedicated to providing comprehensive and innovative solutions for clients globally.

TECHNICAL EXPERTISE IN SUPPORT OF WIDER ORGANIZATIONS

Employees globally participate in pro bono work and volunteering through the ERM Foundation supporting the restoration of habitats and biodiversity, oceans and water courses. Our SMEs also support us in driving dedicated activities in their local offices and participating in our global workshops to influence how nature is integrated into our operational program.



One of the ERM Foundation’s three key focus areas is biodiversity protection or preservation towards a nature-positive future. In FY25, the Foundation contributed to the planting, restoration, protection or rewilding of 17,823 hectares of land. We also provided \$192,708 in pro bono support across 27 organizations, including, for example, Alma e Natureza in Brazil which works to restore the Atlantic Forest and Zanzibar Volunteers for Environmental Conservation which works to conserve and protect mangroves that are vital to sustaining Zanzibar’s coastal ecosystem. Read more about our ERM Foundation grant funding, pro bono support and community volunteering in our [Annual Foundation Review](#).

ERM Foundation provides GIS mapping support for North American coastline

ERM employees gave technical pro bono time to Reef Check in FY25 and provided a data visualization tool, mapping almost 20 years of data collected by Reef Check’s volunteer citizen scientists into a readable format. Volunteers collect data to assess climate change impacts on local reefs. A web application was created in ArcGIS Online to spatially visualize the survey locations over time at various depths, as well as compare information over time such as density between different aquatic species. This has allowed Reef Check to more readily engage and share data it has collated with local communities and key stakeholders, allowing them to unlock further funding opportunities and continue to engage people in their mission to protect reefs across the globe.



This image was taken by Elizabeth Zernik

Our offices

Our leased office spaces have a minimal direct impact on nature and water but we nonetheless seek to capitalize upon opportunities across all facets of our operations. Recognizing the impact on nature and water of climatic change, we are incrementally decarbonizing our operations, as set out in the Climate section of this report. We are continuing to work across offices to procure support services, such as catering, which use local and sustainably grown sources, in line with our nature-positive commitment.

Our supply chain

The sustainable management of our supply chain is a central tenet of our strategy to enhance the sustainability of our operations within ERM. During FY25, we analyzed the approach and management of nature within our top tier suppliers, and their alignment with our Global Biodiversity Policy and Nature Strategy.

Our analysis reflects the growing importance that companies are placing on nature and water, as well as the opportunity to develop more strategic approaches and better assess impact. During FY26, we will enhance our engagement and collaboration to focus on those areas of our supplier provision where we can make most material impact in terms of pursuing nature-positive service delivery. Further information on our supply chain management strategy is set out in the [Sustainable supply chain](#) section of this report.

CASE STUDY

ERM LAC walking the world & planting trees

ERM’s Latin America and Caribbean (LAC) region partnered with The Conqueror and Veritree to combine physical activity and positive nature impacts through our ‘Walk the World’ program. Through walking challenges, the program aims to:

- Reduce sedentary behavior among our employees;
- Increase physical activity; and
- Contribute to environmental sustainability by planting trees.

In FY25, every business unit (BU) within our LAC region sponsored virtual challenges to get our colleagues walking. For every 20% of a challenge completed by an individual, Veritree planted one tree, leading to five trees being planted for every participant who completed the challenge. With a total of 54 participants across the region and 84,109,075 steps taken, our Latin American team walked more than 1 and 1/3 laps around the world, resulting in 370 trees being planted.



This image was taken by Vitor Fraga



This image was taken by Vitor Fraga



“The ‘LAC Walk The World’ program achieved a remarkable milestone in FY25, reaching its highest participation rate to date. The initiative contributed to reforestation efforts and ocean clean-up initiatives whilst significantly boosting employee health and well-being. The collective effort of LAC BUs, which collaborated to provide program funding, was instrumental in its success.”

Oscar Arteaga, LAC Regional Health and Safety Director, ERM

# Client services & partnerships

## Client services

ERM has been supporting clients across nature-related topics since our inception more than 50 years ago. Our ability to have a positive impact on nature and water through our client projects is indirect but nonetheless material to our business and significant in comparison to our own operational impact on nature and water.

Driven by emerging science, regulations and mounting stakeholder pressures, companies’ focus on nature and its related topics such as water and pollution has increased significantly over the past few years. With increased focus has come greater awareness and understanding of nature-related impacts, risks and also opportunities at the corporate level.

In line with our commitment to shape a sustainable future, ERM’s dedicated nature and water service offering supports clients in understanding their nature-related impacts and dependencies as well as risks and opportunities, setting strategies for the proactive management of nature topics and disclosure of their nature-related impacts.

### ERM’s related services & solutions

	Nature-positive baselining, modelling and strategy development
	Water sourcing strategies for alternative technologies and supplier relations
	Water stress, quality and replenishment studies
	Target setting and reporting
	Nature-focused transformation change support
	Value chain risk assessments and site audits
	Impacts and dependencies assessments
	Portfolio screening and risk assessment

Further information on our solutions can be found at [erm.com/solutions](https://erm.com/solutions).



This image was taken by Gayathri G.

# Client impact

In October 2024, the 16th Conference of the Parties for the Convention on Biological Diversity (COP16) was held in Colombia, with ERM actively participating through hosting our own events and partnering with other leading organizations.

At the COP, Parties made important strides towards the achievement of the 23 action targets of the Kunming-Montreal Global Biodiversity Framework (KMGBF), adopted at COP15 in Montreal.


We have taken key elements of the KMGBF and other global initiatives and developed measures to inform how our services with clients are impacting this agenda.

This year, we have continued to evolve our metrics on water stewardship and pollution management, and have introduced a new metric on our nature advisory services which we will continue to evolve in the year ahead.

To support the business response to the KMGBF, ERM developed a digital tool called the ‘Nature Maturity Assessment Tool (N-MAT)’. N-MAT allows experts to measure and score a company’s maturity on nature from beginner, to advanced to fully integrated advanced to fully integrated along nine criteria for corporate action. Once the baseline maturity level is established, ERM works with the company to set out a plan of action which is aligned to global frameworks such as the High-level Business Actions on Nature (ACT-D), the Taskforce for Nature-related Financial Disclosure (TNFD), the GRI Biodiversity Standard and others.

In FY25 ERM has worked on **700+** projects in **50+** countries

## IMPACT INSIGHTS

To date, ERM has conducted **198** assessments of **100** companies using the **N-MAT tool** 

1

Companies tend to progress in nature maturity by establishing the internal governance structure for their nature strategy followed by more strategic stakeholder engagement internally and externally to secure buy-in and input on the key priorities of the strategy.

2

Companies at the start of their nature journeys tend to begin by focusing on deforestation (specifically relating to forest-risk commodities), especially in sectors like consumer goods and retail where upstream/sourcing impacts tend to be more material than impacts from direct operations.

3

As companies mature they focus on the materiality of nature as a topic through articulating risks and opportunities and establishing relevant management and mitigation measures.

4

The ‘IPLC and Affected Stakeholder Engagement’ category consistently scores lowest among benchmarked companies, with some yet to consider how nature intersects with Indigenous Peoples and Local Communities (IPLCs) in their operations or value chains.

5

As we continue to deploy N-MAT, we will build a robust database of corporate ambition, actions and disclosures that will enable us to tailor advice and action for companies in different sectors and geographies, thus contributing to Target 15 and other elements of the KMGBF.

The UN Global Compact and the Water Resilience Coalition (WRC) 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 evolve our impact measurement approach to water stewardship. In the past year, ERM has worked in 310 sites in 37 out of 100 of the priority water-stressed basins to address water risks for business and surrounding communities. This is a marked increase in comparison to the 81 sites in 21 basins last year, in turn demonstrating our growing impact.

Globally, sufficient volumes of good quality water for business’ operations are becoming increasingly scarce, whilst 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 47% of the priority basins we worked in over the past year are facing water scarcity challenges at a concerning level. This is lower than the 83% reported last year, which we attribute to clients having been initially focused on water scarcity, but now taking a more comprehensive view of risks.

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This image was taken by Vikrant Wankhede

Historically, companies have not always taken into consideration the communities in and around their sites. This 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. Recognizing water as a strategic asset is crucial for building resilience. By protecting this vital resource, businesses can create sustainable value that benefits both their operations and the communities they serve.

“We have supported the development of strategies and practical measures to create positive impacts across seven sites in priority basins, including within 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”.

**Sarah MacKay,**  
Water Technical Consulting Director, ERM



This image was taken by Yakuta Bhagat



## IMPACT INSIGHTS

We encourage clients to consider the following elements to **foster sustainable water management**:

- 1 Understand the physical, regulatory and reputational risks associated with water use in your operations and supply chains.
- 2 Explore investment opportunities for critical water infrastructure that can support both business needs and community resilience.
- 3 Optimize water use by developing solutions that respect the unique dynamics of each basin, ensuring that water is managed effectively and sustainably.

LAND

The Kunming-Montreal Global Biodiversity Framework (KMGBF) includes several 2030 targets that speak to reduction in pollution, and returning lands, green spaces and waterways for human well-being and biodiversity.

For the third year, we are reporting on the impact of our Liability Portfolio Management and Remediation (LPMR) services. At any time, ERM is working on over 3,000 LPMR projects, and many are multi-phase, multi-year large projects. Our impact results vary each year, reflecting where in the project cycle the activity has been focused.

The remediation industry has been changing rapidly in recent years with emerging 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, remediating and managing liabilities associated with

site investigation; remediation; and decommissioning, decontamination and demolition create an opportunity to identify value and reduce risk.

Companies, regulators and other stakeholders are challenging LPMR 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.



ERM is working on over **3,000** LPMR projects

IMPACT INSIGHTS

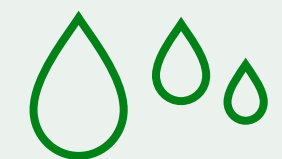

Through working with companies to address these liabilities, ERM helps deliver the following societal value:

- 1 Repurposing of assets to new beneficial uses – enabling communities to access productive land for housing, open space and other uses.
- 2 Extending the life of the asset – through progressively assessing and managing risk to enable the productive use of land, responding to human health and other regulatory considerations.
- 3 Improving outcomes for nature and communities - reducing environmental impacts from pollution, creating biodiversity net gain, improving water quality and resilience.
- 4 Managing 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 LPMR 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.

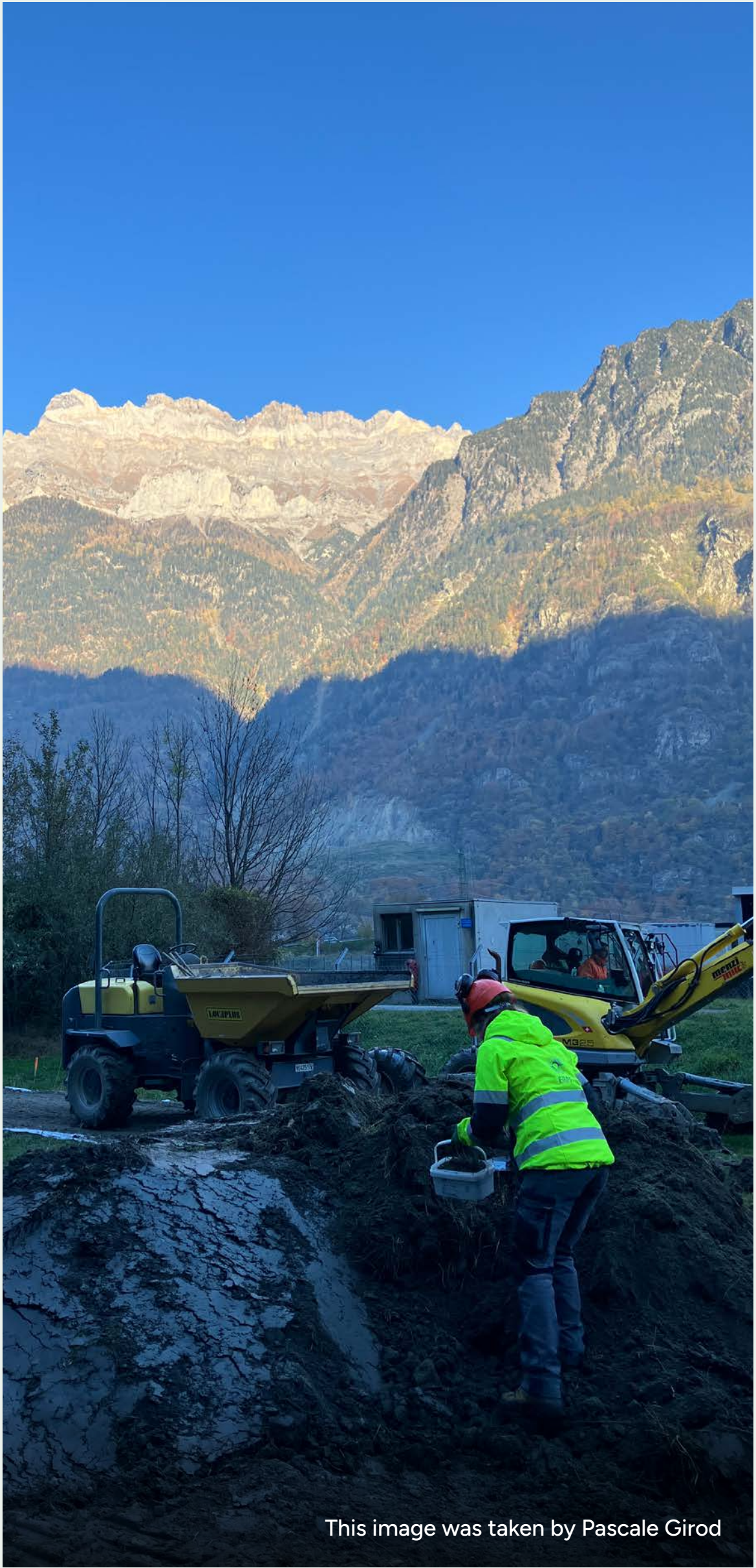
In FY25 we processed +2.5 million liters of water, and +58.3 million cubic meters of soil. A higher proportion of water and soil is being treated in situ, reflecting the environmental and cost considerations of clients and regulators.

We treated, destroyed or removed +84.2 million kg of contaminants, primarily from a small number of large projects and a significant increase from the 12.8 million kg processed in FY24. We have returned +25 hectares of land to beneficial use, which is a slight increase from FY24. We have also actively worked on sites covering several hundred hectares where remediation activities are enabling the site to remain open or be redeveloped for the existing use.

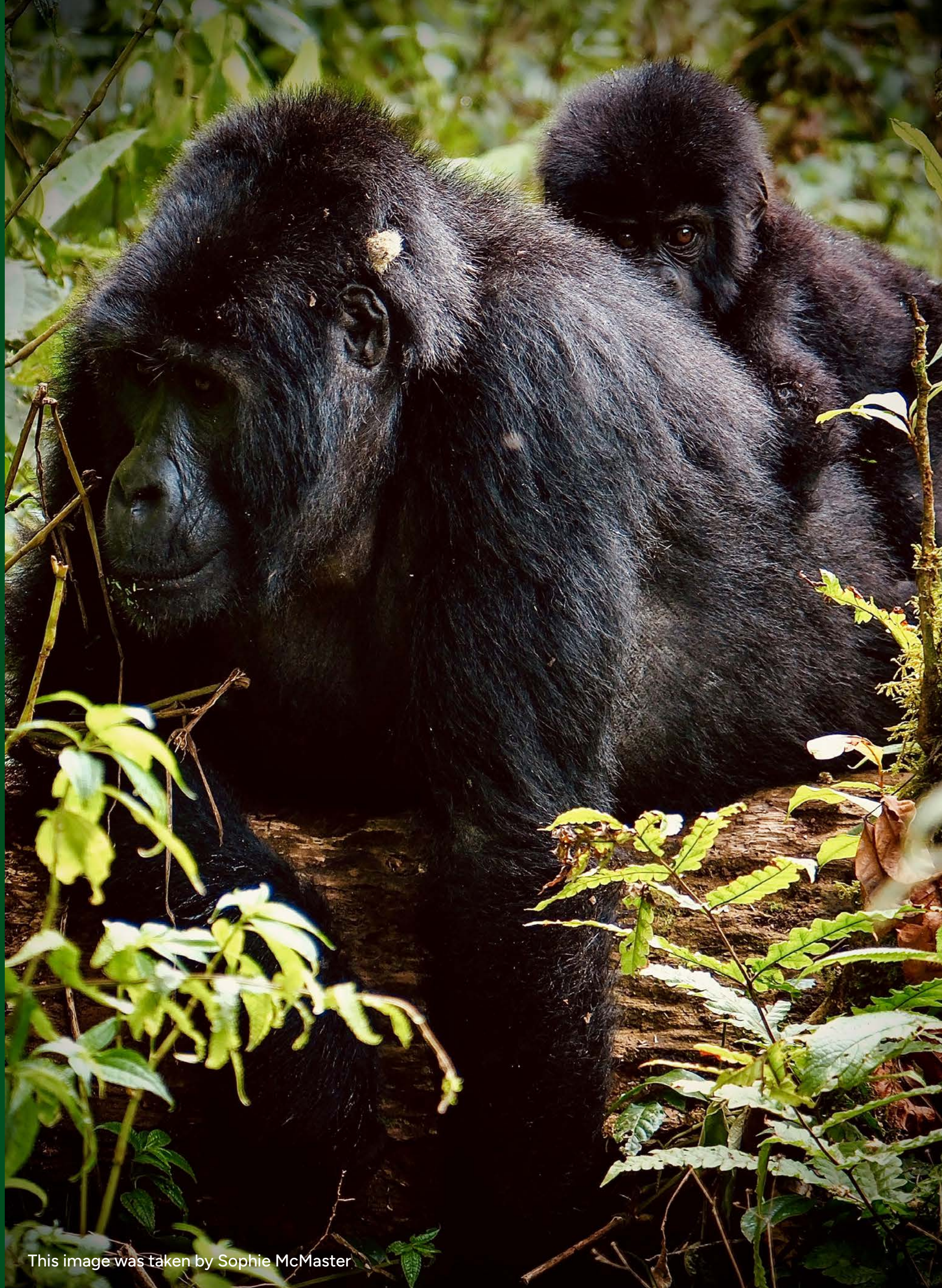
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This image was taken by Pascale Girod



This image was taken by Sophie McMaster

## CASE STUDY

# NatureTech Alliance launches ‘NatureTech Revolution’ report at COP16 in Cali, Colombia

The NatureTech Alliance, a pioneering initiative between ERM, Salesforce, NatureMetrics and Planet, helps businesses tackle urgent biodiversity challenges, accelerating and scaling the assessment, management and disclosure of biodiversity impacts and dependencies on nature to help drive a sustainable future for nature, people and economies.

The report underlines how a corporate shift to outcome-based metrics is essential to achieving nature-positive outcomes, highlighting that the shift to outcome-based metrics will require companies to successfully utilize new technologies, from AI and environmental DNA to satellite imagery and geospatial data platforms.

**Click on the images to access our thought leadership developed in collaboration with The NatureTech Alliance.**

### THE NATURE TECH REVOLUTION: THE TOOLS TO MOVE FROM ‘DO NO HARM’ TO ‘NATURE POSITIVE’

White paper

### NAVIGATING NATURE TECH SOLUTIONS FOR BUSINESS

Podcast

### LEADING THE NATURE TECH REVOLUTION

Webinar



ERM

Sustainability Report 2025 | Nature & Water

## ERM supports Nissui Corporation’s Nature Loan with Sumitomo Mitsui Trust Bank, Limited

Nissui Corporation (Nissui), one of Japan’s major seafood and food manufacturers, engaged ERM to conduct a comprehensive nature-related assessment of Nissui’s operations and response measures. ERM’s Nature Management Maturity Assessment helped evaluate the company’s nature-related risks and impacts by reviewing KPIs, targets and response processes, while also assessing governance and strategic integration of nature-related considerations in alignment with the TNFD framework.

The report provided a comprehensive view of Nissui’s natural capital management maturity, supporting its alignment with global sustainability standards. The assessment supported Nissui in securing a nature loan from Sumitomo Mitsui Trust Bank, Limited, reinforcing its commitment to biodiversity and sustainable resource use. ERM’s work not only enabled financial innovation but also advanced corporate alignment with emerging nature-related disclosure standards.



“This initiative marks a significant step forward in integrating nature-related considerations into financial decision-making. By applying ERM’s rigorous assessment approach, developed in line with the TNFD and the Science Based Target network, we ensure that businesses not only understand their impact on nature but also take meaningful action to help shape a sustainable future that includes the protection and restoration of nature.”

Kosuke Kanematsu, Sustainable Finance Partner, ERM

## Nature & water collaborations

ERM leverages its deep expertise in nature-related topics to drive global action toward a nature-positive future. Through strategic partnerships, thought leadership and active participation in key initiatives, we aim to create positive impact beyond our operations. We launched new collaborations and research while strengthening existing relationships. These efforts reflect our commitment to shaping the global nature agenda.

### Key Collaborations

- **Natural Climate Solutions Alliance:** ERM promotes high-integrity natural climate solutions and co-authored the Investor Guide to the Voluntary Carbon Markets.
- **Nature Tech Alliance:** With Salesforce, NatureMetrics, and Planet, we help businesses assess nature impacts and align with CSRD and TNFD.
- **Science Based Targets for Nature:** ERM supports target-setting through the Corporate Engagement and Referral Programs.
- **TNFD Forum:** As an early adopter, we’ve helped pilot TNFD with energy companies via WBCSD.
- **WBCSD:** ERM actively participates in the Nature workstream through secondments, delivering masterclasses, participation in steering groups and contributing to framework and metrics development.

### Broader Collaborations

- Business for Nature
- Nature Positive
- UN Sustainable Ocean Principles
- Alliance for Water Stewardship
- GHG Protocol Land Sector Guidance
- UK Business & Biodiversity Forum

### ERM Thought Leadership

The Future of Water Resilience in the U.S. is a collaborative publication with J.P. Morgan that explores the critical challenges and emerging opportunities related to water resilience across the United States. The piece examines how strategic water management, infrastructure investment and innovative technologies can help address these pressing issues.



# FY26 Targets & lookahead

ERM is committed to incremental improvements in our operational performance and sustaining our impact through our programs, work with clients and our partnerships. Our summary of FY26 headline targets reflects this commitment and are supported by detailed operational planning, including supplementary goals.

We will report upon our delivery of these targets and wider FY26 performance, in the ERM Sustainability Report 2026.

## GOVERNANCE

Implement program-wide risk reviews of project delivery in geographies with elevated geopolitical risk.

Deliver partner risk awareness training.

Develop 2 new societal impact metrics in key service lines.

Achieve no reportable breaches of data privacy.

## SUSTAINABLE SUPPLY CHAIN

Achieve no reportable breaches of data privacy.

## TECHNOLOGY & GENERATIVE AI

Implement Responsible AI training for all employees through the ERM Academy.

## PEOPLE

Implement 'Evolving our Manager' program.

Achieve voluntary turnover rates below industry average.

Achieve employee survey participation rates above industry average.

Increase representation of women and minorities in leadership roles.

## SOCIAL IMPACT & HUMAN RIGHTS

Implement process to ensure no unpaid workers, no material and unpremeditated pay equity issues.

Engage top tier of suppliers on human rights.

## CLIMATE & ENERGY

Remain on track to meet SBTi targets for Scope 1, 2 and 3.

Engage top tier of suppliers on decarbonization.

Derive 40% of total revenue from projects supporting the low-carbon economy transition.

## NATURE & WATER

Engage top tier of suppliers on nature and water.

Thank you for reading the  
ERM Sustainability Report 2025.

Further information on selected topics can be found  
in the supplements to this report, including:

<a href="#">Our Approach to Materiality &amp; Reporting</a>
<a href="#">Our Contribution to the UN Sustainable Development Goals (SDGs)</a>
<a href="#">Climate Supplement &amp; CFD/TCFD</a>
<a href="#">Modern Slavery Statement</a>
<a href="#">Sustainability Performance Data &amp; External Assurance</a>
<a href="#">GRI Index</a>

For more information on the topics set out in the  
Sustainability Report or ERM’s sustainable operational  
programs, please contact [sustainability@erm.com](mailto:sustainability@erm.com).

To find out more about ERM and the services we provide  
to clients, visit [www.erm.com](http://www.erm.com).



This image was taken by Aleksandr Moiseev



# Sustaining Impact

SUSTAINABILITY REPORT 2025

Sustainability is our business

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