Our Approach to Materiality and Reporting

SUPPLEMENT: SUSTAINABILITY REPORT 2026

Introduction

This supplement sets out additional information on ERM's approach to sustainability reporting, assessing materiality, and stakeholder engagement. It should be read in conjunction with the ERM Sustainability Report 2026.

As a business, we seek to shape a sustainable future where we can have the most material, positive impact. Our annual double materiality assessment and associated reporting processes afford the business the opportunity to have an open and candid conversation with our stakeholders both within and outside of our company to understand the risks, opportunities, and impacts we can create through our operations, our work with clients, and through our regional and global partnerships.

Both processes allow us to systematically assess our impact on society and in turn society and the economy's impact upon our business. It is instrumental in shaping our strategic and operational planning and we thank all those who have participated in our most recent assessment for their considered engagement.

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The double materiality process

Introduction

The double materiality assessment (DMA) process is a critical point in our annual strategic review through which we constructively challenge ourselves as a company to consider the perspectives of our stakeholders and external analysis to inform our identification of what is material for us as a business. This section includes details on our materiality methodology, the relationship between our material topics and the Sustainable Development Goals, and our approach to stakeholder engagement.

Through iterative analysis, the assessment considers the risks, opportunities and ultimate impact, positive or negative, which issues may have on our business and which our business can have an impact upon. Importantly, we consider the breadth of our value chain when assessing the aspect, scale, and significance of impact to ensure we have a thorough and holistic determination of what is most material to us.

Staged process

Our DMA process is conducted in line with the requirements of the Global Reporting Initiative (GRI). We also continue to prepare for reporting in line with the EU Corporate Sustainability Reporting Directive (CSRD), for which we are in scope to report in 2029 on our fiscal year 2028 (1 April 2027 – 31 March 2028).

Dual consideration of impact

The DMA process identifies risks and opportunities through analysis of the tiered impact and materiality of proposed topics to use as a business, and in the context of broader enterprise risk management. Sustainability topics are considered from two different angles:

- **Financial materiality:** external factors or issues which may impact ERM directly or indirectly and can be classified as risks and opportunities.
- **Impact materiality:** the impact, both positive and negative, of our business and operations on the environment and wider society.

Together, the consideration of financial and impact materiality allows us to identify sustainability-related risks, opportunities, and impacts across our value chain.

Further information on our value chain is set out in the ‘Stakeholder Engagement’ section of this supplement and the ‘Our Business’ section of our Sustainability Report 2026.

Assessment timeframes

The DMA considers the risks, opportunities, and impacts of topics both in the near-term (impacting our operations in FY27 and FY28) and beyond (FY28-FY30) when identifying what we consider material to us as a business.

A greater level of surety exists around the immediate-short term timeframe. Accordingly, the analysis of potential impacts in the longer-term is based upon horizon scanning of potential regulatory and policy trends, anticipated market and client demand, societal trends, and the potential evolution and adaptation to risks such as climate change.

Materiality methodology

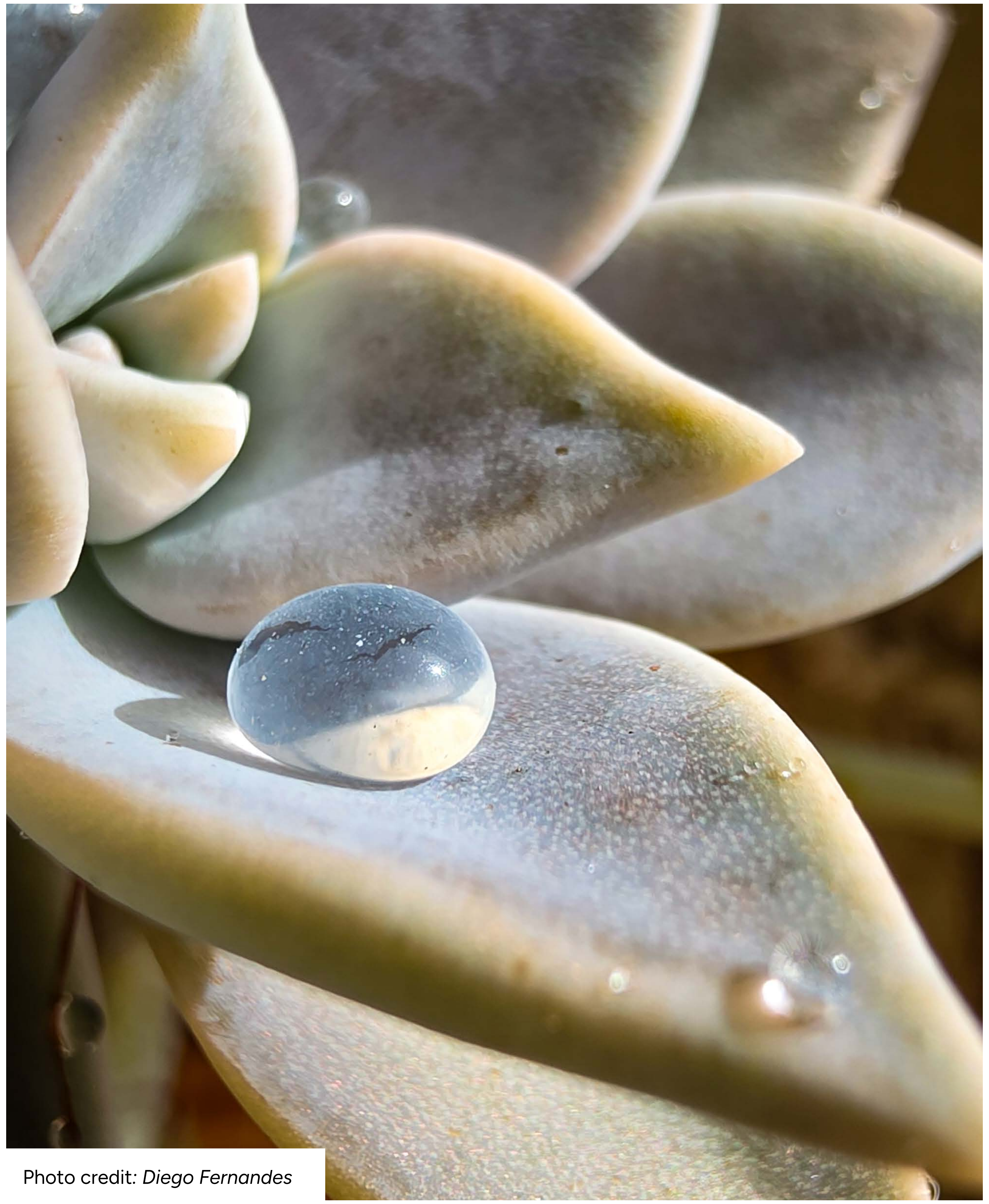

Photo credit: *Diego Fernandes*

In line with best practice, the DMA process comprises six key stages:

1 **Benchmark analysis**

A detailed benchmark analysis including input from our enterprise risk management register, previous materiality assessments, regulatory and market horizon scanning, trends and peer review, and consideration of the membership criteria of our partner organizations.

2 **Impacts, risks, and opportunities**

Impacts, risks, and opportunities were identified and assessed across ERM's value chain based on factors including (but not limited to): actual or potential impact; geographic and time horizon; likelihood; mitigation options; residual impact; and business significance. This resulted in a prioritized shortlist of material topics.

3 **Stakeholder interviews**

Stakeholders were interviewed and asked to rank the shortlisted material topics on the basis of their perceived impact to our business and the perceived impact of our business on these topics in the immediate and longer term.

4 **Material topics and target development**

Qualitative and quantitative feedback from stakeholder interviews were used to review the shortlist of topics. Based on the combined analysis, a final list of material topics was produced. Targets and key performance indicators (KPIs) were then developed to be able to track our future performance and progress.

5 **Leadership validation**

The outcomes of the double materiality assessment process were presented to ERM's Executive Committee (ExCom) for approval.

6 **Reporting**

Regular reports on progress against targets will be presented to the ExCom and Board and reported annually in our Sustainability Report.

Stakeholder perspectives

To ensure we captured a diversity of stakeholder perspective, interviews were conducted with over 40 stakeholders comprising representatives from across our internal operations and regions, and those representing clients, business coalitions, thought leaders, and social enterprises.

The process revealed that stakeholder perspectives strongly aligned with our market, trends, and landscape analysis, highlighting a consistent set of key risks, opportunities, and material impacts for our business in FY27. The key themes reflected the scale of influence of externalities such as geopolitical instability and technological change in both directly and indirectly shaping the market for our clients and for ourselves as a business.

Stakeholders noted ERM's response to market volatility requires rigorous management of the risk which such instability creates, coupled with a clear strategy and regional differentiation which allows the company to remain agile and market focused. The strength and consistency of our purpose was considered central to our value proposition and counterpose to current market uncertainty. Whilst instability was a dominant theme, perennial topics such as the importance of our people-centric management were also raised, reflecting the consensus that whilst externalities change, the fundamental tenets of our business do not.

Key stakeholder themes

Our purpose and proposition: *Integrity, Surety of purpose, Value-led sustainability, Value creation, Reputation* | **Our strategy and resilience:** *Business continuity, Geopolitical instability, Integrated solutions, Outcome-based delivery, Agility and adaptation* | **Governance and risk management:** *Strong ethical governance, Changing geographical risk, Due diligence, Adaptive risk management, Regional responses* | **Harnessing technological change:** *Responsible AI, AI driven efficiency, Rigorous AI governance, Cybersecurity, Digitally-enabled delivery* | **Our people:** *Attraction and retention, Building capability, Wellbeing, Workforce transformation, Human-led, AI enabled* | **Our direct operations:** *Credibility, Leadership, Increasing disclosures, Managing modern slavery risk, Ongoing decarbonization, Social impact* | **Our supply chain:** *Enhanced due diligence, Supplier compliance and data, Supply chain decarbonization, Human rights governance, Supporting sustainability performance*

Our material topics for FY27

Reflecting the importance of the DMA process to our business, the input of ERM senior leadership, led by our CEO, has been instrumental in refining and ultimately approving our final set of seven material topics for FY27. This has included iterative refinement of defining what is most material to us, taking into account our wider mapping of enterprise risk and key factors such as commercial and strategic priorities, to reflect who we are now as a business and where we seek to be within the next year and beyond.

This year we have reframed our material topics to better reflect the focus of where we feel the most material risk or opportunity to be for our business. Whilst headline topics such as People and Technology remain consistent with previous years, we have honed in on the specific topic, which is most material to us, for example, supporting our people to be future-ready in a world of accelerated AI adoption. This approach defines the value generated to us as a business of using sustainability and the DMA process as integral to our strategic delivery and risk management.

Our material topics are broadly categorized into three key areas, as displayed in the graphic.

Our purpose and strategy

Our purpose and proposition

How our purpose and impact support our value proposition

Our strategy and resilience

Adaptation and resilience to geopolitical and market instability and opportunity

Managing risk and change

Governance and risk management

Agility of our governance and rigor of our risk management

Harnessing technological change

The importance of harnessing AI and wider technological change

Sustainable operations

Our people

Building a future-ready workforce through capability development

Our direct operations

Enhancing the sustainability of our own operations

Our supply chain

Strengthening resilience and the sustainability of our supply chain

Evolution of our material topics

For the purpose of transparency and clear reporting to our stakeholders, we have summarized the changes to our material topics which have occurred from FY26 to FY27.

Our purpose and proposition	Our strategy and resilience	Governance and risk management	Harnessing technological change	Our people	Our direct operations	Our supply chain
NEW	NEW	RETAINED	RETAINED	RETAINED	EVOLVED	RETAINED
Elevated to a standalone material topic to reflect the importance of our purpose, proposition, and impact	Elevated to a standalone material topic to reflect the rising importance of adaptation and resilience	Adjusted to include agility of governance and even more comprehensive risk management as critical to our business	Maintaining a focus on harnessing artificial intelligence (AI) and technological change within our direct operations and client delivery	Recruiting and retaining excellence as part of a future-ready people strategy for ERM	Utilizing collaboration within operational sustainability programs for maximum results. This incorporates the FY26 topics of climate and energy, nature and water, and social impact and human rights	Recognizing the risk and opportunity supply chain engagement brings to ERM

Key performance indicators for FY27

To support our ability to fully manage the risks, opportunities, and impacts associated with our material topics, key performance indicators (KPIs) have been identified for each topic and accountability for their delivery sits with an identified senior leader. Senior leaders are supported by global and regional teams to ensure the management of these topics is fully embedded within the business. These indicators and targets, presented in the respective material topic section within the Sustainability Report 2026, ensure the effective management and integration of our material topics into the wider business. Our collated KPIs for FY27 are presented in the graphic.

	Our purpose and strategy		**Managing risk and change**		**Sustainable operations**		
Material topic	**Our purpose and proposition**	**Our strategy and resilience**	**Governance and risk management**	**Harnessing technological change**	**Our people**	**Our direct operations**	**Our supply chain**
KPI	• Full compliance with mandatory training requirements • Roll out societal impact metrics across key service lines	• 25% of total revenue to be generated through priority growth initiatives • Derive 40% of global total revenue from projects supporting the low-carbon economy transition	• Maintain annual Risk Review cycle and quarterly reporting for top tier risks • Implement quarterly risk governance cadence	• 50% of employees who are active users of our enterprise and general AI • Maintain annual ISO27001 certification	• Launch of Future Skills and Workforce strategy • Updated global wellbeing program for all staff • Maintain commitment to increased representation of women and minorities in leadership roles • Voluntary turnover below industry average • Achieve SAFETY AT ERM score of 85[1]	• Roll out regional integrated sustainable operational plans • Implement updated disclosure roadmap • Remain on track to meet SBTi emission reduction targets	• Launch updated Supply Chain Management Strategy • Drive operational enhancements through the Supply Chain Management Working Group

1 The Safety AT ERM score provides a holistic evaluation of our health and safety program.

Our contribution to the Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) provide a globally recognized framework for advancing sustainability, bringing together environmental, social, and economic priorities to create a more prosperous, equitable, and resilient future for people and the planet.

ERM's purpose is to shape a sustainable future with the world's leading organizations, consistent with the SDGs, which provide an important framework for achieving this ambition. We believe our greatest opportunity to contribute positively to the SDGs lies in our own operations, our client work, and our partnerships and collaborations, including through the ERM Foundation.

Demonstrating the connection to our material topics, we have mapped the SDGs to our material topics and indicated our most significant area of impacts. The case studies in our Sustainability Report 2026 and the ERM Foundation Annual Review 2026 highlight examples of our contribution to the SDGs.

	Value chain			
Material topics	Direct operations	Client services	Partnerships	ERM Foundation
Our purpose and proposition	16			
Our strategy and resilience	16			
Governance and risk management	8, 16		9, 17	8, 17
Harnessing technological change			9	
Our people	3, 4, 5, 8, 10	3	5	1, 3, 4, 5, 6, 10
Our direct operations	7, 8, 10, 11, 13	1, 6, 7, 9, 10, 11, 13, 14, 15	6, 13	2, 7, 10, 11, 13, 14, 15
Our supply chain	8	12	11	

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Our value chain and approach to stakeholder engagement

Introduction

ERM adopts a value chain approach to engagement with our stakeholders, who play a vital role in shaping our business and helping us deliver meaningful impact. In accordance with the GRI Standards, ERM describes the stakeholders to whom we consider ourselves accountable. The content of our sustainability report is shaped by insights gathered through ongoing stakeholder engagement throughout the year, as well as targeted consultations conducted specifically for the report.

Our stakeholders encompass a broad and diverse group and the profiles reflect a range of key ERM stakeholders:

- **Internal stakeholders** - members of the Board and Executive Committee, regional leadership, subject matter experts, and a range of employees at varying career levels
- **External stakeholders** – clients, investors, thought leaders, industry peers and associations, and suppliers
- **Partners** - ERM Foundation representatives, business coalitions, social enterprises, and non-governmental organization experts

Each year we use the DMA process to review and update our stakeholder list and directly engage with a targeted group of these stakeholders. Our stakeholders are reflected in the overarching value chain categories also considered in our materiality assessment.

Photo credit: *Kevin Bryan*

Our value chain

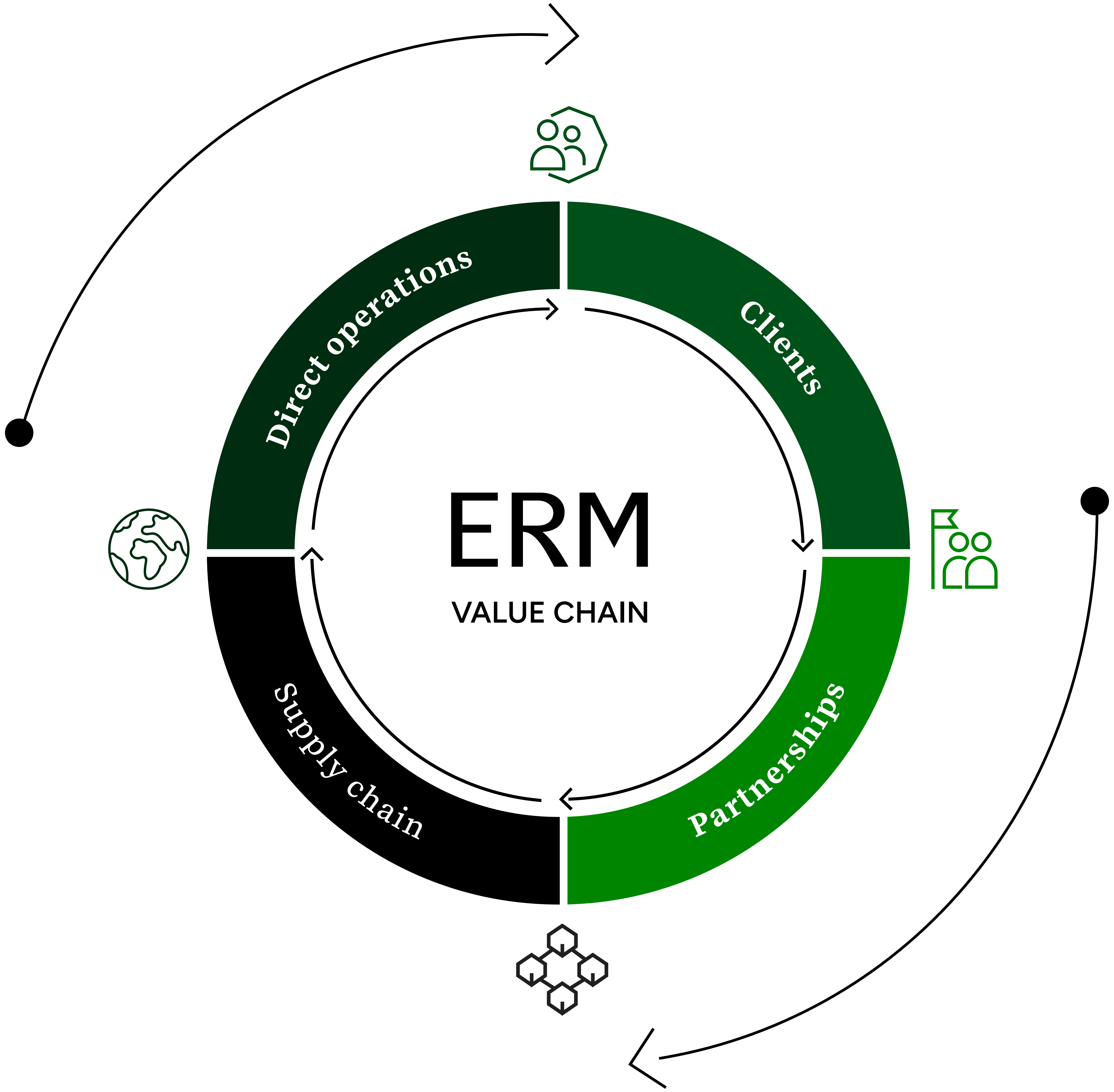
We are part of a broad and geographically far-reaching value chain which includes a diverse set of stakeholders, who are fundamental to how we operate and the impact we deliver as a business.

UPSTREAM:

Creating value through our operations and supply chain

Our operations comprise the physical infrastructure, primarily offices, within which our employees work; the services we deliver in our offices and on-site; the materials we use to support our offices and the delivery of our work; and our investors who support the growth of our business.

Our supply chain comprises suppliers based in countries where we have offices and those where we have no direct operations but undertake projects on behalf of our clients. Our supply chain is diverse, reflecting the breadth of services we offer to clients and is aligned to our purpose and values. Further details on our supply chain can be found in ERM's Sustainability Report 2026.



DOWNSTREAM:

Creating value through our work with clients and partnerships

Our clients and their supply chains are located and operate in countries across the world. During FY26, we worked on over 31,000 projects for clients in over 100 countries, across nine industries reflecting the global reach of our operations.

Our partners comprise industry and trade, professional, scientific, academic, and non-governmental bodies who share our purpose of shaping a sustainable future. In FY26 we worked with partners at a local, country, regional, and global level.

Our value chain also includes wider society and the socio-economic and physical environment within which we operate and seek to positively contribute to.

Our approach to engagement

Through ongoing engagement with clients, employees, investors, suppliers, and other key stakeholder groups, we gain valuable insights into the issues that matter most to them and to our business. Their perspectives help inform our strategy, strengthen our decision-making, and drive continuous improvement, enabling us to create long-term value while responding effectively to evolving opportunities, risks, and expectations. Stakeholder engagement is a fundamental component of the DMA and reporting process. It provides valuable insight into the sustainability topics that are most significant to those affected by, or capable of influencing, our business. By engaging a diverse range of internal and external stakeholders, we gain a broader understanding of emerging risks, opportunities, impacts, and expectations across our value chain.

Engagement with stakeholders to inform material topics

Value chain component	Stakeholder group	Frequency and method of engagement	Headline material topics
Supply chain	Suppliers	**Ongoing**: • Communications on policies and expectations • ERM Supplier Portal	• **Our purpose and proposition** including conduct, ethics, and compliance • **Governance and risk management** including leadership and accountability; accountability for risk management; and enterprise risk management program • **Our supply chain** including our suppliers and management of our supply chain
Direct operations	Employees and potential employees	**Ongoing**: • Knowledge sharing through collaboration tools • Open door leadership • Employee information sharing sessions • Employee and team meetings • Open forums with Group CEO and senior leaders • Employee surveys • Technical communities • Employee resource groups **Bi-annual:** • Performance and development discussions **Annual:** • Employee reviews	• **Governance and risk management** including leadership and accountability; accountability for risk management; and enterprise risk management program • **Harnessing technological changes** including cyber security; deploying new AI capabilities; and maintaining our focus on responsible use of technology • **Our people** including diversity, inclusion and belonging; health, safety and wellbeing; learning and development; attracting and retaining talent; and deploying AI capabilities

Value chain component	Stakeholder group	Frequency and method of engagement	Headline material topics
Direct operations	Senior managers and Partners	**Ongoing**: • Partner calls (global and regional) • Meetings • Open door leadership **Semi-annual:** • Performance and development discussions **Annual:** • Employee reviews	• **Governance and risk management** including leadership and accountability; accountability for risk management; and enterprise risk management program • **Harnessing technological changes** including cyber security, deploying new AI capabilities; and maintaining our focus on responsible use of technology • **Our people** including diversity, inclusion and belonging; health, safety and wellbeing; learning and development; attracting and retaining talent; and deploying AI capabilities
	Board directors and investors	**Bi-monthly:** • Board meetings **Ongoing:** • Business updates	• **Purpose and proposition** including conduct, ethics, and compliance • **Strategy and resilience** including commercial strategy and technical expertise • **Governance and risk management** including leadership and accountability; accountability for risk management; and enterprise risk management program • **Harnessing technological changes** including cyber security, deploying new AI capabilities; and maintaining our focus on responsible use of technology
Client services	Clients	**Ongoing:** • Reviews of projects, programs, and relationships • Client feedback tool • Supplier surveys	• **Purpose and proposition** including conduct, ethics, and compliance • **Strategy and resilience** including commercial strategy and technical expertise • **Governance and risk management** including leadership and accountability; accountability for risk management; and enterprise risk management program • **Harnessing technological changes** including cyber security; deploying new AI capabilities; and maintaining our focus on responsible use of technology • **Our direct operations** including our climate and nature program; social impact and human rights program; and reporting and disclosure program • **Our supply chain** including our suppliers and management of our supply chain

Value chain component	Stakeholder group	Frequency and method of engagement	Headline material topics
Partnerships	Lenders	**Ongoing**: • Lender briefings	• **Purpose and proposition** including conduct, ethics, and compliance • **Strategy and resilience** including commercial strategy and technical expertise
	Industry peers, associations, partnerships	**Ongoing**: • Conferences and events • Membership sessions • Periodic reviews	• **Purpose and proposition** including conduct, ethics, and compliance • **Strategy and resilience** including commercial strategy and technical expertise
	Strategic partnerships	**Ongoing:** • Reviews of initiatives, projects, and relationships	• **Purpose and proposition** including conduct, ethics, and compliance • **Strategy and resilience** including commercial strategy and technical expertise • **Our direct operations** including our climate and nature program; social impact and human rights program; and reporting and disclosure program
Wider society	Community members	**Ongoing:** • Project-related meetings	• **Purpose and proposition** including conduct, ethics, and compliance • **Strategy and resilience** including commercial strategy and technical expertise • **Our direct operations** including our climate and nature program; social impact and human rights program; and reporting and disclosure program

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Our approach to reporting

FY26 reporting

Our 2026 Sustainability Report addresses topics that are of significant interest to our stakeholders and our business. Our previous report, covering FY25, was issued in July 2025. This report has been reviewed and approved by the Interim CEO.

ERM has prepared this report in accordance with the Global Reporting Initiative (GRI). We are continuing to monitor evolutions in the regulatory reporting landscape to prepare for reporting in accordance with strengthening regulations including the European Union's Corporate Sustainability Reporting Directive (CSRD) and the International Finance Reporting Standards (IFRS) Foundation's Sustainability Disclosure Standards. In this report, we have also demonstrated how our operations, our client service delivery, and partnerships and collaborations positively contribute to the United Nations Sustainable Development Goals (SDGs).

While developing this report we focused on the following principles: accuracy; balance; clarity; comparability; completeness; sustainability context; timeliness; and verifiability.

In preparing this report, we have taken steps to ensure the information, data, and materials contained within this report are correct at the date of publication (July 2026). However, we cannot guarantee that it remains correct after that date.

For this reason, the contents of this report are provided for informational purposes only and may not be relied on. ERM disclaims liability for any reliance made on the information, data, and materials contained in this report. If you would like more detail on any information in this report, contact sustainability@erm.com.

ERM discloses its financial performance in accordance with regulatory requirements and the expectations of broader stakeholders. This information is available on erm.com.

Assurance

At ERM, we strive to be a leader not just in providing sustainability services to our clients but also in our own sustainability reporting.

In pursuit of this, we transparently set out how we gather, record, compile, analyze, and report information and the processes used in the preparation of our 2026 Sustainability Report and its supplements. To ensure that stakeholders can have confidence in the quality, clarity and materiality of the information we report, ERM has engaged LRQA to undertake assurance. More information on our assurance process can be found in our Climate Supplement and Related Disclosures.

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Future reporting process

As sustainability disclosure requirements continue to develop across jurisdictions, ERM is adopting a forward-looking approach to reporting, proactively monitoring emerging regulations and reporting frameworks, and implementing the governance, controls, and data management processes needed to support future reporting obligations, including country-specific disclosure requirements.

While the DMA provides a structured annual review, stakeholder feedback is incorporated throughout the year through our ongoing engagement activities, helping to inform performance monitoring, decision-making, and continuous improvement across the business. The DMA forms part of ERM's formal annual sustainability review process and is repeated each year to ensure our material topics continue to reflect evolving stakeholder expectations, business priorities, and external developments.

Our Approach to Materiality and Reporting

Supplementary information

For more information on ERM's suite of reporting, please see additional downloadable reports.

- ERM Sustainability Report
- Executive Summary
- Climate Supplement and Related Disclosures
- Modern Slavery Statement
- Sustainability Performance Data
- GRI Index

Sustainability is our business