



FROM THE WHAT TO THE HOW
Operationalizing sustainability

2019

SUSTAINABILITY REPORT



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Group Chief Executive Message

PACE AND SCALE

As I have engaged with business leaders, leading thinkers, our employees and the wider community around the world this year, I am struck by the increasing sense of urgency about the sustainability challenges we are facing and the recognition that we have many of the solutions to these challenges within reach.

Despite this sense of urgency, even anxiety, we are simply not moving fast or far enough – what we need is pace and scale.

To deliver the right scale of change at the right pace, we must focus less on “what” we need to do – we know this – and focus more on “how” we can deliver the change our planet and society require.

THE BUSINESS CONTEXT

Many global companies face a dual context whereby on the one hand they contribute to the sustainability challenges facing this world, and on the other hand are being materially impacted by these same challenges. This presents both risks and opportunities for business as they seek to understand the challenges and develop responses. At ERM, our role is to help clients navigate these challenges at a strategic and operational level.

Of the key megatrends presenting major challenges to government, industry and civil society over the coming years, four are particularly relevant to ERM's work with our clients within the wider context of sustainable development: climate change, digital transformation, population growth and emerging middle classes. Related to each of these are several topics capturing the attention of our clients and their key stakeholders.

In this year's report, we focus on three of the significant topics that our clients are responding to: climate risk and the energy transition; technology-enabled innovation and the circular economy. For each topic, we describe the risks and opportunities for our clients and how we are working in very practical ways to help them deliver on their stated commitments, throughout their operations. We also outline how we are working with our clients to disclose progress to their stakeholders as the requirement for transparency is growing each year.

OPERATIONALIZING SUSTAINABILITY

Business leaders are making bold commitments and setting ambitious targets to drive change – whether this be around carbon, plastics or human rights – and we are helping them do this.

However, setting ambitious sustainability targets is one thing; delivering on them, in complex organizations with extended value chains operating in competitive and complex markets, is another thing.

We describe this challenge as “operationalizing sustainability” – the “how” of driving action and performance. This is where many of our clients are seeking practical and integrated solutions with a strong business case to support innovative technical approaches. This invariably involves digital responses and the application of technology to improve efficiency, identify trends, predict areas of risk or signals for intervention, and drive performance.



Operationalizing sustainability also requires different parts of the business to come together and work in new ways. Increasingly this includes representatives from strategy, risk, procurement, innovation, business development and other functions. We often find ourselves as facilitators, translators and change managers in these programs – drawing on our practical experience across many sectors, geographies and subject matter. This provides us with unique insights into “how” business is driving to achieve to pace and scale – as they realize the business imperative to do so.

DELIVERING ON OUR AMBITION

ERM is the business of sustainability – therefore we are focused on operationalizing sustainability in our own business performance. For example, we have set our own targets to reflect our public commitment to the Science Based Targets initiative and have a strong program in place to contribute to the Sustainable Development Goals. We have strengthened our internal Sustainability Network over the past year and developed online platforms to set targets and drive performance at a business unit level while at the same time appointing a SLT (Senior Leadership Team) Working Group to oversee our Science Based Targets response.



Although we are making good progress in meeting our annual sustainability targets and 5-year goals, we continue to strengthen our focus on those areas where we have not fully met our targets or where we want to aim higher: increasing diversity in our workforce, improving our safety and health performance, and quantifying the sustainability impacts of our work with clients.

RESPONDING TO STAKEHOLDERS

We are proud to be a Global Reporting Initiative (GRI) Standards Pioneer and to be supporting GRI in a number of its initiatives, including the Corporate Leadership Group on Digital Reporting and a project to look at reducing reporting burden for companies. This Sustainability Report 2019 serves as our Communication on Progress, an annual disclosure to stakeholders on progress made in implementing the Ten Principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption. As highlighted in this Sustainability Report, we strongly support the Sustainable Development Goals, the Task Force for Climate-related Financial Disclosure, the Principles for Responsible Investment, the Women's Empowerment Principles and other internationally recognized standards and initiatives.

Over the past year, my team and I have strengthened our engagement with internal and external stakeholders on issues that are important to them. This feedback informs our focus on the issues facing our world and our clients, which allows us to prioritize activities within our business strategy.

APPRECIATION

On behalf of the Executive Committee, I extend my thanks to our clients for placing their trust in ERM and allowing us to support them to build sustainable businesses. I also extend my thanks to our employees for sharing their stories, insights and photography for this report. In particular, we recognize the considerable contributions of more than 200 voluntary members of our Sustainability Network who help drive action across the company. The people of ERM deliver on our purpose of shaping a sustainable future with the world's leading organizations every day: in the services we provide our clients, the projects we support through the ERM Foundation and the way we operate our business.

ERM is committed to working with leading organizations to achieve change with pace and at scale.

Keryn James

Chief Executive Officer

[WATCH THE CEO MESSAGE HERE](#)

Who we are

At ERM, we are shaping a sustainable future with the world's leading organizations.

ERM is a leading global provider of environmental, health, safety, risk, social and sustainability-related consulting services. We have more than 5,500 people in over 40 countries and territories working out of more than 160 offices. ERM is committed to providing a service that is consistent, professional and of the highest quality to create value for our clients.

We work with many of the Global Fortune 500 companies delivering innovative solutions for business and selected government clients helping them understand and manage the sustainability challenges that the world is increasingly facing.

For nearly 50 years, we have been working with clients around the world and in diverse industry sectors to help them to understand and manage their environmental, health, safety, risk and social impacts. The key sectors we serve include Power, Technology, Chemical, Oil and Gas, Mining, Pharmaceutical and Manufacturing. Global businesses are facing significant sustainability challenges, and our clients in these and many other sectors rely on ERM to help operate more sustainably and have a positive impact on our planet.





ERM's vision and values

Our vision is to be, by 2021, the clear leader in our chosen markets, to double in value and to deliver on our promises to our clients, our people and our investors:

- **For our clients:** This means demonstrably adding value to their business, working with them to solve their critical challenges and making a significant difference to their stakeholders.
- **For our people:** This means attracting, inspiring, developing and rewarding our people to work with the best clients and on the biggest challenges, thus creating valuable careers.
- **For our investors (including ERM partners):** This means delivering strong returns to those that have chosen to invest in us today and the future.

- **For the planet and society in which we live:** This means having a greater impact on the sustainability challenges that face us all.

Putting our values in action is essential to our success – in our own operations and in our work with clients and the ERM Foundation:

- **Accountability:** We are each personally accountable and jointly responsible for the success of ERM and for the delivery of quality work to our clients.
- **Caring for our people:** We are looking after our people, their safety, well-being and development. We also treat each other with respect.

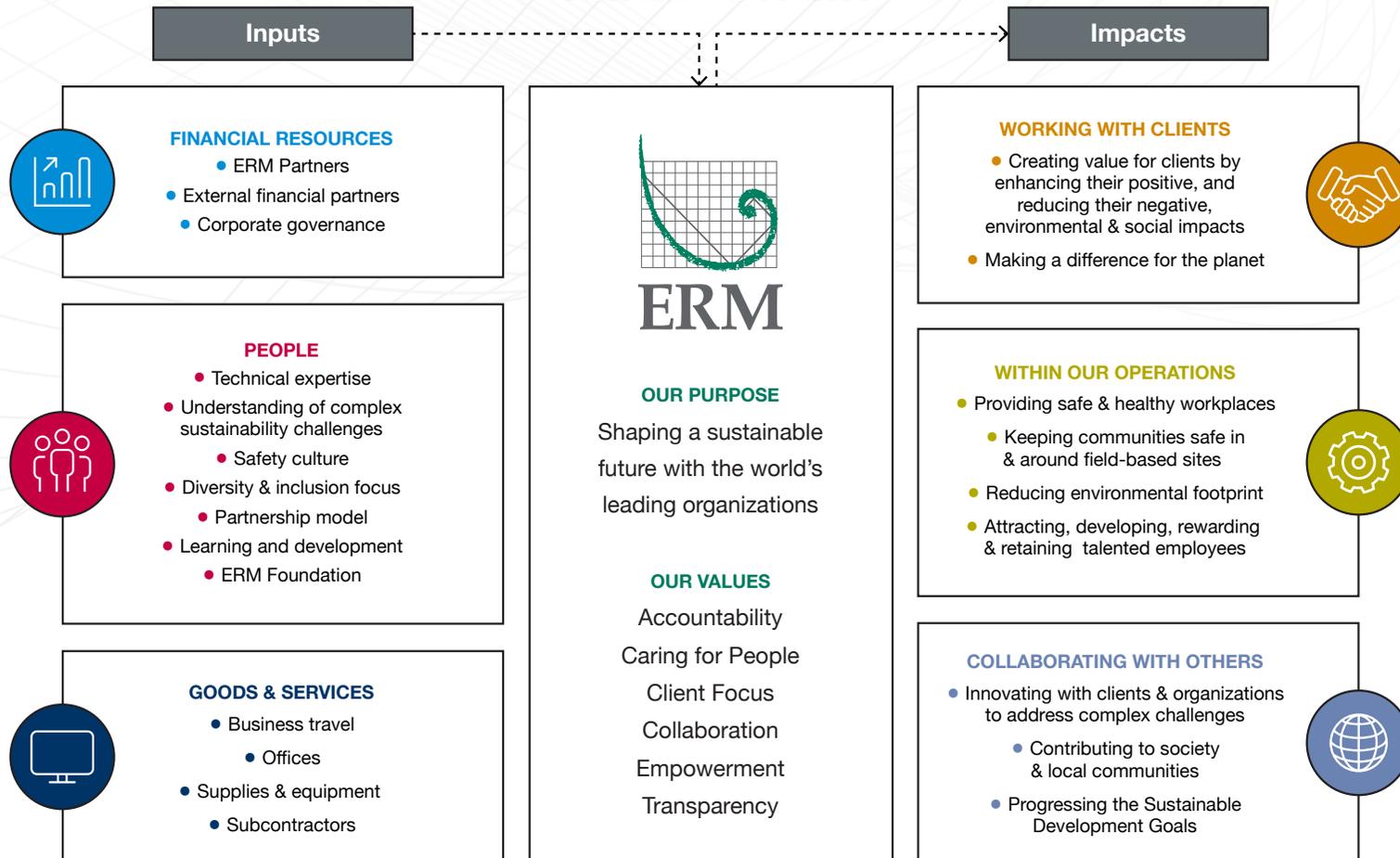
- **Client focus:** We value entrepreneurial, innovative and client-orientated behavior.
- **Collaboration:** We are one organization globally: we believe in the principles of partnership, respect for each and every individual, and mutual support across the world.
- **Empowerment:** We help our people to realize their potential.
- **Transparency:** We expect the highest level of ethical behavior and personal integrity in all our transactions in accordance with our [ERM Code of Business Conduct and Ethics](#).

Value chain

ERM's sustainability context is driven by our value chain. We are a group of experienced professionals with outstanding technical expertise and business acumen from across the world. As an organization with a clear purpose and strong values ERM deploys

this experience and expertise to deliver impact through the work with our clients, through collaborating with others and through improving our own operations.

Value Chain



Case Study

Acquisitions strengthen ERM's capability

During FY19, we acquired two firms, Kathy Jones and Associates and SustainAbility, which provide unique strengths that complement and expand our services to meet our clients' needs.

ERM acquired Kathy Jones and Associates Pty Ltd (KJA) in November 2018. KJA is recognized as one of Australia's leading specialist stakeholder engagement and communication consultancies. KJA provides strategic stakeholder engagement and communication services to a diverse range of clients and projects.

Over the past 20 years, KJA has specialized in stakeholder engagement across all stages of multi-billion dollar infrastructure and urban regeneration projects. The acquisition of KJA enhances ERM's offering on complex projects and our ability to identify and engage stakeholders on large projects from the early stages through the entire project life cycle.

In January 2019, ERM announced the acquisition of SustainAbility, a leading think tank and advisory firm. SustainAbility has helped define and evolve the sustainable development agenda and the role of business within it. Throughout its history, it has worked with business and stakeholders to enable a more just and sustainable



Case Study: Acquisitions strengthen ERM's capability

economy. It offers consulting services to help clients make better decisions through integrating sustainability into their business, and by creating innovative solutions. SustainAbility's think tank is an independent, agenda-shaping research and advocacy capability that enables companies to transform how they think and do business, by identifying critical trends, providing actionable insights and building new ideas and strategies.

“The excellent alignment of both businesses will create a unique capability and service offering which can materially add value to our clients' business.”

According to Keryn James, “Both KJA and ERM's clients are conscious of the need to engage effectively with communities and stakeholders as part of the successful implementation of business strategies and large capital projects. ERM is now well advanced in building the leading position in this area. KJA has established an impressive business in Australia and we look forward to introducing their specialist expertise to our current and future clients around the globe.”

“The acquisition of SustainAbility Ltd further strengthens ERM's standing in sustainability advisory services,” explains Keryn James, ERM Group Chief Executive. “Its reputation and capability build our existing thought leadership approach, and we will look to leverage the two firms' strong alignment around clients, sectors and services to enhance our approach to the market. The excellent alignment of both businesses will create a unique capability and service offering which can materially add value to our clients' business.”



Our report at a glance

Our report this year is organized around the ways through which ERM has the most significant sustainability impact.



The work we do with our clients around the world



How we operate our 160+ offices



Our collaborations with others, including the ERM Foundation

Through stakeholder engagement and our formal materiality assessment process, we identified the most material sustainability-related topics for ERM and have focused on these topics throughout this report. For more information, see [Reporting approach](#).



Performance results

In this section, we share our performance against ERM's 2019 sustainability targets and our targets for 2020 and beyond. Detailed information is included in the supporting data sections which can be found in the online report. Our contribution to the Sustainable Development Goals (SDGs) can be found [here](#).

FY19 results against targets and goals

As shown in the following table, ERM either met or made good progress towards our FY19 targets and the 5-year goals we established for ourselves. We considered the FY19 results as we set our targets for FY20.

Material topics	FY19 target	5-year goal (to be met by the end of FY22 unless otherwise indicated)	Performance against FY19 targets and 5-year goals
Governance	No fines or nonmonetary sanctions for material noncompliance with laws or regulations.	No fines or nonmonetary sanctions for material noncompliance with laws or regulations.	Target met and continued progress toward meeting long-term goal. We had no fines or nonmonetary sanctions for material noncompliance with laws or regulations. See the section on Governance for more details.
Our people	Show increase over prior year for gender diversity among Senior Consultants, Technical Directors and Partners. Show increase over prior year for diversity in ERM's Senior Leadership Team.	Our employees reflect the diversity of the communities in which we work, based on gender, language and other measures.	Target met and continued progress toward meeting long-term goal. Our gender diversity increased among Senior Consultants, Technical Directors and Partners. The diversity profile of the Senior Leadership Team (SLT) remained consistent from FY18 to FY19. A range of factors are considered in appointments to ERM's Senior Leadership team including language, nationality, gender, role, professional background and education. See the section on Our people for more details.
Occupational health and safety	Days away from work case (DAWC) rate at or below 0.10 and no fatalities.	DAWC rate below 0.06 and no fatalities.	Target partially met and continued progress toward meeting long-term goal. Our DAWC rate remained unchanged at 0.17. We had no employee fatalities. See the section on Occupational health and safety for more details.
Climate change	Adopt ambitious long-term greenhouse gas (GHG) targets based on science.	Achieve forecast progress towards longer term Science Based Targets for 2025 and 2050.	Target met and continued progress toward meeting long-term goal. Ambitious GHG emissions targets validated by Science Based Targets initiative. See the section on Climate change for more details.
Innovating with clients and other leading organizations	Measure impacts of material innovations delivered to market in FY19.	Measure and report the impacts of innovating with clients and other organizations to address sustainability challenges.	Target met and continued progress toward meeting long-term goal. In FY19, in response to client demand we focused on innovation within selected integrated solutions which exceeded targets within the growth plan. See the section on Innovating with clients for more details.
Contributing to society and local communities	Contribute 1% of prior year profits to support sustainability initiatives around the globe, primarily through the ERM Foundation.	Increase Foundation contributions over time (e.g., percentage of employees engaged, company donations, employee funding). Measure and report the impacts of Foundation and other non-client-generated projects/ programs on Sustainable Development Goals.	Target met and continued progress toward meeting long-term goal. We contributed 1.1% of prior year profits to global sustainability initiatives, primarily through the ERM Foundation. See the sections on Contributing to society and local communities for more details.

Future targets and goals

Based on our materiality analysis, we have established material topics, targets for FY20 and 5-year goals.

Material topics	FY20 target	5-year goal (to be met by the end of FY22 unless otherwise indicated)
Governance	No fines or nonmonetary sanctions for material noncompliance with laws or regulations. 100% completion of ERM business conduct and ethics mandatory new starter training requirements.	No fines or nonmonetary sanctions for material noncompliance with laws or regulations.
Our people	Increase gender diversity among Senior Consultants, Technical Directors and Partners by 10% over previous year. Develop ERM Global Inclusion Leadership Index and baseline. Improve the Employee Engagement Survey Inclusion score from the baseline by 10%.	Our employees reflect the diversity of the communities in which we work, based on gender, language and other measures.
Occupational health and safety	Days Away from Work case (DAWC) rate of 0.10 for ERM employees. No Life Impacting or Fatal Events ¹ for ERM and subcontractor staff. Achieve a Safety AT ERM global score of 65 ² . Improve the Employee Engagement Survey well-being question score from the baseline by 10% ³ .	DAWC rate below 0.06 and no fatalities.
Climate change	Remain on track to meet 2025 SBTi targets.	Achieve forecasted progress towards longer-term Science Based Targets for 2025 and 2050.
Innovating with clients and other leading organizations	Achieve growth targets of 25% in FY20 from identified integrated solutions within the Services Innovation and Growth Plan.	Measure and report the impacts of innovating with clients and other organizations to address sustainability challenges.
Contributing to society and local communities	Set impact-based targets for ERM Foundation contribution to the SDGs (based on FY19 baseline). Contribute 1% of prior year profits to support sustainability initiatives around the globe, primarily through the ERM Foundation.	Measure and report the impacts of Foundation and other non-client-generated projects/ programs on Sustainable Development Goals. Increase Foundation contributions over time (e.g., percentage of employees engaged, company donations, employee funding).

1. Life Impacting Events are defined as any work-related injury/illness resulting in permanent disability (to include partial and/or total disability). Partial disability would mean something like loss of a finger or toe or worse – but the injured worker could still perform her/his job or similar. Total disability means the injured worker can never return to the workforce b/c of the injury/illness (i.e., paralyzed, loss of sight, etc.).

2. The Safety AT ERM score includes an evaluation of nearly all aspects of our overall program (including SMS self-assessment scoring). The scores are calculated at the business unit level, and we the global score is derived by calculating a weighted average of each operational business unit score (weighting based on hours worked). A target of 65 is given to each business unit and region for FY20.

3. EES question on well-being: "The company supports me in achieving a reasonable balance between my work life and personal life."

Sustainability at ERM

Sustainability at ERM is a commitment to supporting socio-economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Our business is sustainability. We are therefore positioned uniquely to contribute to the resolution of complex sustainability challenges.

ERM's Sustainability Program is an overarching framework that supports our long-term business strategy and drives continual improvement. Our [Sustainability Policy](#) and [Sustainability Approach](#) articulate our commitments to sustainability.

The Executive Committee Sustainability Working Group brings together members of the Executive Committee from across the organization to provide strategic and technical decision-making on economic, environmental and social topics. Current members include our Group CEO; the Global Director of Services, Brand and Communications; our Group Human Resources Director; and the Regional CEO for Latin America and the Caribbean. The Global Sustainability Director facilitates the Executive Committee Sustainability Working Group.

The Sustainability Working Group is responsible for ERM's Materiality Assessment and sustainability target setting. The full Executive Committee and the Board of Directors review the results of the [Materiality Assessment](#) and final [sustainability targets](#). The Executive Committee and Sustainability Working Group monitor performance against targets. For some of the sustainability targets, such as the [Safety AT ERM score](#), performance is

considered in determining senior management annual performance targets and bonuses.

A Senior Leadership Team (SLT) Working Group has been established with senior operational and technical leaders from across the business to provide oversight and guidance on the implementation plan to meet our public commitment to Science Based Targets.

ERM's Sustainability Network

At ERM, we know that employee engagement is crucial for successfully implementing our sustainability program. Our program is supported by a voluntary Sustainability Network of more than 200 employees across over 40 countries and territories. The Network mirrors that of our operational organization with representatives at regional, business unit and operational levels.

Members of the network are drawn from all ERM employees to ensure all perspectives are included, and this in turns strengthen ownership of outcomes. The Sustainability Network helps to drive improvements in our sustainability performance, and embeds sustainability into the way we operate as a business.



Our material topics

Each year, ERM conducts a formal materiality assessment in accordance with the GRI standard to identify and prioritize our most significant sustainability topics, set KPIs and targets for improvement, and guide the content for our Sustainability Report. Learn more about our [materiality assessment process](#).



Material topics	Why topic is material to ERM
Governance	Good corporate governance is essential to the financial success and sustainability of ERM. Without adequate systems and practices, we would lose the trust of our company's stakeholders: shareholders and investors, management and employees, clients, suppliers and contractors, governments, nongovernmental organizations and the communities in which we operate. We must conduct business with uncompromising honesty and integrity, adhering to laws, regulations, and our written Code of Conduct.
Our people	Our ability to attract, develop, reward and retain talented employees is central to our business strategy and vital to our future. We want to hire passionate people and ensure that we nurture and support their development and success. We are focused on building best in class talent development programs and addressing diversity and inclusion across the organization.
Occupational health and safety	The most important role for all ERM's leaders is to keep everyone safe. We have company procedures and protocols to support our efforts, and we recognize active leadership as the most important element. However, it does not start nor end with ERM's leaders – everyone has a responsibility for doing the safest work possible. If we cannot operate safely and without incident, then we cannot live up to our values. This is driven by our belief in the culture of caring about the well-being of our people, our clients and our contractors.
Climate change	As a leading sustainability consultancy, climate-related risk is not just an environmental issue, but also one that has a direct impact on ERM's financial health, reputation as well as our ability to retain and attract talent. Our most significant contribution in helping to combat climate change is through our work with clients, in some of the most energy-intensive industries, as they transition to a lower-carbon future. Nonetheless, we continue to take steps toward reducing the environmental impacts of our operations, with the greatest focus on reducing our direct and indirect impact on climate change.
Innovating with clients and other leading organizations	Innovation is at the core of ERM's ability to make a difference for our clients, the planet and the long-term strength of our company. Whether leveraging technology to help meet sustainability challenges or collaborating with business and nongovernmental organizations to develop new tools and approaches, ERM partners and innovates with others. Our ability to innovate is the direct result of our ability to attract and retain people with strong technical expertise, coupled with a solid understanding of the commercial imperatives of business and the societal demands impacting the world's leading organizations.
Contributing to society and local communities	As a sustainability-focused company, we encourage our consultants to share the lessons learned and insights gained from our work on more than 20,000 projects annually. In particular, we focus on those technical and professional skills that can have the greatest positive impact. This impact is driven not only by our work with clients, but notably through the work of the ERM Foundation.

Case Study

Online platform empowers Sustainability Network

ERM has developed a new online platform to make it easier for our business units to track the implementation of performance plans for each of our material sustainability topics. Designed in consultation with our Sustainability Network members, the platform provides a standardized format for business unit plans. With greater comparability between business units, we can more effectively assess performance against targets through mid-year and annual progress reports.

Each business unit's plan will address common actions associated with ERM's material topics, customized to reflect their local context. The common actions will make it easier to track and measure progress companywide, and help inform the targets we set for year-on-year improvements.

The platform is open to all employees, which will improve transparency and accountability for the level of ambition and delivery against the plans. We are using our internal social media platforms and personal engagement to share best practices and encourage positive competition among the business units and offices.

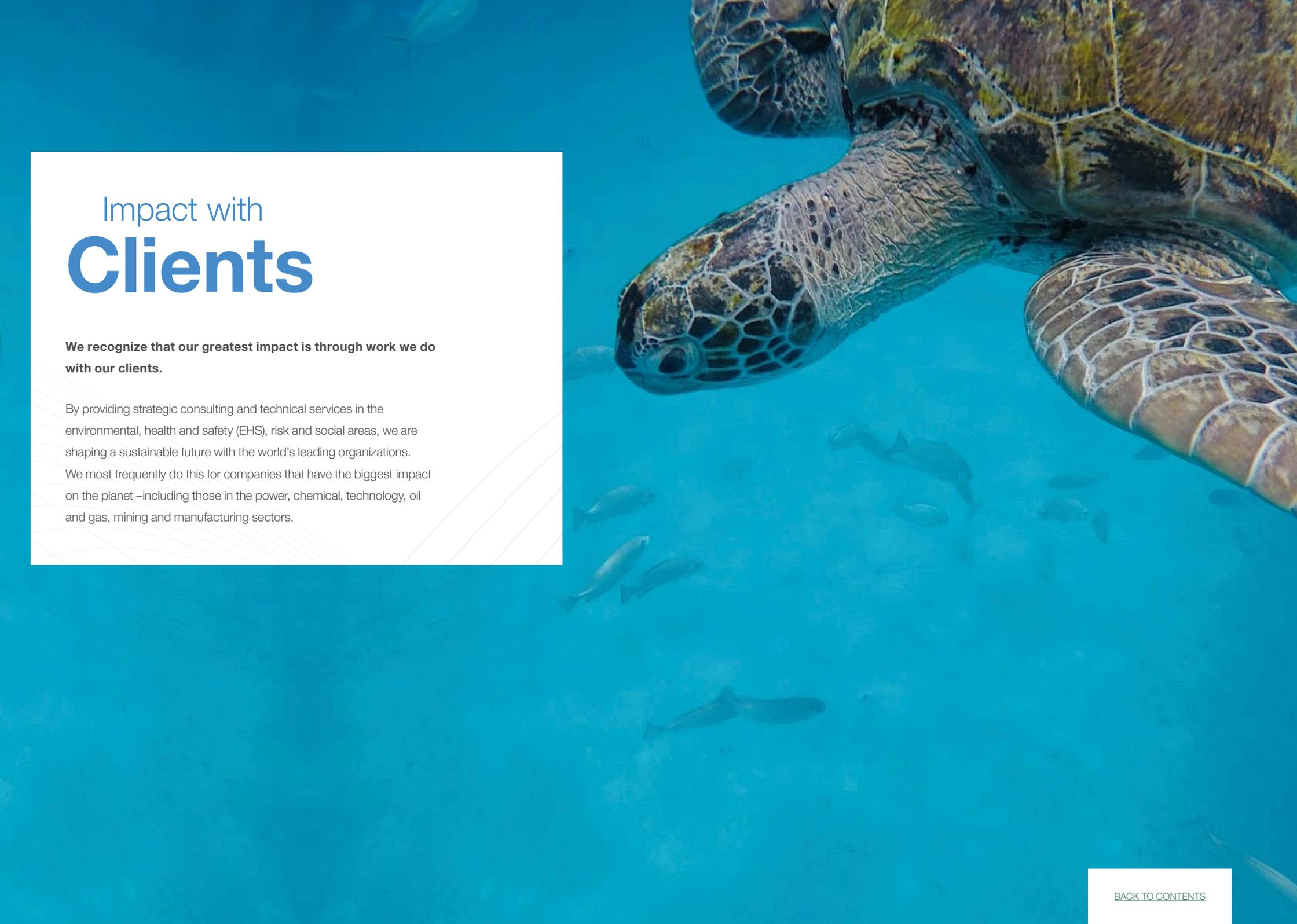
With greater visibility and usability, this new tool promises to help drive performance at the local level and support ERM's companywide sustainability targets.

Photo Credits



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A FULL LIST OF PHOTO CREDITS

An underwater photograph of a sea turtle swimming towards the left. The turtle's head and front flippers are visible, with its shell showing a pattern of brown and tan scutes. Several fish are swimming in the background. The water is a clear, vibrant blue. The text is overlaid on a white rectangular area on the left side of the image.

Impact with **Clients**

We recognize that our greatest impact is through work we do with our clients.

By providing strategic consulting and technical services in the environmental, health and safety (EHS), risk and social areas, we are shaping a sustainable future with the world's leading organizations.

We most frequently do this for companies that have the biggest impact on the planet –including those in the power, chemical, technology, oil and gas, mining and manufacturing sectors.



In this year's report, we focus on three key topics within the megatrends context that are affecting our clients' businesses and the world.

For each of these topics – climate change and the energy transition, tech-enabled innovation and the circular economy – we share how ERM's work with clients over the past year has helped companies improve performance, operate more efficiently, meet compliance obligations, more effectively engage with stakeholders and meet expectations for disclosure, manage environmental and social stewardship, and keep workers and local communities safe.

- **Climate change and energy transition** - Responding to climate change is a priority issue for ERM, our clients and society.
- **Tech-enabled innovation** - We co-develop and operationalize digital transformations that support our clients' sustainability strategies and performance.
- **Circular economy** - Investors and other stakeholders are pressing companies to make large-scale changes that integrate sustainability into their culture and purpose.

Climate change and energy transition

Responding to climate change is a priority issue for ERM, our clients and society, and deeply influences the way businesses interact with governments, customers and local communities. The recently published Intergovernmental Panel on Climate Change (IPCC) special report [Global Warming of 1.5 °C](#) clearly describes the key impacts and differences between 1.5 °C and 2°C of warming. The IPCC urges immediate global action in rapidly reducing carbon dioxide emissions at an unprecedented pace and scale.

WHY CLIMATE CHANGE IS A HOT TOPIC:

- The 2018 IPCC special report indicates that global warming is worse than scientists had previously anticipated. Significant action is needed immediately to strengthen the global response. At the same time, global demand for energy is predicted to continue to rise.
- Increasingly, governments, regulatory bodies and stock exchanges are calling for companies to provide information to investors, lenders, insurers and other stakeholders on the physical, liability and transition risks associated with climate change. To appropriately incorporate the effects of climate change into their planning processes, organizations need to consider how resilient their business model is to climate-related risks and opportunities as well as the financial implications under different conditions. One way to assess such implications is through the use of scenario analysis.
- In addition, the IPCC special report clearly indicates that we must remove carbon dioxide from the atmosphere alongside reducing greenhouse gas emissions. ERM is actively involved in carbon capture, utilization and storage projects, which provides a viable option to significantly reduce industrial carbon dioxide emissions as well as other emerging solutions. ERM is also working with clients on natural climate solutions to help reduce carbon emissions and store more carbon in the landscape.
- To meet the reductions in carbon envisioned by the IPCC special report, governments and organizations are exploring alternative renewable energy sources. One of the emerging areas of interest is hydrogen and ERM, in particular, is working with clients on evaluating the impacts of hydrogen as a viable energy source.
- Given this context, our clients are looking at:
 - Setting public emissions targets in line with the best available science. ERM is a leader among our peers by setting our own Scope 1, 2 and 3 emissions targets approved by the Science Based Target Initiative.
 - Determining how to reduce the amount of energy required in future operations and sourcing it from less carbon-intensive sources.
 - Capitalizing on the changes through exploring business opportunities associated with the transition to alternatives.
 - Collaborating with other organizations to determine how their waste might be another organization's feedstock.





We are also working with organizations on the critical role of forests in removing carbon dioxide from the atmosphere, and are involved with initiatives leading into the Conference of the Parties on biological diversity in 2020. For example, ERM in France is a partner in the [act4nature](#) biodiversity initiative of Entreprises pour l'Environnement, the coordinator of the European network of the World Business Council for Sustainable Development. As a partner, our operations in France has pledged to meet specific commitments supporting biodiversity.

Based on the results of our 2018 survey, [The Journey to a Sustainable Business – Navigating the road ahead](#), data shows us that Chief Executive Officers, Chief Financial Officers, Chief Information Officers and board members are paying greater attention to, and influencing, climate-related strategy and management, in response to investor demand for better information and more accountability from companies.

The Journey to a Sustainable Business: Navigating the road ahead

We found that executives are now serious – and intensely practical – as they confront the growing business risks and opportunities associated with client change, population change and natural resource constraints.

**Results from survey of 150 executives globally*

Case Study

A step change in climate reporting

Given the potential of climate change to destabilize the global economy, the Task Force on Climate-related Financial Disclosure (TCFD) was established to reduce the probability of a shock to the global economic system.

Investors are demanding transparency around climate-related business and financial risks, which in turn is driving corporate boardroom decision-making. In response, companies must translate the business implications of climate-driven policy, regulatory, market and technology shifts – and disclose their responses to investors and the general public.

ERM's deep experience over the past decade in climate-related scenario analysis for business led to our assisting the TCFD in authoring the Technical Supplement on Scenario Analysis (the "how to" guidance produced by TCFD).

ERM is helping companies across the banking, asset management, insurance, infrastructure, transportation, energy, utilities, mining, cement, industrials, chemicals and pharmaceuticals and food and beverage sectors undertake scenario analysis, evaluate commercial consequences and prepare strategic responses. We are working with companies to meet TCFD recommendations as they assess their climate-related business risks and prepare to disclose information to the investment community as they work to assess their potential exposure.

Case Study: A step change in climate reporting

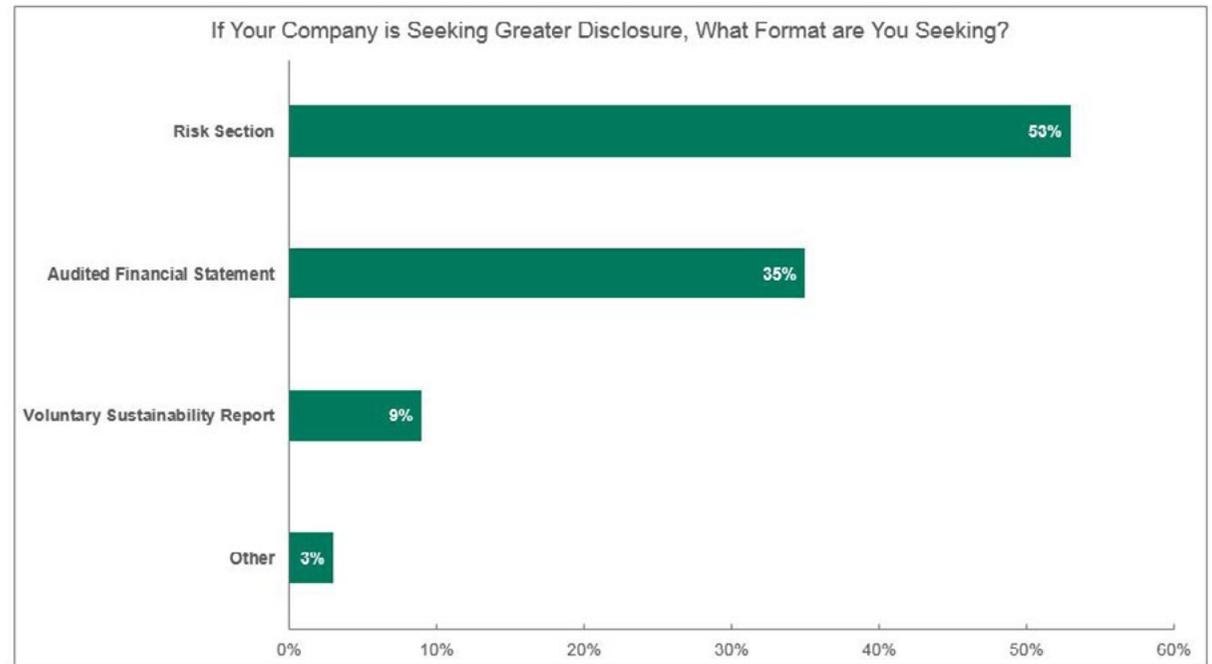
Investors have been tracking a rising tide of data that relates broad environmental and social concerns with the financial performance of companies. A joint Yale/ERM survey from 2018 of almost 100 investors reveals a significant and accelerating commitment to better understand climate change risks in the financial disclosures of companies. This commitment has taken shape through support for the TCFD.

ERM and the Yale Center for Business and the Environment co-authored a paper about the rise of environmental, social and governance (ESG) investing, the guidance put forth by the TCFD and common elements across resources that companies will likely need to address when adopting the TCFD recommendations.

“**The survey results highlight the gap between investor expectations for decision-useful information on the risks presented by climate change and the current challenges faced by reporting companies to move beyond emissions data to meaningful climate risk assessment and management.**”

Todd Cort

Lecturer in Sustainability, Yale School of Management
and Yale School of Forestry and Environmental Studies



Download

[INVESTORS PUSH THE PACE OF CLIMATE RISK FINANCIAL DISCLOSURES](#)

Case Study

Hydrogen fuel for the future

ERM is heavily involved in the evaluation of hydrogen as a sustainable fuel and energy vector for decarbonizing heat, power and transportation. Our expertise is being applied across a wide range of innovative projects in Japan, the United Kingdom and the United States involving the provision of strategic advice, financial modelling, layout development, safety and risk evaluation, stakeholder engagement, environmental impacts assessment, data management and health, safety, social and environmental consent delivery.

Our work spans production, storage, transport and end-use including hydrogen production facilities with carbon capture and storage, power to gas, electrolyzer/fuel cell applications, gas networks evaluation, hydrogen trains, energy storage, pipelines and bulk scale hydrogen generation from renewables.

ERM UK is supporting SGN and the Scottish Government on a highly innovative project to determine the technical and commercial viability of a 100% hydrogen gas network demonstration project. Three potential sites for building the new network have been identified in Scotland, each involving 200 to 300 homes, with hydrogen proposed to provide low carbon heating. ERM's work will help identify the best technical and economic solution for hydrogen generation and storage at each location. It will also help determine the potential for the scheme to be scaled up to enable wider hydrogen usage (for extended heat or transport application) in the future.

Case Study

Renewable energy changing the power sector

ERM is a full-service environmental provider to the power sector. We deliver practical, innovative and integrated solutions that reduce business risks, lower costs and ultimately help our clients achieve desired business outcomes. ERM supports the environmental planning, impact assessment, construction, compliance and management of renewable energy facilities and transmission and distribution facilities. Our experience encompasses hundreds of thousands of megawatts of generation, and thousands of miles of linear energy delivery facilities.

ERM prepared the environmental and social impact assessment (ESIA) for a wind farm for EleQtra (West Africa) Limited and its partner ENGIE in Ghana. As part of scoping, ERM conducted a field reconnaissance visit and constraints mapping to assist in turbine placement. The results of scoping were disclosed to local communities during a series of public meetings. The full assessment included noise and shadow flicker modelling, a full social baseline survey including key informant interviews and focus group discussions, and preparation of a land acquisition and compensation plan. ERM used bird and bat monitoring data for the assessment that had been collected over several years by the client. We also prepared a land acquisition plan that met International Finance Corporation performance standard requirements.

Case Study

Carbon capture utilization and storage support

Carbon capture and storage (CCS) is a proven technology that has been in use for many decades. There are 18 CCS facilities in commercial operation, 5 under construction and 20 in various stages of development. The pace is accelerating and looks set to ramp up sharply in the late 2020s and beyond. In 2018, 6 new large-scale CCS facilities were added to the Global CCS Institute database. All are in Europe and have connection to CCS decarbonized hydrogen production with CCS.

ERM worked with the CO₂ Capture Project (CCP) to study the role of CCS in the energy transition. ERM's study found that CCS is a critical element in most pathways for limiting global warming to less than 2 degrees Celsius.

The contribution envisaged for CCS in different studies reviewed by ERM ranged from 10% to over 20% of the total emission reductions required. The results of this ERM study for CCP were presented at a side event at COP24 Climate Change conference in Poland in 2018, in meetings of IPIECA and the Society of Petroleum Engineers and in the Carbon Capture Journal newsletter.

View online

[THIS ERM STUDY FOR CCP CAN BE VIEWED ONLINE](#)



Case Study

Reducing CO2 emissions through sustainable remediation

Brazil's São Paulo State Environmental Agency required a confidential client in the Chemical sector to excavate and dispose of over 200,000 tons of hazardous waste from a former on-site landfill in São Paulo in order for its site operations permit to be renewed. ERM was engaged to work with the agency to carry out several investigations and determine the activity level of the landfill.

After nearly five years of environmental assessments, remediation activities and intensive interactions with the company and the agency, ERM developed a comprehensive maintenance plan for leaving the landfill in place. The agency withdrew its request with the approval of the landfill maintenance plan developed by ERM.

The effort to remove the landfill would have taken approximately 6,500 truck trips between the site and the landfill, equivalent to approximately 1.3 million kilometers (800,000 miles). At the end, not removing the landfill resulted in savings of 1,370,000 kilograms of carbon dioxide (CO₂) emissions.

Case Study

Continuing carbon reductions from Olympic games

More than four years after Olympic Winter Games Sochi 2014, ERM verified carbon reduction from projects initiated to balance the carbon footprint of the event has amounted to 2,752,803 tonnes of carbon dioxide equivalent (CO₂e), more than five times the commitment made by The Dow Chemical Company (“Dow”) to the Sochi 2014 Organizing Committee in Dow’s role as the Games’ Official Carbon Partner.

Dow was also the Official Carbon Partner of Rio 2016 and in this capacity, Dow delivered the committed 500,000 tonnes of CO₂e, balancing the estimated direct footprint of the Rio 2016 Organizing Committee, and an additional 733,677 tonnes of CO₂e towards the broader aspirational goal of the Olympic Games ahead of the expected time frame. These data and status reports on the Olympic carbon reduction programs are published in a new carbon report specifically related to Dow’s collaborations with the Olympic Movement.

Case Study: Continuing carbon reductions from Olympic games

Sochi 2014 was the first Olympic Games to have the direct carbon footprint of the Organizing Committee mitigated even before the event's Opening Ceremony while Rio 2016 had the most comprehensive carbon mitigation program, reaching beyond Brazil to introduce low carbon technologies across Latin America.

"Dow's initiatives with the Olympic Games are being monitored and disclosed under the Monitoring, Reporting and Verification guidelines prescribed by the United Nations Framework Convention on Climate Change by ERM Group. Our responsibility is to conduct independent assessments and validation of Dow's reports and verify project results," explained Braulio Pikman, Technical Director at ERM. "The efforts undertaken by Dow are accurately reported and aligned with the methodology outlined in Dow's Climate Solutions Framework that consolidates, adapts and goes beyond the most acknowledgeable international guidelines while ensuring environmental integrity is protected in all cases."



Case Study

Green bond to fund hydropower in Nigeria

ERM assisted North South Power (NSP) through technical assistance from the African Local Currency Bond Fund (ALCB), with developing a Green Bond Framework, focusing on its hydropower assets. NSP has now issued Nigeria's first corporate Green Bond valued at \$23.6 million and oversubscribed by 60%. A green bond is a financing option for investing in climate and environmental projects. The Series 1 Green Bond is the first certified green corporate bond and the longest tenured (15 year) corporate bond issued in the Nigeria debt capital markets.

Proceeds from the Green Bond are expected to fund the overhaul of a 150-megawatt hydropower turbine as well as finance the replacement of the NSP's current short-term foreign and local bank facilities with long-term local currency debt.



Case Study

Accelerating the transition to low-carbon energy solutions

ERM Senior Consultant Lindee Wong has been seconded to manage the [New Energy Solutions](#) project at the World Business Council for Sustainable Development (WBCSD). This project is helping scale up the use of low-carbon energy solutions in line with the Paris Agreement.

The project published a report that presents pathways and technologies to decarbonize the energy system. In addition, the project is preparing guidelines for energy users to develop an integrated energy strategy and a comprehensive set of business cases for low-carbon energy solutions.

Tech-enabled innovation

Market forces and investor pressure are driving our clients to manage risk and optimize operational performance at a greater pace and scale than before.

To achieve the pace and scale needed, companies are pursuing innovation and new value creation opportunities across their value chains. This can only be done through digital transformation, which is needed to accelerate growth from innovation.

We work with clients to understand their business needs and to co-develop and operationalize a strong digital transformation that supports their sustainability strategy and environmental, health and safety (EHS) performance – underpinned by tech-enabled innovation.

We have developed our digital business services to respond to client needs through:

- Devising strategies for managing data, platforms and systems long term;
- Helping organizations select and deploy information management solutions to manage their sustainability programs; and
- Helping clients analyze their data effectively and set up work flows that help them routinely extract actionable business insights from their data.

ERM has continued to make investments to improve our capabilities and create value for our clients. [NEXUS by ERM](#) is the ERM way of harnessing technology to deliver more value to our clients. This includes a significant capital investment to help ensure its success.



Case Study

Recognized leader in digital EHS services

Our clients are under increasing pressure to improve their sustainability performance, minimize risk and create new value.

A successful digital solution should not only draw data from a variety of internal and external sources, but also be able to blend that data in an analytics engine and distill it down to actionable insights.

ERM combines technologies and approaches that improve automation of data acquisition – such as sensors, drones, augmented reality and virtual reality – with other, traditional data streams. Our analytics team, working alongside subject matter experts, help clients translate their data assets into actionable insights that can improve outcomes.

This has led ERM to be recognized as a leader in the digital environmental, health and safety (EHS) services provider market by independent analyst firm Verdantix. Its [2019 Green Quadrant Digital EHS Services Report](#) provides an independent benchmark of the strongest digital EHS service providers and explores how consultants are digitizing their approaches to project delivery, creating new services and implementing innovative technologies to help clients enhance and advance EHS performance.

Leveraging our Information Solutions, Mergers & Acquisitions (M&A) and Liability Portfolio Management and Remediation businesses with deep subject matter expertise in sustainability topics helps us collaborate with clients to create innovative solutions and new value in this area.

Case Study

Delivering commercially focused programs with NEXUS by ERM

Harnessing technology and data is a core pillar of ERM's strategy. NEXUS by ERM is our major investment to develop integrated technology and tools to digitize and streamline how we deliver programs of work across ERM on behalf of our clients. Liability Portfolio Management was launched in July 2018. Work on technology-enabling our Due Diligence service offering is undergoing early testing since the beginning of 2019.

For clients with Liability Portfolio Management and Remediation requirements, NEXUS is enabling a digital workflow approach to improve efficiency, data driven decision making and business outcomes across operational assets and legacy site portfolios. Our enhanced workflow approach enables clients to maximize site value through data management system support, data analytics, data visualization and real-time data portfolio dashboards to help make fully informed and timely strategic and complex technical decisions.

We are providing clients with commercially focused mergers and acquisitions (M&A) advice underpinned by a technology enabled Due Diligence approach that facilitates deal negotiations and creates and protects value throughout and beyond the transaction life cycle. The NEXUS by ERM for Due Diligence workflow approach creates a platform to harness data insights, peer benchmarking, emerging issue and sectoral trends analysis to inform our clients' organizational M&A and growth strategies, transaction planning, execution and negotiation position.

Environmental Business Journal recognized ERM with a technology merit: information award for the global deployment of NEXUS by ERM.

Case Study

Powering our data driven materiality assessment

Companies now have access to a comprehensive, data-driven materiality analysis process with ongoing analytics and advisory services, thanks to an exciting global partnership with [Datamaran](#). ERM's offering brings together Datamaran's proprietary artificial intelligence technology and ERM's advisory services in an exclusive environmental, social and governance (ESG) materiality offering. The offering will give companies the most real-time and comprehensive understanding of their material ESG topics, aligning executive teams and providing a sound basis for strategic decision-making.

Datamaran is a unique software platform that provides the most comprehensive view of new and emerging regulatory, reputational and competitive developments for ESG topics, along with the robust data to support it. ERM's sustainability advisors work with companies to utilize the platform and apply the insights to business strategy and in disclosure to stakeholders. This partnership gives companies the best of both worlds – state-of-the-art artificial intelligence technology and advisory services – providing the most sophisticated materiality analysis on the market.

ERM is the only sustainability advisory services firm that provides a robust, data-driven and real-time materiality analysis powered by Datamaran. ERM's expert advisory teams will build on the insights from Datamaran's cutting-edge materiality process and tailor them to the client's needs. This means companies can smartly invest time and money in analysis, consultation, ESG management and strategic advice, rather than on lengthy manual analyses. With Datamaran, investment can be focused on engaging and aligning the executive team on strategy, getting the most out of the ERM consultants' expertise.



Case Study

Researching nature for ExxonMobil Guyana

ERM was featured recently in an article, "[From Exploration to Discovery – Researching Nature in Guyana](#)." The article summarizes some of the results of ERM's work for ExxonMobil Guyana to conduct bird, marine and sea turtle studies offshore and along the coast of Guyana. ERM also contributed to an ecosystem services study, which documented the relationship between coastal ecosystems and local human populations – the first study of its kind to be conducted coast-wide in Guyana.

ERM leveraged technology throughout the project to ensure safe, timely and accurate results. With specially adapted tablets, the team produced real-time data analytics in the field. Connecting with geospatial specialists located in ERM offices, local team members were able to conduct extensive and precise coastal mapping that was critical to the integrity of the biodiversity studies. Highlights from the field studies included successfully tagging sea turtles with telemetry devices to understand their nesting, dive and migratory patterns; identifying bird and fish species that had not been previously recorded in Guyana; and the participation of over 700 local community members in the collection of ecosystem services data along the coast.

Learn more

[WATCH THIS SHORT VIDEO FROM EXXONMOBIL GUYANA](#)



Case Study

INN safety the safety innovation showcase

ERM sponsored and facilitated INN safety: The Safety Innovation Showcase, a unique industry 4.0 event, in November 2018. The Paris event brought together innovative start-ups, tech companies and health and safety leaders from around the world to shape the future of safety in the workplace.

Safety is a fundamental aspect of any sustainable business: companies across all sectors face common challenges relating to safety in the workplace. Recent technological advances are creating exciting opportunities to develop innovative solutions that can radically change the way companies tackle these issues.

At INN safety, some of the most innovative start-ups and tech companies in the field of safety showcased their solutions during a series of interactive meet-up sessions, giving corporate health and safety directors direct access to new technologies that have the potential to create a breakthrough in safety performance.

This was a unique opportunity to gain insight into new technologies, meet future partners, and share inspiring ideas with fellow health and safety leaders who face similar challenges.



Case Study

Using drone technology across the globe

ERM continues to use drone technology across the globe to more safely and efficiently gather project-specific data at a fraction of the cost compared to more traditional aerial and ground platforms. Such work includes:

- Counting turtle tracks on beaches and undertaking marine habitat assessments in Australia and Southeast Asia;
- Marking a cut-off date on resettlement projects and helping take inventory of structures and other assets;
- Helping construction clients in the United Kingdom identify solutions to minimize risk exposure to their survey teams working on airport runways;
- Generating a high-resolution digital surface model and calculating volumes for monitoring a remediation process for projects in Switzerland and Germany; and
- Pre-scanning using thermal imagery and video documenting a gas storage facility demolition project using explosives.

Drones help expedite projects, reduce operating costs and improve the safety of field personnel.

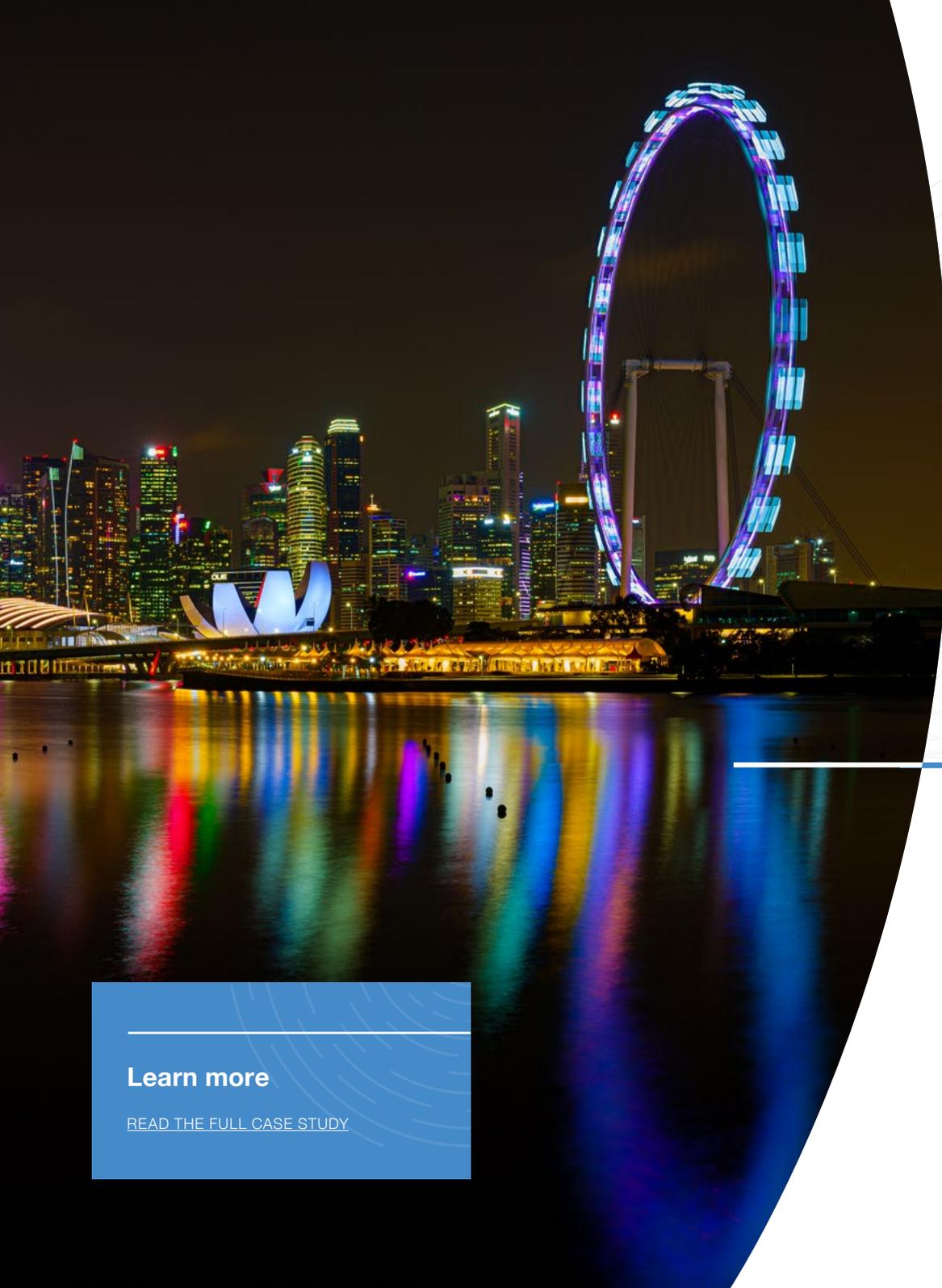
Case Study

Providing safety-critical solutions with eVision

ERM and [eVision](#) announced a strategic partnership in February 2019 to enhance innovation, accelerate operational excellence and improve safety performance for their collective clients. Through their respective work, ERM and eVision have a deep understanding of the oil and gas, (petro)chemical, energy, and pharmaceutical industries, as well as the business and technical aspects required for successful deployment and adoption of safety critical software solutions.

“We have been working with clients around the world for nearly 50 years, across a broad range of industry sectors, helping them to understand and manage their environmental, health and safety, risk, and social impacts. As a global market leader in digital control of work solutions for oil and gas, chemical and other high-risk industries, focused on operational excellence and process safety, eVision is an ideal partner for ERM. We are delighted to add eVision to the ecosystem of trusted partners we have been collaborating with to better serve our clients on their digital journey,” says Shawn Doherty, ERM’s Global Head of Digital Business and Transformation.

ERM is also a long-standing partner of [Enablon](#), provider of environmental, health and safety, sustainability and risk management software. eVision forms a unit with Enablon within Wolters Kluwer.



Learn more

[READ THE FULL CASE STUDY](#)

Case Study

Microsoft recognizes ERM's digital journey

Microsoft has worked with ERM on our journey to work faster, better, and safer through technology, and recognized the impact of that journey in a recent case study. In this October 2018 case study, Microsoft emphasizes the importance of connecting our entire business to be more efficient while meeting our clients' high standards for data security.

Having the tools in place to collaborate, harness data, and streamline operations keeps us on the leading edge of technology innovation and allows us to continue delivering excellent client value, ultimately accelerating the positive, global impact of the work we do.

Case Study

Harnessing digitalization to enhance reporting

ERM is working with the Global Reporting Initiative (GRI) and a group of companies to explore different aspects of sustainability reporting and identify ways in which digital technologies can help. GRI's Corporate Leadership Group on Digital Reporting seeks answers to common digitalization and data management issues that corporations producing sustainability reports face today.

In the constantly evolving reporting ecosystems, with growing challenges in how to produce and analyze data, ERM is helping to find opportunities and understand the potential for aligning the data that companies produce with user demands.

Learn more

SHAPE THE FUTURE
OF DIGITAL REPORTING

Circular economy

Companies increasingly recognize the circular economy as a key business opportunity. Important stakeholders, including investors and consumers, are pressing companies to take a comprehensive look at their value chains for opportunities to transform their business model.

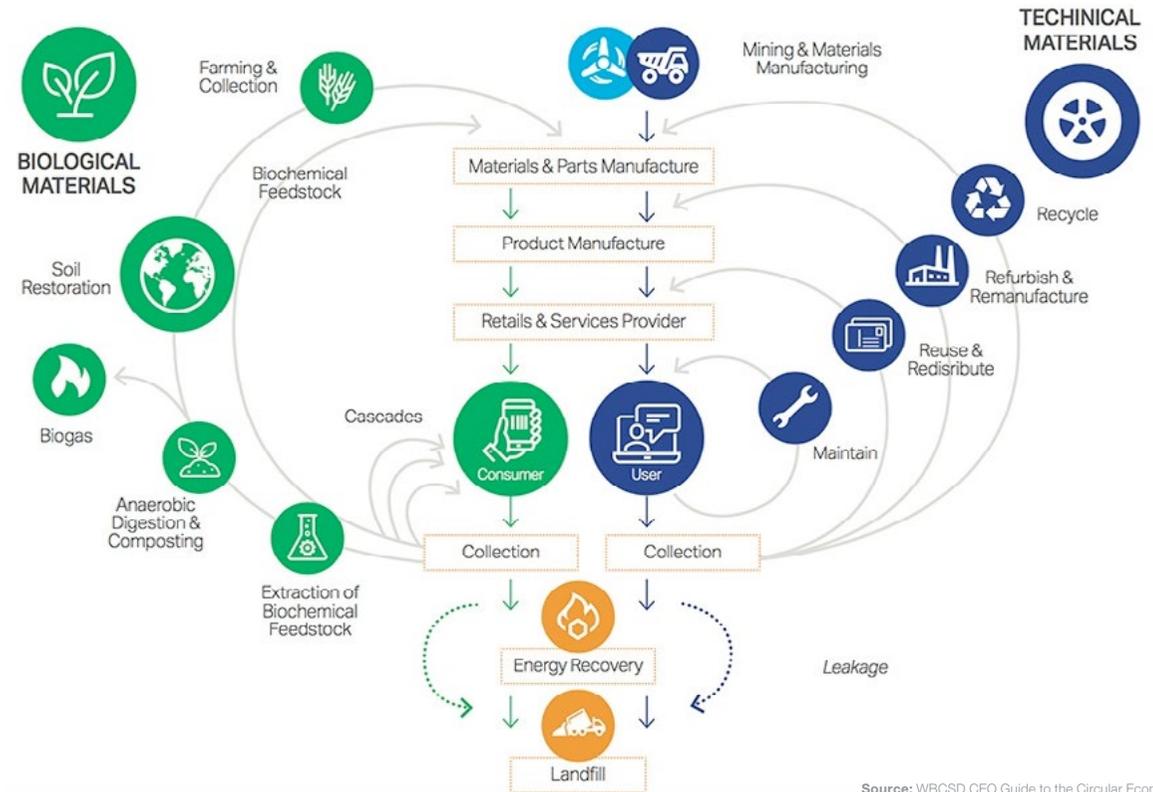
ERM partners with clients and world-leading organizations to deliver solutions and advance the circular economy. Successful participation in the circular economy requires clear objectives and commitment. ERM facilitates work by coalitions and individual companies to effect large-scale changes that make sustainability part of their culture and purpose.

...a circular economy aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources, and designing waste out of the system. Underpinned by a transition to renewable energy sources, the circular model builds economic, natural, and social capital. It is based on three principles:

- Design out waste and pollution
- Keep products and materials in use
- Regenerate natural systems

Source: [The Ellen MacArthur Foundation](#)

At their core, circular economy principles promote greater efficiency in material use, reducing system losses, addressing material scarcity and reducing environmental harm.



Source: WBCSD CEO Guide to the Circular Economy

Learn more

[MORE ABOUT THE CIRCULAR ECONOMY](#)



Case Study

Helping Novartis phaseout single-use plastics

In May 2018, Novartis approved a new environmental sustainability strategy that includes a phaseout of single-use plastics at all its campuses and offices. To help implement this phaseout, ERM developed a toolkit that provides guidance on how each of the company's locations can reduce its reliance on plastic and ultimately eliminate single-use plastic.

With plastics accumulating across the globe – harming the oceans and other ecosystems along with technical, political and social limitations on recycling plastics – taking action now to reduce single-use plastics positions Novartis ahead of the curve with respect to government, consumer and customer demands for action.



Case Study

Sustainable mining in the age of circularity

ERM facilitated a distinguished panel of senior business leaders across the mining industry in February 2019 on Sustainable Mining in the Age of Circularity & the Low-Carbon Economy during the annual Investing in African Mining Indaba. The panel members included Mathias Dohrn, Senior Vice President – Global precious & Base Metals Services, BASF; Mike Fraser, Chief Operating Officer, South 32; Chris Griffith, Chief Executive Officer, Anglo American Platinum; and Simone Niven, Group Executive, Corporate Relations, Rio Tinto.

The urgency to move to a low-carbon economy is driving a renewed demand for certain metals: battery minerals, critical components of turbines, solar panels, electricity transmission, and lightweight metals. At the same time, we are only now beginning to debate what it means to source – at scale – alternative materials like metal substitutes or stock supplied from the circular economy.

There is also increasing market scrutiny of the metals' supply chain, and mining companies may have new opportunities to differentiate

on characteristics beyond mineral grade and cost, but only if they can demonstrate that their mining practices are more sustainable than those of competitors.

We see an increasing imperative for mining companies to strike a balance between commercial growth and expectations of environmental, social and governance management. Integral to this reality is engaging across the product lifecycle by optimizing the supply chain from mine to market, gaining clarity on mining's contribution to the product ecosystem, and positioning mining so it can take advantage of the opportunities of the transition to a low-carbon economy.

The session was facilitated by ERM Partner Jonathan Molyneux, who heads our collaboration with our mining clients to advance the sector's thinking about sustainable mining and the changes in leadership, measurement and governance.

Case Study

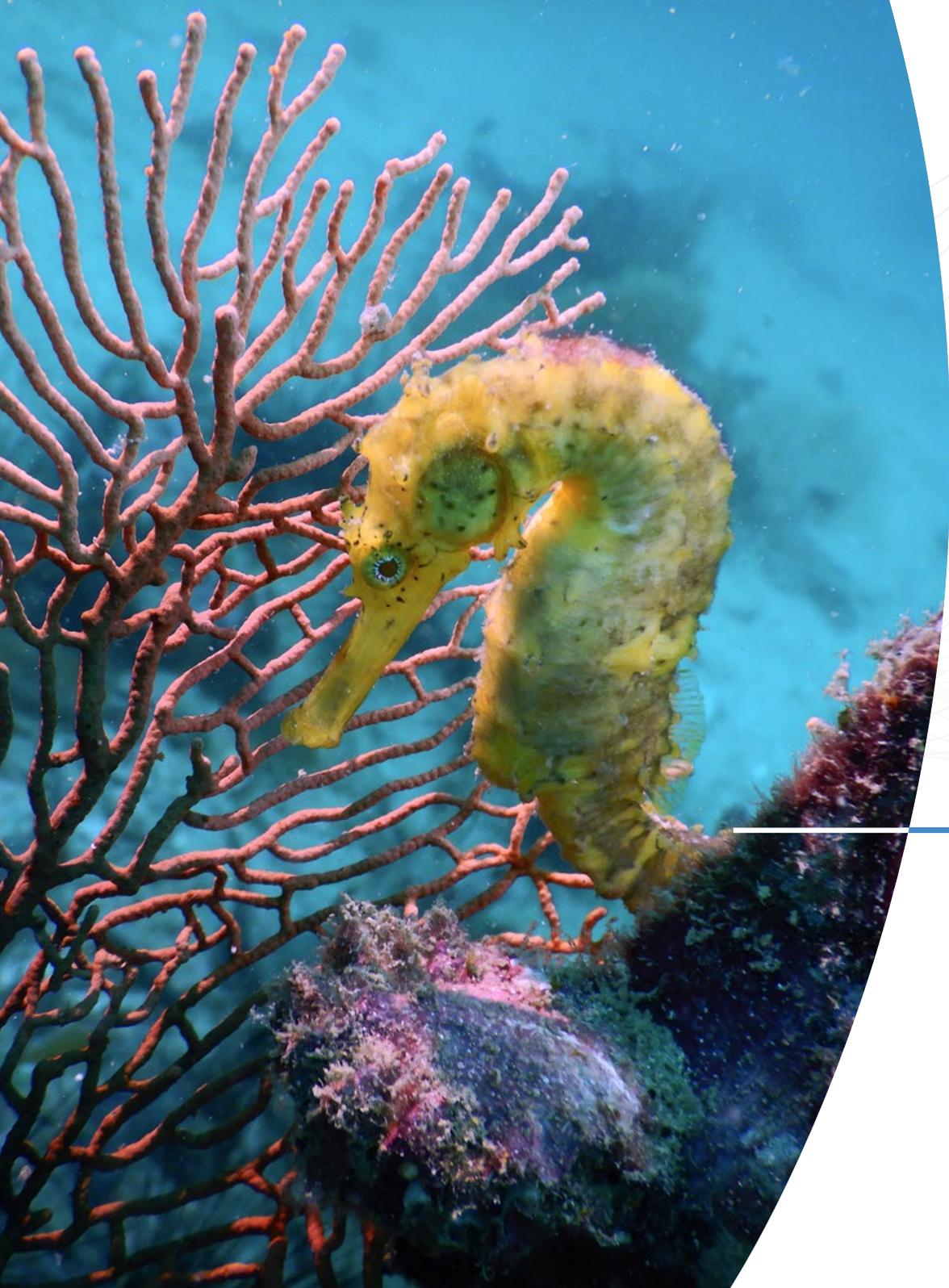
US BCSD promotes culture shift to circular economy

As a member of the US Business Council for Sustainable Development (US BCSD), ERM helped to develop a strategy for environmentally beneficial reuse of plastics. In the pilot project, plastic bottles from the New Orleans Jazz Festival were processed at US facilities to make a matrix, which is used in ecosystem restoration for plantings to preserve marshes in Louisiana.

ERM also served as a strategic advisor for development and implementation of Materials Marketplace (MM), a facilitated transaction platform that connects businesses to develop and scale new reuse and recycling market opportunities. The [online platform](#) helps divert waste from landfills while generating cost and energy savings and creating new jobs and business opportunities.

Ohio, Tennessee and Michigan are sponsoring the MM in partnership with US BCSD. Israel and Turkey are also running the MM, and Vietnam is developing the program in partnership with US BCSD.

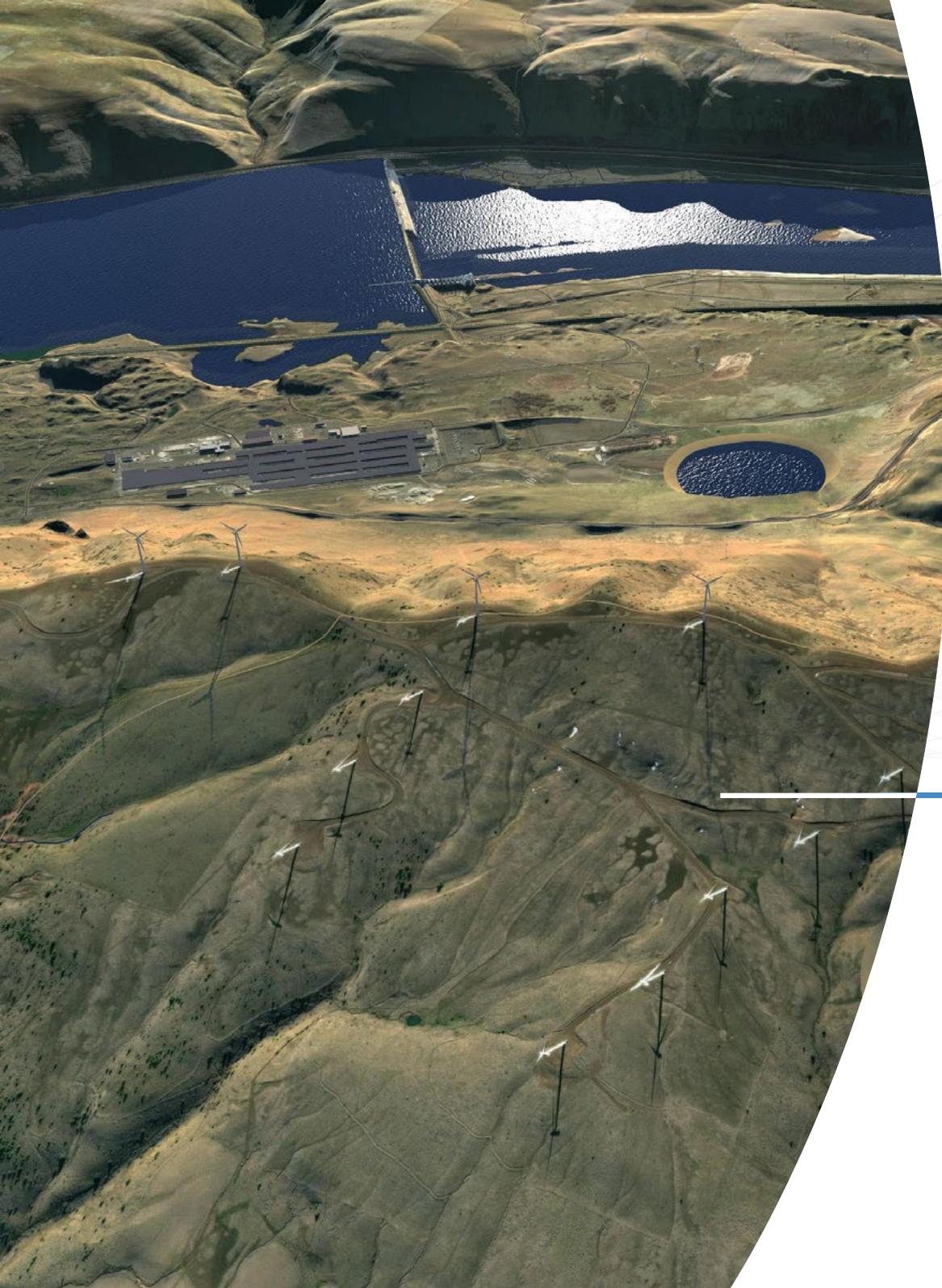
ERM also contributed to passage of a water trading legislation as part of the Louisiana Water Synergy project, which is now in rule making mode. ERM is part of the US BCSD team that is replicating the Louisiana Water Synergy Project in Texas and the Great Lakes region.



Case Study

Roadmap to eliminate plastics from supply chain

This past year, ERM worked with a confidential media company to provide an assessment of single-use plastics across its global supply chain. ERM devised and executed a robust data collection process targeting product and service vendors, as well as licensed partners serving the organization's complex operations. Working in close coordination with operational and sustainability leaders, ERM developed a tailored roadmap and action plan, outlining the steps the organization could take to systematically eliminate single-use plastics from the supply chain in the coming years.



Case Study

Former brownfield to store renewable energy

The Goldendale Energy Storage Project will provide renewable sources of electricity in the US Pacific Northwest (wind and solar power) with backup storage. Renewable electricity, when not needed by electrical customers in Oregon and Washington, will be used to pump water from a lower reservoir to the upper reservoir. The project will store renewable energy in the form of water in this upper reservoir more than 2,000 feet above a lower reservoir. When there is increased consumer demand for renewable electricity, the power is released in the form of water from the upper reservoir through turbines that can generate up to 1,200 megawatts at peak.

Case Study: Former brownfield to store renewable energy



The Goldendale site is a former aluminum smelter. The project will require the removal of a landfill as the material is unsuitable for reservoir construction. The project will benefit multiple stakeholders: the site owners, who will no longer need to monitor the former landfill; the responsible parties, who no longer need to pay for monitoring; the county, as the project will bring in jobs and revenue; and the environment, as groundwater issues will be diminished with the removal of the landfill.

This area of the US has seen a rapid expansion in large scale data center development. Data centers require a considerable amount of power and their industry has come to expect that 100% of their power will come from non-fossil fuel based sources of electricity. The Goldendale project will facilitate additional data center development in the region by providing a firm 24/7 source of renewable electricity, while assisting with the region's decarbonization goals.



Case Study

Due diligence for responsible sourcing at Mondi

ERM helped provide input and expertise to Mondi as part of an update of their Responsible Procurement and third party supplier review process. Some aspects of the project are described in the Mondi Group [Sustainable Development Report](#) 2018. The updated system will be piloted in 2019.

“When we set out to develop our group-wide responsible procurement programme, it was really important to us to start with a risk-based approach, and to prioritise action where it was most needed in our supply chain. With ERM’s knowledge and experience in global supply chains, we had the right partner to develop the tools to achieve this. They supported us in mapping our supply chain and developing a methodology for screening our suppliers for human rights and labour, environment and climate change, and water risks; and helped create a platform for engaging with our suppliers to address these. Their expertise and experience was key to the success of this programme.”

Gladys Naylor

Group Head of Sustainable Development - Mondi Group



Case Study

Human rights review of supply chain in North Africa

ERM worked with a private equity investor to review potential human rights issues associated with its investment in a confidential paper recycling plant in North Africa. The plant had a number of potential human rights issues in its supply chain, particularly in relation to significant numbers of informal workers.

ERM visited the site as well as its potential suppliers, and spoke with management and both formal and informal workers. In this way, we are able to identify the potential human rights risks and build management awareness of why these risks must be addressed. Then we helped develop actions to remediate the risks, allowing the investment to have a positive impact.

Case Study

Changing landscape with human rights and business

The landscape is changing with respect to scrutiny on company's supply chains and subcontractor management. A strong human rights record has become imperative to maintaining a corporate "license to operate." Several emerging themes apply across nearly all sectors: eliminating modern slavery, moving towards living wages in supply chains, eliminating workplace gender-based violence, the gig economy's eroding social safety net, artificial intelligence making human workers obsolete and even (still) child labor. Organizations are pushing for social protections for workers in the transition to a low-carbon economy, and high-tech companies in particular face growing human rights scrutiny.

ERM has extensive experience developing and implementing social and human rights due diligence programs in a wide variety of sectors and geographies. As a first step, we help companies develop appropriate governance arrangements and assess risk in their supply chain to prioritise focus. We then work with clients to develop and apply monitoring and capacity building programmes for suppliers, including through audits and...

- Training programs that enhance human rights capacity and draw attention to the need for responsible purchasing practices;
- Setting up and maintaining grievance and traceability mechanisms;
- Engaging with key stakeholders.

With our supply chain and social consulting services, ERM is helping companies protect and improve their reputations while managing business continuity risks and enhancing performance while contributing to improved lives of workers and their families.

Case Study

Human rights due diligence

Since 2017, ERM has supported a major energy company's human rights/modern slavery due diligence and remediation program as part of the client's Modern Slavery Act commitments in the UK. ERM developed a best practice approach to identify and assess human rights performance in high risk geographies, enabling our client to identify risks, prioritize their due diligence activities and respond to stakeholders.

In line with the UN Guiding Principles approach to human rights due diligence, ERM supported various internal teams to prioritize and manage their risks. ERM provided technical support to various team members to manage labor assessments, including guidance on reports interpretation, compliance action plan development, monitoring and plans for follow-up verification of improvement and remedy around the world.

We provided support for the development of guidance documents on responsible sourcing good practices, mostly focusing on modern slavery related topics. We also supported the development and implementation of tools for supply chain labor standards monitoring, including social audit protocols and monitoring systems.



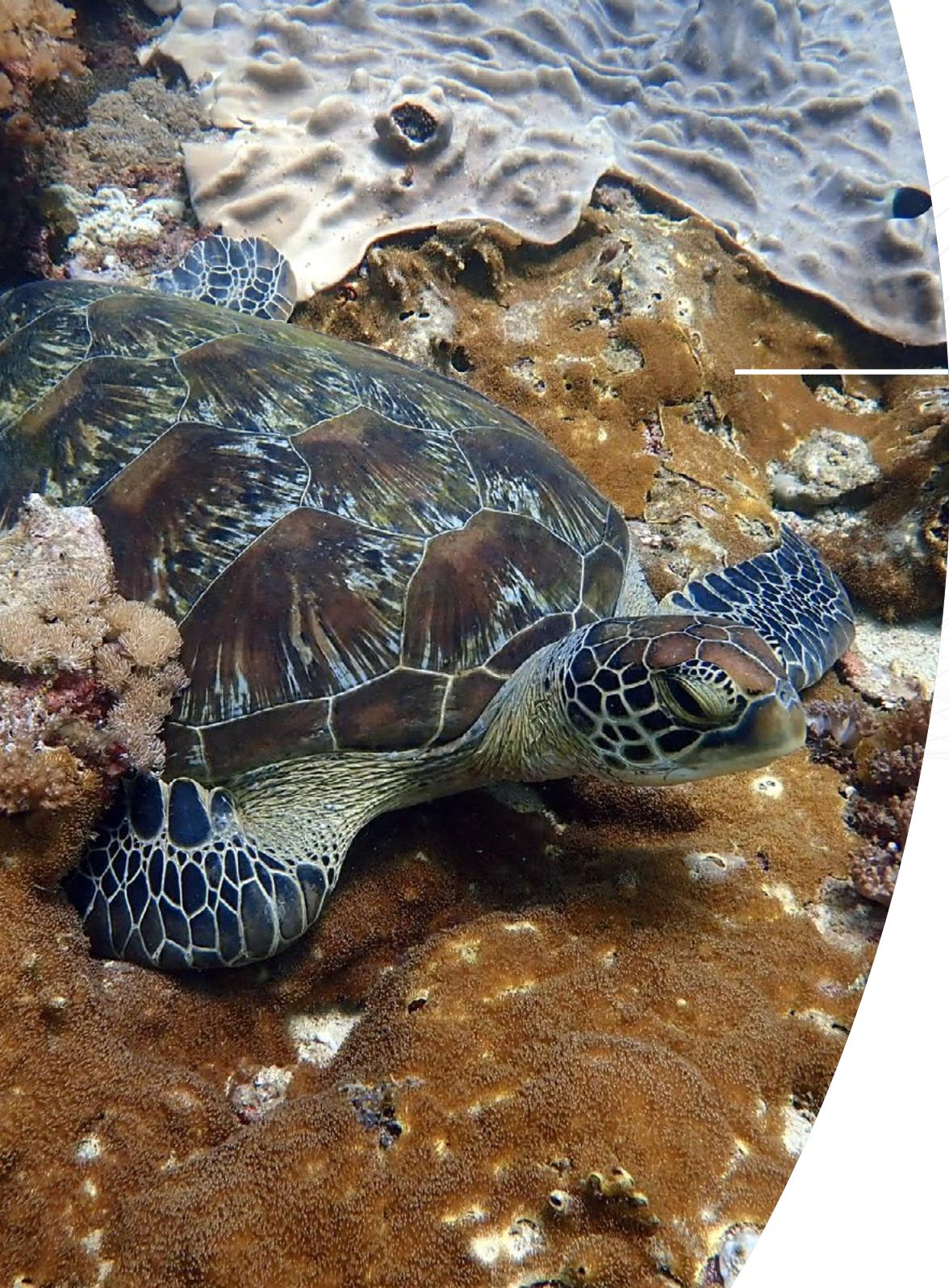
Case Study

Microbeads in Hong Kong

The Environmental Protection Department of the Hong Kong Government commissioned ERM to study microplastic pollution. In particular, ERM examined the prevalence of plastic microbeads in personal care and cosmetics products (PCCPs) in the Hong Kong market, with a view to introducing control measures for microbeads pollution in Hong Kong. The key driver behind the project is protection of the environment and human health.

ERM undertook a literature review of scientific and academic opinions on the impact of microbeads to the environment. We also conducted a market survey of products containing microbeads in Hong Kong and carried out extensive stakeholder engagement regarding the potential impacts from implementing control measures for consumers and the PCCP market.

As a result of this study EPD will establish a framework to help reduce the use of microbeads in PCCPs.



Case Study

Supporting WBCSD and Alliance to End Plastic Waste

ERM Principal Consultant Stefano Pennese is seconded at the World Business Council for Sustainable Development (WBCSD) in Geneva, Switzerland. He is working with the plastics team on the Global Information Platform, one of the projects of the [Alliance to End Plastic Waste](#).

The goal of the Alliance is to eliminate plastic waste in the oceans by reducing, and possibly stopping, the plastic leakage from the human economy to the environment. The focus of the Global Information Platform is to develop a global database of plastic waste leakage point hotspots, so that those in the plastic value chain (local and regional authorities, Alliance's member companies, etc.) can make better-informed decisions on how and where to invest capital and operational expenditures to provide solutions.

During his secondment, Stefano has conducted a landscape analysis to understand what similar plastic waste data-related initiatives are already underway, and evaluate which of these initiatives would likely partner with the Alliance. Stefano is also bringing his digital services expertise to the Alliance by gathering user requirements in order to determine the functional and technical requirements that the Global Information Platform will need to fulfill.

The WBCSD is recruiting companies and organizations to join the Alliance as members, and also engaging with the Alliance members on internal and external communications.



Case Study

Full material disclosure and conflict minerals support

ERM is developing a customized program for a Fortune 500 technology company driving product regulatory and conflict minerals compliance by running a full material disclosure program for its products, parts and suppliers. Using a team of experts in product stewardship, disclosure requirements and data analytics, ERM is handling tens of thousands of Full Material Declaration submittals annually and hundreds of conflict minerals submissions from suppliers. We work directly with the client's most important customers, delivering targeted reports and data using industry-standard and customer-specific reporting formats

The client can now refocus its efforts to other areas of their business, knowing its regulatory compliance needs are being managed by ERM.

Case Study

Supporting tech sector operations and products

ERM works with several major technology companies to improve their operations and products across their life cycle, including:

- **Co-development of responsible electronics recycling standard:** ERM was contracted to help the client develop and implement a compliance and risk-based program to manage new emerging global business around responsible takeback and recycling of electronic waste. ERM co-developed an internal auditing standard for responsible electronics recycling, followed by R2 (responsible recycling) certification and an annual audit program. As a result, the confidential client effectively mitigated its business risk for more than 10 years. ERM has continued to provide programmatic support to this client through recycler verification and management. Through our efforts, the client has better transparency and oversight of its downstream vendor supply chain.
- **Next generation product and packaging compliance for global communications company:** A confidential client sought to launch a new consumer electronics product in more than 20 jurisdictions simultaneously. ERM mobilized our global network of product stewards to assess regulations for consumer protection and waste management and interpret them in light of the company's novel products --- unforeseen by those writing the regulations --- and the design aesthetic which is an important part of the

company's brand image, ERM enabled the company to meet labeling requirements for the initial launch deadlines and is now working to provide a tool to make compliance more routine.

- **Risk management for resource recovery:** ERM is helping this confidential client to assure itself that materials recovered from end-of-life consumer electronics are appropriately managed by auditing recycling vendors. E-waste is a growing issue for all manufacturers and users of electronics, and the risks to our client associated with collection, management, security and disposition pose significant brand, reputational and EHS risks to their business. By supporting our client programmatically, ERM has successfully streamlined auditing and reporting practices, and is currently working to drive program value over time. This enables our client to manage business risk and support brand management.
- **Full materials disclosure for confidential technology client:** ERM has developed and implemented a data collection and reporting program to identify the chemical composition of all parts and materials in products for a confidential technology client. As a result of this project, the client achieved a full chemical picture of its products so that design teams can re-evaluate and select alternative materials. The client uses this information in their external sustainability report and on their website to demonstrate progress toward their corporate sustainability goals.

Case Study

Helping to manage mining legacies for BHP site

The BHP Island Copper site on Vancouver Island, British Columbia, continues to be an example of excellence in mine reclamation. The site was the recipient of the 1981, 1984, 1998 and 2006 British Columbia Mine Reclamation Award. In awarding the Island Copper team with the 2006 award, the government and academic panel stated that the company's management of the Island Copper site is exemplary with respect to safety, innovation, risk management and the quality of reclamation and environmental protection work.

ERM supported BHP in the development, management and monitoring of the mining pit lake at the Island Copper site, where acid rock drainage is a long-term issue. We developed a phytoremediation approach as an alternative to conventional lime treatment, reducing long-term closure costs while mitigating risks associated with metal leaching and acid rock drainage at the site.

Impact from Operations

Each year, ERM conducts a formal materiality assessment in accordance with the Global Reporting Initiative (GRI) standard to identify and prioritize our most significant sustainability topics, set targets for improvement, and guide the content for our Sustainability Report.





In this section, we describe our programs, practices and **performance** for managing four of our six material topics – that is, ERM’s most important sustainability issues, confirmed through ERM’s **stakeholder engagement process, materiality assessment** and senior-management review:

- Governance
- Occupational health and safety
- Our people
- Climate change

We discuss our other two material topics – **innovating with clients and other leading organizations**, and **contributing to society and local communities** – in this report under the section on **Impact through collaboration**.

ERM’s operations have relatively small impacts in many measures. However, we are committed to continuous improvement in reducing our own impact, regardless of scale, is important for staff at ERM as we are committed to “walking the talk” in our own operations.

- **Governance** – Good corporate governance is essential to the financial success and sustainability of ERM
- **Occupational health and safety** – The most important role for all ERM’s leaders is to keep everyone safe
- **Our people** – Our ability to attract, develop, reward and retain talented employees is central to our business strategy and vital to our future
- **Climate change** – Our approach to climate-related risk has a direct impact on ERM’s financial health, reputation and our ability to retain and attract talent

Governance

Why governance is a material topic for ERM:

Good corporate governance is essential to the financial success and sustainability of ERM. Without adequate systems and practices, we would lose the trust of our company's stakeholders: shareholders and investors, management and employees, clients, suppliers and contractors, governments, nongovernmental organizations and the communities in which we operate.

We conduct business with uncompromising honesty and integrity, adhering to laws, regulations, and our written Code of Conduct.

- **Management and oversight** – Our approach to corporate governance
- **Ethical and responsible decision making** – Our Global Code of Business Conduct and Ethics sets clear requirements to ensure we conduct business with uncompromising honesty, integrity and compliance with laws and regulations
- **Integrity in financial reporting** – ERM has rigorous financial processes to meet requirements of operation
- **Recognize and manage risks** – In accordance with our commitment to continuous improvement, over the past year we evaluated the effectiveness of our management approach to governance by conducting a formal operational risk assessment beyond as well as progress toward maximizing our contribution to the Sustainable Development Goals (SDGs)



KPI highlight

FY19 Target

No fines or nonmonetary sanctions for material noncompliance with laws or regulations.

Result

No fines or nonmonetary sanctions for material noncompliance with laws or regulations.

Management and oversight

The Board of Directors and Executive Committee are ERM's highest governing bodies. They are responsible for the strategic direction of the organization and the effective monitoring of performance.

The ERM Board of Directors is responsible for the direction and oversight of ERM Worldwide Group Limited (as parent company of the ERM Group) on behalf of its stakeholders, including shareholders. The Board meets at least six times per year to review performance and consider key strategic growth plans. In addition, Board subcommittees provide oversight of audit, risk and remuneration. The Board delegates its authority for the executive management of the Group to the Group Chief Executive Officer and, through her, to the Executive Committee (subject to defined limits and monitoring by the Board).

ERM's Executive Committee members are responsible for the strategic and operational leadership and management of the business. The Executive Committee meets monthly to discuss operational performance and to ensure key strategic growth initiatives are being implemented effectively.

ERM uses 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.

For information on the governance of ERM's sustainability program, see [Sustainability at ERM](#).

Ethical and responsible decision-making

We place significant focus on governance issues, from the Board to our Partners and all employees.

- Upon joining the company, all new employees must participate, through the company's learning and development platform the ERM Academy, in interactive, web-based training. The mandatory training courses cover international anti-bribery and corruption, the regulatory requirements specified by the UK Bribery Act, insider trading and practical ethics, as well as requirements specific to some parts of Latin America and North America, health and safety, and the UK Modern Slavery Act.
- Existing employees are required to take refresher web-based training through the ERM Academy.
- Every Partner must complete an annual self-certification on compliance with our anti-bribery and corruption policies.
- Outside legal counsel advises the Board on how to operate effectively and in accordance with its roles and responsibilities.

Our written [Global Code of Business Conduct and Ethics](#) sets clear requirements to ensure we conduct business with uncompromising honesty, integrity and compliance with laws and regulations. Our commitment to combat bribery and corruption is fundamental to how we operate and is embedded into our key systems and programs. We apply our business conduct and ethics commitments across every ERM office and activity, every day, with the involvement and awareness of all our employees. All employees and Partners are held responsible for compliance with our Code and policies.



For more on the location of anti-bribery and corruption-related disclosures in this report, see our [UN Global Compact Index](#), which includes details of our reporting on Principle 10, Anti-Corruption.



PROGRAMS AND INITIATIVES

During FY19, we continued to strengthen our programs and initiatives associated with business conduct and ethics:

- We developed and deployed a mandatory online training module for all employees regarding modern slavery, pertinent to our specific industry and operations.
- We revised our internal policies and procedures on subcontractor management. We continue to expand and improve subcontractor management in the many jurisdictions where we operate.
- We participated in building external standards and providing education so that momentum not only builds in our sphere of business influence but beyond, fully aligned with our purpose of shaping a more sustainable future with the world's leading organizations.
- We launched a global anonymous reporting system (helpline) so that concerns about our business operations, including modern slavery and any other form of unethical business conduct, can be reported without fear of retaliation. The system is available 24 hours a day, 7 days a week, by a web portal or call-in line, and is managed by a third party to protect confidentiality.

Integrity in financial reporting

Our Finance team manages all areas of finance and corporate finance for ERM worldwide and works closely with ERM's management and partners, investors and the group's bankers, and other suppliers and stakeholders to drive for continual operational excellence.

The ERM group follows UK Generally Accepted Accounting Practice (GAAP). Many business units will also be required to file financial statements with the local tax authorities, prepared in accordance with local GAAP.

ERM has a zero tolerance approach to all forms of tax evasion in all countries. We are committed to acting professionally, fairly and with integrity on all tax matters resulting from business dealings and relationships in all countries. We are also committed to implementing and enforcing effective systems to counter any form of tax evasion.

Recognize and manage risks

In accordance with our commitment to continuous improvement, over the past year we evaluated the effectiveness of our management approach to governance by conducting a formal operational risk assessment that addressed a full range of issues, including safety, our people, subcontractor management and project management, among others. The results of the assessment were incorporated into the formal risk register. Action items to reduce operational risk were identified and approved by the Executive Committee and the Board as part of the annual three-year strategic growth plan and budget.

We exercise judgment with respect to clients and third parties we engage with and the types of work we undertake. We will not work with clients or subcontractors who do not share our commitment to high ethical standards; we have turned down project opportunities because of concerns involving human rights violations and other ethical issues.

We scrutinize opportunities and projects carefully before proceeding and reserve the right to withdraw from a project if business conduct and ethics concerns arise.

We apply similar rigor to the activities of the ERM Foundation and are careful to avoid any potential ethical or compliance concerns associated with those organizations that we support.

Our systems enable ERM employees to confirm quickly that third parties are not on government watch lists for corruption, bribery or human rights violations. We have committed to following the trade sanctions established by the European Union and the United States, as well as the United Nations.

In addition:

- We continue to conduct geographic corruption risk assessments focused on high-risk areas and encompassing modern slavery risk.
- We track compliance with mandatory employee training on bribery, anti-corruption and modern slavery. Because it is imperative that newly hired employees are aware of our expectations for business conduct and ethics, we have included this in our [FY20 sustainability performance targets](#).

SUBCONTRACTOR MANAGEMENT

Our Task Force on Critical and Operational Risk Management conducted a systematic review of our subcontractor management systems, process, procedures, governance and safety culture. This helped us understand where there are gaps between what is written down, what is intended, and what is understood and implemented in practice, and the underlying reasons for these gaps.

As part of this, we asked 350 employees from all over the world who regularly use subcontractors for their views and ideas, and we also consulted with a number of subject matter experts who offered their assistance.

The Task Force identified a number of subcontractor-related activities that, if not properly planned and delivered, can result in serious risk to multiple stakeholder groups. In accordance with consolidated Task Force findings, we made several improvements to subcontractor management at ERM, including the launch of a comprehensive subcontractor policy and tools to support the implementation of the Policy.

DATA SECURITY

Our first layer of protection is our people. ERM employees understand their responsibilities in protecting both our data and information and that of our clients.

Data stored on ERM computers and systems are secured by multiple defensive layers, and we ensure data is protected in transit. We also back up data regularly to ensure that recovery is possible in the event of a disaster. ERM partners with leading cloud-based providers for its critical services, and we benefit from their inherent robust reliability and user productivity, with security being continuously updated and enhanced.

ERM has developed appropriate policies, processes and procedures as necessary to comply with the EU's General Data Protection Regulation (GDPR) requirements.

Case Study

Sustainability-related policies

Policies play an important role in ERM's management of sustainability challenges, in particular are material topics. These policies are approved by the Group CEO, with prescribed schedules for review. All are available on www.erm.com.

- **Global Sustainability Policy:** This policy defines the company's role in supporting social and economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Download ERM's [Global Sustainability Policy](#) and ERM's [Sustainability Approach](#).
- **Supplier/Subcontractor Business Conduct Information Form:** Suppliers and subcontractors of ERM provide information concerning their company and business conduct practices, using the form at the link below. Download ERM's [Global Requirements for Suppliers and Subcontractors](#).
- **Modern Slavery Act Statement:** The purpose of this policy is to support international efforts against slavery, child labor and human trafficking in conformance with the ERM Code of Business Conduct and Ethics, the UK Modern Slavery Act of 2015, and other applicable international laws. Download ERM's [Slavery, Child Labor and Human Trafficking Policy](#) and [Modern Slavery Act Statement](#).

Case Study: Sustainability-related policies

- **Global Diversity Policy:** We believe our most important strength is our employees. Due to our principles of Respect and Collaboration, ERM is committed to diversity and to equal opportunity in all aspects of employment. We seek to provide a work environment where all employees have the opportunity to reach their full potential and contribute to ERM's success. Our objective is for the diversity of our employees to reflect the diversity of the communities in which we do business, and for ERM to respect the customs and cultures of those communities. Download ERM's [Global Diversity Policy](#).
- **ERM Global Policy on Insider Trading:** The purpose of the Insider Trading Policy is to provide support with securities legislation globally regarding material, non-public information. Download ERM's [Insider Trading Policy](#).
- **Data Privacy Policy:** ERM is committed to protecting the privacy of personal data and maintaining the principles of integrity and trust in the course of our business. We therefore implemented our Data Privacy program around the globe. That program consists of ERM's Data Privacy Policy, along with related personal data policies and procedures, all of which complies with the EU General Data Protection Regulation. In our Data Privacy Policy, we describe: the kinds of personal data that we may collect;

how we may collect and use that data; the lawful purposes for which we may process personal data; and how we may share data across different locations. The Policy also sets out data protection rights and offers information on how to contact us with questions or queries about personal data. Download ERM's [Data Privacy Policy](#).

- **Global Tax Policy:** ERM recognizes that the tax it pays and collects is an important part of the Group's wider economic and social impact, and that this plays a key role in the development of the countries where it operates. The purpose of this policy is to communicate the framework in which tax is managed within ERM. Download ERM's [Global Tax Policy](#).
- **Global Mobile Phone Policy:** This policy establishes a global standard regarding the prohibition of use of any Mobile/Cell phones, Computers and all other Personal Digital Assistants or similar electronic devices (PDAs) while operating a personal, company-owned or rental vehicle as part of the Company's Health and Safety requirements. In addition, this policy clarifies ERM's position in respect of any devices used for navigation while operating vehicles as set out above. Download ERM's [Mobile Phone Policy](#).

Case Study

Human rights and Modern Slavery Act

ERM is committed to the goal of respect for human rights and a world free of slavery. We recognize our responsibility to support and respect the protection of internationally proclaimed human rights, as defined by the UN Guiding Principles on Business and Human Rights. ERM is a signatory of the UN Global Compact, and we adhere to its principles relating to human rights.

ERM has participated in a number of external engagements related to modern slavery, including the Working Group on Modern Slavery facilitated by the UK chapter of the United Nations Global Compact and the World Business Council for Sustainable Development (WBCSD) activities related to human rights. ERM has been involved with the WBCSD in the development of the CEO Guide for Human Rights, and Keryn James has signed on as a supportive CEO.

In addition, because we are a commercial organization that conducts business in the United Kingdom, we comply with the UK Modern Slavery Act 2015. In November 2018, ERM released our third Statement on Modern Slavery. It reflects our commitment to international efforts to abolish all forms of modern slavery and sets out the measures to ensure there is no slavery and human trafficking in our business operations and supply chain.

Our Modern Slavery Statement provides an overview of the approach and tools we have in place to prevent modern slavery in our business and supply chains and describes the specific actions that we have taken in the past fiscal year, including new mandatory training launched in 2019. To learn more, [download ERM's 2018 Statement on Modern Slavery](#).

ERM's Slavery, Child Labor and Human Trafficking Policy aligns with the UK Modern Slavery Act 2015. Our policy prohibits the use of child or forced labor or involvement by ERM with entities that support prohibited labor practices, including slavery, bonded labor or debt-bondage and other types of coercion or corruption.

We developed specific [global requirements for suppliers and subcontractors](#) as part of our supply chain process, with explicit requirements in relation to modern slavery concerns.

In addition to making this commitment within our own business, we work with our clients globally to improve their human rights practices. Our social and human rights consulting services teams identify and provide advice on labor, supply chain management, land access and indigenous rights issues.

Occupational health and safety

Why occupational health and safety is a material topic for ERM:

The most important role for all ERM's leaders is to keep everyone safe. We have company procedures and protocols to support our efforts, and we recognize active leadership as the most important element. However, it does not start nor end with ERM's leaders – everyone has a responsibility for doing the safest work possible. If we cannot operate safely and without incident, then we cannot live up to our values. This is driven by our belief in the culture of caring about the well-being of our people, our clients and our contractors.

We have a responsibility to do everything we can to assure that everyone is safe while working at or on behalf of ERM.

The safety and health of our people, and others under our control, is at the core of the way we do business. It must come first – every time and everywhere.

- **Health, safety and environment policy** – We place an extraordinary focus on health and safety performance
- **Safety management system** - ERM has a mature and comprehensive SMS
- **Promoting well-being at work** - Well-being is integral to maintaining a healthy, engaged, energized and productive workforce



KPI highlight

FY19 Target

Days away from work case (DAWC) rate at or below 0.10 and no fatalities.

Result

Annual DAWC rate 0.17 and no fatalities.

Health, Safety and Environment Policy

We place an extraordinary focus on health and safety performance. We provide health and safety systems, processes, equipment and training for all ERM employees, enabling our work to be performed in a responsible manner. Every ERM employee and contractor is required to be an active participant in managing the safe execution of our work.

ERM has a health and safety program that focuses on the ongoing health and safety of everyone involved in and impacted by our work - including ERM employees, clients, contractors, as well as communities and the public local to our program sites.

We recognize that our daily actions - whether they are performed at ERM offices, remote project sites, industrial facilities, active construction sites or from employees' homes - require diligent and comprehensive planning and management to achieve our ultimate goal of ZERO harm. Our global tools and systems support continuous improvement as we work on complex projects, often in increasingly challenging environments. We bring our health and safety expertise to every project, regardless of size.

Download

ERM'S HEALTH, SAFETY AND
ENVIRONMENT POLICY STATEMENT



Safety Management System

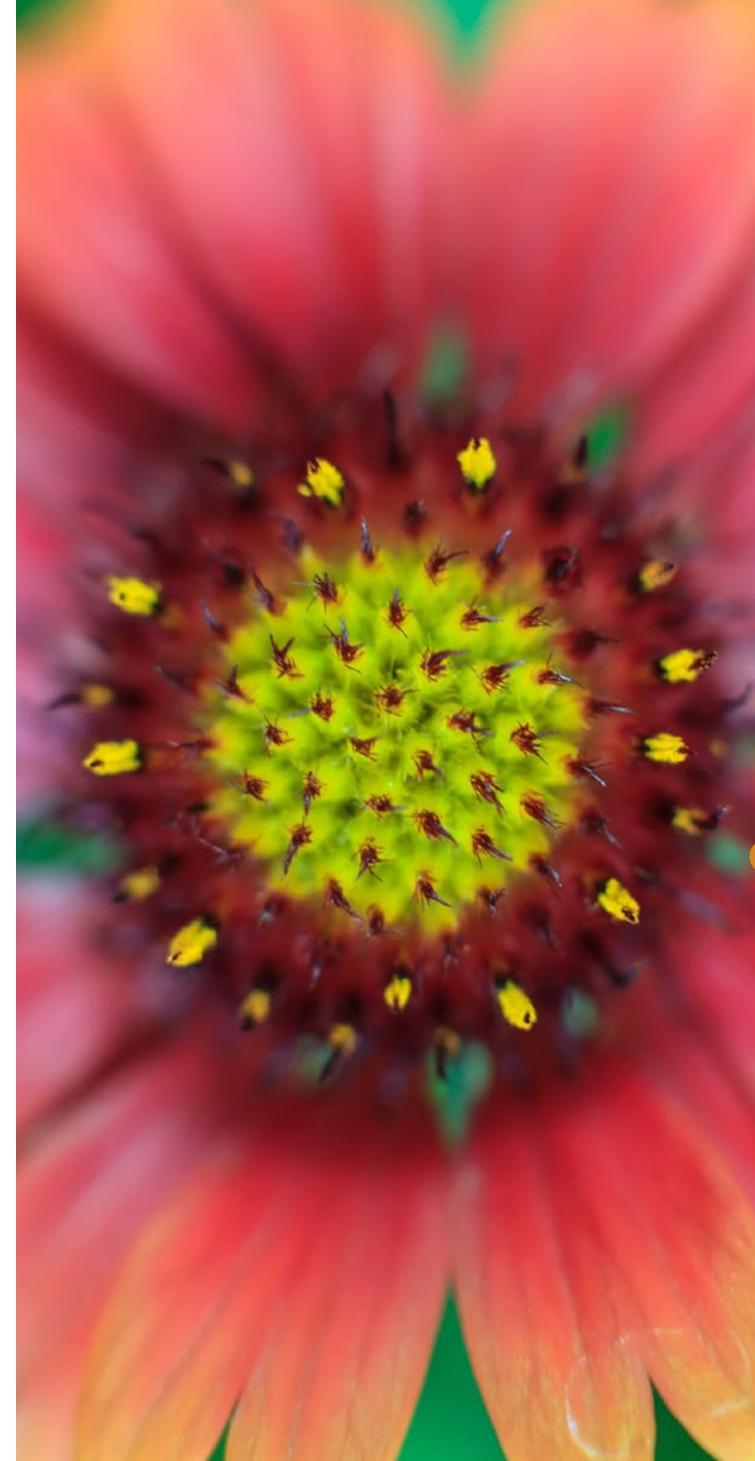
ERM has a mature and comprehensive Safety Management System (SMS), which incorporates safety-related policies, roles and responsibilities, training, programs and initiatives and mechanisms to measure the effectiveness of our management approach. The SMS is based on the requirements of Occupational Health and Safety Assessment Specification (OHSAS) 18001 and International Organization for Standardization (ISO) 14001.

Key aspects of our SMS are highlighted below.

- Our global tools and systems support continuous improvement as we work on complex projects, often in challenging environments. Our global Health, Safety and Environment (HSE) Policy Statement, which is endorsed by our Group CEO and Executive Committee, applies worldwide and is conveyed to all employees through our induction programs and routine communications.
- ERM Partners and other leaders have personal safety goals included in their performance metrics, with progress against these goals assessed as part of the annual performance review process.
- During FY19, ERM completed nearly 3,115 individual office, project, field or subsurface clearance audits using our online tool, with nearly 1,950 of those audits completed by Partners. The audits

are part of our Active Leadership Audit Program (ALAP), and they provide us with a tremendous amount of safety performance data that allows us to focus on specific areas for improvement.

- New hires are required to take safety training as well as anti-bribery, corruption and ethics training. Compliance with this requirements is shared with senior management. In FY19, over 93% of new hires completed their mandatory training on time in a record year for new hires. In FY20, we are focused on improving this rate.
- Travel is a key part of the work we do for our clients and an important part of running the business. We provide health and safety support for our employees traveling around the world. This is particularly important in more challenging locations, including those classified as high risk based on medical, integrity, political or security factors. We provide time-critical advice in response to travel and acute medical issues around the globe. Our online Travel Risk Assessments help ensure that employees and those we work with are well prepared for their journey, and that our Partners review and approve this travel.
- ERM's Executive Committee members receive daily reports on key safety performance metrics as part of their management dashboards. Safety metrics appear alongside other key business indicators, such as sales, revenue and profits.



Promoting well-being at work

Well-being is integral to maintaining a health, engaged, energized and productive workforce. ERM's approach to employee well-being builds on our company values, in particular caring for our people: we look after our people, their safety, well-being and development. We also treat each other with respect. We share information globally on managing stress and supporting colleagues in the workplace

Our business sometimes demands long hours, frequent or extended travel, and deadline pressures. Within this context, ERM strives to maintain an appropriate work-life balance for its employees:

- We provide flexible working arrangements where feasible, supported by technology, and we will continue to ensure we are meeting the needs of our employees in the years ahead. Flexibility is often cited as an attractive reason for working at ERM
- We encourage wellness activities, with many of our offices implementing initiatives, such as gym memberships, team sports, recognition of special family days and fresh fruit supplies.

Some office-level initiatives from ERM employees over the past year include:

- Taking time for a meditation moment at our Lima, Peru, office;

- Organizing a lunchtime walk break with co-workers in Sacramento, California, US;
- Celebrating oral health day at our office in Jakarta, Indonesia;
- Jogging 5 kilometers with colleagues during lunch breaks at the Frankfurt, Germany, office;
- Taking ergonomic breaks and using the stairs instead of the elevator in our office in Ahmedabad, India; and
- Organizing a Wellness Day in our office in Johannesburg, South Africa

We recently established a working group in our Europe, Middle East and Africa region to improve staff well-being and provide better psycho-social support. We also featured mental health awareness as an important element of our Hidden Disabilities inclusion activities during January 2019.

For FY20, ERM has adopted a new global target: to improve the Employee Engagement Survey well-being question score from the baseline by 10%. For more information, see our [future targets and goals](#) section.





Case Study

Awards and recognition

ERM encourages participation in our own safety recognition program, which highlights employees who have demonstrated an outstanding contribution to the company and our safety program. We also receive recognition from our clients for safety behaviors, actions and results. Selected awards from the past year include:

- Our United Kingdom and Ireland operations have achieved five consecutive years of Gold Medal Awards from The Royal Society for the Prevention of Accidents (RoSPA).
- The Puerto Rico Manufacturers Association presented ERM with its Distinguished Safety Performance Award in May 2018.
- Our team in Mexico received an award from BP marking 2018 with no health and safety incidents of any kind.
- ERM's North American regional health and safety team accepted 37 safety awards from the National Safety Council. These awards recognized ERM's hazard recognition processes as well as the number of safe hours our business units have completed.



Case Study

Active Leadership Audit Program

The Active Leadership Audit Program allows our employees to periodically and consciously stop and assess the activities that they are responsible for (or routinely observe), with respect to safety.

The goal is to drive engagement with colleagues specifically around the topic of safety. While this type of engagement occurs continuously in the background, there is value to formalizing and structuring the assessment.

ERM has five types of audits that can be completed, depending on the type of activities that an employee is typically engaged in. The completion of each audit is documented using a specific, online form to ensure:

- Audit scope and rigor is globally consistent.
- The auditor is prompted to consider key safety topics and elements (some of which they may not have considered before).

- Audit results are globally accessible in real-time and consolidated to identify future focus areas and trends.

Audits are a leading indicator that can be used as one measure of Safety performance, and can be done by all employees. However, the completion of these audits by Partners is intended to add additional value to their projects, by:

- Allowing them to gain insight into details of project operations;
- Identifying areas of improvement for the audited project, as well as the Partner's other projects; and,
- Reinforcing the safety message to the project team through action in addition to words to identify future focus areas and trends.

The Engagement Score is used as a positive and sustainable approach to engaging our employees in the program.

Case Study

Safety AT ERM

Safety AT ERM is not only a set of five key elements that define our Health and Safety program – it is also a tagline and mantra that supports our continued journey towards zero harm. Collectively these elements will help our entire staff to both understand and articulate the most important aspects of our overall Health and Safety program. They also help us, as an organization, remain focused as we look to identify opportunities to improve upon our performance.

These five key elements are:

- Active Leadership;
- Training and Competency;
- Emphasizing Positive Safety;
- Risk Management; and
- Maintaining Balance.

The Safety AT ERM score is included in every Business Unit Managing Partner's balanced scorecard. This score includes an evaluation of nearly all aspects of our overall program, including our safety management system self-assessment scoring.

We can calculate a global Safety AT ERM score based on a weighted average (hours worked) of each business unit's score. For FY20, we adopted a global target score of 65, which is the same target given to each of our business units.





Case Study

Global Safety Day 2018: maintaining balance

Every ERM employee was invited to participate in a Safety Climate Survey. A key theme that emerged from the survey was that respondents, at times, struggle with maintaining balance to meet the obligations of the client and project budgets. At ERM, “maintaining balance” means the way in which we integrate safety into operations such that we do not have any conflict between safety and operational objectives.

We selected maintaining balance as the theme for our 2018 Global Safety Day. It provided an important opportunity for our employees to gain a greater understanding of what this means at ERM and to appreciate how it is up to every employee to achieve it. People from across ERM’s offices were involved with local activities and materials shared globally. Well-being and work-life balance were raised by employees as part of the wider theme of maintaining balance with actions developed to provide support at a local level.

ERM won a 2019 **Gold Quill Award** of Excellence by the International Association of Business Communicators (a body that established the global standard for professional communications) for our Global Safety Day 2018 communications campaign.

Our people

Why our people is a material topic for ERM:

Our ability to attract, develop, reward and retain talented employees is central to our business strategy and vital to our future. We want to hire passionate people and ensure that we nurture and support their development and success.

In FY19, ERM hired more than 1,000 permanent and 600 temporary employees, the most ever for our company. The majority of the new hires were entry level supporting our approach in developing talent and offering rewarding careers. This growth has had a notable impact on our company, from training and providing workspace, computers and field equipment, to integrating new employees into the workplace. It has also enabled our more experienced staff members to delegate work, advance their own careers and provide additional value-added services to ERM's clients.



FY19 IN NUMBERS

26

Internal promotions to Partner through ERM's Path to Partnership program

42%

Women promoted through Path to Partnership program

1600+

New hires across 38 countries

KPI highlight

FY19 Target

- Show increase over prior year for gender diversity among Senior Consultants, Technical Directors and Partners.
- Show increase over prior year for diversity in ERM's Senior Leadership Team.

Result

- 23.5% female Partners (increase from 21.4% in FY18)
- 34.6% female Senior Consultants and Technical Directors (increase from 34.4% in FY18)
- The Senior Leadership Team's diversity profile remained consistent from FY18 to FY19.

SEE FY19 PERFORMANCE

Diversity and inclusion

ERM made notable progress on diversity and inclusion during FY19. We updated our [Global Policy on Diversity](#) to make specific reference to inclusion. This reflects our organizational effort to ensure our behaviors and practices enable our people to bring their full selves to work, regardless of their background or who they are.

The e-learning module on unconscious bias was launched in April 2018 and now forms part of the mandatory training for all employees. This helps set a baseline for all our inclusive culture activities.

Other important achievements during the year include:

- The introduction of guidelines for inclusive recruitment, rolled out globally to ensure that our approach, wherever possible, avoids bias in our interviewing and selection activities;
- The launch of a Women at Work series for 100 women across the company, as a pilot for a wider initiative being developed for FY20 to support the progression of females into our senior career levels;
- The introduction of Employee Resource Groups (ERGs), which serve as internal communities covering aspects of diversity and inclusion, providing personal connections and affiliation for ERM employees. The first ERGs launched focus on persons with disability and women; and

- The design, implementation and analysis of a survey on career progression, looking at whether diversity considerations have an impact on advancement at ERM. We are still working through the findings and determining action plans for maximum impact, but this will feed into all inclusion-related activities moving forward.

In compliance with legislation introduced in the United Kingdom, ERM published in March 2019 an update on the gender pay gap within Environmental Resources Management Limited (our UK company), reflecting the position on 5 April 2018. The report also provides a summary of the actions taken during 2018, the outcomes and any further actions that will be taken during 2019 to continue to provide gender balance at all levels within the organization. In the UK business, the subject of this report, we have also identified a series of prioritized actions that we are pursuing to support us in closing our gender pay gap. Visit the [full report on erm.com](#) for more details of the scope and findings.

The Inclusive Culture Advisory Group has been central to many of these activities. Its FY20 plan will focus on more activity at the local level, such as inclusion moments in meetings and inclusion brown-bag lunches, as well as increasing a strong communication focus to encourage a global conversation about inclusion across the business.



Learning and development

We invest in the future of our people through a focus on learning and development. ERM provides opportunities for ongoing learning across technical, business and personal development subject areas. We offer a mix of classroom, digital, on-the-job and informal educational approaches – with technical experts contributing to specialist curricula.

The ERM Academy, our online portal, is the repository that holds all learning items, events, sessions and training records for our workforce. It is aligned with our career framework at each level. Employees can enhance the skills, knowledge and behaviors they need to adapt to a changing market and advance their career with ERM.

We aim to nurture a culture where learning occurs every day in everything we do, and where each of us takes ownership in driving our own development. On-the-job learning accounts for a significant percentage of an individual's development. The ERM Academy includes new content and programs to align with our strategy and grow our capabilities while responding to the changing needs of the learner.

Every new employee completes mandatory training and local induction activities so that they can carry out their work safely and in compliance with ERM governance requirements and policies, our clients and relevant legislation.

Career progression and leadership pipeline

We launched a new online career progression tool that makes it easy for all ERM employees to review available career paths, view job specifications and work with their supervisor and mentors to take a transparent and active role in following their career aspirations.

Partner-led teams collaborate to deploy the right people for the right job. These teams have access to our entire ERM workforce, spanning different geographies and sectors in order to meet our evolving client needs. This structure also enables ERM employees to deepen their professional experience by supporting projects worldwide.

We continue to evolve our approach to our leadership pipeline. We are implementing a new Path to Partnership approach focusing on our talent reviews to identify individuals who have a track record of strong performance and the potential to be successful Partners at ERM. Once identified, through an externally facilitated leadership evaluation process we will assign them a sponsor from our Senior Partners to help them prepare and develop into the requirements of our Partner roles. With our new approach, we are reinforcing the need for our Senior Partners to be the stewards of our Partnership and take on the accountability, along with our candidates, to support them successfully to promotion.



Case Study

Building an inclusive culture

This fiscal year, ERM launched several campaigns to celebrate and encourage an inclusive culture across the company. Three noteworthy themes were the focus for the months of June, January and March:

- **Celebrating our LGBT+ community**

For the first time in our history, we observed Pride throughout the month of June 2018. Pride is the positive stance against discrimination and violence toward lesbian, gay, bisexual, and transgender (LGBT+) people to promote their self-affirmation, dignity, equality rights, increase their visibility as a social group, build community, and celebrate sexual diversity and gender variance. During June, we raised awareness of LGBT+ community issues in the workplace, not only at ERM, but also our clients. We shared employee stories and experiences across our enterprise social network.

Case Study: Building an inclusive culture

- **Empowering persons with disabilities**

In January 2019, ERM offices hosted lunchtime sessions in which we reflected on disability in the workplace and what we can do to empower and include our colleagues who live and work with a disability. This is a dimension of diversity that covers a very broad range of issues, so getting the conversation going across the company is incredibly important. We shared a variety of posts that explored some of the key issues our employees who live and work with a disability are facing every day. Across ERM, our employees actively engaged in conversations and testimonials about disabilities of all kinds, including those that are hidden.

- **Building a gender-balanced world**

ERM celebrated International Women's Day (8 March 2019) throughout the month in our offices around the world through global communications across our internal channels, as well as local office lunchtime sessions. We support SDG 5 on gender equality within our own organization, through our work with clients and with our nonprofit partners through the ERM Foundation. This year's theme, Balance for Better, reinforced the importance of balance in making the world a better place, for women and all people. Our local office sessions included a discussion on actions we could take for greater gender balance at all levels of the company, with output from those discussions being raised with our Global Advisory Group.





Case Study

Leading Women in Sustainability Award

ERM's Group CEO, Keryn James, received a Leading Women in Sustainability Award from the World Business Council for Sustainable Development in October 2018. She received the award for leading a company that makes a material impact on the sustainability challenges and opportunities of our clients. To be recognized in this way by the largest global cross sectoral business organization on sustainability is a testament to ERM and our purpose. Her advice to women at the start of their careers was:

“Don't be afraid to take on new challenges when you think you are not quite ready for something you're being asked to take on.”

Video

[2018 LEADING WOMEN AWARDS](#)

Climate change

Why climate change is a material topic for ERM:

As a leading sustainability consultancy, climate-related risk is not just an environmental issue, but also one that has a direct impact on ERM's financial health, reputation as well as our ability to retain and attract talent. Our most significant contribution in helping to combat climate change is through our work with clients, in some of the most energy-intensive industries, as they transition to a lower-carbon future. Nonetheless, we continue to take steps toward reducing the environmental impacts of our operations, with the greatest focus on reducing our direct and indirect impact on climate change. Many environmental issues – from waste and water management to protecting biodiversity – are integral to a holistic approach to climate change.

Climate change sits within our broader approach to the environment which is covered within this section. We manage our environmental performance within our offices and also in the work we undertake with our clients – be that in the field or in existing client premises. This year, we have focused on setting our longer term targets to manage our own greenhouse gas (GHG) emissions within our own operations and through our value chain.



KPI highlight

FY19 Target

Adopt ambitious GHG targets based on science.

Result

ERM GHG targets validated by Science Based Targets Initiative.

[SEE FY19 PERFORMANCE](#)

Managing our environmental responsibilities

We support a precautionary approach to environmental challenges, and we undertake initiatives to promote greater environmental responsibility and encourage the development of environmentally responsible technologies and products. ERM's Executive Committee has primary responsibility for our environmental performance.

We are acutely aware of our responsibility to reduce our environmental footprint through the effective management of our offices and assets, business activities and client project work. Environment is a key focus area within the UN Global Compact and, as a signatory, we strive to embrace its core values and promote these values within our sphere of influence.

Science-based targets

Climate change is a material issue for ERM. Although the impact of our projects with clients far exceeds the impact of our own emissions, we are doing our part to reduce our carbon footprint. We work with leading companies to set greenhouse gas (GHG) emission reductions targets based on science, and we believe it is important for us to take a similarly rigorous approach to reducing our own emissions.

ERM has therefore set ambitious science-based targets to reduce our greenhouse gas emissions as part of a unified private sector response to the global risks of climate change. Validated by the

Science Based Targets initiative, this makes us an early adopter among the professional services sector. The Science Based Targets Initiative is a collaboration between the Carbon Disclosure Project, the UN Global Compact, World Resources Institute and the World Wide Fund for Nature.

ERM has set absolute targets for 2025 to:

- Reduce our GHG emissions from direct emissions (Scope 1) and purchased energy (Scope 2) by 30 percent (compared to 2014). To achieve this target we will take measures including transitioning to renewable energy in our offices.
- Reduce our indirect emissions in our value chain (Scope 3) by 11 percent from a 2018 base year. This ambitious target will be achieved by reducing business travel and emissions from employee commuting.



These targets have been validated to be in line with the level of decarbonization required to keep global temperature increase well below 2 degrees Celsius compared to pre-industrial levels.



Download

ERM'S HEALTH, SAFETY AND ENVIRONMENT POLICY STATEMENT

Over the past several years, ERM has worked hard to reduce our Scope 1 and Scope 2 emissions, and our science-based targets build on these efforts. Given the nature of our business, which involves significant travel to project locations, Scope 3 emission reductions are very challenging. We have adopted an integrated approach to managing these emissions, which involves measures taken by ERM as well as changes in behavior by our employees.

A Senior Leadership Team (SLT) Working Group has been established with senior operational and technical leaders from across the business to provide oversight and guidance on the implementation plan to meet the Science Based targets for 2025. The SLT Working Group will report into the Executive Committee Sustainability Working Group on a regular basis.

We have identified priority areas where we can have the greatest impact, including transitioning to renewable energy in all of our offices, and additional measures to improve environmental performance in our offices. For our indirect emissions from business travel and employee commuting, we are working across the business with senior leaders and members of our employee-led Sustainability Network to ensure that we travel more sustainably. This will influence not only how we travel, but also where we locate our offices in the future to make it easier for employees to use public transport, cycle or walk to work.

“ERM is the business of sustainability; therefore it is important that we take a leadership role on key issues such as this.

Business is demonstrating its commitment to delivering its part of the Paris Climate Agreement through initiatives like the Science Based Targets Initiative – and in turn, this is what ERM is doing.

The goals we have set are challenging for our business, particularly in the context of our growth plan. At the same time however, this is also providing a real example to the corporate world of how they too can transition to a low-carbon economy while maintaining their competitive advantage. Something that we are perfectly positioned to do ourselves and at the same time also help our clients with.”

Keryn James
Chief Executive Officer

Green buildings

We are progressively relocating our offices to more resource-efficient buildings and to areas with improved public transport links to help reduce the commuting footprint of our employees. A number of our offices have been recognized by building councils and local authorities for their reduced environmental footprints.

We are currently updating our Green Building Guidelines to support a new Global Facilities Policy and approach. These Guidelines and the new facilities approach have been updated to reflect our commitments within Science Based Targets. The Green Building Guidelines have been updated by our in-house experts in this area and include best practice examples from our offices who have upgraded their facilities in recent years.



Case Study

Office relocations help reduce GHG emissions

As part of our efforts to meet our emissions targets, ERM is promoting green office moves. When relocating offices, we consider buildings that have a smaller environmental footprint through energy efficient features and optimized use of floor space. Recent office moves include the following:

- Kuala Lumpur, Malaysia: ERM's office moved to an area with improved public transport links to help reduce the commuting footprint of our employees. The local sustainability team has been actively promoting sustainable employee commuting. The Kuala Lumpur office was able to optimize their floor space usage by switching to an open plan with both collaborative and relaxation break-out spaces. To encourage well-being, the space includes glass white boards on the walls for staff to create their own news and inspire others. The office also makes use of natural daylight to save energy.

Case Study: Office relocations help reduce GHG emissions

- Madrid, Spain: The office relocated to a building that remains conveniently located to public transportation, which supports sustainable commuting. The new office uses 25% less energy, by switching to LED lighting. The space makes good use of natural light by placing workstations in the most naturally illuminated areas. The office has a flex-desk system, with a concentration and interactive zone. Furniture is made of natural material and is furnished with systems that facilitate reuse at the end of their useful life or recycling.
- Washington DC, USA: We relocated to a new space in the same building in February 2019, remaining close to several public transit options. The finishes and furniture used in the office exhibited many sustainability qualities:
 - Carpet tiles contained high levels of recycled content and “green” labeled for indoor air quality.
 - 100% bamboo flooring from certified well-managed forests.
 - No volatile organic compound (VOC) paint.
 - Energy star appliances.
 - Low-emission cabinet laminate and countertops.



A close-up photograph of a glass globe, representing Earth, which is cracked and shattered. The globe is resting on a dark, wet, and mossy surface, possibly a rock or ground after rain. The background is blurred, showing more of the wet, natural environment. The lighting is soft, highlighting the textures of the glass and the surrounding nature.

Impact through **Collaboration**

ERM has a significant appreciation for the complex sustainability challenges facing our clients and society. Through our relationships with leading multi-stakeholder organizations, we are working alongside thought leaders from industry, government, nongovernmental organizations and academia to make a positive impact in the world.



In this section, we describe our programs, practices and performance for managing two of our six material topics – that is, ERM’s most important sustainability issues, confirmed through ERM’s [stakeholder engagement process](#), [materiality assessment](#) and senior management review:

- Innovating with clients and other leading organizations
- Contributing to society and local communities

We discuss our other four material topics – [governance](#), [occupational health and safety](#), [our people](#), and [climate change](#) – in this report’s section on [Impact from operations](#).

- **Innovating with clients and other organizations** – Innovation is at the core of ERM’s ability to make a difference for our clients, the planet and the long-term strength of our company
- **Contributing to society and local communities** – We seek to bring our knowledge, experience and passion to like-minded organizations through collaboration and our own ERM Foundation
- **Contributing to the Sustainable Development Goals** – We are working with our clients and leading organizations - with the SDGs as a framework – to address sustainable development

Innovating with clients and other organizations

Why innovating with clients and other organizations is a material topic for ERM:

Innovation is at the core of ERM's ability to make a difference for our clients, the planet and the long-term strength of our company. Whether leveraging technology to help meet sustainability challenges or collaborating with business and nongovernmental organizations to develop new tools and approaches, ERM is ready to partner and innovate with others.

Our ability to innovate is the direct result of our ability to attract and retain people with strong technical expertise, coupled with a solid understanding of the commercial imperatives of business and the societal demands impacting the world's leading organizations.

We are keen to share our expertise with organizations to build a more sustainable future together. Below is a sampling of our major collaborations with multi-stakeholder organizations.



KPI highlight

FY19 Target

Measure impacts of material innovations delivered to market in FY19.

Result

We measured impacts delivered through material innovations

[SEE FY19 PERFORMANCE](#)

Case Study

ESG roadmap for Society for Corporate Governance

BrownFlynn, an ERM Group company and active member for several years of the Society for Corporate Governance, was selected to co-author “The ESG Roadmap” (published in June 2018). Funded by a grant to Ceres from the Gordon and Betty Moore Foundation, the paper is intended for use by board members, corporate secretaries and in-house legal counsel at publicly traded companies to facilitate more informed decision-making regarding environmental, social and governance (ESG) issues, including disclosure of sustainability-related information and direct engagement with investors.

Founded nearly 75 years ago, the Society for Corporate Governance seeks to be a positive force for responsible corporate governance, providing news, research and “best practice” advice and providing professional development and education through seminars and conferences.

Download

[ESG ROADMAP: OBSERVATIONS AND PRACTICAL ADVICE FOR BOARDS, CORPORATE SECRETARIES AND GOVERNANCE PROFESSIONALS](#)

Case Study

SustainAbility insights and reports

SustainAbility, an ERM Group Company, authors numerous insightful reports covering the full breath of sustainability issues. Recent publications include:

- **[“Evaluating Progress on the SDGs,”](#)** which explores the results of the second GlobeScan-SustainAbility Survey evaluating progress on the Sustainable Development Goals (March 2019).
- The annual trends report, **[“What’s Next for Sustainable Business?”](#)** (January 2019).
- **[“Common Threads: Designing Impactful Engagement,”](#)** which seeks to provide guidance that will enable companies to better engage their external stakeholders, address their material issues and strengthen their business strategies (November 2018).
- SustainAbility and WWF collaborated on **[“Sustainable Food Systems and Diets: A Review of Multi-Stakeholder Initiatives”](#)** (October 2018).
- **[“The 2018 GlobeScan-SustainAbility Leaders Survey”](#)** (June 2018).
- **[“Exploring the Impacts of Shareholder Activism on Sustainability”](#)** by The Luc Hoffmann Institute and SustainAbility (May 2018).
- **[“50 Years of Global Health Progress,”](#)** written for the International Federation of Pharmaceutical Manufacturers and Associations (May 2018).

Learn more

SUSTAINABILITY INSIGHTS

Case Study

Uncovering the value of ESG in business

In December 2018, ERM India in association with RobecoSAM and the Bombay Stock Exchange (BSE) organized a collaborative thought leadership forum entitled “Uncovering the Value of ESG in Business: Connecting the Dots with DJSI” in Mumbai. This is the first-of-its-kind multi-stakeholder forum in India to share ideas and experiences of bridging the gap between environmental, social and governance (ESG) and investment fundamentals.

The key intent of this forum is to explore how leading companies in India are proactively improving their performance on ESG aspects so that they deliver enhanced business value. Business leaders and subject matter experts discussed:

- What are the business-critical impacts of non-technical/ESG risks and how have they created project delays;
- How RobecoSAM’s corporate sustainability assessment prepares companies to make the business -case for ESG proactively in their discussions with investors; and
- Sharing of best practices of Indian companies outperforming global peers based on their ESG performances, and are they making the right use of this critical business aspect in their discussions with international investors?



Case Study

Global safety survey report

Companies are investing substantial resources in safety processes and programs, but significant performance challenges remain, especially with regards to serious injuries and fatalities. There appears to be a growing sense that traditional approaches to safety may actually be impeding progress.

In 2018, ERM undertook our first global safety survey to explore these themes, assess if there is a deeper shift in perceptions on safety, and bring fresh insight into the implications of these developments for organizational leaders and their safety functions.

Between January and July 2018, we interviewed 144 senior safety leaders. All were key decision makers, and most brought a global perspective from their roles and their organizations. The survey confirmed our initial observations, but also provided some insights that were surprising.

Read more about [ERM's findings from the survey](#), along with potential actions and considerations on safety.

Contributing to society and local communities

Why contributing to society and local communities is a material topic for ERM:

As a sustainability-focused company, we encourage our consultants to share the lessons learned and insights gained from our work on more than 20,000 projects annually. In particular, we focus on those technical and professional skills that can have the greatest positive impact. This impact is driven not only by our work with clients, but notably through the work of the ERM Foundation.

ERM works with a range of organizations with a common purpose to shape a more sustainable future. During the past year, our consultants published thought leadership papers, played an active role in professional associations and delivered hundreds of presentations at conferences around the world.



KPI highlight

FY19 Target

Contribute 1% of prior year profits to support sustainability initiatives around the globe, primarily through the ERM Foundation

Result

We contributed 1% of prior year profits (more than \$1 million).

[SEE FY19 PERFORMANCE](#)



Case Study

Royal Geographical Society (RGS)

Supported by both corporate funding and *pro bono* hours from the ERM Foundation, ERM has established a successful three-year corporate partnership with the Royal Geographic Society (with the Institute of British Geographers) (RGS – IBG), the world's leading organization in the field of geography. ERM supports the RGS to advance the professional development of geographers.

As part of this partnership, ERM has been providing volunteer support and technical expertise, focusing on two programs of work. The first provides secondary geography teachers with additional knowledge, skills and confidence to plan and deliver high-quality environmental fieldwork. The second is to support RGS with a regional program of professional development activities and networking events for geography professionals.

Case Study

ESG disclosure guidance published by PRI and ERM

ERM and the Principles for Responsible Investment (PRI), the world's leading proponent of responsible investment, have published guidance on ESG monitoring, reporting and dialogue in private equity. Launched in June 2018, the guidance marks the culmination of a four-year project by PRI to support industry-consistent approaches to incorporating responsible investment considerations across the three stages of fund due diligence, commitment and monitoring.

PRI appointed ERM to conduct research and help develop a framework for ESG disclosure during the lifetime of the private equity fund. Over 70 practitioners contributed to the guidance through interviews, consultation and through a dedicated PRI signatory working group representing 39 limited partner and general partner organizations. Following the release of the document ERM and PRI co-hosted a number of client events across the globe to promote the guidance and good practice.

“

It has been our pleasure to partner with the PRI and the private equity industry to develop this guidance. The guidance outlines the underlying business case, provides a framework for a more consistent and streamlined approach to dialogue and disclosures between limited partners and general partners, and includes examples and case studies to support implementation.

It is our hope that this guidance will help drive the monitoring and reporting agenda forward and, in doing so, deliver not only improved ESG performance, but also protection and enhancement of the value of underlying investments.”

Keryn James
Chief Executive Officer

[Download the full report](#)

ESG MONITORING, REPORTING AND
DIALOGUE IN PRIVATE EQUITY



Case Study

Campbell Institute

ERM has been a proud member of the Campbell Institute since June 2017. The Campbell Institute is the environmental, health, safety and sustainability center of excellence of the US National Safety Council. The Institute brings together top-performing organizations from around the globe to share best practices and lessons learned among a broader audience. The Institute and its members are also committed to helping other organizations, across every industry and sector, improve their performance.

ERM actively participates in Campbell Institute committees, working groups and meetings. For example, ERM Partner Brian Kraus spoke on a panel at the Campbell Institute symposium in February 2019 on “The Next Evolution in EHS.” In October 2018, ERM’s Matthew Botzler and Steven Perkins presented a session on “No One Likes a Safety Cop” at the National Safety Council Congress, which 14,000 safety, health and environmental professionals from around the world attended. Additionally, ERM’s Troy Meinen, a Technical Director and Global H&S Advisor to our Major Client Account Teams, worked with a group of other Institute members to publish a white paper on behalf of the Institute and National Safety Council related to serious injury and fatality prevention.



Case Study

World Business Council for Sustainable Development (WBCSD)

ERM is a founding member of WBCSD, a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. We have been actively involved in several WBCSD initiatives over the past fiscal year. Here are some highlights:

- Group CEO Keryn James was among 10 recipients of the 2018 Leading Women Awards announced at the annual Council meeting of the WBCSD in Singapore for her sustained and outstanding contribution to advancing sustainability at ERM. At the Singapore meeting, Keryn also was a panelist in a session on energy transition.
- More than 40 of ERM's technical experts from around the globe helped develop the SDG Sector Roadmaps Guidance for the WBCSD, published in April 2018.

Case Study: World Business Council for Sustainable Development (WBCSD)

- ERM facilitated the development of the **Chemical Sector SDG Roadmap**, which was launched in July 2018. We also co-hosted two deep-dive webinars to present the roadmap to WBCSD member companies.
- During the past year, we helped develop the **Forest Sector** and Indian Cement Sector SDG Roadmaps, set to be launched in 2019, and we recently began work with the oil and gas sector on their SDG Roadmap.
- Mike Wallace, an ERM Partner served as the interim Executive Director of the Social and Human Capital Coalition, which was launched in April 2018 and has the responsibility for establishing the coalition through building partnerships and encouraging companies to utilise the Social and Human Capital Protocol.
- ERM India assisted WBCSD in drafting the “**Low Carbon Technology Roadmap for the Indian Cement Sector: Status Review 2018.**”
- As ERM’s Council member, Keryn James is one of five members of the Climate and Energy Program Board, which is developing next steps in energy and climate change strategy for the next three years.
- Global Director of Services, Brand and Communications Sabine Hoefnagel moderated and presented at a number of plenary sessions and workshops at key WBCSD events
- Principal Consultant Stefano Pennese is seconded at WBCSD to develop the Global Information Platform as part of the Alliance to End Plastic Waste.
- Senior Consultant Lindee Wong was seconded into the **New Energy Solutions** project at WBCSD and has continued working to support this team.



Case Study

UN Global Compact

ERM's Sustainability Report serves as our Communication on Progress, an annual disclosure to stakeholders on progress made in implementing the Ten Principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption. We provide this index corresponding to our progress in implementing the Ten Principles.

As a signatory of the UN Global Compact, we strive to embrace its core values and promote these values within our sphere of influence. We are a signatory of the Women's Empowerment Principles as part of our commitment.

We are part of three UK-based UN Global Compact working groups, focused on diversity and inclusion, SDGs and human rights.

Case Study

Global Reporting Initiative (GRI)

GRI is a nonprofit organization that promotes transparent disclosure through a comprehensive sustainability reporting framework that is highly respected and widely used around the world. ERM's collaborations with GRI include:

- ERM is a GRI Gold Community member and Standards Pioneer.
- We are a certified US training partner, offering interactive courses and “accelerative learning” techniques. We utilize exercises designed for customized experiences, and our courses are led by experienced practitioners who are experts on the GRI framework as well as other reporting standards.
- We are a sponsor of the North American GRI summit and in 2019 delivered a master class as part of this event.
- Senior Consultant Kees Gootjes is seconded at GRI. Kees is advising GRI on an engagement strategy for ESG data providers, rankers and raters with the ultimate goal of harmonizing the different information requests to reporting organizations, thereby contributing to reducing the reporting burden.
- Partner Sammy Lakshmanan and Senior Consultant Claire Stevens are working with GRI to facilitate the Corporate Leadership Group on digital reporting.
- In May 2018 ERM CVS finalised their limited assurance engagement on selected GRI Standards and G4 NGO sector disclosures in GRI's 2016-17 Annual Report.





Case Study

Investing in the future

Stephen Pang, Senior Consultant in Hong Kong, gave a guest lecture to masters students in the Chemical and Biological Engineering Department at Hong Kong University of Science and Technology in February 2019. He provided insights into ERM's Process Safety and Risk Management consultancy services that support the chemical process industry on inherent safe design and decision-making.

Stephen shared examples from several projects, including:

- hazard and operability study for a nitrogen generation system in Kazakhstan;
- safety integrity level classification study using layer of protection analysis approach for compressors in Japan;
- quantitative risk assessment study for a booster station relocation project in Japan;
- quantitative risk assessment study for a gas production plant in the vicinity of proposed development in Hong Kong; and
- computational fluid dynamic study for toxic hydrogen bromide venting dispersion for a chemical plant in Singapore.

These challenging projects reflect the importance of technical expertise when working to achieve a more sustainable world.

The ERM Foundation

The ERM Foundation was established in 1995 to enable ERM and its employees to provide funding and professional support for nonprofit organizations and social enterprises that share our commitment to creating a more sustainable and equitable world.

During the past 24 years, the Foundation has disbursed nearly \$4.5 million in grant funding, and more than 16,000 hours of technical and professional *pro bono* support for more than 200 organizations around the world.

FY19 IN NUMBERS

Funding

- **\$325,700** – grant funding, comprising employee donations and company matching funds
- **\$141,000** donated by ERM employees

Employees

- **1,910** hours of *pro bono* professional support provided by 139 employees
- **208** employees participating in Foundation committees and grant review panels

Partner organizations

- **69** organizations received support from the ERM Foundation
- **30** countries covered by FY19 projects and programs

Communities

- **7,000** trees, seedlings and shrubs planted
- **12,500** people with improved access to clean water and sanitation
- **6,000** people participated in environmental education programs
- **900** female livelihoods supported
- **35,000** people with access to renewable energy products or services





Download

ERM FOUNDATION ANNUAL
REVIEW 2019

A FRESH APPROACH FOR 2019

As we approach the ERM Foundation's 25th anniversary next year, this year we took the opportunity to consult with employees around the world to ensure that the Foundation is continuing to evolve to meet the needs of all our stakeholders. We have responded to some of this employee feedback to refresh our approach, and prioritize working in partnership with smaller organizations, for whom our level of funding and professional support can have a meaningful and lasting impact.

OUR FOCUS AREAS

We concentrate on three focus areas that align with the interests and professional expertise of ERM employees.



Protecting
the natural
environment



Reducing carbon
emissions



Improving access
to clean water and
sanitation

In addition to these core focus areas, we have identified three cross-cutting themes, which guide the way we work:



Empowering
women and girls



Providing
education, training
and capacity-
building



Supporting
sustainable
livelihoods



Case Study

Supporting chimpanzee conservation in Guinea

The ERM Foundation is working in partnership with [Project Primates France](#) to assess potential sites to release rehabilitated orphaned chimpanzees back into the wild. We have provided funding and *pro bono* professional support to assess the environmental conditions and potential human-animal conflict in pre-selected sites. In addition, we supported the delivery of workshops with local communities on the topic of habitat protection and anti-poaching awareness to encourage co-habitation in advance of the release of the chimpanzees back into the wild.

Video

WATCH A SHORT FILM ABOUT
THIS PROJECT

Case Study

Improving access to clean water in Argentina

An ERM team in Argentina is working with the social enterprise, **Agua Segura**, on a pilot project to purchase and install microbiological water filters to improve access to safe and clean water for vulnerable communities in the provinces of Buenos Aires and Corrientes. The ERM team is also conducting educational workshops within five pilot schools, focused on the importance of clean water, hygiene and healthy habits to prevent disease.

During 2018, the water filters we installed improved access to clean water for 755 children and their families. In the year ahead, Agua Segura will expand this project to areas in Colombia, supported by the funds raised from this year's ERM "Holiday E Card" fundraising appeal.

ERM's Regional CEO in Latin America & the Caribbean, Carlos Pereyra, and a team of ERM employees from Buenos Aires volunteering with Agua Segura.





Case Study

Girls with dreams become women with mission

The Asian University for Women (AUW), located in Chittagong, Bangladesh, exists to educate and empower a rising network of women leaders, particularly for women who are the first in their family to receive a university education. 85 percent of AUW students receive scholarships, ensuring that a lack of financial resources is not a barrier for intelligent and ambitious young women to enter higher education.

An ERM Foundation team in Hong Kong is working with AUW to provide workshops for selected AUW students. The workshops explore some of the sustainability challenges and opportunities facing the private sector - such as climate change, and sustainable growth – so that the students are equipped to translate this understanding into their future careers after graduation.

One of the workshop participants - Archana Somasekharan - came to AUW from a small village in Kerala in Southern India. She was the first person in her village to travel abroad to pursue education. As a result of this workshop, Archana was hired by ERM, and now works as a Consultant in our Bangalore office.

Archana was subsequently invited to deliver a speech at a Global Women's Summit in Singapore, where she gave her life story "Girls with dreams become women in mission". She spoke of the dream that made her strive to do her best and not accept any limitations on what she could achieve.

According to Archana, "Now I hope that I can enable and empower more girls and young women to follow a similar path"

We are currently exploring ways to strengthen our partnership with AUW in the year ahead, with Archana's involvement and input, including the opportunity to hire more AUW graduates in our Asia Pacific region.

“Now I hope that I can enable and empower more girls and young women to follow a similar path”

Contributing to the SDGs

The United Nations adopted the **Sustainable Development Goals** (SDGs) in September 2015. These 17 goals are designed to end poverty, fight inequality and injustice, and tackle climate change by 2030. They reside within the key document, **Transforming our World: The 2030 Agenda for Sustainable Development**.

Reaching these goals will take everyone's contribution, including government, civil society and business. ERM has been involved with the SDGs since the start of their development in 2012. We contribute to the SDGs in three ways: through our work for clients, in our operations and with the ERM Foundation.

SDGs: for our clients

We are working with our clients and leading organizations – with the SDGs as a framework - to address sustainable development. How do we do this? By helping clients to:

- Identify how the SDGs can contribute to or enhance their company or investment strategy;
- Support the identification of material issues – then setting priorities and targets with a view to identify future challenges and opportunities;
- “Operationalize sustainability,” and determine how to reach goals and targets through programs, practical action and capability building; and
- Report, disclose and assure performance to stakeholders.

We are strengthening our capability in this area through the recent acquisitions of BrownFlynn and SustainAbility – two organizations that have been working with the SDGs with clients and through research and published insights.



SDGs: in our operations

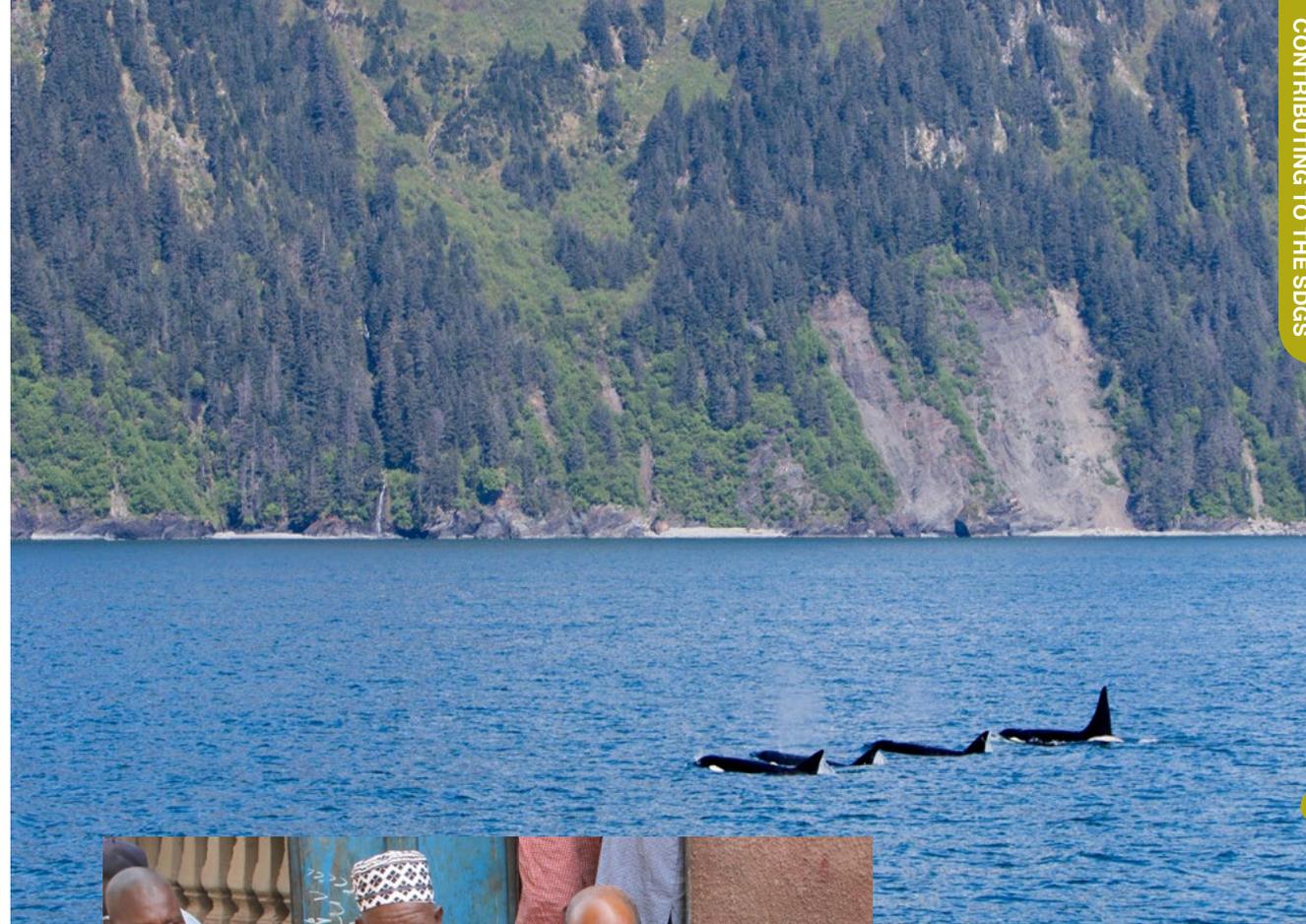
ERM strives to operate in a sustainable manner that supports the SDGs. We have adopted several policies and programs that directly contribute to the goals, as do our sustainability [targets and goals](#).

Of particular note, we have adopted ambitious [Science Based Targets](#), which have been validated to be in line with the level of decarbonization required to keep global temperature increase well below 2 degrees Celsius compared to pre-industrial levels.

Through our membership of entreprises pour l'environnement (epe), a member of the WBCSD Global Network based in France, we have joined the act4nature biodiversity initiative. ERM participates in SDG panels at leading conferences and convened SDG workshops and webinars with companies across geographies and sectors, sharing our own experiences of contributing to the SDGs.

SDGs: with the ERM Foundation

Through the ERM Foundation's projects, employees can lend practical and technical support to many organizations and social enterprises that otherwise would not benefit from the breadth of ERM's expertise.



Case Study

SDG Roadmap for the chemical sector

ERM facilitated nine of the world's leading chemical companies and two industry associations to develop the Chemical Sector SDG Roadmap, convened by the World Business Council for Sustainable Development (WBCSD). The contributors included AkzoNobel and Solvay as co-chairs, Covestro, The Dow Chemical Company, DSM, Evonik Industries AG, Mitsubishi Chemical Holdings, SABIC, Sumitomo Chemical Company, Limited, as well as The American Chemistry Council (ACC), and The European Chemical Industry Council (Cefic).

The Roadmap explores key opportunities and impact pathways for the sector, while also presenting a strong business case for action. It also highlights the significant role that the chemical sector has to play in realizing the SDG agenda and represents an invitation for the entire sector to work together across the value chain to maximize SDG impact.

ERM led the development of the WBCSD's [SDG Sector Roadmap Guidelines](#), published in April 2018, involving extensive technical and strategic input from our global experts with cross-sector experience in tackling SDG issues. The chemical sector was the first to pilot these guidelines and ERM is now developing further SDG roadmaps with WBCSD member companies representing the cement and forest sectors and has started working with two oil and gas sector industry bodies.

Download

WBCSD'S CHEMICAL SECTOR
SDG ROADMAP

Case Study

2030Vision uniting to deliver technology for SDGs

2030Vision is a partnership that connects businesses, NGOs and governments with the technology and expertise they need to realize the SDGs by 2030. SustainAbility is a founding member of 2030Vision, whose current partners also include technology firms Microsoft, SAP and ARM, along with UN Global Compact, UNICEF, The New York Academy of Sciences, Fauna and Flora International, Centre for Global Equality, University of Cambridge Judge Business School, British Council, Be He@lthy Be Mobile, GeSI and Project Everyone.

2030Vision's ambition is to transform the use of technology so that all people can live their lives to their full potential by 2030. SustainAbility authored the 2030Vision Report, which summarizes key opportunities and challenges for digital technology and the Global Goals. With input from technology experts and end users, the report describes the scale of the transformation needed, and the aligned social, environmental and commercial opportunities.

From the Internet of Things (IoT) to blockchain, from Artificial Intelligence (AI) to intelligent systems, technology will have profound implications for business and society. SustainAbility's research for the 2030Vision's first report highlighted food and agriculture, transport, infrastructure, and logistics and health as the most promising opportunities for digital technology where commercial interests and global societal needs were aligned.

Download

[2030VISION REPORT](#)

Case Study

Evaluating Progress on the SDGs survey

This report explores the results of the second GlobeScan-SustainAbility Survey evaluating progress on the Sustainable Development Goals (SDGs or the Global Goals).

In 2019, we polled sustainability experts to evaluate progress on individual Global Goals, rank their relative urgency and share insights into the priorities within their own organizations. We also asked which specific SDGs experts thought individual corporate sectors should focus on.

More than 450 experienced professionals from North America, Europe, Asia-Pacific, Latin America and Africa responded to our survey. Throughout this report, we draw comparisons between our findings and the data we collected from our previous SDG survey two years ago. We also examine progress made since 2005 when we first asked our pool of expert respondents to comment on global progress on sustainable development.

Download

GLOBESCAN-SUSTAINABILITY
SURVEY REPORT

Case Study

Using the Social and Human Capital Protocol

The [Social and Human Capital Protocol](#) is part of a broader movement to enable businesses to integrate people, planet and profit as drivers of sustainable growth. Businesses struggle to measure and value their impacts on social and human capital in a way that provides useful and actionable information for internal decision-makers to strengthen their social and human capital for the benefit of society and business. The Protocol aims to bridge this gap and enable businesses to better understand their positive and negative effects on their people and society at large.

Clients can use the Protocol to measure their business' impacts relating to avoiding, preventing and actively addressing illegal activities, such as child labor, forced labor and breaches of health and safety requirements. Some businesses are already reporting on these topics as signatories to certain international agreements. The Protocol seeks not to replace but to support such agreements by helping businesses to clarify the business and societal value of a robust response to these issues.

Mike Wallace, a Partner with BrownFlynn, an ERM Group company, served as the interim Executive Director of the Social and Human Capital Coalition, which was launched in April 2018.



Case Study

SDGs and the impact on business workshop

How do companies integrate SDGs into their business strategies? ERM Belgium organized a #Business4Lunch session on the SDGs and the impact on business.

Principal Consultant Bryan Hartlin presented ERM's work completed for the World Business Council for Sustainable Development's SDG sector roadmaps. Corporate clients and a number of Brussels-based sector trade associations participated in an active discussion throughout the workshop to discuss barriers, enablers and accelerators to implementation of the SDGs into corporate agendas.

Participants discussed their unique approaches to operationalization of the SDGs, where they are focusing efforts and how they are measuring progress. The group also discussed how cross-cutting themes such as climate change, biodiversity and people must be interwoven throughout all activities.



Case Study

5000 ERM actions to celebrate Global Goals Week

Each September, people around the world celebrate Global Goals Week to mark the anniversary of the adoption of the SDGs in 2015. It is a week of action, awareness and involvement. In September 2018, ERM set a challenge to undertake 5,000 actions that will contribute to the SDGs. These could be simple, personal actions, such as reducing single-use plastics in your weekly shopping, working with a local community-based organization, or speaking with a client about their contribution to the SDGs – as long as it is something that you were not already doing.

The response to #5000actions was very positive. Here are a few examples of actions taken:

- Belgium: Bringing a bag every time you walk your dog to pick up litter in the neighborhood.
- UK: Sharing tips for how to go “plastic free.”
- Thailand: Supporting a client in analyzing social return on investment for a project, including the installation of a water filtering machine that helps provide drinking water for an entire school.
- Chile: Using biodegradable bags instead of plastic bags for household trash.
- US: donating food with others from the office to a local food bank.
- Thailand: Convincing a client to switch from providing individual water bottles to paper cups and ultimately to reusable drinking glasses at its training venue.
- Germany: Cleaning trash from the forest near the office with colleagues.
- Canada: Using public transit to commute to work.
- UK: Signing up for a 6-week online course on designing for environmental sustainability and social impact.
- Brazil: Cleaning up trash around a small lake in a nearby residential area with office colleagues, family members and friends, then segregating and donating material to a small recycling company. In addition, planting 12 trees around the small lake as well as collecting unused text books from home to donate to schools.
- US: Striving to get as close to a “zero waste” lifestyle as possible.
- Australia: attending free webinar on why water professionals should care about the SDGs and sharing materials with colleagues.
- India: Replacing plastic drinking water bottles with glass, switching off lights and appliances when not in use and donating clothes for reuse.
- UK: Eliminating plastic cling wrap at home.



Case Study

Philadelphia office transforms its recycling program

What makes a successful recycling program here in our Philadelphia, US, office? A growing and highly involved Green Team with defined roles and responsibilities, a supportive administrative team, regional manager and Business Unit Managing Partner, a yearly agenda and approved (small but helpful) Green Team budget, innovative solutions to current local waste problems, thoughtful monthly discussions engaging daily conversations about waste and responsibility, an entire week of activities dedicated to Earth Day and clearly designated recycling program bins.

In less than five years, the office has transformed from barely understanding what the building-servicing recycling company collected to going above and beyond with cradle-to-grave recycling solutions.

Our biggest success story has been [Terracycle](#), a free program that removes non-traditional waste from landfills and simultaneously earns funds which we donate to the ERM Foundation. To date, we have donated nearly \$1,100. Other programs (e.g., battery recycling, worn-out shoes, plastic bottle caps, plastic grocery bags, etc.) have great impact, too. Each of these programs continues to benefit ERM, our communities and the environment.





Case Study

Royal Geographical Society (RGS) lecture on SDGs

With ERM's commitment to the Sustainable Development Goals (SDGs) in mind, Linden Edgell, our Global Sustainability Director, delivered an RGS Monday Night lecture on "The Sustainable Development Goals: Ambition or Fantasy?" to an audience of approximately 500 people.

The lecture explored whether the SDGs offer us a realistic roadmap for the future of our planet and challenged the audience to consider what the SDGs mean for each one of us. Under the auspices of the RGS, ERM is now participating in a working group of geography practitioners in government, academia, NGOs and business to explore how we can more effectively collaborate and contribute to the SDGs.

Case Study

Bloomberg Sustainable Business Summits

Now in its third year, our partnering with Bloomberg continues to build on our work to raise the profile of environmental, social and governance (ESG) issues as well as sustainable business in general. Working with both investors and corporations, we help organizations determine how they can contribute to a more sustainable future with the Sustainable Development Goals (SDGs) as a framework.

ERM's continuing partnership with Bloomberg and its Sustainable Business Summit Series included major Summits in Seattle, New York and London in 2018 and the new February 2019 event on Finance, Strategy and the Sustainable Development Goals in New York. ERM Partner Jaideep Das participated in a panel on tracking the impact of the SDGs and investor demand for such reporting, along with the head of ESG Reporting and Impact Measure for the TD Bank Group.

Video

WATCH A RECORDING OF THIS EVENT



Download

ERM FOUNDATION ANNUAL
REVIEW 2019

Case Study

ERM Foundation and the SDGs

The ERM Foundation is committed to making a measureable contribution to the SDGs. These Global Goals provide a framework for us to measure and report on the contributions we are making to the global sustainable development agenda. We have prioritized nine intersecting SDGs that align with our focus areas. We have recently launched an online tool to more efficiently collate information on our ERM Foundation projects, that will support our measurement of impact in the SDGs.

Progress towards achieving the SDGs

For each of our material topics, we identified the SDGs and SDG targets that are most relevant to our work with clients and other organizations, our own operations and the ERM Foundation.

The following table provides a snapshot of ERM's contributions within our own operations, with our business partners and through our work with clients. For a summary of the progress made through the ERM Foundation, visit the ERM Foundation Annual Review.

ERM material topic	Corresponding SDGs and 2030 targets	FY19 progress
Governance	  <p>16.5 Substantially reduce corruption and bribery in all their forms</p>	<p>Our commitment to combat bribery and corruption is fundamental to how we operate and is embedded into our key systems and programs. For more on the location of anti-bribery and corruption-related disclosures in this report, see our UN Global Compact Index, which includes details of our reporting on Principle 10 – Anti-Corruption. See the section on Governance for more details</p>
Our people	    <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> <p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>	<p>Through our policies, we prohibit discrimination on the basis of race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, veteran status or any other category protected by the laws of the communities in which we do business.</p> <p>In the past year, our Diversity and Inclusion working group has worked to increase engagement across the organization on a range of important issues for our employees.</p> <p>ERM is a signatory of the Women's Empowerment Principles. The ERM Foundation includes "empowering women and girls" as an area of focus for funding projects reflecting the SDGs.</p> <p>See the sections on Our people and the ERM Foundation for more details.</p>
Occupational health and safety	  <p>8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers in particular women migrants, and those in precarious employment</p>	<p>ERM delivers a global health and safety program that focuses on the ongoing health and safety of everyone involved in and impacted by our work – including ERM employees, clients, contractors, as well as communities and the public local to our program sites.</p> <p>See the section on Occupational health and safety for more details.</p>

ERM material topic

Corresponding SDGs and 2030 targets

FY19 progress

Climate change



7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

We collaborate with industry, nonprofit organizations and thought leaders to raise awareness and take action to address climate change.

We are implementing a science-based target for our emissions, which includes purchasing more renewable energy.

We are experts in wind energy and other renewable energy sources and actively help companies to build and operate more renewable projects and to help other companies transition to purchasing more renewables.

See the section on [Climate change](#) for more details.

Innovating with clients and other leading organizations



8.2 Achieve higher levels of productivity through diversification, technological upgrading and innovation

Our business strategy focuses on providing innovative solutions to our clients on the full range of sustainability issues. In particular, we are focusing on leveraging technological advances across our core services and within our own business to drive productivity.

See the sections on [Innovating with clients](#) for more details.

Contributing to society and local communities



12.6 Encourage companies to adopt sustainable practices and integrate sustainability information into reporting cycle

17.16 Enhance global partnership for sustainable development by multi-stakeholder partnerships that mobilize, share knowledge, expertise... to support SDGs in all countries, particularly developing countries

ERM works with governments, businesses, industry bodies and other leading organizations to address complex sustainability issues by providing technical insights, an understanding of societal expectations, and framing that with commercial acumen to provide business value.

Throughout the report, we highlight our work with many leading organizations on sustainable development.

ERM participates in SDG panels at leading conferences and convened SDG workshops and webinars with companies across geographies and sectors.

See the section on [Contributing to society](#) for more detail.

Reporting approach

As required by the Global Reporting Initiative (GRI) Standards, we provide a summary of how we developed this report as well as indexes to help readers locate specific information about our policies, programs and performance.

The intent of these reporting elements is to provide a level of comfort among our stakeholders that the information we report is timely, accurate, reliable and complete.

This report has been prepared in accordance with the **GRI Standards: Core option**. As a GRI Standards Pioneer, we are among the first to adopt the new GRI Standards: global best practice for sustainability reporting. In doing so, we are demonstrating our full support for GRI's mission to empower decision-makers everywhere, through its sustainability standards and multi-stakeholder network, to take action towards a more sustainable economy and world.

In addition, this report includes disclosures recommended by Task Force on Climate-related Financial Disclosures (TCFD).

- [Defining report content](#)
- [Stakeholder engagement](#)
- [Materiality](#)
- [Data background](#)
- [Assurance](#)



Defining report content

This report details our performance during fiscal year (FY) 2019 (1 April 2018 through 31 March 2019) in managing key issues and targets identified through our materiality assessment, and it is reviewed and approved formally by our Executive Committee. Our previous report (covering FY18) was issued in June 2018.

Our approach

The key elements that we focused on in developing this report include:

- **Engagement with stakeholders:** This report responds to feedback from our stakeholders, which helped inform our materiality assessment and the report content.
- **Sustainability context and value chain:** We explain how we see the role of ERM in wider sustainability issues, the impact we have through our client work and own operations, and the role that our experts play in professional associations, industry forums and other thought leadership activities to address important issues raised by our stakeholders.
- **Materiality:** We identify and describe the material topics that are important to our stakeholders and the business, and set out our associated performance for the reporting year as well as key performance indicators (KPIs) and targets for the coming year and beyond.

ERM has taken steps to make sure that the information, data and materials mentioned in this report are correct at the date of publication. However, ERM is not able to guarantee that the information, data and materials remain correct after that date. For

this reason, the contents of this report is 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.

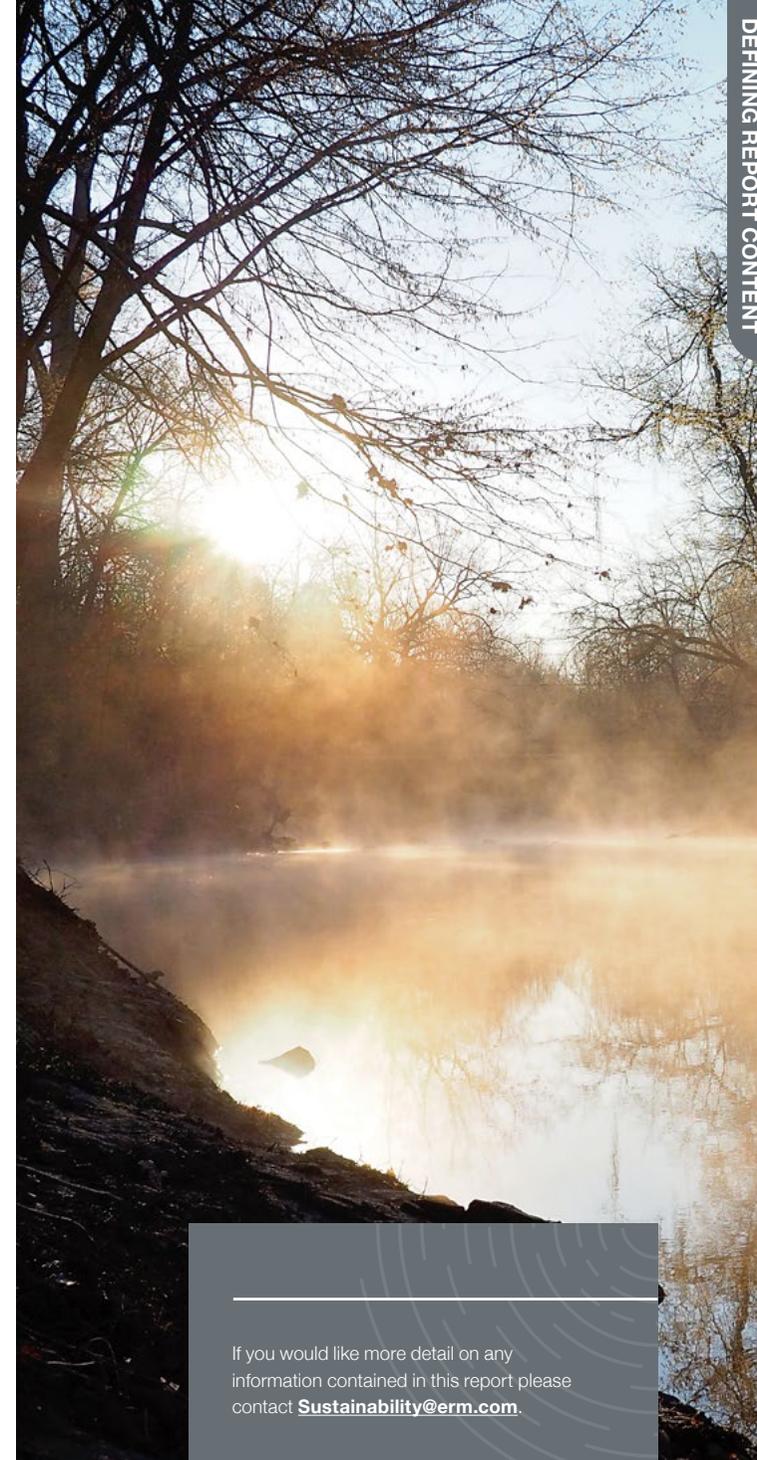
Defining report quality

The GRI Standards set out principles for defining reporting quality, and we have taken a number of actions to meet these principles:

- We safeguard the quality of information contained in this report through a robust assurance process leveraging internal and external expertise; and
- We continue to improve the availability of timely information to internal leaders in order to inform decision-making and drive performance.

Determining what to include in this report begins with an understanding of our impacts throughout our **value chain**, which include our associations with business partners, our work undertaken for clients and our thought leadership activities. This report addresses those items that are of significant interest to our stakeholders and to ERM's business strategy.

Each year, we conduct a **materiality assessment** in order for our business planning to include initiatives to respond to the key topics identified. We establish KPIs and targets to track the effectiveness of our management of these issues throughout the year. Our focus is on improving, year on year, the management of key sustainability issues for the business.



If you would like more detail on any information contained in this report please contact Sustainability@erm.com.

Stakeholder engagement

As part of our commitment to good business, we engage regularly with key stakeholders. This process helps us to understand, prioritize and manage our sustainability impacts as an organization as well as to evolve our client services.

Our process

We have a range of internal and external stakeholders. We engage with stakeholders through a variety of mechanisms, including direct dialogue, surveys, engagement at professional and industry forums, and sharing information. The frequency and nature of this dialogue are designed to enable regular communication with stakeholders on key issues. We conduct additional engagement with stakeholders as part of the development of our sustainability reports, and this feedback is an important input of our report preparation.

External Stakeholders

Investors	Ongoing engagement
Clients	
Contractors	<ul style="list-style-type: none"> • Formal and Informal reviews of projects, programs and relationships • Key conferences and industry events
Business & industry associations	<ul style="list-style-type: none"> • Active involvement in global sustainability-focused organizations
Nongovernmental organizations	<ul style="list-style-type: none"> • Feedback from key suppliers and contractors through the Contractor Management Program
Governments	Annual engagement
Communities	
Academics	
	<ul style="list-style-type: none"> • Thought leader interviews

Internal Stakeholders

Employees	Ongoing engagement
ERM Partners	
Sustainability network	<ul style="list-style-type: none"> • Knowledge sharing through collaboration tools • Open-door leadership • Staff information sessions and best practice sharing • Team and staff meetings • Strategy implementation activities, Path to Partnership and Aspire programs • Open forums with CEO and other leaders • Employee surveys • Technical communities • Sustainability network calls, webinars, newsletters, intranet sites
	Semi-annual engagement
	<ul style="list-style-type: none"> • Performance and development discussions

Feedback from our stakeholders

Stakeholder feedback is integral to ERM's sustainability reporting process. The following table summarizes the issues raised by our stakeholders, along with links to information on how we respond to these issues.

Stakeholder	Material topic	ERM response in this report
Employees	Diversity and inclusion Environmental impacts Health and safety Social impacts Talent attraction and retention	Our people Climate change, Climate change and energy transition Occupational health and safety Contributing to society and local communities, ERM Foundation Our people
ERM senior leaders	Anti-corruption Diversity and inclusion Human rights Innovation Occupational health and safety Supply chain Talent attraction and retention	Governance Our people Governance Innovating with clients and other organizations Occupational health and safety Governance Our people
External thought leaders	Biodiversity Data security Human rights Risk management Water	Contributing to society and local communities, ERM Foundation Governance Governance Governance Contributing to society and local communities, ERM Foundation
Key clients	Community engagement Diversity and inclusion Energy and GHG emissions Ethics and integrity Health and safety Human and labor rights Supply chain Talent attraction and retention Training and development	Contributing to society and local communities, ERM Foundation Our people Climate change, Climate change and energy transition Governance Occupational health and safety Governance Governance Our people Our people
Competitors	Community engagement Diversity and inclusion GHG emissions Supply chain Training and development	Contributing to society and local communities, ERM Foundation Our people Climate change, Climate change and energy transition Governance Our people

Materiality

Each year, ERM conducts a formal materiality assessment in accordance with the GRI to identify and prioritize our most significant sustainability topics, set KPIs and targets for improvement, and guide the content for our Sustainability Report. [Learn more about our material topics.](#)

Determining material topics

We undertook the following approach to determine the material topics for this report:

- We drew on a wide range of inputs to develop a view on what matters to our internal and external stakeholders, including extensive interviews, surveys and benchmarking.
- We expanded our understanding of ERM's sustainability context through our involvement in various global organizations, including the World Business Council for Sustainable Development.
- We considered the implications of megatrends affecting society and our clients as well as the Sustainable Development Goals. Senior management reviewed the company's key business issues.
- We created a matrix of key issues. Internal sustainability experts and business leaders applied the Content Principles and assessed the potential environmental, social and economic impacts – beyond the impacts on our business.
- Based on this assignment, senior management agreed on the material sustainability issues for our business going forward.
- We reviewed the GRI Aspects and, where relevant, assigned

indicators, which are outlined in our [GRI index](#).

- In order to drive performance improvement, we established key performance indicators and targets directly related to our material issues. We report on our performance against the [FY19 targets and long-term goals](#) in the report.

Internal and external factors

Both internal and external factors determine what we considered to be material. These include, but are not limited to, the following:

- Reasonably estimable economic, environmental, and social impacts;
- The interests and expectations of internal stakeholders specifically invested in ERM;
- Broader economic, social, and environmental interests and topics raised by our external stakeholders;
- The main topics and future challenges for our sector, as identified by peers and competitors;
- Laws, regulations, international agreements, and voluntary agreements of strategic significance to our organization and our stakeholders;
- Key organizational values, policies, strategies, operational management systems, goals and targets;
- ERM's core competencies and the manner in which they can contribute to sustainable development; and

- Consequences for ERM that are related to our impacts on the economy, the environment, and society. For each of the material topics, ERM defined the boundary of impact, and its relationship to the GRI Standards and ERM’s strategic business drivers (see below).

Material topics	Boundary	GRI sub-topics	Strategic drivers
Governance	Internal and external (e.g., supply chain & clients)	Anti-corruption, non-discrimination	Management excellence
Our people	Internal and external (e.g., meeting client needs & reflecting local communities)	Diversity and equal opportunity	Attracting and retaining staff
Occupational health and safety	Internal and external (e.g., travel & client sites)	Occupational health and safety	Duty of care
Climate change	Internal and external (e.g., travel)	Emissions, Energy use	Leadership position in the transition to low-carbon future
Innovating with clients and other leading organizations	Internal and external (e.g., clients & organizations)	General disclosures	Responding to changing client needs
Contributing to society and local communities	Internal and external (e.g., Foundation projects & programs)	Local communities	Demonstrating investment in society and local communities

These material topics are very similar to the issues identified in last year’s assessment, but reveal slight differences relating to our impact on the external world. We have developed targets specifically to address each of our material topics for FY20 and longer-term goals.

Data background

To measure our social, economic and environmental impacts and support programs for improving our sustainability performance, ERM collects and reports data relevant to our global operations. The data are grouped, where applicable, in alignment with the focus areas presented in this report.

More information on the location of specific GRI and UN Global Compact content within this report can be found in the [Indexes section](#).

Organizational boundaries

ERM follows the GRI Standards, including the identification of material topics. All information in this report, including data and performance information presented, covers ERM's operations as a group. Data reported are for those entities controlled by ERM Worldwide Group Limited (EWGL), which is based in London, UK.

Data in this report are inclusive for ERM CVS. ERM CVS is a wholly owned subsidiary of EWGL. ERM CVS works with many of the world's leading multinational organizations and delivers independent, third-party, performance-driving certification, verification and report assurance services to help clients improve their sustainability performance. For more details of these services, visit www.ermcvs.com.

ERM CVS operates under ERM's internal policies and procedures, and the following sections of this Sustainability Report 2019

therefore apply also to ERM CVS unless indicated otherwise: Our people, Health and safety, Society, Environment, and Governance. Because ERM and ERM CVS have combined human resource systems and office premises, the data in this report include the operations of ERM CVS.

Due to the nature of its work, ERM CVS has additional policies and procedures relating to independence and an Advisory Board that undertakes the role of the Committee for Safeguarding Impartiality.



Methodologies

Our ERM Sustainability Reporting Protocol guides the data-collection process. Where applicable, the protocol is based upon external guidance, including the GRI Standards and the World Resources Institute/WBCSD Greenhouse Gas Protocol.

Taking advantage of the professional expertise of our workforce and our purpose as an organization, ERM created a Sustainability Network of coordinators, advisors, leaders and champions across all of our offices and regions. Members of the network focus on enhancing our sustainability program and improving our performance in support of the SDGs. The Sustainability Network coordinates the collection of the majority of our environmental data. We expect to continue to improve the robustness and depth of our data over time.

We report environmental data for offices that fall within ERM's material threshold (as defined in our Sustainability Reporting Protocol) per fiscal year (FY), which runs 1 April to 31 March. ERM's Sustainability Reporting Protocol provides guidance for the development and maintenance of robust data collection systems that will measure sustainability performance across all key performance areas in a consistent, accurate and auditable manner.

We continue to improve our greenhouse gas data, including working with landlords to increase access to actual energy consumption data for leased offices. Where data are unavailable, we estimate consumption based on the amount of space we lease and expected energy intensity of office buildings.

On a per-indicator basis, sources constituting less than 1 percent of ERM's total impact for that performance indicator annually were excluded from the data collection and reporting process. Sources excluded are reviewed annually to determine if emissions are relevant for a continued de minimis exemption. For FY19, leased or owned office locations that were registered as encompassing fewer than 50 square meters, excluding dedicated server hosting spaces, were also considered de minimis and excluded from the data collection and reporting process. Impacts associated with office spaces of this size are projected to be less than 1 percent of ERM's total impact in aggregate. Travel data for employees residing in these offices are included in the office responsible for booking travel.

For data normalized by the number of FTE employees, we applied the average yearly FTE, which is more representative of FTEs throughout the year than the year-end FTE. Average yearly FTEs have been applied in ERM Sustainability Reports since FY15.

All financial data are reported in US dollars, unless otherwise noted.

Data for new offices or offices added through ERM acquisitions during the reporting period are included where available from the date of opening or acquisition – subject to specific transition arrangements to ERM systems and processes. These arrangements are noted where relevant.

In some instances in the data presented, rounding results in small discrepancies.



Assurance

ERM has governance, reporting and internal review processes in place to help ensure the quality of information contained within this report, as well as stakeholder confidence in the accuracy and reliability of our reporting.

We have gathered, recorded, compiled, analyzed and reported information and processes used in the preparation of this report in a way that can be subject to examination and which establishes the quality and materiality of the information. Individuals who did not prepare our Sustainability Report have reviewed the information reported and the processes for determining report content and stakeholder engagement.

External assurance

We engaged with an external assurance provider to conduct an independent assessment of the following questions:

- Are ERM's governance structures and processes sufficiently robust to deliver on stated business and sustainability objectives, values and strategy?
- How effective is ERM's management approach in delivering on organizational objectives and targets across the organization?
- How does ERM's reporting of performance reflect the organizational response to its material sustainability topics?

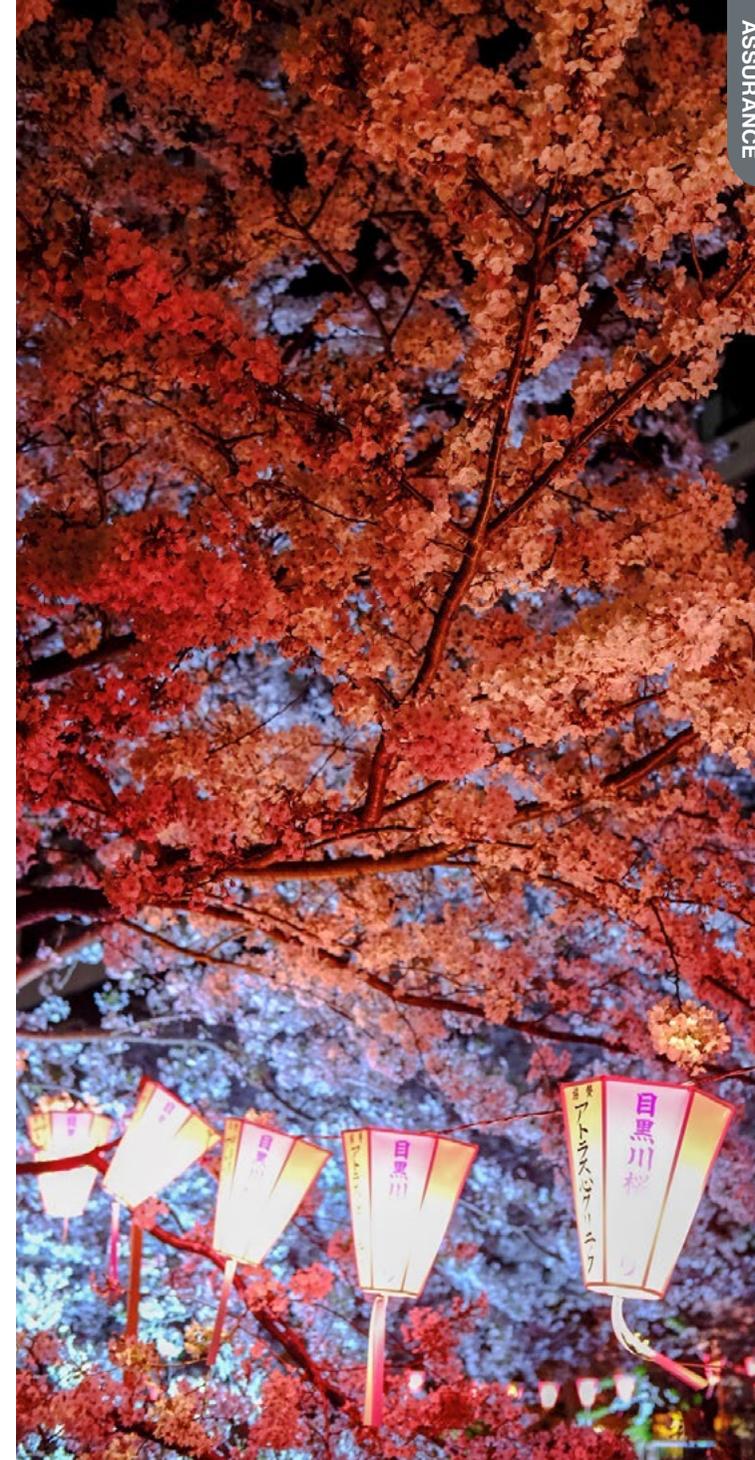
The external assurance was built on internationally recognized methodologies including AA1000AS.

[Download](#)

[EXTERNAL ASSURANCE STATEMENT](#)

Data verification

For our energy and GHG emissions data, our internal assurance process focuses on the quality (completeness and accuracy) of our reported data. ERM CVS conducted internal assurance on ERM's FY19 data for these metrics, following the same approach used to perform external assurance for clients. This is based on ISAE3000 and ISO 14064:3, which are internationally recognized assurance methodologies.



Indexes

The three indexes listed below can be found in the online version of the report (follow the links).

- **GRI Index**, as required by the GRI Standards, specifying each of the GRI Standards used and lists all disclosures included in the report;
- **UN Global Compact Index**, corresponding to our progress in implementing the Ten Principles of the UN Global Compact; and
- **TCFD Index**, identifying our disclosures recommended by the Task Force on Climate-related Financial Disclosures.



In the interests of sustainability, you are requested to view this version of the Report in digital form only – please do not print.