



Sustainability Report 2013 Communication on Progress to UNGC

CEO Message



John Alexander, CEO

As the world's leading sustainability consultancy, ERM is positioned uniquely to contribute to the resolution of complex sustainability challenges. To this end, we are committed to implementing the Ten Principles of the United Nations Global Compact (UNGC) in the areas of human rights, labor, environment and anti-corruption, and advancing them within our sphere of influence.



We have recently published our annual Sustainability Report for fiscal year 2013 (1 April 2012 to 31 March 2013), which also serves as our annual Communication on Progress as signatories to the UNGC. This Report has been prepared in accordance with UNGC reporting guidance and the Global Reporting Initiative's (GRI's) new G4 Reporting Guidelines and is available online at www.erm.com/sustainabilityreport2013

Sustainability is not just part of our business. It is our business. Through our strategy *One Planet. One Company. ERM.*, we are striving for sustainable best practices to be embedded within every layer of our operations.

As the World Business Council for Sustainable Development's (WBCSD) Vision 2050 illustrates, our clients, and the world as a whole, are facing continued and escalating challenges with respect to sustainability. With the world's population expected to top nine billion by 2050, the demand for energy, water, food and other essential commodities is increasing — along with the fragility of our planet. ERM is at the forefront of helping industries, corporations and investors respond to this new operating landscape.

Through our involvement in increasingly complex and, at times, sensitive global projects, we are using our expertise to help find solutions to the sustainability challenges facing our clients. We have the strategic and technical capabilities to be able to support clients throughout the life cycle of their business needs, helping to balance the social, environmental and economic requirements of local communities, countries and regions.

Additionally, with ERM's active involvement in shaping sustainability thought leadership through our membership in organizations such as the WBCSD, GRI and UNGC, we can offer the best advice and deliver the best outcomes for our clients and the wider society.

Meeting changing needs

Our strategy provides us with the clear focus we need to drive long-term success in a changing and challenging world. Throughout fiscal year 2013 (FY13), we helped a range of mining and oil and gas clients as they entered new markets in Africa, Asia and South America, and as they developed unconventional resources in these and other parts of the world; we expanded the social and economic remit of environmental due diligence processes to address liabilities more effectively; and we assisted clients to understand and manage the risks associated with building, operating and closing complex industrial facilities. We also worked increasingly with clients on safety transformation, including both the technical/process safety and the non-technical risks associated with capital projects and our clients' sustainable business strategies.

With globally integrated and resourced teams, such as the newly created Global Water Network, we are able to deliver the solutions our clients need. We combine international and local expertise to provide full-asset life cycle solutions across all sectors, anywhere in the world.





developed key performance indicators (KPIs) and targets and implemented new software systems and other processes to track our performance more efficiently. Engagement across the organization is key to driving performance, and, therefore each ERM office prepared a sustainability action plan to respond to the global KPIs and targets, as well as to provide engagement with local initiatives.

Through the hard work of our employees, we continued to advance our culture related to safety performance and global collaboration, which enhances our ability to solve complex issues for our clients. We contributed over US\$1 million of company funds to global sustainability initiatives, including The ERM Foundation, along with \$0.2 million in voluntary employee contributions. We made progress in the implementation of a number of strategic global systems and processes including investing heavily towards achieving 100 percent completion of mandatory training in key areas. You can read in ERM's Sustainability Report 2013 the specific actions we are taking to improve our performance against our targets in FY14 and beyond.

We were involved in the WBCSD Vision 2050 and Action2020 processes that look at shaping how we do business in a world with dwindling resources and growing populations. I am honored to Co-Chair the Action2020 process, supported by a team of ERM experts. We also participated in the Rio+20 UN Conference on Sustainable

Acquisitions

This year, we continued to expand our operations and capabilities through two acquisitions.

We acquired the privately owned Canadian environmental consultancy Rescan, a 170-person company offering a wide range of services to the resource development industry. This will allow us to continue our strategy of building a leading position in our key markets.

We also acquired relevant assets of Zer01, Australia's largest information solutions firm focused on health, safety and the environment. The Zer01 acquisition enhances ERM's Sustainability Information Solutions business in Asia Pacific and adds to the firm's global knowledge base and experience in key applications, to create a truly global delivery capability.

Our commitment

At ERM, our commitment to sustainability goes well beyond how we manage our own footprint around carbon, waste and water. This commitment includes ensuring the safety, health and professional development of our employees, upholding the highest standards of business conduct and ethics, and contributing to local communities.

By identifying and prioritizing our material issues across all areas covered by our definition of sustainability, we



Development, where governments, business and civil society joined together to identify The Future We Want. We also took part in many sector focused events, including the mining conference Prospectors and Developers Association of Canada (PDAC), CERAWeek and energy conferences led by the Society of Petroleum Engineers (SPE).

In the coming years, some of our greatest challenges will include the changing global economic conditions, increased scrutiny of natural resource developments and the socioeconomic challenges associated with industrial development as new economies emerge and populations grow and change. These will necessitate working more closely with businesses to respond boldly to these challenges and achieve longer-term success for their organizations. We also anticipate the need to continue engaging and up-skilling our employees so that they continue to develop and apply leading-edge approaches and tools to meet the very specific needs of our clients.

We are proud to have played a key role in driving change, but there are still many challenges ahead, as the WBCSD's Vision 2050 demonstrates. Sustainability is not a check-in-the-box activity; as new risks emerge and impacts evolve, we must strive to find innovative solutions and to facilitate meaningful debate. At times, this means we receive attention for our work on high-profile, and sometimes controversial, projects. We consider carefully



our involvement in each project to ensure we meet our Code of Conduct and Sustainability Approach, manage our risks and provide balanced and independent input into client decisions. These are all fundamental to our long-term success.

ERM appreciates our position as a leader in addressing sustainability challenges through our work with clients, our role as a thought leader, the way we manage our own impacts and pursue opportunities, and our support to local communities in which we operate.

On behalf of the Board and management team, I would like to thank our clients for their continued support and all ERM employees around the world for their commitment, energy and passion, without which we could not do what we do — thank you.

In FY14 and beyond, ERM will continue to deliver smarter solutions, to enable better outcomes for our clients and the planet. We will also continue to address the world's most significant sustainability challenges and unlock tomorrow's opportunities. We hope you will join us on that journey.

John Alexander
Chief Executive Officer



About ERM:

We are a global provider of environmental, health, safety, risk, sustainability and social consulting services. Sustainability describes what we do, day in and day out, within our own operations and through the services we provide to our clients. With over 150 offices in more than 40 countries and territories, we are a truly global company that provides consulting services and innovative solutions in more than 160 countries that help clients improve how they understand, manage and reduce their impacts on the world. Our clients are from a wide range of sectors including oil and gas, power, mining, manufacturing, chemical, pharmaceutical, consumer goods, legal and financial institutions, and government.

The Ten Principles of the UNGC closely align with ERM's own values and principles, and our *One Planet. One Company. ERM.* business strategy, which places sustainability at the heart of our global activities.

Links:

Discover ERM's Sustainability Report 2013 website — www.erm.com/sustainabilityreport2013

See our performance against sustainability KPIs and targets — [click here](#)

Find the location of specific disclosures in the GRI and UNGC Content Indexes — [click here](#)

Read the report launch announcement on erm.com — [click here](#)

We welcome feedback on our Sustainability Report. Please submit any questions or comments to sustainability@erm.com