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SUSTAINABILITY REPORT 2021

Impact through Innovation

In our 50th year, we are building on our expertise and experience to deliver innovative solutions to address the planetary and systemic challenges of our time.



UN Global Compact Index

This 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. In this report, we also provide separate [GRI](#) and [TCFD](#) indexes.

Principle 1 and Principle 2

Global Compact principle	ERM corresponding written commitment	Sustainability Report reference
Businesses should support and respect the protection of internationally proclaimed human rights. Businesses should make sure that they are not complicit in human rights abuses	Global Code of Business Conduct and Ethics: 1.2 Global considerations 1.3 Diversity 1.4 No retaliation. 5.1 Respect and fair treatment. Global Supplier/Subcontractor Requirements Global Slavery, Child Labor and Human Trafficking Policy Modern Slavery Act Statement	CEO Message Business conduct and ethics Impact through collaboration
Principle 3		
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Global Code of Business Conduct and Ethics: 1.4 No retaliation. 5.1 Respect and fair treatment	GRI Index indicator 102-41

Principle 4 and Principle 5

Businesses should uphold the elimination of all forms of forced and compulsory labor.

Businesses should uphold the effective abolition of child labor

[Global Code of Business Conduct and Ethics:](#)

5.1 Respect and fair treatment.

[Global Slavery, Child Labor and Human Trafficking Policy](#)

[Modern Slavery Act Statement](#)

[Business conduct and ethics](#)

Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

[Global Code of Business Conduct and Ethics:](#)

1.3 Diversity

5.1 Respect and fair treatment.

[Global Diversity and Inclusion Policy](#)

[Diversity, equity, equality & inclusion](#)

[Business conduct and ethics](#)

Principle 7

Businesses should support a precautionary approach to environmental challenges.

[Global Code of Business Conduct and Ethics:](#)

5.3 Compliance with laws.

[Global Sustainability Policy](#)

[Health, Safety and Environmental Policy Statement](#)

[CEO Message](#)

[Sustainability at ERM](#)

[Precautionary approach](#)

[Climate-related risk](#)

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.

[Global Code of Business Conduct and Ethics:](#)

5.3 Compliance with laws.

[Global Sustainability Policy](#)

[Sustainability Approach](#)

[Health, Safety and Environmental Policy Statement](#)

[CEO Message](#)

[Who we are](#)

[Sustainability at ERM](#)

[Impact with clients](#)

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[Climate-related risk](#)

[Our performance data](#)

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

[ERM services](#)

[Impact with clients](#)

[Impact through collaboration](#)

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

[Global Code of Business Conduct and Ethics:](#)

1.1 Overview.

1.2 Global considerations.

4 Conflicts of interest.

5.3 Compliance with laws.

5.4 Accuracy of books, records and periodic reports.

5.6 Improper use or theft of ERM property.

5.7 Securities trading.

5.8 Political contributions.

6.5 Corporate opportunities.

6.6 Gifts, bribes and kickbacks.

[Global Requirements for Suppliers and Subcontractors](#)

[Global Policy on Insider Trading](#)

[Global Tax Policy](#)

[Business conduct and ethics](#)

CEO Message, Keryn James

This year, ERM is marking its 50th anniversary. Over the decades, we have had to respond to many changes, including some significant global shocks, and this has helped us to build the resilience we needed to navigate the recent health, social and economic impacts associated with the global pandemic.

The impact of the pandemic remains with us and will do so for the foreseeable future – the devastating impacts should act as a stark reminder to us all of the fragility of human life and the planet. With this backdrop, we are seeing what I believe is a tipping point in business; corporations are making bold leadership commitments on net-zero, diversity and inclusion, and biodiversity. In this Decade of Action, these commitments are essential if the ravages of COVID-19 are not to re-emerge as the consequence of a failure to act in response to the climate emergency, inequality and nature loss.

ERM was actively involved in the Vision 2050 project [***Time to Transform***](#) convened by the World Business Council for Sustainable Development (WBCSD). It presents the unique, but rapidly closing, window of opportunity for action in the decade ahead and calls for *reinvention, resilience and regeneration*. Through my role as Co-Vice Chair of the WBCSD, I am working alongside the CEOs of 200 committed companies to take a leadership position in the transformation required. For ERM this means contributing to transformation through the work we do for our clients and by ensuring minimal impact from our own direct activities.

Operationalizing sustainability

In pursuit of our purpose of *shaping a sustainable future with the world's leading organizations*, we draw on more than 50 years of environmental, health, safety, risk and social experience helping clients to define goals and translate them into action. We call this capability our “boots to boardroom” approach, one that allows ERM to develop strategic and technical solutions that advance objectives on the ground or at the executive level. This report outlines our impact through our work with clients by setting out the key influences we believe are driving business decision-making and action.

The transition to a low carbon economy is accelerating due to recent and strengthened commitments from governments, companies, investors and wider society. This is impacting all areas of our clients' business, which requires technical and commercial solutions tailored for different

sectors, geographies and value chains. From net-zero strategies to utilizing new energies to retiring old energy-intensive assets – we are helping our clients turn promises into action.

Companies are seeing the cost of capital becoming intrinsically linked to a business' sustainability performance and disclosures. We are also seeing investors recognizing the need to integrate environmental, social and governance (ESG) factors into all aspects of assessing and managing risk and opportunity. We are working for corporates and investors to set ambition, policies and targets then translate these into actionable programs and portfolios while disclosing their performance to stakeholders in a robust, consistent and meaningful way.

Through responding to these external pressures while navigating socio-economic uncertainty, our clients are building resilience which we see as the ability to balance the demands of meeting today's operating environment, while investing for the future. In a report we co-authored through our new SustainAbility Institute by ERM with the WBCSD, we identified the elements of resilience required to help companies thrive over the longer-term, whilst navigating the impacts of COVID-19.

In October 2020, in the midst of the pandemic, we established [the SustainAbility Institute by ERM](#) as our primary platform for thought leadership on sustainability. We identified a need to define, accelerate and scale sustainability performance by developing actionable insights for business. The positive reaction to the Institute's work thus far confirms this need as we collaborate with industry leaders to offer trusted, objective and well-rounded perspectives informed by experience.

Living our values

In parallel with advising clients on sustainability matters, we are also managing our own response. We have committed to net-zero across our operations by 2025 and will strengthen our Science Based Targets to align to a 1.5 degree Celsius target. We remain committed to a strong program to contribute to the Sustainable Development Goals through our client work, operations and broader collaborations. We delivered our Standing Together program through the ERM Foundation to support our long-term nonprofit partners as they responded to the impacts of the pandemic on their organizations.

Although we are making good progress in meeting our annual sustainability targets and long-term 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, equity, equality and inclusion in our workforce, improving employee well-being and training, and quantifying the sustainability impacts of our work with clients.

We are proud to be a Global Reporting Initiative (GRI) Standards Pioneer. This Sustainability Report 2021 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 (TCFD), Principles for Responsible Investment (PRI), Women's Empowerment Principles and other internationally recognized standards and initiatives. This year, we are publishing our first TCFD Disclosure, in line with the recommendations of the TCFD Task Force.

Over the past year, my team and I have strengthened our engagement with internal and external stakeholders on issues that are important to them, and we expanded our advisory panel of independent thought leaders for their assessment of our materiality process and this report. This feedback informs our focus on the issues facing our world and our clients, which allows us to prioritize activities within our business strategy.

Moving forward

In May 2021, we announced that KKR, a leading global investment firm, has signed an agreement to acquire a majority position in ERM. The transaction is subject to approval by shareholders, a scheme of arrangement to be sanctioned by the UK courts and various regulatory consents. As part of KKR's proposed investment, ERM Partners would continue to be shareholders in the business. KKR's proposed investment is being made through its Core Investments strategy, which represents capital targeting longer-term opportunities. This proposed long-term partnership with KKR will allow us to expand and accelerate our client impact, and bring new capabilities and technologies to the business of sustainability. The transaction is expected to close in the third quarter of 2021, subject to the aforementioned conditions being satisfied.

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 - as a result of their efforts, our report was recognized as a top reporter for the second consecutive year in the WBCSD Reporting Matters process.

In particular, we recognize the considerable contributions of more than 200 voluntary members of our Sustainability Network who help drive action across the company – adapting to the remote working situation we have found ourselves in. The people of ERM deliver on our purpose

of shaping a sustainable future with the world's leading organizations every day through the services we provide to our clients, the projects we support through the ERM Foundation and the way we operate our business. I am humbled by their talent and grateful for their commitment to our business.

Keryn James
Group Chief Executive

Business conduct & ethics



Why business conduct and ethics is a material topic for ERM

Business conduct and ethics is essential to the success and sustainability of ERM.

We conduct business with uncompromising honesty and integrity, adhering to laws, regulations and our written Code of Conduct, and expect everyone at ERM to act accordingly.

We express this commitment through our business values, professional standards, employee training and our internal systems and practices. It is key to earning and maintaining the trust of our company's stakeholders: shareholders and investors, management and employees, clients, suppliers and contractors, governments, nongovernmental organizations (NGOs) and the communities in which we operate.

We set three targets for FY21 and met or exceeded two of them (see below). For new starter training, although we improved over last year (92% to 99% completion), we continue to fine tune our systems to ensure all mandatory training will be completed on schedule.



HIGHLIGHT

Our performance

KPI highlight targets

- No fines or nonmonetary sanctions for material noncompliance with laws or regulations.
- 100% completion of ERM global mandatory new starter training.
- 95% completion of required refresher training for employees with designated due dates on or before 31 March 2021.

KPI highlight results

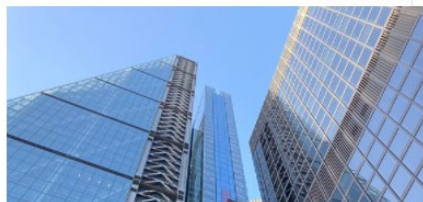
- No fines or nonmonetary sanctions for material noncompliance with laws or regulations.
- 99% completion of ERM global mandatory new starter training.
- 98% completion of required refresher training for employees with designated due dates on or before 31 March 2021.

View our [FY22 targets](#).



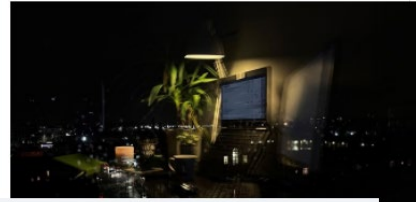
Management & oversight

[Read More](#)



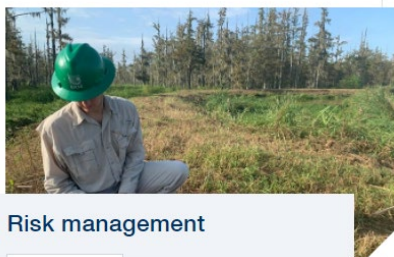
Integrity in financial reporting

[Read More](#)



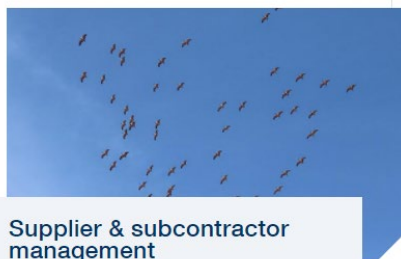
Data privacy & security

[Read More](#)



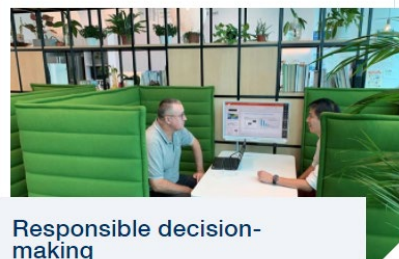
Risk management

[Read More](#)



Supplier & subcontractor management

[Read More](#)



Responsible decision-making

[Read More](#)



Human rights & Modern Slavery Act

[Read More](#)



Business conduct & ethics data

[Read More](#)

Impact through collaboration

ERM HAS A UNIQUE OPPORTUNITY AND RESPONSIBILITY TO LEVERAGE OUR TECHNICAL EXPERTISE AND BUSINESS ACUMEN TO SHAPE A MORE SUSTAINABLE WORLD.

Through ERM's global footprint and extensive experience, we have developed a significant appreciation for the complex sustainability challenges facing our clients and society. We recognize the importance of collaborating with other leading organizations to address these challenges.

Innovation

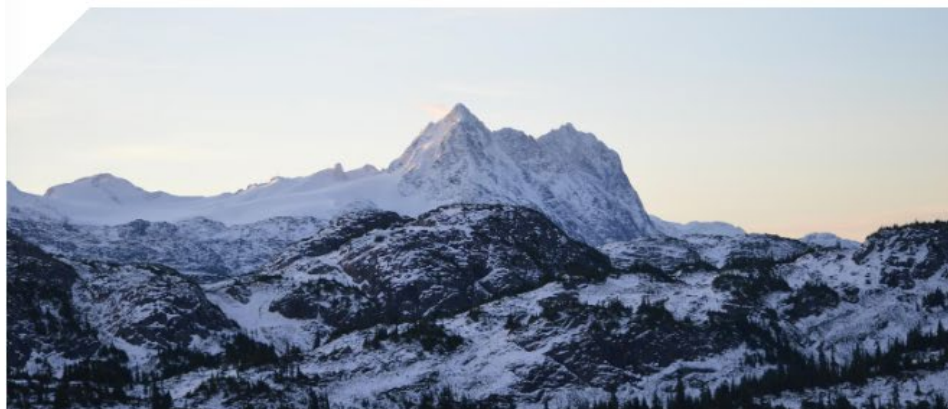
Innovation is at the core of ERM's ability to make a difference in the world. Whether leveraging technology to help meet sustainability challenges or collaborating with business and nongovernmental organizations to develop new tools and approaches, ERM partners and innovates with others. We are building an ecosystem of like-minded organizations to co-create solutions, capable of addressing the urgency needed to accelerate progress to a sustainable future.

Leading change

We work alongside leaders from industry, government, nongovernmental organizations and academia to make a positive impact in the world. We lead conversations on key issues through the SustainAbility Institute by ERM, second our experts into important initiatives like the COP26 climate champions, and actively engage in building the skills and expertise of professionals in their membership associations. We are also deeply involved in developing the standards, tools, guidelines and best practice required to develop alignment in measurement, verification, reporting and disclosure.

Our commitments

We are committed to taking a leadership position through "walking the talk" in our own business. Learn more about our commitments with other leading organizations.



The SustainAbility Institute by ERM

We offer an independent and authoritative voice on corporate sustainability challenges and opportunities and the solutions emerging to address them.

[Read More →](#)

World Business Council for Sustainable Development

We provide leadership and technical expertise to businesses as a member of WBCSD, a CEO-led organization supporting the business case for sustainability.

[Read More →](#)





Multistakeholder partnerships

We collaborate with society's most prominent changemakers to make a positive difference for business, for society and for the planet.

[Read More →](#)

Collaborations supporting SDGs

ERM continues to collaborate with others in business and society as we work together to help achieve the SDGs by 2030.

[Read More →](#)



GRI Index

As required by the GRI Standards, we provide an index that specifies each of the GRI Standards used and lists all disclosures included in the report. As part of ERM's efforts to advance sustainability reporting, we support the activities of GRI as a GOLD Community member.

In this report, we also provide separate indexes for the UN Global Compact and TCFD reporting.

Organizational Profile			
GRI Standard	Disclosure	Location	Additional information and omissions
GRI 102: General Disclosures 2016	102-1 Name of organization	Data background	
GRI 102: General Disclosures 2016	102-2 Activities, brands, products, and services	Who we are	
GRI 102: General Disclosures 2016	102-3 Location of headquarters	Data background	
GRI 102: General Disclosures 2016	102-4 Location of operations	Locations	
GRI 102: General Disclosures 2016	102-5 Ownership and legal form	Our Company	
GRI 102: General Disclosures 2016	102-6 Markets served	Services we offer Industries we serve	
GRI 102: General Disclosures 2016	102-7 Scale of the organization	Our people data Locations Financial overview	Total capitalization for the company as of 31 March 2020 was approximately \$2.3 billion, comprising \$5.7 million of ordinary share capital, \$1.4 billion of preference

			share capital and shareholder loan stock and \$915million of bank loans.
GRI 102: General Disclosures 2016	102-8 Information on employees and other workers	Our people data	
GRI 102: General Disclosures 2016	102-9 Supply chain	Value chain	
GRI 102: General Disclosures 2016	102-10 Significant changes to the organization and its supply chain	Our company growth	
GRI 102: General Disclosures 2016	102-11 Precautionary Principle or approach	Precautionary approach	
GRI 102: General Disclosures 2016	102-12 External initiatives	CEO message Impact through collaboration Active leadership role towards a net-zero future Racial & ethnic justice	
GRI 102: General Disclosures 2016	102-13 Membership of associations	Multistakeholder partnerships Professional & technical organizations	
Strategy			
GRI Standard	Disclosure	Location	Additional information and omissions
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	CEO message	
GRI 102: General Disclosures 2016	102-15 Key impacts, risks, and opportunities	Material topics Impact with clients	

		Impact across our operations Impact through collaboration	
Ethics and integrity			
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	Purpose and values Business conduct and ethics	
GRI 102: General Disclosures 2016	102-17 Mechanisms for advice and concerns about ethics	Business conduct and ethics Responsible decision-making	
Governance			
GRI 102: General Disclosures 2016	102-18 Governance structure	Sustainability at ERM Governance & strategy Management and oversight	
Stakeholder engagement			
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Stakeholder engagement	
GRI 102: General Disclosures 2016	102-41 Collective bargaining agreements		None of our employees are covered by collective bargaining agreements
GRI 102: General Disclosures 2016	102-42 Identifying and selecting stakeholders	Stakeholder engagement	

GRI 102: General Disclosures 2016	102-43 Approach to stakeholder engagement	Stakeholder engagement	
GRI 102: General Disclosures 2016	102-44 Key topics and concerns raised	Stakeholder engagement	
Reporting practice			
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	Financial overview	Our financial overview is updated annually, typically by late in the calendar year.
GRI 102: General Disclosures 2016	102-46 Defining report content and topic Boundaries	Material topics	
GRI 102: General Disclosures 2016	102-47 List of material topics	Material topics	
GRI 102: General Disclosures 2016	102-48 Restatements of information	Data background	Explanatory notes are included in all cases that data have been restated.
GRI 102: General Disclosures 2016	102-49 Changes in reporting		There were no significant changes from previous reporting periods in the list of material topics and topic boundaries.
GRI 102: General Disclosures 2016	102-50 Reporting period	Defining report content	
GRI 102: General Disclosures 2016	102-51 Date of most recent report	Defining report content	
GRI 102: General Disclosures 2016	102-52 Reporting cycle		ERM reports annually.
GRI 102: General Disclosures 2016	102-53 Contact point for questions regarding the report	Contact us	sustainability@erm.com

GRI 102: General Disclosures 2016	102-54 Claims of reporting in accordance with the GRI Standards	Reporting approach	This report has been prepared in accordance with the GRI Standards: core option.
GRI 102: General Disclosures 2016	102-55 GRI content index	This table	
GRI 102: General Disclosures 2016	102-56 External assurance	Assurance	
Economic performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Material topics	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Who we are Business conduct and ethics	
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Stakeholder engagement Material topics Business conduct and ethics	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial overview	Our financial overview is updated annually, typically by late in the calendar year.
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate-related risk TCFD reporting TCFD index	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans		ERM operates retirement and pension plans that vary at the local level, based on legal and market requirements and practices.

GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	Financial overview	Our financial overview is updated annually, typically by late in the calendar year.
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Material topics	
GRI 103: Management Approach 2016	103-2 The Management approach and its components	Who we are Business conduct and ethics Climate- related risk	
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Stakeholder engagement Material topics Business conduct and ethics Climate- related risk	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate risk-related data	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Climate risk-related data	

GRI 305: Emissions 2016	305-3 Energy indirect (Scope 3) GHG emissions	Climate risk-related data	
GRI 305: Emissions 2016	305-4 GHG emissions intensity Environment	Climate risk-related data	
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Climate risk-related data	
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Climate risk-related data	We do not report on the production of ozone-depleting substances as this is not material to ERM. We do not separately report on nitrogen oxides, sulfur oxides or other air emissions as these are part of our greenhouse gas emissions.
Environmental compliance			
GRI Standard	Disclosure	Location	Additional information and omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Material topics	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Who we are Business conduct and ethics Climate-related risk	

GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Stakeholder engagement Material topics Business conduct and ethics Climate-related risk Net-zero & science-based targets	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Business conduct and ethics data	
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Material topics	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Who we are Business conduct and ethics Our people	
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Stakeholder engagement Material topics Business conduct and ethics Our people	
GRI 401: Employment 2016	401-1 new employee hires and employee turnover	Our people data	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people	ERM complies with local legislation when it comes to providing benefits to all our employees, whether they are full time, part time or temporary.
Occupational health and safety			

GRI Standard	Disclosure	Location	Additional information and omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Material topics	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Who we are Business conduct and ethics Health, safety & well-being	
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Stakeholder engagement Material topics Business conduct and ethics Health, safety & well-being	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system.	Health, safety & well-being	
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment and incident investigation	Health, safety & well-being	
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Health, safety & well-being	
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Health, safety & well-being	
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Health, safety & well-being	
Training and education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Material topics	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Who we are	

		Business conduct and ethics Our people	
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Stakeholder engagement Material topics Business conduct and ethics Our people	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Our people	
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development review		ERM's Performance Management Framework requires that all employees receive a mid-year and end-of-year performance review and development plan.
Diversity and equal opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Material topics	
GRI 103: Management Approach 2016	103-2 The Management approach and its Components	Who we are Business conduct and ethics Our people	
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Stakeholder engagement Material topics Business conduct and ethics Our people	

GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our people data	ERM reports on minority groups for governance bodies, but due to systems requirements and data protection law in some jurisdictions, is not able to report on all diversity parameters among all employees by employee category at this time. At the close of FY21, the United Kingdom based Board of Directors consisted of 9 members, all of Caucasian descent. The 12 members of the Executive Committee are all of Caucasian descent.
Socioeconomic compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Material topics	
GRI 103: Management Approach 2016	103-2 The management approach and its components	Who we are Business conduct and ethics Climate-related risk	
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Stakeholder engagement Material topics Business conduct and ethics Climate-related risk	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Business conduct and ethics data	

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.

Our goal is to hire passionate people from diverse backgrounds and ensure that we nurture and support their development and success. We intend to be the company that every sustainability professional wants to work for.

To meet our vision, we need people who are flexible and can adapt their talent and energy to grow with ERM, matching changes in the marketplace that impact the work we do for our clients and in a way that meets their needs and works with their personal interests, strengths and passion.

We set three targets for FY21 and met or exceeded two of them (see below). Although the increase in gender diversity among Senior Consultants, Technical Directors and Partners improved in FY21 over FY20 (5.4% vs 1.2% increase for Partners and 1.4% vs. 0.3% for Senior Consultants and Technical Directors), it fell below our companywide target. See our [Diversity, equity, equality and inclusion \(DE&I\) section](#) for details on how we are driving DE&I further into the business.



HIGHLIGHT

Our performance

KPI target

- Increase gender diversity among Senior Consultants, Technical Directors and Partners by 10% over previous year.
- All Business Units develop a diversity, equality and inclusion plan.
- Increase performance score of the ERM Global Inclusion Leadership Index in 40% of categories from the FY20 baseline.

KPI results

- Gender diversity increased 5.4% among Partners and increased 1.4% among Senior Consultants and Technical Directors over previous year.
- All Business Units developed and began implementing a diversity, equality and inclusion plan.
- Increased performance score of the ERM Global Inclusion Leadership Index in 50% of categories from the FY20 baseline.

View our [FY22 targets](#).



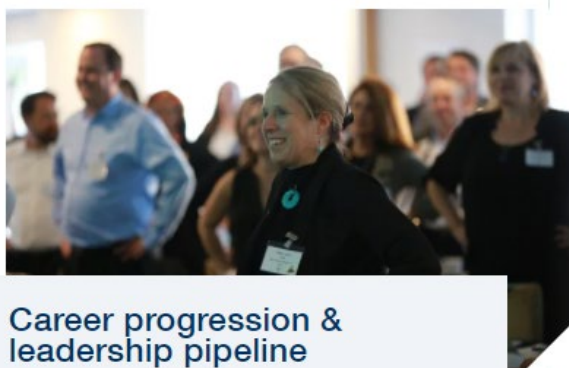
Diversity, equity, equality & inclusion

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Learning & development

[Read More](#)



Career progression & leadership pipeline

[Read More](#)



Our people data

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Sustainability at ERM

ERM SUPPORTS ECONOMIC GROWTH AND SOCIETAL PROGRESS THAT MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING OPPORTUNITY FOR FUTURE GENERATIONS.

At ERM, we understand how business and sustainability goals are inextricably linked and how this connection impacts our society and environment. We believe that businesses and societies must transform in order to thrive and compete.

Our “boots to boardroom” approach to operationalizing sustainability at any level of business helps us to have an impact on pressing priorities for our clients. In developing our business strategy, we focused on the drivers that encompass significant social, economic, political, environmental or technological changes in the world and have a major impact on business and society today and for decades to come.

Three of these drivers, in particular, are significantly impacting our clients’ businesses and creating challenges that must be addressed:

- The transition to a low carbon economy;
- Business resilience; and
- ESG and sustainable finance.

It is with this understanding that we continue to evolve our services to ensure we meet our client’s changing business needs as they respond to these drivers. And while we commit to driving this transformation for all of our clients, we also believe that the work starts with our own commitments here at ERM.

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.



Targets, goals & performance results

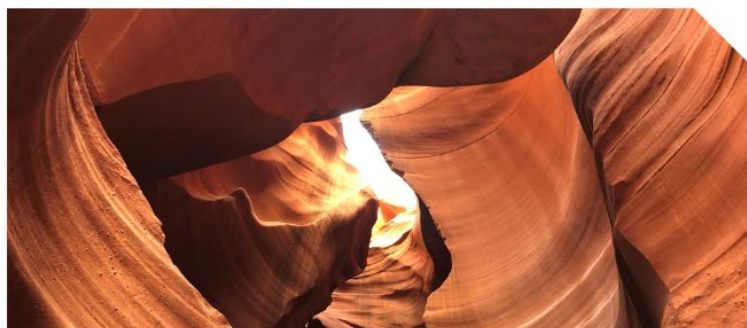
Based on our materiality assessment, we identified ERM's material sustainability topics, set annual targets and reviewed our 5-year goals.

[Read More →](#)

Governance & strategy

ERM's comprehensive approach to sustainability is embedded in our corporate strategy.

[Read More →](#)



Sustainability Network

Each region has a volunteer-led Sustainability Network that focuses on engagement, sustainability performance and reporting.

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Sustainability Action Plans

Companywide action is required to meet our public commitments – which includes each business unit having a robust plan in place.

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ERM's support for the SDGs

ERM contributes to the SDGs in three ways: through our work for clients, in our operations and in collaboration with others.

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Climate-related risk



Why climate-related risk is a material topic for ERM

Climate-related risk is not just an environmental issue, but also one that has a direct impact on ERM's business, reputation as well as our ability to retain and attract talent. ERM has worked with energy-intensive industries for many years, and our portfolio of clients and projects is in transition as the economies in which we work are in transition. Using the [TCFD framework](#), we are proactively investing in our services, skills and expertise to meet the changing needs and expectations of our clients, employees and industry partners. 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. We have set a public target to grow the revenue from services that support the transition.



In addition, we continue to take steps toward reducing our direct and indirect impact on climate change. **We have committed to [net-zero across our operations by 2025](#) and will strengthen our Science Based Targets to align to a 1.5 degree Celsius target.** Many environmental issues – from waste and water management to protecting biodiversity and livelihoods – are integral to a holistic approach to climate change. We are using the lessons learned from the impact of the COVID-19 pandemic to re-examine our approach to reducing greenhouse gas emissions related to business travel and commuting. Chapter Zero, a member organization of non-executive directors, recently featured ERM's climate strategy as a case study in its toolkit: [Principles and frameworks for climate change strategy and action](#).

We set two companywide climate targets for FY21 and met or exceeded both of them (see below).



HIGHLIGHT

Our performance

FY21 target

- Remain on track to meet science-based targets of 30% reduction in Scopes 1 and 2 and 11% reduction in Scope 3 emissions by 2025.
- Increase sales supporting low carbon economy transition by 25% over FY20

Results

- On track to meet our science-based targets by 2025.
- Sales supporting the low carbon economy transition increased by 46% over FY20.

View our [FY22 targets](#).



Net-zero & science-based targets

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Precautionary approach

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TCFD reporting

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Climate-related risk data

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Who we are

AS THE LARGEST GLOBAL PURE-PLAY SUSTAINABILITY CONSULTANCY, WE PARTNER WITH THE WORLD'S LEADING ORGANIZATIONS, CREATING INNOVATIVE SOLUTIONS TO SUSTAINABILITY CHALLENGES AND UNLOCKING COMMERCIAL OPPORTUNITIES THAT MEET THE NEEDS OF TODAY WHILE PRESERVING OPPORTUNITY FOR FUTURE GENERATIONS.

At ERM, sustainability is our business.

Our diverse team of **world-class experts** supports clients across the breadth of their organizations to operationalize sustainability, underpinned by our deep technical expertise in addressing environmental, health, safety, risk and social issues. We call this capability our “**boots to boardroom**” **approach** for its unique service model that allows ERM to develop strategic and technical solutions that advance objectives on the ground or at the executive level.

Clients all over the world call on ERM to help them respond to complex sustainability ambitions like building business resilience, supporting the transition to a low carbon future, or enabling progress on environmental, social and governance (ESG) priorities.

Our **singular focus on sustainability**, our range of services and “boots to boardroom” approach ensure that we can work alongside our clients to address their most pressing challenges and opportunities, whether they require focused technical attention or full top-to-bottom strategy and solutions.

ERM has **more than 50 years** of experience operationalizing sustainability for clients. Our breadth and depth of expertise and ability to integrate solutions across organizations are why many of the world's leading organizations call on us as their trusted advisors.





Purpose & values

Our purpose and values are the driving forces behind the way ERM shows up for clients, our employees and society.

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Our value chain

Our value chain entails the activities and outcomes that enable ERM to fulfill our purpose and live our values.

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New acquisitions

Growing our capabilities and areas of expertise each year strengthens our ability to provide integrated solutions at any level of business.

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Sustainability-related policies

Policies play an important role in ERM's management of sustainability challenges, in particular our material topics.

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Impact with clients



WE RECOGNIZE THAT OUR GREATEST IMPACT IS THROUGH THE WORK WE DO WITH OUR CLIENTS.

ERM has more than fifty years of experience operationalizing sustainability for clients. Our breadth and depth of expertise and ability to integrate solutions across organizations are why many of the world's leading brands call on us as their trusted advisors.

Our singular focus on sustainability, our commercially focused range of services, and “boots to boardroom” approach ensure that we can work alongside clients to address their most pressing challenges and opportunities.

We most frequently do this for companies that have the biggest impact on the planet – including those in the energy, chemical and

pharmaceutical, technology, mining and minerals, manufacturing, finance and other important industries.

Clients around the world call on ERM to help them respond to complex sustainability ambitions like supporting the transition to a low carbon future, building business resilience or enabling progress on environmental, social and governance (ESG) priorities.



Low carbon economy transition

As we move to a decarbonized economy, we are helping clients to survive and thrive, from boardroom strategy to front-line action.

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Business resilience

We help clients anticipate and prepare for change and adapt to circumstances in a way that provides the best chance of thriving in the long-term.

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ESG & sustainable finance

We work with companies and investors to maximize and protect value and access capital to transition to a more sustainable business model.

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Measuring impact from consulting services

We are committed to more effectively measuring and communicating the impact of our work with clients.

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Targets, goals & performance results






Our sustainability targets & long-term goals.



Based on our [materiality assessment](#), we identified ERM's material sustainability topics, set annual targets and reviewed our 5-year goals. The table below provides a snapshot of ERM's performance against our FY21 annual targets and longer-term goals as well as our annual targets for FY22. [Download a PDF of our targets and goals.](#)

*Key: ♦♦♦ = Target exceeded, ♦♦ = Target met, ♦ = Target not met. View each of the material topics pages (see links in table) for more information on our performance against targets.

Material topics	Longer-term goals (to be met by end of FY22 unless otherwise stated)	FY21 target & results*	FY22 targets
 Business conduct & ethics	No fines or monetary sanctions for material noncompliance with laws or regulations.	<p>No fines or monetary sanctions for material noncompliance with laws or regulations.</p> <p>◆◆</p> <p>100% completion of ERM global mandatory new starter training.</p> <p>◆◆</p> <p>95% completion of required refresher training for employees with designated due dates or before 31 March 2021.</p> <p>◆◆◆</p>	<p>No fines or monetary sanctions for material noncompliance with laws or regulations.</p> <p>100% completion of ERM global mandatory new starter training.</p> <p>95% completion of required refresher training.</p>

Material topics	Longer-term goals (to be met by end of FY22 unless otherwise stated)	FY21 target & results*	FY22 targets
 Our people	<p>Our employees reflect the diversity of the communities in which we work, based on gender, language and other measures.</p>	<p>Increase gender diversity among Senior Consultants, Technical Directors & Partners by 10% over previous year.</p> <p>◆ All Business Units develop a diversity, equity, equality & inclusion plan.</p> <p>◆◆ Increase performance score of the ERM Global Leadership Index by 40% of categories from the FY20 baseline.</p> <p>◆◆◆</p>	<p>Increase gender diversity among Senior Consultants, Technical Directors & Partners by 10% over previous year.</p> <p>Establish a baseline of the ethnic diversity of employees across ERM.</p> <p>Each employee receives a minimum of 40 hours training in the fiscal year (formal and on the job).</p> <p>Achieve at or above the last survey score of 70% for the Engagement and 69% for Enablement Indexes in the FY22 employee engagement survey.</p> <p>Achieve a minimum of 80% in the Inclusion Index FY22 Employee Engagement Survey. Increase performance in four categories of the GDEIB from FY21.</p>

Material topics	Longer-term goals (to be met by end of FY22 unless otherwise stated)	FY21 target & results*	FY22 targets
 Health, safety & well-being	<p>Days away from work case (DAWC) rate below 0.06 and no fatalities.</p>	<p>No Life Impacting or Fatal Events for ERM & subcontractors.</p> <p>◆◆ Achieve 85% on-time verification rate for all safety-related Corrective & Preventive Actions.</p> <p>◆ Achieve a Safety AT ERM global score of 75.</p> <p>◆◆◆</p>	<p>No Life Impacting or Fatal Events for ERM & subcontractors.</p> <p>Achieve High Risk Rate Reduction at the Regional level >10% over FY20 baseline. Set baseline for integrated well-being metric.</p>
 Climate-related risk	<p>Achieve forecasted progress towards longer-term science-based targets for 2025 & 2050.</p> <p>Increase revenue from services that contribute to the low carbon economy transition.</p>	<p>Remain on track to meet science-based targets of 30% reduction in Scopes 1 & 2 and 11% in Scope 3 emissions by 2025.</p> <p>◆◆◆ Increase sales supporting the low carbon economy transition by 25% over FY20.</p> <p>◆◆◆</p>	<p>Remain on track to meet net-zero commitment and science-based targets of 30% reduction in Scopes 1 & 2 and 11% in Scope 3 emissions by 2025.</p> <p>Increase sales supporting client's low carbon economy transition by 50% over FY21.</p>

Material topics	Longer-term goals (to be met by end of FY22 unless otherwise stated)	FY21 target & results*	FY22 targets
 Client satisfaction	<p>Increase growth in the average number of services provided to key clients by 15% (3-year rolling average).</p>	<p>Increase growth in the average number of services provided to key clients by 10% (3-year rolling average). ♦</p>	<p>Establish independent & verifiable client satisfaction process.</p>
 Contributing to society	<p>Increase Foundation contributions over time (e.g. the percentage of employees engaged, company donations & employee funding). Measure and report the impacts of the Foundation and non-client generated projects or programs on the Sustainable Development Goals.</p>	<p>Achieve FY21 impact-based targets for the ERM Foundation. ♦ Contribute 1% of prior year profits to support sustainability initiatives around the globe, including the ERM Foundation. ♦</p>	<p>Achieve FY22 impact-based targets for the ERM Foundation.</p> <p>Contribute 1% of prior year profits to support sustainability initiatives around the globe, including the ERM Foundation.</p> <p>20% increase in publications downloaded from the SustainAbility Institute by ERM.</p>