Sustainability in Action
Welcome to our world of sustainability

As the world’s leading sustainability consultancy, ERM is in a unique position to contribute to finding and delivering solutions to global sustainability challenges.

We have over 150 offices in 40 countries and territories. With gross revenues of around US$900 million, we employ 4,600 full-time employees, with our employee Partners owning a 45 percent stake in our Company. ERM is committed to creating value for its clients by providing strategic and technical advice in the business context and delivering projects and programs that are high quality, professional and value creating.

Over the past three years, we have worked for more than 50 percent of the Global Fortune 500 companies. We have delivered innovative solutions for these clients, at the same time helping them to understand and manage the sustainability challenges that, increasingly, the world is facing.

Together with our annual Sustainability Report, this Business Review responds to feedback on our 2012 Sustainability Report. Our stakeholders requested that, in 2013, we place more emphasis on how ERM is generating solutions to the global sustainability challenges our clients face while continuing to improve our own performance.

ERM’s core practice areas are as follows:

- Air Quality and Climate Change: Addressing clients’ challenges relating to air quality, carbon management, energy efficiency and climate risk.
- Impact Assessment and Planning: Supporting clients to understand, manage and mitigate the full cycle of effects their operations can have on the natural, social and economic environment, including regulatory support to ensure long-term successful compliance.
- Performance and Assurance: Helping corporations reach their environmental, health, safety and social performance potential, deliver economic, environmental and social value.
- Contaminated Site Management: Creating strategies and implementing projects to help clients manage their contaminated sites and return these sites to appropriate productive uses to enhance economic, environmental and social value.
- Transaction Services: Ensuring successful business transactions – with an expanding provision of full environmental, social and governance assessments and advice in response to investor demands.
- Risk Management Services: Quantifying and managing the safety risks associated with hazardous installations and processes, with the objective of protecting people, assets and the environment.

ERM Certification and Verification Services (ERM CVS): Delivering independent, third-party, performance-driving certification, verification and report assurance services to help many of the world’s leading multinational client organizations improve their sustainability performance. ERM CVS is a wholly owned subsidiary of the ERM Group.

For more details of these services, visit www.erm.com, or for ERM CVS visit www.ermcvs.com.

Our Sustainability Policy and Approach documents set out our commitment in seven key performance areas:

- Our People
- Health and Safety
- Business Conduct and Ethics
- Environment
- Community
- Thought Leadership
- Clients

Our Clients

By helping our clients achieve better outcomes, we not only contribute to the sustainability of their businesses but also help to address broader global challenges, such as access to natural resources and energy, and protection of biodiversity and local communities.

We are always looking for ways to help our clients achieve their business objectives by incorporating sustainable best practices into our offerings. We bring our technical expertise, professional skills and sector knowledge to assist with making decisions that are sustainable and deliver the best long-term business outcomes.

Our Services

Our core services (known as practice areas) are designed to meet the broad range of our clients’ changing needs. The strong communities that form these areas are designed to meet the broad range of our clients’ changing needs. They range from geographical boundaries, develop innovative solutions to address our clients’ challenges and enhance shareholder value.

150 offices around the world, from Argentina to Vietnam

160 countries and territories worked in over the past three years

4,600 employees across the world

42 years of innovative sustainability solutions
Our Highlights

Highlights of ERM’s recent activities around the world.

Globally
Mitigating the risks of water surplus and scarcity
Establishing a cross-practice global water network comprising expertise related to strategic and technical water risks (see page 6)

Globally
Making marine projects more sustainable
In response to client needs we have strengthened our global team to 80 marine specialists (see page 8)

Mexico City, Mexico
Office relocation
Office relocates to LEED Gold standard building (see page 12)

Vancouver, Canada
Key acquisition: Rescan
Deepening our mining sector capability (see page 15)

Peru
New approach for Anglo American in Peru (see page 7)

Rio de Janeiro, Brazil
Rio+20 Conference
Advancing the sustainability agenda (see page 11)

Frankfurt, Germany
Environmental and Recycling Award
Recognizing ERM’s technical standards (see page 9)

South Africa
Helping to empower local people in emerging markets (see page 13)

Tanzania
ERM Foundation Flagship Projects
Significant pro bono and fundraising support (see page 11)

Japan
ITOCHU Corporation
Providing environmental and social due diligence for a potential acquisition (see page 7)

Australia
Key acquisition: Zer01
Expanding our Sustainability Information Solutions capability (see page 5)

Vancouver, Canada
PDAC Conference
Presentations on key issues for the mining sector (see page 10)

Toronto, Canada
PDAC Conference
Presentations on key issues for the mining sector (see page 10)

UK
Determining the benefits of Centrica’s carbon-efficient products (see page 7)

Doha, Qatar
COP18 UN Climate Change Conference (see page 10)

Houston, US
CERAWeek
ERM served as the Sustainability Partner for a third consecutive year (see page 10)

Mumbai, India
Contaminated site management
Increasing the emphasis on sustainability considerations in this practice area (see page 5)

South Africa
Helping to empower local people in emerging markets (see page 13)

Tanzania
ERM Foundation Flagship Projects
Significant pro bono and fundraising support (see page 11)
Sustainability is not just part of our business; it is our business.

John Alexander, Chief Executive Officer

Through our strategy One Planet, One Company, ERM, we are striving for sustainable best practices to be embedded within every layer of our operations – from the services we offer and the projects we deliver to the offices and the communities in which we live and work.

As Vision 2050 of the World Business Council for Sustainable Development (WBCSD) 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 exceed 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 and society as a whole. 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 investors as well as local communities, countries and regions.

Additionally, with ERM’s active involvement in shaping sustainability-related thought leadership through our membership of organizations such as the WBCSD, the United Nations Global Compact (UNGC) and the Global Reporting Index (GRI), we can offer the best advice and deliver the best outcomes for our clients and the wider society.

Meeting changing needs

Throughout FY13, we supported a range of mining, oil and gas, power and other clients as they entered new markets in Africa, Asia and South America; we expanded the social and economic remit of environmental due diligence processes to identify and manage liabilities more effectively; and we helped clients understand and manage the risks associated with building and operating complex industrial facilities.

With globally integrated and resourced teams, such as our newly created global technical experts teams, 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.

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 acquisition will allow us to continue our strategy of building a leading position in our key markets.

We also acquired certain assets of Zen01, Australia’s largest information solutions firm focused on health, safety and the environment. This 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 carbon, waste and water footprints. It 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. As part of that commitment, we participated in a range of thought leadership events and discussions on both a corporate and individual basis in FY13.

We were involved in the WBCSD Vision 2050 and Action2020 process, which looks at shaping the agenda for doing business in a world with dwindling resources and growing populations. I am honored to be the Co-Chair of the Action2020 process, supported by a team of ERM experts. We also participated in the Rio+20 United Nations Conference on Sustainable 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 PDAC, CERAWeek and energy conferences led by the SPE.

We are proud to have played a key role in driving this change, but there are still many challenges ahead. 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 input towards client decisions.

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

Over the past three years, we have worked for more than 50 percent of the Global Fortune 500 companies.

Left: Conducting hydrological terrain surveys in British Columbia, Canada.

Middle: ERM employees participating in beach clean-up activities in Lima, Peru as part of the International Coastal Clean-up Day.

Right: Saurav Chakraborty from ERM’s Contaminated Site Management Practice installing a groundwater remediation wellhead as part of a remediation project in Mumbai, India.
Our Services

Mitigating the risks of water surplus and scarcity

Water is a critical business risk for many of our clients, in relation to both scarcity and surplus, and we help these organizations use water more efficiently as part of their operations.

In FY13, ERM established a cross-discipline global water network, which has expertise across business and technical water risks. The team advises clients on how to monitor, measure and manage water consumption across all of ERM’s key industry sectors and helps to address critical issues. These critical issues include environmental, political, regulatory, economic and societal/cultural factors – all of which can impact the availability and quality of water supplies.

By identifying an organization’s site water stress levels, and the drivers influencing them at a regional level, our team can create water availability and cumulative carbon assessments that can be used in the decision-making process for investments.

Our clients are operating in a world where expectations across the full spectrum of stakeholders are higher, risks are greater, investment returns are challenging, regulations are tightening, and the need to report and be transparent is becoming more critical. Increasingly, to prosper, not just to survive, the best organizations are facing the challenge to demonstrate that they are sustainable in order to be successful.

For business today, revenue, risk and reputation are linked inherently to an organization’s sustainability credentials, with sustainability underpinning its long-term success and shareholder returns. Major safety or environmental incidents, supply chain issues or a lack of transparency in business dealings can have direct and material impacts on a company’s share price value.

At ERM, we understand the strategic value of sustainability and how to make it an operational reality. As business conditions have evolved, we have focused on delivering practical advice and technical solutions to thousands of organizations around the world.

Global delivery, local expertise

Every client we work with, every project we deliver, and every risk we mitigate contributes positively to our overall impact on the world’s sustainability challenges. We are plotting various approaches to enable us to measure this impact more effectively, while at the same time challenging ourselves to create new approaches and services that drive more sustainable outcomes for our clients.

Our ability to deliver such outcomes is reliant on our commitment to the continuous development of our people, processes and services. We deliver. We innovate. We improve. We invest.

In FY13, we added new approaches to existing service offerings, including Client Training Programs, Product Sustainability and Integrated Water Management. We also increased our investment in our key client and sector-focus teams to help us understand and respond to our clients’ needs and industry-specific challenges.

We are partnering with our clients to provide services throughout the entire lifecycle of our clients’ projects. For example, we are providing capital project support to prevent delays in licensing and permitting. We are delivering sector-specific support for oil and gas clients, concentrating on efficiency and performance improvements. For clients involved in extracting unconventional resources, we are engaging across the entire value chain, from site identification to permitting, stakeholder engagement and assurance of operating performance.

Regardless of the location, industry or service offering, ERM brings a unique understanding of sustainability issues and impacts to every client engagement. By considering all business risks and opportunities, we help to create shareholder value and support the long-term sustainability of an organization while delivering short-term value and outcomes.

Determining the benefits of Centrica’s carbon-efficient products

Centrica is a company active in each stage of the energy life cycle – from sourcing and generating to processing and storing, and from trading and supplying to servicing.

When Centrica wanted to calculate the carbon and financial benefits to its domestic and commercial downstream customers from the carbon-efficient products and services it installs, ERM’s Climate Change team devised innovative methodologies to address this question.

This included matching publicly available data on potential savings with the levels of installation for specific technologies, such as insulation, energy-efficient boilers and solar photovoltaic panels. Using this data, the team was able to calculate the carbon and financial savings made over the last three years and then put them in the context of Centrica’s upstream renewable (wind) generation and its business scope 1 and 2 emissions.

Centrica is now using this information to help formulate water communications to its customers about how the company is contributing to the decarbonization of the UK.

New approach for Anglo American in Peru

During the concept stage of Anglo American’s Michiquillay copper mine development, the project team identified several social and environmental challenges that were critical to the project’s success. The team recognized the opportunity to mitigate cost-effectively these sustainability risks through project design during the early stages of the project life cycle and engaged ERM to support them in systematically analyzing the risks and identifying options to mitigate them.

ERM discussed the findings with the project team to identify five strategic project decisions that could materially influence the social acceptability and ‘permitability’ of the Michiquillay project, which relate to:

- Location of tailings;
- Process water source;
- Concentrate transport methods;
- Stakeholder engagement; and
- Mine plan.

Following confirmation of the initial findings, the project team worked with ERM to prepare a scenario analysis exercise during a three-day workshop held in Lima, attended by the project team.

A systematic process was used to compare each alternative against its respective base case to understand the potential risks and opportunities.

The output of the workshop was a summary of the key sustainability risks facing the project and a number of different options for the project to investigate during the feasibility stage. The engagement of a multi-disciplinary project team in the process meant that the options developed were both technically and financially feasible.

The identification of sustainability risks and challenges at the concept stage allowed the Michiquillay project team to obtain a full understanding of the potential business consequences of decisions made during early stage project development.

ITOCU Corporation (ITOCU), a Japanese trading house, retained ERM to provide environmental and social due diligence when it was considering the acquisition of a trash produce and packaged foods business. Among other things, ITOCU wished to ensure the operations were consistent with important issues listed in ITOCU’s CSR Action Guidelines for Supply Chains.

Through a series of meetings, ERM’s team evaluated ITOCU’s due diligence processes and developed an approach to meet the client’s needs. ERM then conducted an audit sample of the operational EHS practices of the business to be acquired.

ERM developed further an extensive EHS audit process for an in-depth review of the operations. Prior to the sale closing, ERM conducted this comprehensive audit of the significant operations of the business to be acquired.

Our approach to the work and deep understanding of the client’s needs and concerns put ITOCU in a position to understand clearly the EHS aspects of the acquisition.

ERM Business Review 2013
Our Projects and Programs

Optimized processes and improved performance controls help ERM deliver projects more effectively with better client outcomes.

Increasingly, our clients are embarking on more complex projects in more challenging locations. Many of these projects form part of longer and longer-term programs of work, requiring significant planning, investment and resources. In addition, these clients expect to be able to achieve their goals in the most cost-effective way.

The increased complexity, particularly for projects spread over longer periods of time, has led us to improve our processes to ensure the overall health, safety and well-being of all of our employees and sub-contractors. This includes carrying out more rigorous travel risk assessments and improving access to expert support while onsite. Both are key factors for projects located in difficult and remote areas.

A successful project does not just need to employ the right processes; it also requires the right people to be deployed. In FY13, we established a new system for assessing the credentials of our sub-contractors as part of our focus on sustainability in the supply chain. By taking a more proactive approach through our supply chain, we will be able to respond more quickly to client needs and ensure that everyone working on an ERM project applies the same standards for health, safety and business conduct.

Assessing and managing project risk

A robust approach to assessing and managing risk is required for the thousands of projects we work on each year. Every new major project undertaken by ERM is screened using our Project Liability Analysis (PLAN) system, which consists of an automated workflow in our customer relationship management platform hosted on Salesforce.com.

We have enhanced PLAN to enable us to improve the identification and mitigation of risks related to commercial, health and safety, business conduct and ethics, sub-contractor use and reputational considerations. We are also engaging more actively on these issues to ensure that all projects are delivered according to our standards and the standards of our clients. This enables us to deliver better outcomes and manages these potential risks.

To provide consistent project management for our largest projects and programs, including world-class cost/schedule controls and change management, we launched our new approach to large project management, known as ERM PRO. We have trained the first wave of people in this approach and will continue its implementation in FY14. This has already started to show improvements in delivery, helping to ensure that projects meet their budget, schedule and sustainability challenges.

Adapting to the new agenda

To reflect the evolving needs of our clients and the changing nature of their projects, we continued to adapt our skills and services in FY13. For example, we increased the emphasis on sustainability considerations as part of contaminated site remediation, which remained a key focus for our clients, particularly in the oil and gas, mining, power and manufacturing sectors across all geographies.

We conducted a global survey of our contaminated site practitioners to benchmark our progress on embedding sustainability factors into every clean-up project. The survey revealed that minimizing waste generation, reducing risk to workers and protecting water supplies are the top three sustainability considerations. These are now being incorporated into the way we deliver these projects to clients.

In FY14, we will be taking steps to integrate other economic and social indicators, such as local employment and communities, when considering the remediation of contaminated sites.

At ERM, our goal is to ensure that client projects are delivered safely, sustainably and successfully.
At ERM, we seek to drive sustainability excellence through investment in innovation and thought leadership initiatives. We look to inspire, empower and engage as we encourage all of our employees to contribute to the global sustainability debate by sharing ideas, expertise and best practice in a range of forums, publications and technical communities. In FY13, we intensified our participation in sustainability discussions and events to help deepen our impact and broaden our insight.

Sharing best practice
In FY13, we participated in a range of opinion-forming discussions and published 45 articles on topics as diverse as life cycle assessment in product innovation and social sustainability risks in the biotech industry to ecological considerations in offshore platform decommissioning. These publications demonstrate ERM’s thought leadership and unique insight into existing and emerging sustainability risks and how to mitigate them.

$1m
c contributed by ERM in keeping with its commitment of one percent of profit going towards The ERM Foundation and other sustainability initiatives

ERM’s participation in sustainability debates, initiatives and publications on a global and local scale helps drive positive change.

In FY13, ERM and its employees were members of more than 320 industry, professional and technical bodies around the globe and delivered over 480 presentations at conferences.

Building foundations for the future
In addition to involvement with national and regional associations, our people also engaged actively with local communities across all regions of the world in FY13. The ERM Foundation plays a fundamental role in facilitating this engagement. The ERM Foundation enables our employees to channel their expertise and passion into sustainability initiatives including those related to biodiversity, environmental education, clean water and low carbon. These initiatives deliver tangible benefits to local people, as well as to the planet as a whole, by providing practical, technical and financial support to a range of projects.

To build on the success of The ERM Foundation, we are establishing a Flagship Project in each of our three regions. The first of these projects to go live, in FY13, was with the PAMS Foundation, a Tanzania-based non-profit conservation organization which supports, among other things, the management of habitats for elephants in Tanzania.

Tackling climate change
A key initiative to help tackle the world’s carbon footprint is our Low Carbon Enterprise Fund (LCEF), a program of The ERM Foundation. The LCEF provides financial and pro bono technical and management support to low-carbon enterprises that deliver tangible social and economic benefits to the communities in which they operate. In FY13, we celebrated the successful launch of our second iteration of the Fund in partnership with the Netherlands-based DOEN Foundation.

The LCEF invests in a broad range of enterprises and initiatives, such as bio-fuel briquettes in Rwanda, carbon neutral coffee in Nicaragua, smokeless stoves for schools in India and solar lamps in Nepal.

Advancing the sustainability agenda
In June 2012, the Rio+20 Conference brought together world leaders, government delegations, the private sector and civil society to discuss how we can all work together to reduce poverty, advance social equity and ensure environmental protection on an increasingly crowded planet. As a signatory to the UNCCD and member of WBCSD, ERM’s participation in Rio+20 strengthened our commitment to advancing the broader global sustainability agenda.

Prior to the conference, we hosted an event on Women and the Environment, which was co-sponsored by Shell, the UNCCD UK Network and the World Association for Girl Guides and Girl Scouts. Ros Kelly, former Australian Minister for the Environment, was a keynote speaker.

Following the event, we published positioning papers on sustainable development, women and the environment, and human rights. We also collaborated with Sustainable Business Australia and the United Nations Association of Australia to convene a Post-Rio+20 business forum and networking event in Melbourne, and partnered with PTT, one of the largest companies in Thailand, to explore the opportunities and implications of Rio+20 for business.

As part of our commitment during Rio+20, ERM has become a signatory of the Women’s Empowerment Principles.

Energizing the sustainability debate

ERM participates in a number of high-level events each year, enabling us to contribute to and lead the debate on the numerous sustainability issues facing our clients.

In 2013, for the third consecutive year, ERM was the Sustainability Partner for CERAWeek, a leading global energy event that brings together more than 30,000 industry executives, government makers from around the world and leading mineral exploration PDAC is one of the world’s leading mineral exploration conferences, bringing together more than 25,000 delegates from 125 countries. At this year’s event, ERM led a panel discussion on "Maximizing Environmental and Social Performance during Exploration", which revealed an opportunity for mining companies to link their corporate social responsibility policies more effectively with actual, on-the-ground performance.

A delegation from ERM’s Air Quality and Climate Change Practice also joined government negotiators and advocacy groups for the 18th session of annual international talks on the UN Framework Convention on Climate Change and the Kyoto Protocol COP18. At the event in Qatar, attendees shared perspectives, gauged concerns and gained insights about the potential impacts and opportunities facing ERM and its clients.

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In FY13, ERM identified the PAMS Foundation as a Flagship Project to benefit from significant pro bono and fundraising support to help addressing the issue of elephant poaching in the Ruvuma corridor, an unprotected area in Mozambique and Tanzania. PAMS, working with local scouts to monitor population levels, has seen evidence of large scale poaching.

A team of ERM geographical information specialists is working with PAMS to support information gathering and mapping to eliminate poaching and identify alternative livelihoods for the community. At the same time, ERM colleagues around the region are purchasing much-needed tracking devices that allow PAMS to record and monitor elephant numbers and instances of poaching. The ERM team will also be working with local scouts in the area to provide essential training.

ERM’s participation in sustainability debates, initiatives and publications on a global and local scale helps drive positive change.

ERM Business Review 2013
driving improved performance
At ERM, we are committed to making the most of all our resources—whether energy, water, paper or people—to drive greater sustainability across our business.

Our commitment to sustainability extends to every ERM office and every individual at ERM. We are evolving and enhancing the way we operate around the globe to reduce our direct footprint on the planet.

To advance our sustainability strategy and goals, we encourage every office to develop an action plan to improve performance across the seven focus areas of our Sustainability Program at a local level. This has resulted in a series of local initiatives in each of the focus areas, particularly with respect to community, health and safety, and people, as well as the environment.

Less waste, less travel
Effective resource utilization is a key component of our Green Buildings Guidelines, which support the consideration of sustainability-related factors when establishing new offices and relocating existing offices. These guidelines range from the choice of heating/air conditioning and lighting to the materials used for office fittings to selecting locations to provide better public transport access.

Reducing the waste generated by our offices and promoting the reuse of materials remain priorities for ERM. For example, we established a global program for recycling IT equipment with any resulting revenues going to the ERM Foundation.

In the context of our GHG emissions, we are continuing to manage the volume of our business travel. As part of service and project delivery, our employees need to collaborate with clients and colleagues in multiple locations. To enable them to do this remotely, we extended our use of video conferencing technology in FY13, with 85 percent of employees, on average, using video conferencing technology to do this remotely.

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Empowering local people in emerging markets
ERM is committed to supporting community initiatives with an active and proactive local engagement strategy. A number of consultants also participated in our ERM Aspire and Partner-in-Training programs, which form part of our focus on building the leaders of the future.

To ensure that we make the best use of our people’s skills and deliver the best outcomes, we deployed a new global HR information system in FY13. This system enables us to match the right resources to the right projects quickly and effectively. This not only benefits our clients but also offers improved career development opportunities and provides us with a global approach to managing our people.

Driving continual improvement with accurate data
The cloud-based solution, using the CloudApps software, allows us to collate sustainability performance metrics—such as energy use, participation in community service activities in our City office was constructed on a former car dealership site in a previously densely developed area.

The Mexico City team has been able to reduce significantly the energy used for lighting per square floor area by selecting work stations with LED lighting and maximizing the use of natural light. A more efficient air conditioning system has delivered energy requirements of more than 20 percent and improved indoor air quality.

The new building was also constructed using sustainable materials, including waste wood, unwanted marble and broken glass. In addition, ERM employees can now choose from a range of sustainable commuting options, including several means of public transport and a bicycle-sharing scheme.
Our Business and Commercial Focus

Delivering a strategy that supports our commitment to our clients and the business ethics by which we operate.

Our One Planet. One Company. ERM. strategy provides us with the clear focus we need to drive long-term success in a changing and challenging world. The continued confidence and support of our clients, combined with our ability to attract and develop many of the best people in the industry, meant that FY13 was another year of strong growth for ERM.

We expanded our services and skills with the acquisition of two companies: Rescan in Canada and Zero1 in Australia. The skills from Rescan will strengthen further our position in the mining industry in North and South America. Zero1 enhances our ability to deliver Sustainability Information Solutions to clients in Asia Pacific and beyond.

We also created a team of management consultants, including existing Partners and new hires, to help our clients achieve sustainable operational excellence in their business performance.

Ensuring service excellence

To ensure that we can meet the needs of our major clients, we continued to enhance ERM’s Global Key Client Program. The Program supports ERM’s commitment to service excellence and helps us deliver better outcomes for our clients in an integrated and consistent manner.

Work for Global Key Clients grew by 17 percent in FY13, reflecting the confidence that many of the world’s largest companies place in ERM. We recognize this privileged position and focus our resources on these clients to ensure that we maintain their confidence. By building on this success in FY14, we will be able to continue to invest in promoting long-term growth of our Global Key Client Program.

Putting business ethics first

At ERM, growing our business must be balanced at all times with our corporate governance responsibilities and sustainability goals.

Every project and every employee are subject to the same high ethical standards and Code of Conduct. We strive continuously to ensure that all of our operations are transparent, and our people and our business comply with regulations. During FY13, ERM once again met its goal of no fines or non-monetary sanctions for material non-compliance with laws or regulations.

To maintain these high standards, we audit a sample of business units and offices around the world each year to ensure that financial controls, business conduct and ethics standards and labor rights are being observed.

Our upgraded Learning Management System now enables us to ensure that our people are up to date and aware of their need to complete mandatory training modules in key areas, such as human rights, business conduct and ethics, and health and safety, which form the focus of core training for new employees upon joining the Group.

Good governance is fundamental to ERM and its ongoing success. By applying stringent standards to our daily operations, we continue to expand and evolve our business professionally and sustainably, and meet our commitment to global business frameworks, such as the UNGC.

18% constant currency increase in consulting revenue, including acquisitions

20 Global Key Clients supported on global programs worldwide

Zero fines or non-monetary sanctions for material non-compliance with laws or regulations

Recognizing outstanding leadership

In FY13, ERM’s Global Air Quality and Climate Change Practice Lead, Ken Weiss, PE, BCEE, was recognized for the outstanding contributions he has made to the Air and Waste Management Association (AWMA). The AWMA is an international non-profit organization that aims to help improve environmental knowledge and decisions by providing a neutral forum for exchanging information.

Ken was presented with the Charles W. Gruber Association Leadership Award for his outstanding contributions to the AWMA’s grassroots network and educational mission. Ken’s workshop efforts have kept the Association and its members in the vanguard of key environmental thinking for the past 35 years.

Left: New Partners from across the globe participate in a three-day Partner Integration workshop in Boston, US.

Right: Carrying out a pre-audit inspection at Newmont’s Lone Tree Mine in the US.

Right: Ken Weiss, pictured right, receiving his award.

Rescan acquisition strengthens our services and skills

For more than 30 years, Rescan has been delivering multi-disciplinary environmental services to clients in the mining sector and other resource industries.

In September 2012, Rescan became part of ERM, bringing with it 170 highly qualified and experienced employees from seven offices across Canada. With a strong safety performance and proven record of delivery in the mining sector, Rescan is a good cultural fit with ERM and our commitment to sustainability.

Rescan’s service portfolio includes impact assessments, licensing and permitting, environmental management plans, and marine and biodiversity studies. With a broad client base in the mining sector, the company has worked on a wide range of projects, commodities and sites in Canada, including diamond, silver, gold and copper mines and potash initiatives.

The acquisition of Rescan has enabled ERM to expand the breadth and depth of services offered by our Canadian operations and to strengthen the services offered to clients in North and South America, and to mining clients worldwide.
Continued strong financial performance enables ERM to invest in the sustainable growth of the business.

FY13 was another successful year for ERM. At constant exchange rates, we increased our net consulting revenue by 14 percent and our trading profit by 16 percent excluding the impact of acquisitions made during the financial year. Including the impact of acquisitions (from the date of acquisition), we increased our net consulting revenue by 18 percent and our trading profit by 22 percent.

We have continued to undertake a large number of actions to invest in the current and sustainable future growth of the business. Among the actions during the year were:

- Significant on-going activity in our key client program, in particular in our three initial focus sectors: Oil & Gas, Mining and Power. Combined sales in these three sectors have grown strongly at over 18 percent (excluding the impact of Rescan) compared to the previous financial year, representing the combination of our focus and the underlying markets.
- Expanding our Partner base: in FY13, we hired 59 new Partners into ERM and added 15 Partners via acquisitions. The external recruitment of experienced professionals into our business will develop further our service offerings and deliver the best outcomes for our clients. During the year 28 employees were promoted into the Partnership from our industry-leading partner-in-training program.
- Creating a leading partner-in-training program.

The nature and range of the services we offer in these sectors have continued to expand to deal with established and emerging issues in these industries. Examples of our expanded range of services include our work on corporate sustainability strategy, working with clients on sustainable operational excellence, providing major capital project support and supporting significant developments in the area of unconventional resources.

**Sales by Region FY13**

- Americas 219 246 302
- Europe, Middle East and Africa 112 129 137
- Asia Pacific 98 107 120
- Latin America and Caribbean 28 38 39
- North America 219 246 302
- Other* 20 22 20

**Gross Revenue** 681 799 923 16.4%

**Net Revenue**

- Europe, Middle East and Africa 112 129 137
- Asia Pacific 98 107 120
- Latin America and Caribbean 28 38 39
- North America 219 246 302
- Other* 20 22 20

**Total Net Revenue** 477 572 668 17.5%

Financials

**Our world of sustainability**

To find out more about ERM, our services and the work that we do for our clients around the world, visit [www.erm.com](http://www.erm.com)

**People highlights featured in our Sustainability Report include:**

**Dr Luke Long**

Shanghai, China

In response to client needs for his specialist skills in managing social issues for businesses, Luke worked in Australia and Africa throughout the past year on many complex projects.

**Phil LaDuke**

Michigan, US

Phil was recognized for his expertise in health and safety, being included on the Power 101 list of the most influential people in worker safety worldwide, according to the magazine Industrial Safety and Hygiene News.

**Kristina Ringwood**

Melbourne, Australia

Kristina joined ERM during FY13 to lead the Global Water Network, which we established to offer clients help in managing business critical water risk across both technical and strategic aspects.

**Ann Chilton**

Austin, US

Ann, our Global Compliance Officer, served on the Global Reporting Initiative (GRI) Working Group that developed updated standards for companies to report on their anti-corruption and bribery efforts, as part of the next generation of GRI guidelines (G4).

**Jeremy Soboi**

Cape Town, South Africa

Jeremy is a member of the Sustainability Advisory Committee, and leads the client program area. His wealth of experience, commercial knowledge and passion for sustainability are invaluable as we seek to embed sustainability in all that we do.

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**About this report**

www.erm.com/sustainabilityreport2013

**Our Sustainability Policy and Approach documents set out our commitment in seven key performance areas:**

- Our People
- Health and Safety
- Business Conduct and Ethics
- Environment
- Community
- Thought Leadership
- Clients

**Design**

Emperor Design

Printing and Distribution

The JWP Consultancy

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ERM has over 150 offices across the following countries and territories worldwide:

Argentina  
Australia  
Belgium  
Brazil  
Canada  
China  
Colombia  
France  
Germany  
Hong Kong  
Hungary  
India  
Indonesia  
Ireland  
Italy  
Japan  
Kazakhstan  
Malaysia  
Mexico  
Mozambique  
Netherlands  
New Zealand  
Panama  
Peru  
Poland  
Puerto Rico  
Portugal  
Romania  
Russia  
Singapore  
South Africa  
South Korea  
Spain  
Sweden  
Taiwan  
Thailand  
United Arab Emirates  
United Kingdom  
United States of America  
Vietnam