

ERM SUSTAINABILITY REPORT 2023

Modern slavery statement 2023

SUPPLEMENT

ERM Modern Slavery Statement 2023

Note: This Statement is made pursuant to section 54(i) of the UK Modern Slavery Act 2015 and constitutes the Modern Slavery Statement 2023 for The ERM International Group Ltd and all of its global subsidiaries. The complete list of ERM subsidiaries as of 31 March 2023 (which includes ERM Worldwide Group Limited, Environmental Resources Management Limited, and ERM-Europe Limited) can be found [here](#).

This Statement should be read in conjunction with our [previous UK Modern Slavery Statements](#) and our [Human Rights, Modern Slavery and Child Labor Policy](#). ERM continues to be a strong supporter of ethical business conduct in our operations and supply chains and in the international efforts to abolish all forms of modern slavery. In this statement, we describe the specific actions we have taken in the past fiscal year ending 31 March 2023 and note plans for the next fiscal year.

1.0 Summary of actions

In the fiscal year ending 31 March 2023, the specific actions taken to progress our efforts are as follows:

- We have continued to develop our governance, strategy and processes for identifying and managing risk, including that of modern slavery. This has included a review of the process by which we identify, assess and address risk both within our own operations and that of our supply chain.
- We have undertaken a detailed analysis of evolving best practice in the management of human rights and modern slavery. This has been used to develop a program of action, which we have begun executing in fiscal year 2023 and will continue to deliver throughout fiscal year 2024.
- The analysis has been used to further evolve our [Human Rights, Modern Slavery and Child Labor Policy](#), which has been informed by our subject matter experts.
- To ensure our workforce is alert to, and informed of, human rights and modern slavery issues, we have developed and rolled out mandatory training to all those in a position of responsibility for managing our own operations and those of our work with clients. As of the 31 March 2023, 76% of those ascribed the training have completed the course, and a system of reminders is in place to improve the response rate. We will refresh the training, in line with identified need, and mandate training for relevant new joiners, as well as refresher training for existing employees.

- As part of the mandatory training program, there has been increased awareness and empowerment of employees to report any suspicions of human trafficking or modern slavery via our Ethics helpline, email and/or established governance systems that include compliance, legal and sustainability leads.
- As noted previously, our reporting system was implemented in calendar year 2018 and is a multi-lingual service hosted by a third-party provider. It is available 24 hours a day, 365 days a year by phone or web portal. With this system, concerns about our business operations (including modern slavery and any other form of unethical business conduct) can be reported completely anonymously and without fear of retaliation.
- We have implemented our updated **Supplier Code of Business Conduct & Ethics** (“Supplier Code”), which includes specific clauses around human rights and modern slavery. It has been rolled out to subcontractors and third-party suppliers. Our contractual Terms & Conditions also bind suppliers to our Supplier Code and therefore provide explicit expectations and requirements in respect of addressing modern slavery risks.
- We have implemented the new global Sustainable Procurement Policy, developed in fiscal year 2022, which prioritizes suppliers that have a public commitment in place to prohibit slavery in all its forms.
- We see continual improvement as key to our supply chain approach, and we have continued to update procedures, systems and data analytics capabilities related to our supply chain so that those improvements and information can support our efforts to identify and abolish all forms of modern slavery along our supply chain. We will further engage and seek to actively monitor our supply chain with respect to their governance of human rights and modern slavery within their own operations during fiscal year 2024.

- In addition to our ongoing program of action and work for clients on modern slavery matters, ERM has participated in a number of external engagements and strategic international partnerships related to modern slavery in the last year. Examples include:
 - Active membership of the Working Group on Modern Slavery in the UN Global Compact in the United Kingdom; and
 - ERM is a member of the **Business Commission for Tackling Inequality** (BCTI). ERM supported the launch of the BCTI’s flagship report and will be part of the corporate action to address rising inequality.

2.0 Our business

ERM is a leading global provider of sustainability consultancy services, including environmental, health, safety, risk, social and human rights consulting. We have more than 150 offices in over 40 countries and territories. We provide services to clients in many locations and in all types of industries, with a focus on sustainability across all industry sectors.

The Board of Directors and Executive Committee are ERM’s highest governing bodies. Our operational and governance structure is further detailed on our corporate website. While our business is structured on a corporate model and is not a partnership in the legal sense, we use the term “Partner” to designate our top executives and leaders. Our Partners lead ERM, and as of the end of the fiscal year, we have over 8,000 people working on projects for clients around the world. We provide both office-based services and on-site work all over the world. Our work takes us to manufacturing plants, construction sites, mine sites, offshore and onshore rigs, agricultural and rural areas.

While all ERM Partners are responsible for risk management across the ERM operations and projects that they manage, the Group General Counsel and the legal team provide overall advice and analysis in respect of ERM's compliance with applicable laws and regulations (including the UK Modern Slavery Act) and published policies and procedures (including **ERM's Code of Business Conduct & Ethics** and our **Human Rights, Modern Slavery and Child Labor Policy** and oversee any investigation as appropriate. The Group General Counsel reports to the Group Chief Executive, who is ultimately accountable to the Board of Directors for the Group's management of its risks and compliance in general.

ERM's Global Head of Risk is responsible for managing companywide risk, which includes Modern Slavery risks. Their remit includes managing our Enterprise Risk Framework and enhancing, as appropriate, our risk management tools, programs, practices and policies. Additional support in respect of the Group's efforts to manage its Modern Slavery risks and compliance is also provided by ERM's Sustainability team and our Chief Compliance Officer.

The remuneration of the Group General Counsel and the Group Chief Executive is set by the Board (through its Remuneration Committee) based against goals and targets which include, inter alia, ensuring compliance and effective risk management.

The Group publishes supporting data in its annual **Sustainability Report**. As part of our philanthropic work with the ERM Foundation supporting the Sustainable Development Goals, we are actively involved in initiatives aimed at eliminating the economic disempowerment that drives modern slavery. For more information, see our **ERM Foundation Annual Review 2023**.

As part of our work, we also act as advisors to multinational corporations on all issues related to climate change, human rights, UN Global Compact initiatives,

OECD standards and the Sustainable Development Goals (SDGs). ERM has seen a significant increase in the work we do with our clients to help them understand where risks of human rights abuses may appear in their operations or supply chains, how they can improve their performance to avoid these risks from occurring, and/or how they might remedy any cases if discovered.

3.0 Our supply chain

Because ERM is a services company, we focus our modern slavery efforts on subcontracted services as they are our primary supply chain. As noted in our description above of what we accomplished this fiscal year, management of our subcontractors continues to be our key supply chain focus.

We acknowledge the challenges of respecting human rights throughout our supply chain and are committed to working with our suppliers and business partners to adopt and follow principles and standards similar to ERM's, via our Supplier Code, our Sustainable Procurement Policy and our screening processes.

4.0 Our policies

Our **Human Rights, Modern Slavery and Child Labor Policy** has been further updated to align with emerging best practice. Accordingly, our policy prohibits the use of child or forced labor in our business and any involvement by ERM with organizations that support prohibited labor practices or human trafficking. This policy works in conjunction with ERM's **Purpose and Beliefs** and **Code of Business Conduct and Ethics**.

ERM's Sustainability Policy and **Sustainability Approach** articulate our commitments to sustainability, and ERM became a signatory of the UN Global Compact in 2011. As part of our ongoing support for the protection of international human rights, we have continued to use our UN commitment and other international developments as a basis to improve our policies, procedures and approach to business.

Our policy framework and corporate governance disclosures are mapped in ERM's Sustainability Report 2023 **Global Reporting Initiative (GRI) Index** and in ERM's **Communication of Progress to the UN Global Compact**. We report our performance in respect of the UN Global Compact, including that pertaining to human rights, annually via the Communication on Progress, which is published on the **UN Global Compact website**.

Our commitment to continued improvement of our supply chain was noted earlier in reference to our new Subcontractor Management Policy, centralized subcontractor auditing procedure and our Supplier Code. Our Partners use our purpose, values, policies and internal governance arrangements to support our working culture based on sustainability principles, which includes fair labor and equal treatment for all.

5.0 Our next steps

We will provide details on progress made and our performance in next year's statement. As noted in the Summary of Actions section, we will continue to implement our program of action focused on evolving our governance and management of human rights and modern slavery. Key actions within this program, to be delivered in fiscal year 2024, include:

- We will evolve and publish ERM's strategy on Social Impact and Human Rights, which will cover our global operations.
- We will continue to develop our enterprise risk management processes specifically in relation to human rights and modern slavery. This includes evolving our project selection and risk management processes.
- We will review our supply chain management to address specific potential modern slavery issues in different locations.
- We will evolve, as appropriate, and continue to roll out mandatory training to all new employees occupying a role in managing suppliers and contractors and refresh training to existing employees in this role.

- We will undertake a geographical modern slavery risk assessment and report on those findings.

Further, as is our normal practice, we will maintain and enhance where possible our participation in international forums regarding human rights and continue to promote and support further efforts to reduce the risk of modern slavery.

We reaffirm and recommit to our goal of respect for human rights and a world free of slavery for all. In furtherance of this goal, we will make efforts that extend beyond our own immediate organizational interests.

Not only will we continue to set internal goals, we will also participate in building external standards and providing education so that momentum not only builds in our sphere of business influence but beyond, fully aligned with our purpose of shaping a more sustainable future with the world's leading organizations.

Signed on behalf of the Board of Directors and Executive Committee:

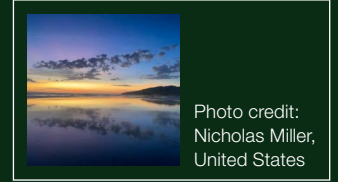
Thomas Reichert
Group Chief Executive

Signed: 30 June 2023 for the fiscal year 2023
(1 April 2022 to 31 March 2023) for The ERM International Group Ltd and its global subsidiaries.

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The business of sustainability

