



Independent assurance statement

About this statement

Shine was asked by ERM to provide independent assurance of ERM's Sustainability Report 2016. We have undertaken a moderate level type 1 assurance engagement in accordance with the AA1000 Assurance Standard (2008), covering our evaluation of ERM's adherence to the AA1000 AccountAbility Principles Standard (2008) and the Global Reporting Initiative G4 Principles for Defining Report Content and Boundaries Protocol.

This statement is provided for ERM's management, as well as ERM's stakeholders and report readers. We have no other financial relationship with ERM. Information about our qualifications and relationships can be found at www.shinesustainability.com.

Responsibilities

ERM has sole responsibility for the preparation of the report and its contents. We were not involved in the preparation of any part of the report; however, we did review and provide feedback on pre-publication drafts and supporting materials. We have not evaluated the reliability of data or reported claims, for which ERM has conducted its own internal assurance.

How we formed our opinion

We undertook the following activities to produce this statement:

- We reviewed ERM's processes for determining material issues, including, among others, results of research into key client sustainability issues and impacts, mega trends analysis, commitments under the Sustainable Development Goals and UN Global Compact, interviews with senior management and analysis of existing key performance indicators.
- We conducted selected interviews with members of ERM's Executive Committee, Sustainability Council and key staff involved in the determination of ERM's sustainability report content and KPI development, as well as its strategic approach to sustainability impacts and ambition.
- We reviewed drafts of this Sustainability Report and documentation describing ERM's approach to materiality and stakeholder engagement; and discussed their content with ERM senior management involved in their creation.



Findings and opinion

On the basis of the work we did as described above, it is our opinion that this report demonstrates that ERM has:

- Implemented an appropriate process of stakeholder participation
- Developed its understanding of material sustainability impacts with regard to their sustainability context and views of stakeholders
- The ability to respond to stakeholders’ inputs and concerns about sustainability
- A procedure in place to manage its material sustainability impacts robustly, with the aim of continuous improvement of its performance
- Made extensive use of the GRI G4 reporting Guidelines in determining and presenting report content
- Provided a reasonable and balanced presentation of performance, based on the overall selection of content in the report.

Observations

Sustainability reporting involves an ongoing process of improvement. We provide the following observations with respect to the specific criteria we used in this assurance engagement:

Inclusivity	<p>ERM demonstrates a keen awareness of its accountability to customers in particular, in terms of its ability to deliver advice and insight to clients based on sound science and robust technical process. It maintains an ongoing commitment to international-level dialogue and development of technical expertise related to key sustainability impacts. ERM also clearly values the views of external stakeholders, including international organisations, NGOs and local communities.</p> <p>We would encourage ERM to articulate further its accountability to external stakeholders alongside its clients, particularly in light of its role as a service provider on behalf of those clients, as part of ERM’s ambition to be a force for sustainable change in key global industries.</p>
Materiality	<p>ERM has a clear and well-integrated process of materiality determination, which it continues to challenge, evolve and improve over time. ERM’s influence and impact through client work remains a significant material issue, though the company’s ability to measure this influence is not yet well advanced. ERM’s reporting has improved its focus on highly strategic actions to deliver the biggest potential impacts on sustainability.</p>



	<p>We encourage ERM to continue developing its ability to link the impact of its client work to ERM’s performance ambition on its material issues, including its ambition to deliver on the UN Sustainable Development Goals and Paris Agreement on climate change through its business strategy.</p>
<p>Responsiveness</p>	<p>ERM has clearly documented the actions it has taken in response to specific stakeholder views and inputs, as well as its results against previously set goals and targets.</p> <p>We continue to encourage ERM to ensure appropriate balance across different interest groups when evaluating stakeholder views. We further recommend ERM describe how it ensures consistency of targets and approach while also flexibly responding to stakeholders and the broader reality of its global operating environment.</p>

A separate Management Report provides further observations and feedback with respect to specific identified material aspects. These include **Economic performance and market presence; Indirect economic impacts; Procurement practices; Environmental performance management; Service-level impacts; Supplier environmental assessment; Labour practices; Health and safety; Human rights and Impacts on Society.**

Shine Sustainability
 London
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Yasmin Crowther
 Co-founder

Judy Kuszewski
 Co-founder



AA1000
 Licensed Assurance Provider
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