



ERM SUSTAINABILITY REPORT 2023

Approach to nature

SUPPLEMENT



Sustainability is our business

ERM's progress on nature commitments

ERM is the world's largest global pure play sustainability consultancy. We partner with the world's leading organizations to create innovative solutions to sustainability challenges that unlock commercial opportunities that meet the needs of today while preserving opportunity for future generations.

2022 marked a significant year with the adoption of the Global Biodiversity Framework (GBF) at the United Nations Biodiversity Conference (COP15), which brought many business stakeholders to the table to influence the negotiations by advocating for more ambitious nature policies. More than 700 businesses – including ERM – and more than 1,000 individual private sector representatives were present in Montreal.

As outlined in our [Sustainability Report 2023](#), nature is identified as a material topic along with climate and social challenges. Nature underpins our economy, society, health and wellbeing, as well as our ability to live on this planet. Climate, nature and people are inextricably intertwined. As a result, businesses are building a deeper understanding of their own impacts and dependencies on nature across their value chain. In turn, nature and biodiversity issues are moving up the priority list for business action – and this includes ERM.

ERM is committed to taking a leadership role in the protection and restoration of biodiversity by promoting a sustainable approach to biodiversity management, so that we leave a healthy and viable world for future generations while providing opportunities for business stability and growth. This is aligned with ERM's commitment to contribute to the United Nations [Sustainable Development Goals](#), with emphasis on both life below water and life on land. [ERM's Biodiversity Policy](#) was published this year and sets out our commitment to biodiversity protection and management in our operations, through our work with clients and in collaboration with other like-minded organizations.



Photo credit: Mariusz Włodarczyk, Poland

Addressing nature loss pressures

ERM is an advisory business in 40 countries and territories. Our offices are typically located in commercial centers in large urban environments with limited direct impact on nature. We draw on water for normal office functions, manage our office waste and, in some locations, have small gardens or landscaping as part of the office complex.

We work with clients in more than 150 countries each year. Whether in their offices and other operations or conducting field work on and around greenfield sites, our activities for clients include helping them identify and manage their pressures (drivers of nature change as defined by the Taskforce on Nature-related Financial Disclosures) across the four realms: Land, Freshwater, Ocean and Atmosphere.

Table 1. Identification of pressures for ERM¹

	Changes in land and sea use	Resource use	Climate change	Pollution	Invasive species
 Our operations	We have limited terrestrial impacts through office locations.	We have limited water consumption in offices which are typically sourced from municipal water supplies.	We have set science-based targets associated with the GHG emissions from our operations.	We generate limited indirect pollution from office operations.	We have limited indirect impacts through office locations.
 Our work with clients	We support our clients to locate, design and operate their projects to avoid and minimize land and sea take, and offset residual losses.	We support clients on water and other resource use and management.	We support our clients to set and operationalize decarbonization targets.	We support our clients to minimize pollution and undertake activities to remediate the impacts of pollution.	We support our clients to control the spread, and to safely remove, invasive alien species at their sites.

¹ As identified by the [Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services \(IPBES\)](#), there are five main pressures causing nature loss.

Assessing, understanding and managing the impacts on nature from our operations is important, and we are taking measures to do this. However, we believe the impacts of our work with clients has a far greater impact and is where we are concentrating our efforts. We will also continue to be an active participant in nature, biodiversity and water initiatives.

We have used the **ENCORE tool** to assess ERM's potential dependencies and impact on nature, and how these dependencies and impacts might represent a business risk or opportunity. Table 1 captures our initial assessment, which will be refined as we progress our nature program in alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) and other frameworks.

As outlined in **ERM's Sustainability Report**, we demonstrate our own company's commitment to a sustainable future, we seek clients, partners and third parties whose organizations demonstrate clear commitment to sustainability and ongoing performance improvement across ethical, environmental and other domains.

ERM has established a governance process to anticipate, evaluate and control a range of legal, compliance, contract, financial, safety and other risks. The degree of risk drives the level of organizational oversight and decision-making. Opportunities under consideration must clear a series of stage gates structured to ensure the appropriate expertise is engaged and that the approval authorities correspond with the potential risk levels. A range of criteria relating to nature, biodiversity, protected species and areas, and freshwater and marine environments form part of this process. Subject matter experts are involved in assessing opportunities, and if we proceed with the opportunity, are actively involved in the project to manage risk and develop mitigations.

We are updating our internal processes and methodologies to align with the GBF and reflect the requirements of the International Finance Corporation's Performance Standard 6 and other emerging best practices.



Photo credit: Daisy De La Haye, United Kingdom



Collaborations

ERM has been engaged with a broad array of nature-related initiatives and organizations over the course of our 50-year history. We have contributed to the development, piloting, adoption and implementation of many of the international frameworks and standards over these years, including the Equator Principles, and the Natural Capital Protocol, among others. Our Sustainability Report outlines our key collaborations, which include:

World Business Council for Sustainable Development (WBCSD)

- ERM is an active member of the nature imperative and has seconded a Technical Director to the TNFD pilot for the energy sector and a consultant to support the development of the Nature Positive Roadmap.
- ERM is also working on a project for strategic investment in nature-based solutions.
- ERM's Group CEO is Co-Chair of the Energy Pathway Board and leads on the nature workstream.
- Since 2020, ERM Technical Director Braulio Pikman from Brazil has been involved in the Greenhouse Gas Protocol Land Sector and Removals Guidance and ERM has pilot tested the guidance with clients in 3 sectors.

Natural Climate Solutions Alliance

- The SustainAbility Institute by ERM, the Natural Climate Solutions Alliance (NCSA), and the WBCSD launched the **Natural Climate Solutions and the Voluntary Carbon Market: A Guide for C-Suite Executives**, which outlines how C-suite decision-makers can use high-quality Natural Climate Solutions (NCS) voluntary carbon credits to counterbalance their unabated GHG emissions.

Capitals Coalition

- Member of the Advisory Board.
- The SustainAbility Institute by ERM and the Capitals Coalition prepared a report **Valuing Nature: The case for nature-related assessment and disclosure** that addresses challenges facing companies in the complex and rapidly evolving nature arena, particularly those regarding the TNFD Framework scheduled to launch in September 2023.

TNFD

- ERM is a member of the TNFD Forum, a consultative grouping of institutional supporters who share the vision and mission of the TNFD and make themselves available to contribute to the work and mission of the taskforce.
- We are involved in TNFD working groups designing sector guidance and disclosure recommendations.

Act4nature international

- ERM is a member of Act4nature international, an alliance initiated to accelerate concrete business action in favor of nature and born by businesses and stakeholders, including NGOs, academic bodies and public institutions. Our commitments are articulated in the goals set out in the following section.

Sustainable Ocean Principles

- ERM is a signatory of the Sustainable Ocean Principles, an initiative of the UN Global Compact, which has a set of core principles for a healthy and productive ocean. We are incorporating the principles into our processes for all marine-related fieldwork, work which is led by our marine technical community.

Business for Nature

- ERM supported the “Make It Mandatory” campaign in conjunction with COP15. The campaign, orchestrated by Business for Nature, had more than 400 signatories, and this united front helped governments agree on a bolder GBF than would have been produced without private sector support. ERM supported “Make it Mandatory” as part of our COP15 participation by joining the media campaign, engaging clients, participating in side events and contributing our technical insights.

The SustainAbility Institute by ERM, our primary platform for thought leadership on sustainability, has published a range of articles, papers and podcasts on nature.

The ERM Foundation enables ERM and our employees to provide funding and professional support for nonprofit organizations and social enterprises that share our commitment to creating a more sustainable and equitable world. We focus on two thematic areas: (1) protecting and restoring biodiversity, and (2) improving access to clean water and sanitation. We set annual targets for each thematic area and publicly report on our progress. More details can be found in the [2023 ERM Foundation Annual Review](#).

ERM Foundation FY23 Performance on selected themes



Target

FY23 results

10,000
native trees and seedlings planted

67,353



Target exceeded

10,000
hectares of forest protected or restored*

5,637



Target not met

1,000
children with improved access to environmental education

4,139



Target exceeded

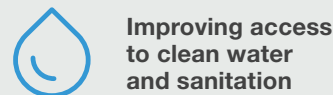
A pilot project set up in each of our four regions for life below water

4



Target met

*In FY23 we protected or restored a total of 5,637 hectares of forest and we will continue to work to increase this number to align with our new targets for FY24.



Target

FY23 results

10,000
people with improved access to clean water and sanitation, including menstrual health and hygiene education

13,483



Target exceeded

Source: ERM Foundation Annual Review



Goals and performance

In December 2021, ERM announced our public biodiversity commitments aligned with Act4nature international to drive actions across our work with clients, our own operations, external engagement and employee engagement. ERM's biodiversity technical community leaders conduct an annual audit to measure the progress towards achieving these commitments. This summary outlines our FY23 performance against our commitments.

Act4nature principle	Goals	ERM's commitments	FY23 performance	Comments
4, 5, 6	Our operations. Reduce negative and enhance positive impact on biodiversity through our operations.	Publish biodiversity policy (position statement) setting out ERM's considerations of biodiversity across its consulting services and operations.	Completed.	ERM published our biodiversity policy, which integrates the protection and restoration of biodiversity into ERM's own operations, our work with clients and those we collaborate with.
		Integrate nature-based solutions as part of ERM's public commitment to achieve net-zero emissions by 2025.	In progress.	Ahead of our 2025 net-zero target, we are planning to compensate our residual emissions, partly through natural climate solutions that ensure positive livelihood benefits and nature-based solutions. These plans will include carbon removals and reductions. Our first tranche was this year (financial year 2023), and we will build from this in following years. ERM is a member of the Natural Climate Solutions Alliance (NCSA) and has committed to the NCSA Accelerator, which sets out principles which we will follow.



Act4nature principle	Goals	ERM's commitments	FY23 performance	Comments
4, 5, 6	<p>Our operations. Reduce negative and enhance positive impact on biodiversity through our operations.</p>	<p>Where appropriate, ensure that ERM's top 10 suppliers and subcontractors read and are aware of ERM's biodiversity policy.</p>	<p>In progress.</p>	<p>ERM's current Sustainable Procurement Policy references a priority for suppliers that have policy and commitments on the conservation of natural resources. This year, we will work with our top suppliers and subcontractors to ensure they have read and accepted ERM's biodiversity policy.</p>
		<p>Integrate climate change guidance into ERM's Global Travel Policy to reduce one of the causes of biodiversity loss.</p>	<p>Completed.</p>	<p>ERM's Global Employee Travel Policy is aligned with ERM's overall decarbonization strategy to reduce emissions from business travel.</p>
		<p>Undertake an assessment and define a process to enhance biodiversity in and around ERM offices and the communities in which our offices are located.</p>	<p>In progress.</p>	<p>ERM is conducting a review of our green building guidelines to ensure our offices are enhancing biodiversity and looking for opportunities for improvements in the future. In 2022, many ERM offices globally have designated sustainability champions that identify local opportunities for staff to participate in local biodiversity initiatives, such as tree planting projects, stream and beach clean-up activities and pollinator habitat creation, among others.</p>



Act4nature principle	Goals	ERM's commitments	FY23 performance	Comments
1, 2, 3, 6, 9	<p>Our clients. Take active measures to influence our clients to reduce their impact on biodiversity.</p>	<p>Advocate for larger clients and projects to adopt nature-positive solutions through their operations and supply chains and create a simple tool and action plan process to identify and mitigate impacts.</p>	<p>In progress.</p>	<p>In 2022, ERM conducted 238 projects for 194 clients that involved the assessment, development or implementation of nature-based solutions and/ or other nature-positive activities. We developed a proprietary tool for nature benchmarking and have applied this to over 50 projects. ERM has seconded one of our subject matter experts, an ERM Technical Director of Biodiversity and Nature, to WBCSD to support the development of TNFD pilot studies. We are sharing the technical knowledge and expertise gathered from undertaking these pilot studies with our broader client base, to encourage uptake of TNFD. We also have a dedicated supply chain team within our corporate sustainability and climate change service that is working with a major global retailer to map biodiversity impacts and dependencies within their supply chain, an approach which has the opportunity for wider application with clients.</p>
		<p>Use ERM's biodiversity policy to inform "Go / No Go" approach.</p>	<p>In progress.</p>	<p>In 2022, ERM reviewed and refreshed our Project Liability Analysis (PLAN) process, which is a standardized approach to management of risk issues that may arise from the choices ERM makes about which clients we work for and the kinds of projects we undertake. Biodiversity is one of the risk triggers that is considered in ERM's PLAN process. If a biodiversity risk is identified, ERM cannot proceed with the opportunity until certain conditions are met and preliminary approval is given by the relevant decision-making authority.</p>



Act4nature principle	Goals	ERM's commitments	FY23 performance	Comments
1, 2, 3, 6, 9	<p>Our clients. Take active measures to influence our clients to reduce their impact on biodiversity.</p>	<p>Establish a framework to actively encourage clients to contribute to leading global biodiversity data sharing platforms, including Global Biodiversity Information Facility (GBIF).</p>	<p>In progress.</p>	<p>ERM's global biodiversity and sustainable finance teams are supporting numerous clients on Equator Principle 4 conformance for projects across multiple sectors involving data compilation, organization and delivery to GBIF.</p>
2, 6, 7, 8	<p>External engagement. Take action to enhance biodiversity by engaging with NGOs and other stakeholders.</p>	<p>Through the ERM Foundation, make an annual commitment to plant 20,000 native seedlings and trees and protect or restore 10,000 hectares of forest with native species, in collaboration with our established NGO partners.</p>	<p>In progress.</p>	<p>In FY23, the ERM Foundation planted over 40,000 native seedlings and trees globally, with a large quantity in sub-Saharan Africa. The ERM Foundation has also protected or restored over 5,000 hectares of forest to date, and this remains a priority for next financial year.</p>
		<p>Contribute to biodiversity thought leadership by committing to participate actively in at least one globally recognized biodiversity initiative per annum.</p>	<p>Completed.</p>	<p>ERM had a delegation of nine specialists participate in COP15 in December 2022. ERM participated in a WBCSD panel on Natural Climate Solutions and a WBCSD workshop on development of nature-positive policies and targets. ERM staff continue to participate in the Wind and Wildlife Working group in North America, a collaboration of scientists and business involved in conducting leading-edge research on impacts of offshore wind development on wildlife and approaches for impact avoidance and mitigation.</p>



Act4nature principle	Goals	ERM's commitments	FY23 performance	Comments
8	Employee engagement. Raise awareness and engage employees in biodiversity.	Hold all-staff calls in each region to raise awareness about ERM's biodiversity policy and commitments and provide opportunities for employees to contribute.	Completed.	During COP15, ERM held several well-attended all-staff calls to help raise awareness on ERM's newly published biodiversity policy and for the ERM team to provide reflections on COP15.
		Establish at least one pilot re-wilding initiative in each of ERM's four regions.	In progress.	To date, ERM has been exploring possible non-profit partners to collaborate on rewilding projects. ERM is now contacting selected organizations and will continue this commitment into this year.
		Hold annual Earth Day webinars or in-person events across ERM to raise awareness about biodiversity and provide opportunities for employees to get involved.	Completed.	ERM held all-staff webinars to launch the 2022 Foundation Annual Review, reaching more than 1,000 employees. These webinars featured biodiversity case studies and held a challenge for employees to demonstrate how they were contributing to the Earth Day theme "Invest in our planet."
10	Reporting.	Report annually on progress against targets in ERM's Sustainability Report.	Completed.	Reporting has been included in ERM's Sustainability Report 2023, and we also reported to Act4nature international in February 2023.

Setting out our FY24 nature targets

ERM has set annual nature targets, based on the review of ERM's biodiversity technical community and approval from the Executive Committee Sustainability Working Group.

Category	Longer-term ambition	FY24 target	Responding to pressures
Our operations	Develop and implement a roadmap for nature-positive action.	<p>Complete the “assess” element of TNFD analysis for ERM, including through our supply chain.</p> <hr/> <p>Finalize and implement updated nature strategy as part of ERM's Sustainability Program. This will include looking at any evolution of ERM's biodiversity impact assessment standard as required to align with the Global Biodiversity Framework (GBF).</p> <hr/> <p>Integrate nature and ERM's biodiversity policy into ERM's supplier engagement program.</p> <hr/> <p>Update ERM's Green Building Guidelines to integrate biodiversity opportunities for office refurbishment and new office leases.</p>	<p>Land/water/sea use change</p> <p>Resource use</p> <p>Climate change</p> <p>Pollution</p>
Our clients	Promote effective management of nature, biodiversity and ecosystem services in our clients' activities, including their supply chains.	Work with our larger clients and projects to adopt nature-positive solutions using ERM tools and action plan processes to achieve nature-positive outcomes.	<p>Land/water/sea use change</p> <p>Resource use</p> <p>Climate change</p> <p>Pollution</p> <p>Invasive species and other</p>



Category	Longer-term ambition	FY24 target	Responding to pressures
<p>Our clients</p>	<p>Promote effective management of nature, biodiversity and ecosystem services in our clients' activities, including their supply chains.</p>	<p>Integrate nature criteria into ERM's risk management process and involve our nature subject matter experts in the consideration of how to address biodiversity risks in the client and project opportunity response.</p> <hr/> <p>Continue to evolve our consideration of biodiversity in the PLAN process, including through the development of guidance to ERM's Partners and Project Managers on biodiversity considerations.</p> <hr/> <p>Pilot aquatic management program under our commitment to the UN Sustainable Ocean Principles.</p> <hr/> <p>Evolve pollution impact metric of land remediated for beneficial use and develop additional nature-related impact metrics.</p>	<p>Land/water/sea use change</p> <p>Resource use</p> <p>Climate change</p> <p>Pollution</p> <p>Invasive species and other</p>
<p>External engagement</p>	<p>Take action to enhance nature, biodiversity and water by engaging with NGOs and other stakeholders.</p>	<p>Pilot project with at least one NGO focused on re-wilding.</p> <hr/> <p>Collaborate on at least three initiatives related to biodiversity thought leadership (TNFD, WBCSD, etc.) and contribute to at least one globally recognized initiative.</p>	<p>Land/water/sea use change</p> <p>Resource use</p> <p>Climate change</p> <p>Pollution</p> <p>Invasive species and other</p>



Category	Longer-term ambition	FY24 target	Responding to pressures
Employee engagement	Engage all employees in ERM's nature strategy and drive implementation through client projects.	Hold at least two internal training sessions to raise awareness for employees on ERM's nature program and services for clients.	Land/water/sea use change Resource use Climate change Pollution Invasive species and other
Reporting	Set targets and disclose performance to emerging frameworks and standards (TNFD, Science Based Targets Network, etc.).	Report annually on progress against commitments in ERM's Sustainability Report.	Land/water/sea use change Resource use Climate change Pollution

Further information can be found in the [ERM Sustainability Report](#).



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