

Sustainability

1. PURPOSE

Sustainability at ERM is our commitment to supporting socioeconomic development that meets the needs of the present without compromising the ability of future generations to meet their own needs. This includes doing our part to help reduce society's negative impacts on the environment while promoting lasting social and economic development of communities.

As a business, we aim to create long-term stakeholder value by balancing the necessary financial performance of the company with the impact we have on the environment and society. We believe that these can and should be mutually beneficial, and our objective is to ensure that this is the case at ERM.

This policy relates to ERM's management of its sustainability-related performance. This document should be read in conjunction with our [Sustainability Approach](#), which together outline the Sustainability Program at ERM.

2. SCOPE

This policy applies worldwide to all ERM entities, all Employees and all ERM Agents. All Business Units at ERM are expected to incorporate sustainability objectives in their strategies and to continually improve their performance in this area.

3. POLICY

ERM shall support sustainability in the following ways:

3.1 MAINTAINING AN EXECUTIVE COMMITTEE SUSTAINABILITY WORKING GROUP

The Sustainability Working Group will bring senior leadership, market knowledge, technical expertise and insights to identify strategic sustainability issues of importance.

As a sub-committee of the Executive Committee, the Sustainability Working Group will oversee ERM's sustainability ambition, targets, performance and disclosure.

3.2 EXTERNAL DISCLOSURE

ERM will disclose to stakeholders our sustainability performance and progress on commitments to third-party initiatives. The timing, frequency and formats for disclosure will be informed by relevant standards and industry best practice.

3.3 COLLABORATION

The effectiveness of ERM's Sustainability Program requires the support and cooperation of our employees, clients, suppliers and business partners. We will engage regularly with key stakeholders to help us understand, prioritize and manage our sustainability impacts.

3.4 EMPLOYEE ENGAGEMENT

ERM will maintain an employee-led Sustainability Network to drive improvements in ERM’s sustainability performance through Sustainability Action Plans in each Business Unit. These plans and reports of progress shall be available to all employees through an online portal.

3.5 MANAGEMENT OF ESG RELATED RISKS AND OPPORTUNITIES

Through ERM’s end to end risk based decision process for client and opportunity selection, we will vet each client with whom we choose to work and opportunities we chose to pursue, ensuring they align with ERM’s purpose, values and commitments. We will apply the same principles to organizations we partner with, look to acquire and any 3rd parties who comprise key parts of our value chain. We establish positions for certain industries that may pose potential conflict of alignment e.g. we will not work for Tobacco clients.

3.6 MAINTAINING ERM ESG RISK AND SUSTAINABILITY STEERING GROUP

The purpose of the ESG Risk and Sustainability Steering Group is to ensure the ERM Board has strategic oversight of setting ERM’s Sustainability and ESG ambition that will in turn provide the framework for both ESG risk management matters and the opportunity side of reputational and brand management. The core scope and mandate for the Steering Group is fourfold:

1. Provide strategic input into ERM’s overall Sustainability & ESG ambition, targets and disclosures as well as ensuring ERM maximizes its brand impact.
2. Provide direction and oversight with regards to the ESG/Reputational Risk Management Process in ERM.
3. Provide input to risk appetite on emerging issues and ongoing evolution of the ESG risk universe through the regular review of a reputational risk register.
4. Provide input to and feedback on ERM's response to current and emerging regulatory and best practice Sustainability and ESG governance requirements.

4. DEFINITIONS

TERM	DEFINITION
Agent(s)	Any officer of any ERM entity, hired personnel, consultants, intermediaries, lobbyists, agents, representatives, independent contractors, subcontractors, and any others who act on ERM’s behalf.
Employee(s)	Any personnel hired directly by ERM (regardless of status classification of full-time, part-time, temporary, contract, etc.); interns (even if an intern does not receive payment by ERM); employees of other companies seconded into ERM, and any ERM employee seconded to a non-ERM company.

ERM GLOBAL POLICY MANUAL ADMINISTRATION

Policy Title: Sustainability

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Original Approver and Original Effective Date: Group CEO/15 Nov 2010. Approval and version history maintained by ERM Legal Department.

Policy Description: This policy defines ERM's governance and commitments on sustainability and should be read in conjunction with our Sustainability Approach.

Authority to Amend this Policy: Group CEO

Authority to Waive this Policy: None

Policy Review Cycle: 4 years from Effective Date of this version

Docket Responsibility for Review Cycle: Chief Compliance Officer