



LRQA Independent Assurance Statement

Relating to *Environmental Resources Management Limited GHG Emissions data Verification for the April 1, 2021-March 31, 2022*

This Assurance Statement has been prepared for *Environmental Resources Management Limited* in accordance with our contract.

Terms of Engagement

LRQA was commissioned by *Environmental Resources Management Limited* (“ERM”) to provide independent assurance of its *greenhouse gas (GHG) emissions inventory (GHG Assertion)* for April 1, 2021- March 31, 2022 against the assurance criteria below to a *limited and materiality of the professional judgement of the verifier* using *The Greenhouse Protocol – A Corporate Accounting and Reporting Standard (revised edition, Jan 2015)* and *ISO 14064 - Part 3 for greenhouse gas emissions*. LRQA’s verification procedure is based on current best practise and is in accordance with *ISAE 3000* and *ISAE 3410*.

Our assurance engagement covered *ERM’s* operational control boundaries as follows:

- Verifying conformance with:
 - *ERM’s sustainability reporting protocol and written procedures*
 - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data¹.
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - *Natural gas, company owned cars, AC refrigerant gas loss - Direct (Scope 1),*
 - *Office space electricity, steam, and others- Energy Indirect (Scope 2) and*
 - *Other Indirect (Scope 3) GHG emissions;*
 - *Scope 3 GHG emissions verified by LRQA only include business travel (internal and external, shared space energy and office commuting)*

Our assurance engagement excluded the following data and information of *ERM*

- Leased or owned office locations that are registered as encompassing less than 50 square meters due to De-minimis source
- Dedicated server hosting spaces
- Fuel combusted by non-ERM controlled vehicles
- Fuel utilised by subcontractors or clients on ERM project sites due to De-minimis source
- Fugitive emissions from vehicle AC due to de-minimis source
- Business travel emissions by water, subway, lighter rail, taxi and bus due to non-availability of data
- Emissions from waste- de-minimis
- Transmission and Distribution losses
- Home worker emissions

¹ <http://www.ghgprotocol.org/>



LRQA's responsibility is only to *ERM*. LRQA disclaims any liability or responsibility to others as explained in the end footnote. *ERM*'s responsibility is for collecting, aggregating, analysing, and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of *ERM*.

LRQA's Opinion

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that *ERM* has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance² and at the materiality of the professional judgement of the verifier.

Table 1. Summary of *ERM* GHG Emissions for April 1, 2021- March 30, 2022

Scope of GHG emissions	Tonnes CO ₂ e
Scope 1 GHG emissions	1,175
Scope 2 GHG emissions (Location-based)	2,011
Scope 2 GHG emissions (Market-based)	53
Scope 3 GHG emissions (Location-based)	5,893
Scope 3 GHG emissions (Market-based)	5,928
Total GHG emissions (Location-based)	9,079
Total GHG emissions (Market-based)	7,157
Note 1: Scope 2, Location-based and Scope 2, Market-based are defined in the WRI/WBCSD GHG Protocol Scope 2 Guidance, 2015	

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Reviewing *ERM*'s Methodology and procedure document
- Interviewing relevant employees of the organization responsible for managing GHG emissions data and records; and

² The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



- Assessing *ERM's* data management systems to confirm they are designed to prevent significant errors, omissions, or misstatements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions, and systems, including those for internal quality control.
- Verifying historical GHG emissions data and records at an *aggregated level for the reporting period April 1, 2021-March 31, 2022*
- Sampling Ecometrica data submissions for the reporting period
- Verifying emission factors used with the source reference and confirmed their appropriateness

Observations

Further observations and findings, made during the assurance engagement, are to:

- Adopt a transparent base year recalculation for the next reporting period
- Obtain evidence of conformance to Scope 2 and Scope 3 quality criteria for all sites.
- Develop a process to improve accuracy of GHG quantification by using actual data wherever possible to reduce the proportion of estimations.
- Use region specific emission factors for Scope 3-Commuting emissions
- A consolidated system of controls should be adopted to detect misstatements, within the inventory, by the organisation prior to external audit.
- Improve the transparency of data collection at site/source level, as data tends to be aggregated prior to entry into the reporting system, better documentation of sources and methodologies is recommended.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training, and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification assessment is the only work undertaken by LRQA for *ERM* and as such does not compromise our independence or impartiality.

Signed

Dated: 31 May 2022

Sujatha Ramasamy
LRQA Lead Verifier
On behalf of LRQA 1 Trinity Park, Bickenhill Lane, Birmingham, UK.
LRQA reference: LRQ00004598

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