Delivering Infrastructure Solutions for a Greener Tomorrow

TCFD Report 2024

Welcome to our Task Force on Climate-related Financial Disclosures Report 2024

We are proud to present our first voluntary Task Force on Climate-related Financial Disclosures (TCFD) Report 2024 (Report). We recognise the increasing importance of addressing the risks and opportunities that arise from climate change and are committed to increasing our transparency and disclosure in a rapidly changing world.

This Report is written in accordance with TCFD guidance and covers the 2024 financial year from January to December 2024. We look forward to sharing our journey to becoming a climate-conscious and resilient business.

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Overview

ABOUT US

ERG International UK Limited (ERG UK and the Company) is an infrastructure contractor and total solutions provider that originates, develops, designs, builds, and invests in long-term large-scale infrastructure operations. We deliver best-in-class services in partnership with Governments. As a company that operates globally, we are committed to promoting economic and social development in the regions we operate in, while also delivering sustainable outcomes for the environment, communities, and future generations.

Our Mission

To deliver state of the art, truly sustainable infrastructure worldwide. Driving innovation and creating positive impact in the communities we serve.

Our Commitment

We commit to contributing to sustainable development by delivering excellence, quality and respect for the environment and communities.

Our Team

Our team exemplifies exceptional talent, technical excellence, vision, and ingenuity across the world.

Our Culture

Equal, diverse, and inclusive. We believe in fair treatment for all. The diversity of our people is central to our success.

Our Modus Operandi

Our modus operandi pervades every aspect of our organisation and guides our decision-making every day:

- ***Enablers of Quality Infrastructure:*** We understand that any country's infrastructure plays a large role in determining its long-term economic and social trajectory and therefore place paramount importance on quality infrastructure to ensure that growth and development is sustainable. For us, there is more to infrastructure than building assets. We take into account the full effects of projects over the long term and alignment with broader strategies. We deliver the best long-term value for each infrastructure project and investment for lasting economic, social and environmental impact.

- ***Environmentally and Socially Responsible:*** For over 50 years, ERG has been a place where exceptional talent has come together to create remarkable infrastructure. Our team has taken on immense challenges, and structured award-winning projects over the decades. Fast forward to today, and we continue to be a place where like-minded talents collaborate and with today's urgent need for action, we have placed sustainability at the core of what we do in the way we operate. The impact today's actions can have on tomorrow is imperative, that is why we believe in delivering sustainable outcomes for the environment, communities and future generations. We continue to progress on our sustainability goals and look to build a business that reflects our purpose to create infrastructure that enriches our work, life and planet.

Overview
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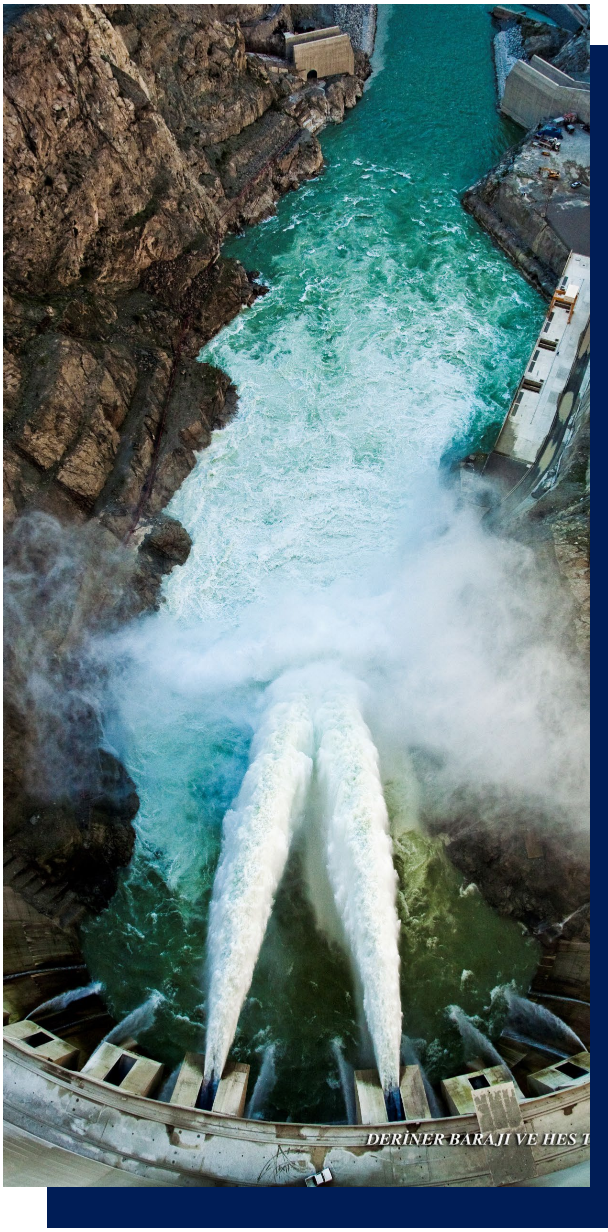
- ***Diverse. Equal. Inclusive:*** We are dedicated to forging a diverse, inclusive workforce and promoting long term growth for our clients, partners, communities and employees. Our leadership team are committed to championing diversity of thought, providing equal opportunities to our employees and continuing to deliver to the communities we serve to make a positive difference. Our day-to-day work helps our team develop an incredible range of skills and experiences in areas they are passionate about and where expertise can add the most value to our communities.

- ***Reliable Partners:*** We work with openness, honesty, growth and service to make sure that we put our client at the forefront of what we do. We work in partnerships with others to address and overcome challenges, create connections between commercial experts, government representatives, policy makers and the communities we serve. Through our partnerships we create and provide valuable solutions - from working with countries to transition to a low carbon economy to creating socially valuable outcomes that benefit the community such as improved transport and communication links - we empower those we work with.



Overview
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ABOUT TCFD

This Report outlines our Company's approach to climate-related financial disclosures, including the governance and management of climate risks and opportunities, the assessment of climate-related impacts on our business, the ways in which such elements factor into our investment decisions and the actions we are taking to address these impacts.

The TCFD's recommendations provide a framework for disclosing climate-related financial risks and opportunities in a consistent, comparable, and decision-useful manner, and allows us to provide transparency to our stakeholders about our understanding of climate change and the management of its impacts on our business. In this Report, we have outlined the initial steps we have taken towards embedding the TCFD recommendations into our business operations. It is structured according to the TCFD's four thematic areas:

Governance

Describes our Company's governance structure and how we integrate climate-related considerations into our decision-making processes.

Strategy

Outlines our Company's climate-related risks and opportunities, our long-term strategic approach to addressing these issues, and the metrics we use to measure our progress. We have used the physical and transition risks outlines in the TCFD guidance as a foundation for our Climate Risk Assessment. These risks include:

- *Physical:* Acute and chronic risks associated with the physical impact of climate change.
- *Transition:* Policy and legal, technology, market, and reputational risks that are associated with the societal and systemic changes associated with the decarbonisation of the global economy.

Risk Management

Discusses our Company's approach to identifying, assessing, and managing climate-related risks, including physical risks and transition risks.

Metrics & Targets

Presents our Company's performance metrics and targets related to climate-related issues and describes how we use these metrics to monitor our Company's progress.

PROGRESS SUMMARY

In our second reporting year, a key focus is to further expand the scope of our climate-related and ESG internal processes to enable climate-related strategy development and risk management. Another primary focus is strengthening board-level oversight and increasing overall awareness of climate-related risks and opportunities throughout all levels of the Company.

In this financial year we have:

- Continued development of ESG-related Company initiatives and communication and management of climate-related issues within the Company via the ESG Working Group
- Completed climate scenario analysis to assess the most material climate-related risks associated with our direct Company operations.
- Calculated our Scope 1, 2, and 3 emissions in accordance with the Greenhouse Gas Protocol (GHGP) methodology.

Governance

ERG UK is a growing company; we strive to strengthen our governance around climate-related risks and opportunities.

Climate in Leadership

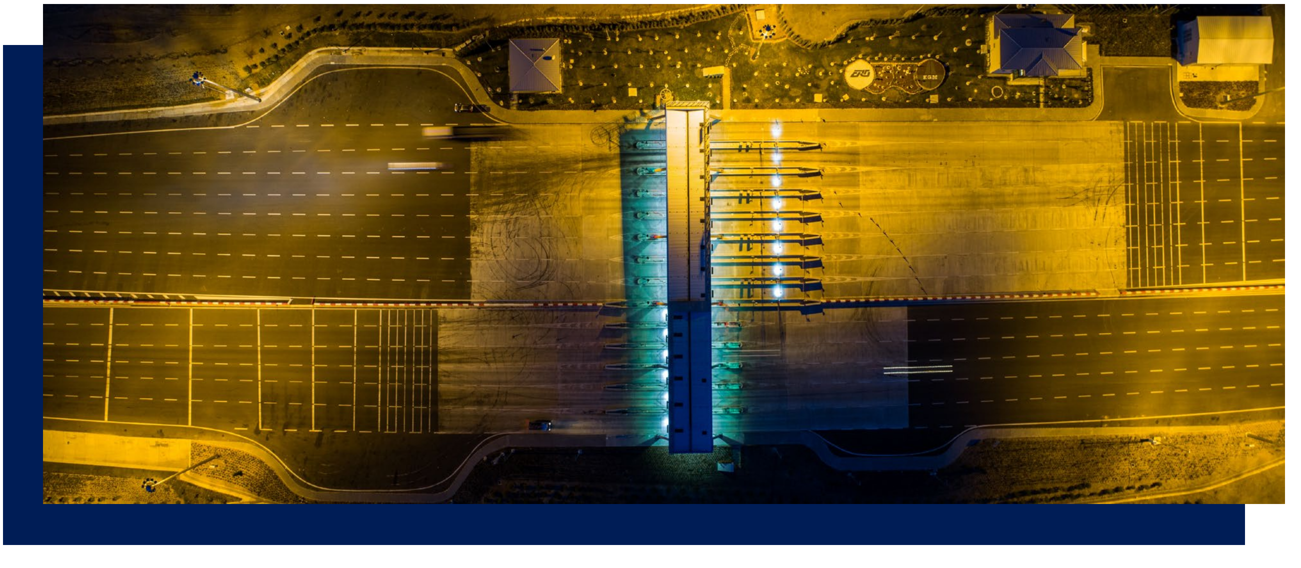
ERG UK is a company with a simple governance structure. We have seven Board members who are also the senior management of the company and have oversight on climate-related risks and opportunities.

BOARD-LEVEL OVERSIGHT

Due to the nature of the business, the Board members collaborate on a regular basis to make major business decisions on business development strategy, investment, and financial planning. In the 2024 financial year, we have introduced ESG and climate-related topics as a standing agenda item in our Board meetings.

In July 2024, we held a climate risk assessment workshop with all heads of departments present to discuss and assess the most material climate-related risks and opportunities to the business. The resulting climate risk register was collectively approved by the ESG Working Group and submitted to the Board. In addition, the Board is informed on progress made with regards to environmental, climate, and social-related issues, initiatives, and ESG strategy development during Board meetings by the Group General Counsel and Company Secretary – a member of the ESG Working Group. See 'ESG Working Group' section below for more details.

In March 2024, Greenhouse Gas (GHG) Emissions Workshops were held with the Board in which the ESG Working Group explained the Company's GHG emissions results from the previous year and discussed ways to reduce these emissions. More details on the GHG Emissions Workshops can be found in the Metrics and Targets section of this Report.



Climate in Leadership
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CLIMATE CHANGE MANAGEMENT

ESG Working Group

The ESG Working Group (Group) was formed in May 2023 to develop and implement the Company ESG strategy on a transdisciplinary and holistic level. The ESG Working Group consists of Board, management, and non-management-level members across all parts of the business with representatives from finance, operations, human resources, environment, and the legal teams. The aim of the Group is to increase communication channels and collaboration structure across the business. It includes the Group General Counsel and Company Secretary, department managers and team members and other relevant stakeholders. The Group, as a whole, is responsible for the development and implementation of policies and procedures that address environmental, social, and climate-related issues, upon approval from senior management. The Group is also responsible for reporting environmental, climate, social and governance-related issues, initiatives, and ESG strategy development progress to the board as part of the standing agenda in board meetings, which met three times in 2024, as well as preparing the TCFD report.

The ESG Working Group met monthly in 2024 to provide updates and discussed ESG and climate-related issues on a regular basis, serving as a platform to enable the coordination of policy and procedure development.

An annual climate risk assessment workshop was held in July 2024 to identify and assess the climate risks and opportunities that are most material to the business. This included discussing any updates or material changes to the risk register developed from the climate risk assessment workshop in the previous year.

All members of the Group attended to discuss and assess the most material climate-related risks and opportunities to the business. The results of the climate scenario analysis, as well as the materiality of the individual climate risks, were reviewed against the risk ratings established in the previous year and their potential and realised impacts further discussed. Discussions on any potential mitigation strategies were also included. More details on the climate scenario analysis and risk assessment can be found in the Strategy section of this Report.

During the year of reporting, the Group has focused on increasing the scope of our performance assessment and taking steps to expand our efforts in the climate-related strategy development and risk management process. An annual ESG and Environment Training was also conducted for all employees at ERG UK to further raise awareness of energy efficiency and resource conservation.

Strategy

ERG UK invests in the long-term. Our climate strategy is a significant part of our business to ensure our informed decision-making in our management processes.

Our Approach

CLIMATE STRATEGY & SCENARIO ANALYSIS

ERG UK invests in the long-term. To ensure the longevity of the business, we have begun the work to understand the impact of climate change on our operations, strategy, and business planning in 2023. This continued into 2024. In line with the TCFD recommendations, the climate risk assessment workshop which held in July 2024 enabled the business to keep up to date with, evaluate the findings of the climate scenario analysis, identify key climate risks, assess the Company's potential impacts on its products and services, direct Company value chain, its operations, and any mitigation or adaptation activities. An updated climate risk register was developed based on the discussions during the assessment workshop.

Based on the requirements set out in the TCFD recommendations, the climate scenarios considered are as follows:

- **RCP 2.6 Scenario:** This scenario aligns with the IPCC RCP 2.6 that models warming of under 2°C by 2100. In this scenario, climate change mitigation efforts are taken seriously by governments, private industries, and the public. Almost all organisations work to align with the Paris Agreement and aim to achieve net zero emissions by 2050. The main risks in this scenario are transition risks arising from the global shift to a low-carbon economy. Physical risks will be minimal.
- **RCP 4.5 Scenario:** This scenario aligns with the IPCC RCP 4.5 that models warming of 2 – 3°C by 2100. Based on the commitments made in response to climate change and current climate data, this is the most likely scenario that our world is currently heading towards. Governmental climate policies and regulation are introduced in a less organised manner, which increases the transition risks that businesses may face. Physical risks are increased in this scenario, with moderate to high transition risks.
- **RCP 8.5 Scenario**: This scenario aligns with the IPCC RCP 8.5 that models warming of above 3°C by 2100. In this scenario, businesses and government continue operations as usual without consideration of their climate impacts. Emissions continue to rise with delayed action, which significantly increase the physical risks.

Each scenario was assessed across three time horizons: short (2024 – 2025), medium (2026 – 2030), long (2031 – 2050). Three climate indicators – precipitation, temperature, and water runoff – were modelled for our London office to better understand the physical risks across the different time horizons in each scenario.

During the climate risk assessment workshop, each risk was then rated based on potential impact and likelihood of risk, primarily in the short to medium term:

Table 1: Risk and Impact Scoring

Risk Likelihood	Risk Impact	Score (Multiple of likelihood and impact)
1 – Low	1 – Low	1 – 3 Low
2 – Medium	2 – Medium	4 – 6 Medium
3 – High	3 – High	7 – 9 High

Our Approach
Continued

ANALYSIS RESULTS

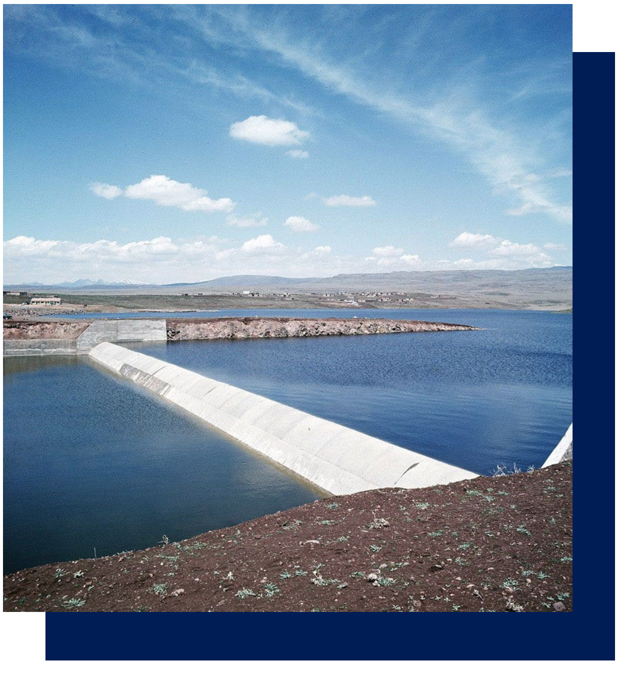
ERG UK is a company with a limited direct operational footprint: occupying two leased floors in an office building, the potential impacts on our physical operations are minimal. Therefore, climate transition risks have the highest potential impact for ERG UK in the RCP 2.6 and 4.5 scenarios, due to the increase in climate-related reporting regulations and recommendations, and the resulting increase in stakeholder interest in our sustainability credentials and disclosure practices.

For example, since 2022, all large and/or public companies operating in the UK are required to disclose climate-related performance under UK regulations. While this mandate does not apply to ERG UK, we anticipate this to be an increasingly material risk in the short to medium term as the scope for mandatory climate reporting expands further. There have been no changes to regulatory reporting requirements for ERG UK in 2024. The publication of our first voluntary TCFD Report in 2023 has enabled us to begin our climate reporting journey ahead of regulatory mandates.

We also recognise the importance of stakeholder concern in our climate and ESG-related performance, which presents a risk to our reputation, as well as to credible finance. As such, we have continued to develop our ESG strategy and climate resilience in 2024. Transparent and consistent reporting of our ESG strategy development and climate initiatives can allow us to address these concerns, minimising the aforementioned risks.

With regards to physical risks, they are often the most material in the RCP 8.5 scenario. Our London office is not at risk of flooding, however, rising temperatures and heatwaves will be a main physical risk, which is projected to be more severe in the south of England. Our office is currently located in a fully electrified building and most of our lighting are LED-operated, which mitigates the potential risks of new regulations that require properties to transition to electricity or more energy efficient technologies. It also allows for more flexibility in office climate control, which can help to avoid over- or under-heating issues for employees.

Following our 2023 update of the company's Environment and Climate Change Policy, a company-wide training was conducted to communicate our environmental commitments, the roles and responsibilities of employees, and the practical steps to improve environmental protection and climate awareness throughout ERG UK. We recognise that our business activities can have an impact on the environment and are dedicated to minimising our environmental footprint. We will be looking to develop and introduce more energy efficient projects and initiatives in the future.



Transition Risks

The section below provides a detailed analysis of the most material climate-related transition risk types to ERG UK.

POLICY & LEGAL

Table 2: Policy & Legal Transition Risks

Climate-related Risk	Scenario and Timeline	Overall Risk Rating	Description
Increased pricing of GHG emissions.	Long-term. RCP 4.5 Scenario	Low likelihood, medium impact.	GHG emissions pricing is most material to companies involved in carbon-intensive industries, particularly those that participate in emissions trading schemes or purchase carbon offsets. This may potentially be an additional cost to Company operations; however, this risk is unlikely in the short and medium term as ERG UK emissions are limited as an office-based company. We are currently in our first year of calculating our Scope 1, 2, and partial 3 emissions with the goal to minimise our Company emissions once this benchmarking process is complete.
Enhanced climate and ESG-related reporting obligations	Short-term. RCP 2.6 Scenario RCP 4.5 Scenario	High likelihood, medium impact.	Increased climate-related reporting obligations can increase management and operating costs to support the additional initiatives and reporting activities. While mandatory reporting does not yet directly impact ERG UK, there is already an increase in stakeholder awareness and pressure for ERG UK to provide annual disclosures. We recognise that regulations will increase as the UK Government aims to achieve net-zero emissions by 2050. Through our voluntary TCFD reporting, we mitigate this risk by enabling transparent and consistent reporting of our ESG and climate initiatives and efforts.
Mandates on and regulation of existing products and services	Long-term. RCP 2.6 Scenario RCP 4.5 Scenario	Low likelihood, medium impact.	The likelihood and impacts are currently minor as our services already require compliance with international environmental and social standards, but this may increase in the future should the standards become more stringent. ERG UK remains alert for any planned updates in regulations or standards.

Transition Risks
Continued

The section below provides a detailed analysis of the most material climate-related transition risk types to ERG UK.

POLICY & LEGAL

Table 3: Policy & Legal Transition Risks

Climate-related Risk	Scenario and Timeline	Overall Risk Rating	Description
Exposure to litigation	Long-term. RCP 2.6 Scenario RCP 4.5 Scenario	Low likelihood, high impact.	While the likelihood of this risk is difficult to estimate or quantify, it is a risk that can have significant impacts on the reputation and business opportunities of the business. To minimise the risk of environmental incidents or workplace accidents from occurring, ERG UK will ensure that the operations and management adhere to policies and procedures that comply with international standards. To minimise the risk of litigation due to climate-related communications such as greenwashing, transparent and consistent reporting of our ESG and climate initiatives and efforts can be effective in minimising this risk.

Transition Risks
Continued

The section below provides a detailed analysis of the most material climate-related transition risk types to ERG UK.

MARKET

Table 4: Market Transition Risks

Climate-related Risk	Scenario and Timeline	Overall Risk Rating	Description
Changing customer behaviour and increased sensitivity to ESG	Long-term. RCP 2.6 Scenario RCP 4.5 Scenario	Low likelihood, low impact.	ESG is rapidly becoming one of the main areas of focus for the company as we transition to a lower carbon economy. Our clients and stakeholders are increasingly aware and concerned with how ESG and climate initiatives are developed within the business. Through our voluntary TCFD reporting, we mitigate this risk by enabling transparent and consistent reporting of our ESG and climate initiatives and efforts.
Uncertainty in market signals	Long-term. RCP 2.6 Scenario RCP 4.5 Scenario	Low likelihood, low impact.	During our transition to a more sustainable, low-carbon economy, ESG is rapidly becoming a primary focus for the company. Our clients and stakeholders are increasingly attentive and interested in the development of ESG and climate initiatives within the business. To manage this risk, we voluntarily adhere to TCFD reporting, facilitating clear and standardised reporting of our ESG and climate initiatives.
Increased cost of raw materials and energy	Short-term. RCP 2.6 Scenario RCP 4.5 Scenario	High likelihood, medium impact.	Climate change is not expected to be the primary driver of this risk, but a catalyst that may exacerbate existing challenges in our global production and supply chains. In addition, a warming climate may increase energy demand, which in turn drive up energy costs. As part of our emissions reduction initiatives, introducing energy conservation practices will be a particular focus.

Transition Risks
Continued

The section below provides a detailed analysis of the most material climate-related transition risk types to ERG UK.

REPUTATION

Table 5: Reputation Transition Risks

Climate-related Risk	Scenario and Timeline	Overall Risk Rating	Description
Shifts in consumer preferences	Long-term. RCP 2.6 Scenario RCP 4.5 Scenario	Low likelihood, low impact.	As a business within the infrastructure sector, this risk is currently minimal as infrastructure investment and development is crucial to the global low carbon economy transition. However, we will remain vigilant to any potential changes.
Stigmatisation of sector	Long-term. RCP 2.6 Scenario RCP 4.5 Scenario	Low likelihood, medium impact.	As a business within the infrastructure sector, this risk is currently minimal as infrastructure investment and development is crucial to the global low carbon economy transition and economic growth. Clients are unlikely to stop investments in infrastructure due to sector stigmatisation. However, there may be increasing pressure in other associated sectors such as the construction sector, which may impact our operational costs.
Increased stakeholder concern or negative stakeholder feedback	Short-term. RCP 2.6 Scenario RCP 4.5 Scenario	High likelihood, high impact.	ERG UK's sustainability credentials are a growing interest among stakeholders. Failing to communicate our ESG strategy and plans could result in fewer business opportunities and potential damage to our reputation. We can minimise this risk by responding to our stakeholder concerns and further developing our ESG and climate strategy.

Physical Risks

The section below provides a detailed analysis of the most material climate-related physical risk types to ERG UK.

ACUTE & CHRONIC

Table 6: Physical Risks

Climate-related Risk	Scenario and Timeline	Overall Risk Rating	Description
Rising mean temperatures	Short-term. RCP 2.6 Scenario RCP 4.5 Scenario RCP 8.5 Scenario	High likelihood, medium impact.	An increase in mean temperatures in the UK may lead to an increase in energy demand and impact staff wellbeing. This can increase our operational costs in the office.
Heatwaves	Short-term. RCP 2.6 Scenario RCP 4.5 Scenario RCP 8.5 Scenario	High likelihood, medium impact.	An increase in heatwaves in the UK may lead to an increase in energy demand and impact staff wellbeing. This can increase our operational costs in the office.
Changing precipitation patterns	Medium-term. RCP 4.5 Scenario RCP 8.5 Scenario	Medium likelihood, low impact.	While there is a projected increase in the volatility of precipitation patterns, this is unlikely to directly impact the company office.
Flooding	Long-term. RCP 4.5 Scenario RCP 8.5 Scenario	Low likelihood, high impact.	Flooding is a minor concern for the Company, as the current likelihood for flooding is low for the office. This risk can be managed by ensuring that any new offices should not be in areas with high flood risk.

Risk Management

Our climate risk management involves identifying, assessing, and managing the climate-related risks and opportunities we face.

Our Risk Management Process

Our climate risk management process begins with identifying the climate-related risks and opportunities ERG UK faces. After the benchmarking process conducted in 2023, GHG Emissions Workshops were also conducted with the Board and the ESG Working Group to present and explain our GHG emissions results from the previous year, as well as discussed ways to reduce our emissions. The outcomes from the workshops became part of the agenda formed in the 2024 kick-off ESG Working Group meeting in early 2024, where the Group set goals to be achieved in the year.

In accordance with the TCFD guidance, we identified the most material climate-related risks to our business.

We conducted a climate scenario analysis, and the findings were presented to key internal stakeholders in our Climate Risk Assessment Workshop in July 2024. Based on the results from the climate scenario analysis and discussions during the workshop, we developed our second climate risk register which assesses and records the risk likelihood, impact, and potential mitigation strategies of the identified climate risks. The register includes updates or material changes made to the register developed in the previous year. The climate risk register was collectively approved by the ESG Working Group and submitted to the Board.

The assessment of each risk is broken down into its risk likelihood and potential impact, each with three ratings: low, medium, and high. Compared to physical risks, transition risks currently have a higher likelihood of occurring and with greater impacts to ERG UK. The increased stakeholder concern and scrutiny of the company's ESG and climate strategy, as well as the increase in mandatory ESG and climate reporting obligations, remain our most significant transition risks in 2024.

OUR MITIGATION STRATEGY

During board meetings, major ESG updates and initiative proposals are reviewed and approved by the Board. While we have continued to conduct the required assessments and activities as described in the TCFD recommendations, we have also focused on reviewing and strengthening our existing policies with regards to issues on modern slavery and forced labour, resource and environmental management, and employee wellbeing. The training conducted for all employees also include introducing measures to reduce our carbon emissions and resource use. These include conscious energy use, printing best practices, and business travel policies.

We continue to calculate our carbon footprint with the goal to reduce our carbon emissions. This ensures that we are well-prepared for potential mandatory carbon reporting requirements in the future and can provide an opportunity for us to reduce company energy costs.

The disclosure of our ESG strategy and climate initiatives through our Report will also ensure consistent and transparent communication with our stakeholders and provide a comparable record of our progress year on year.

Metrics & Targets

This is our first year calculating our Scope 1, 2, and 3 greenhouse gas (GHG) emissions. We aim to further develop our emissions reduction strategy.

Our Carbon Emissions

We are actively addressing the environmental impact of our operations and striving to minimise it. Our efforts include enhancing the energy efficiency of our London office and encouraging employees to cycle to work through our cycle scheme.

We are proud to share that we currently have no direct Scope 1 or market-based Scope 2 emissions. Our offices are situated in a fully electrified building that operates on a 100% renewable energy guarantee of origin (REGO) contract, and all Company vehicles are battery electric vehicles (EVs). All employees are also encouraged to use video conferencing in lieu of in person meetings to minimise the need for travel where possible. As an office-based company, we also do not use any medical gases or fuels in our direct operations.

The tables in this section present our Scope 1, 2, and 3 carbon emissions data for the 2024 financial year. Scope 1 emissions arise from the direct combustion of gaseous and transportation fuels during the reporting year. Scope 2 includes emissions linked to purchased electricity utilised in our offices. It is calculated in two ways: location-based and market-based. Location-based Scope 2 reflects the average emissions intensity of the region which the business operates. Market-based Scope 2 reflects the emissions intensity of the business' energy contract. Scope 3 emissions refer to the indirect emissions associated with supply chain, such as the products and services we procure to deliver our own services.

Our carbon emissions are calculated in accordance with the Greenhouse Gas Protocol methodology, and we have assessed the applicability of the 15 Scope 3 categories. The categories applicable to ERG UK are: 1 (Purchased Goods and Services), 2 (Capital Goods), 3 (Other Fuel and Energy Activities), 4 (Upstream Transportation and Distribution), 5 (Waste), 6 (Business Travel), 7 (Employee Commuting), 8 (Upstream Leased Assets), 12 (End-of-Life Treatment of Sold Products), and Category 15 (Investments) emissions.

The table below provides an overview of our total carbon emissions in this financial year. Year on year comparisons of our emissions will be provided in our next report.

Table 7: ERG UK Carbon Emissions Summary 2024

Metric	2024 (tCO_2e)	%
Scope 1		
	0	0%
Scope 2		
Location-based	14.90	1.8%
Market-based	0	0%
Scope 3		
	791.29	98.2%
Total		
Location-based	806.19	-
Market-based	791.29	-
Carbon Intensity		
Carbon intensity metric (tCO_2e/FTE)	21.98	-

Our Carbon Emissions
Continued

Table 8: ERG UK Carbon Emissions Breakdown 2024

Metric	2024 (tCO_2e)	% (location-based)
Scope 1	**0**	**0.0%**
Scope 2		
Location-based	**14.90**	**1.8%**
Market-based	**0.00**	**0.0%**
Scope 3	**791.29**	**98.2%**
1. Purchased Goods & Services	163.82	20.3%
2. Capital Goods	2.62	0.3%
3. Other Fuel and Energy Activities)	0.29	0.04%
4. Upstream Transportation & Distribution	0.61	0.08%
5. Waste Generated from Operations	0.13	0.02%
6. Business Travel	613.64	76.1%
7. Employee Commuting	6.27	0.8%
8. Upstream Leased Assets	3.92	0.5%
9. Downstream Transportation & Distribution	-	-
10. Processing of Sold Products	-	-
11. Use of Sold Products	-	-
12. End-of-life Treatment of Sold Products	0.00	0.0%
13. Downstream Leased Assets	-	-
14. Franchises	-	-
15. Investments*	0.00	0.0%
Total (Location-based)	**806.19**	-
Total (Market-based)	**791.29**	-

*To be calculated in 2024

Our Carbon Emissions
Continued

Table 9: ERG UK Carbon Emissions Multi-Year Comparison

Metric	2023 (tCO_2e)	2024 (tCO_2e)	% (location-based)
Scope 1	0	0	0%
Scope 2 (Location-based)	12.96	14.90	+15%
Scope 2 (Market-based)	0.00	0.00	0%
Scope 3	1231.22*	791.29	-36%
Total (Market-based)	**1244.18**	**791.29**	**-35%**
*Corrections made to emissions calculations due to update in records, including emissions for Category 15 (Investments).			

OUR ENVIRONMENTAL PRACTICES

In March 2024, we hosted Greenhouse Gas Emissions Workshops with the Board and the ESG Working Group members to present and explain our GHG emissions results from the previous year, as well as discussed ways to reduce our emissions. Based on the discussions, there was increased awareness regarding the energy use and high rate of business travel in the company. This followed further discussions regarding methods to decrease emissions.

Compared to 2023, our 2024 emissions have reduced by 35%, largely due to the completion of necessary one-time site works. We expect our emissions to maintain at and gradually decrease from this new level.

All electricity used in our office continues to come from renewable energy sources through a 100% REGO contract. To reduce energy use and increase efficiency, a heating schedule that will turn off all systems in the evenings and on weekends. We will be looking to develop and introduce more energy efficiency projects in the future, with the aim to increase the awareness of energy efficiency and reduce our total energy use. We have also continued to explore other initiatives to improve our resource efficiency and material conservation, such as reducing the use of single use plastic. Training on waste recycling, resource conservation, and environmental awareness were conducted for all employees in 2024.

As part of our commitment to delivering comprehensive solutions and quality infrastructure worldwide, international travel is a fundamental aspect of our business operations. We recognise that while our level of business-related travel may be relatively higher than that of most office-based companies, our dedication to building relationships with stakeholders internationally is the cornerstone of our work. It enables us to empower infrastructure development where it is needed the most and deliver clean energy and transportation that will lead to emissions reductions of far greater scale in the long run. We are currently exploring ways to improve our efficiency and reduce any unnecessary travel where possible.

All staff at ERG UK have annual appraisals, but we currently do not use specific climate-related key performance indicators (KPIs) to assess employee or company climate or environmental performance. With many employees involved in business activities across a vast number of countries in multiple regions, we believe that trusting in the judgement and experience of our staff to make decisions in the best interests of the Company and contextual environment is the most appropriate approach for ERG UK; an approach that climate-related KPIs may not be able to fully capture.

Methodology

Scope 1 and 2 emissions have been calculated according to Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004). A financial control reporting boundary has been used. Scope 3 emissions have been calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard (2011).

All conversion factors for Scope 1 and 2 emissions calculations reference the UK Government (BEIS) GHG Conversion Factors for Company Reporting v2023.

Scope 2 emissions are calculated in both the location-based and market-based methodology. For location-based Scope 2 emissions, the average electricity grid emissions conversion factor is found in the UK Government (BEIS) GHG Conversion Factors for Company Reporting v2023. For market-based Scope 2 emissions, the conversion factors are provided by the energy supplier fuel mix disclosure published on their website.

For Scope 3 emissions, both the spend-based and activity-based approach have been used to calculate emissions.

Category 1 (Purchased Goods and Services), Category 2 (Capital Goods), Category 4 (Upstream Transportation and Distribution), and Category 6 (Business Travel) were calculated using the spend-based approach. The spend-based method estimates the emissions of an activity by multiplying the economic value or costs spent on a good or service (such as cost of computer equipment in £) with the corresponding industry average emissions rate per monetary value spent.

Category 3 (Fuel-related Emissions) and Category 7 (Employee Commuting) were calculated using the activity-based approach. The activity-based method estimates the emissions of an activity by multiplying the relevant unit of measurement (such as km for distance travelled or litres of fuel used) of an activity with the corresponding emissions rate per unit of activity.

Category 5 (Waste Generated in Operations), Category 8 (Upstream Leased Assets), 11 (Use of Sold Products), and Category 12 (End-of-life Treatment of Sold Products) were calculated using the average-data based approach. The average data method is used to estimate emissions using average national statistics and existing activity-based or spend-based conversion factors.

Our People

We recognise that we as a business can only be as successful as our people. In addition to our TCFD reporting, the following section discloses the social aspects of ERG UK.

Our People

We recognise that we as a business can only be as successful as our people. At ERG UK, we value the skills and talent of our employees, and are dedicated to forging a diverse, inclusive workforce and promoting long-term growth with our Company. Our leadership team is committed to championing diversity of thought, providing equal opportunities, offering a wide programme of initiatives and services, and supporting the professional and private lives of our employees.

In July 2023, ERG UK was awarded the Investors in People accreditation, a standard for people management that focuses on how companies can work to lead, support, and improve the workplace environment, enabling employees to outperform and achieve sustainable results. We aim to continue improving our social performance in accordance with the Investors in People framework.

INVESTORS IN PEOPLE®
We invest in people Standard

London Living Wage Employer

DIVERSITY & INCLUSION

Diversity is at the centre of our culture at ERG UK. For every position we recruit for, we embed these very values in the beginning of the recruitment process by selecting from multiple eligible candidates across a variety of nationalities, genders, and professional backgrounds. We provide a flexible recruitment process, including for full-time positions, internships, and temporary working opportunities.

We are aware that ERG UK often operates within traditionally male-dominated industries and markets, where the existing business culture means that the proportion of women in a company is often smaller. Despite this challenge, we are proud to have a diverse gender distribution within our company. As we continue to grow as a business, we look forward to improving gender representation across all levels of the business, and work to establish diversity-related goals for the company.

Table 10: Employee Gender Distribution

	2024	
	Male (%)	Female (%)
ERG UK Board of Directors	60%	40%
Management	75%	25%
All Other Employees	67%	33%
Total Company	**65%**	**35%**

Our People
Continued

EMPLOYEE BENEFITS & WELLBEING

ERG UK adopts a comprehensive benefits programme to ensure that our employees are supported. This includes a company-approved pension plan with minimum employer and employee contributions, life assurance, and income protection benefits. ERG UK also offers private medical and dental insurance services to ensure and support the health and wellbeing of all our employees. We offer employees maternity and paternity leave that meet statutory requirements. We also offer a hybrid working model (split between 1 day working at home and 4 days in the office). Employees have the flexibility to choose which day on a weekly basis they wish to work at home.

To promote physical fitness and environmental sustainability, ERG UK introduced a gym subsidy scheme for all employees in 2024 to encourage exercise and fitness. This builds upon the continued commitment to employee health with the cycle-to-work scheme implemented in 2023.

CONTINUED PROFESSIONAL DEVELOPMENT

We invest in our people to nurture talent and are committed to a supporting working environment. ERG UK has a Training & Qualification Policy that provides employees with professional development opportunities to increase their skills and enhance their contributions to the organisation. This includes financial support for courses and other training mediums that will enhance their career development in line with the role completed by the employee in the Company. The Company also provides study leave to accommodate employees who are continuing part-time study in addition to work.

All employees also conduct quarterly goal-setting sessions with their managers, to ensure that both the performance and continued support required by the employee is met. This is completed in addition to annual appraisals to provide additional support to employees where needed throughout the year.

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