

Sustainability report for EY Denmark

Showing sustainable responsibility

EY Godkendt Revisionspartnerselskab

2020/21

ey.com/dk



Building a better
working world



Contents

4	Who we are	40	People
7	CEO letter	42	Diversity and Inclusion
8	Strategic sustainability goals and roadmap	45	Human rights and labor
10	Creating long-term value	46	Employee health and wellbeing
10	Our strategy: NextWave	50	Continuous learning and training
11	EY's value created	51	Discrimination and harassment
19	Risk assessment – importance to EY's value creation	52	Prosperity
20	EY's impact on society	54	Absolute number and rate of employment
21	Committing to the UN Sustainable Development Goals	54	Economic contribution
22	Principles of Governance	54	Investing in innovation
25	Governance in EY Denmark	54	Social value generated
26	Anti-corruption and bribery	56	Framework and reporting metrics
26	Risk, Independence and compliance	58	WEF- IBC index
27	Business ethics and integrity	60	Accounting principles
28	Data ethics and data protection	62	Our commitment to UN's Sustainable Development Goals
29	EY Ethics Hotline	63	Risk assesment and management
30	Planet		
33	Task Force on Climate-related Financial Disclosures		
33	Greenhouse gas emissions		
33	Scope 1		
34	Scope 2		
35	Scope 3		
38	Water consumption		
39	Responsible supply chain		

Who we are

Organizations that embed long-term value in their purpose can create more impact in the market and society. At EY, our purpose is to build a better working world. This is the foundation for our business model, ensuring we remain at the forefront of development. We strongly believe that by building trust and confidence in the capital markets, helping our clients tackle their toughest issues, running our business according to our values and offering our people exceptional opportunities, we will go a long way toward fulfilling that purpose.

We believe a better working world is one where economic growth is sustainable and inclusive. We serve several different stakeholders who count on us to deliver quality and excellence in everything we do. We are committed to promoting sustainable business and acting responsibly in relation to our employees, clients and communities.

We want to deliver true impact supported by EY's global strategy NextWave and our ambition to create long-term value for clients, people and society as the world's most trusted, distinctive professional services organization.

Sustainability reporting

This year, we expanded our sustainability reporting toward realizing that value. We have incorporated increased environmental, social and governance (ESG) disclosures and report according to the metrics and disclosures of the World Economic Forum's International Business Council (WEF-IBC); 'Measuring Stakeholder Capitalism', supported by UN's Sustainable Development Goals. The WEF-IBC was developed with support from the Big Four accounting firms, including EY, to help businesses better demonstrate their contributions toward sustainable, long-term value creation.

EY's sustainability report is organized around the four pillars: Principle of Governance, Planet, People and Prosperity of WEF-IBC framework. This is a journey – as it is for many organizations – as we more effectively measure and report value creation, focus on stakeholder impact, and integrate ESG into the core of what we do every day. We believe this is the most important way for us to execute our purpose.



■ Principle of Governance

Our purpose in effective governance and setting accountability standards

■ People

Our responsibility to create a diverse, safe and developing work environment for our people

■ Planet

Our role in protecting the planet to support the needs of current and future generations

■ Prosperity

Our role in furthering economic, technological and social progress for our communities

● All EY people live by a set of shared values that define who we are. These values are the fundamental beliefs of the EY organization. They guide our actions and behavior. They influence the way we work with each other, and the way EY professionals serve clients and engage with our communities.

● We are

- People who demonstrate integrity, respect, teaming and inclusiveness
- People with energy, enthusiasm and the courage to lead
- People who build relationships based on doing the right thing



CEO letter

Welcome to the 2020/21 sustainability report for EY Denmark.

For us, this year has been exceptional. Although COVID-19 has triggered incredible challenges and change for us as a company, for our people, our clients and society, we kept going. We could have put development initiatives and investment in technology on hold. But we chose another path. We have been responsive to clients' challenges, adapted our range of services and strengthened our position in the market. And sustainability has been at the core of our actions.

There is no doubt that sustainability is both critical and fundamental to businesses and markets going forward, and we are highly committed to this agenda across our global network of more than 312,000 EY people. Through our service deliveries, we support our clients in achieving their goals through transformative, value-adding advice to ensure sustainable growth.

Committing to climate action

We are proud of our commitment to reduce our absolute emissions by 40% across scope 1, 2 and 3 by FY25, against an FY19 baseline, consistent with a 1.5°C science-based target, approved by the Science Based Targets initiative (SBTi), to reach net zero in FY25 globally.

It is a tough goal, which will affect our travel patterns and how we work together combined with increased requirements for our office buildings.

Our people at the core

Our people are the core of our business, and throughout the pandemic, they have been our top priority. In our people survey, 88% say they are proud to work for EY, and our skilled and highly motivated people help create outstanding results that shape the future.

One of the learnings from COVID-19 was the flexible working day. To benefit the way our people work post COVID-19, we have launched the EY Hybrid Model, which gives our people the

flexibility to have more control over where and how they work in the acknowledgement that we all perform our best in different ways.

Creating long-term value

With our strong purpose of Building a better working world and supported by our Next Wave strategy, it is EY's ambition to create long-term value for clients, people and society as the world's most trusted, distinctive professional services organization.

This year we expanded our sustainability reporting with increased environmental, social and governance disclosures. Our report is based on the metrics and disclosures of the World Economic Forum's International Business Council; 'Measuring Stakeholder Capitalism', aligned with the United Nations Sustainable Development Goals, to help businesses better demonstrate their contributions toward sustainable, long-term value creation.

We welcome you to join us on this journey and dive into our sustainability report to learn more about the work we are doing.

Thank you to all our exceptional colleagues at EY for making this journey possible.

As we look forward, we are confident that through collaboration, we will build a better working world.

Jan M Huusmann
Country Managing Partner & CEO
EY Denmark

Jan C Olsen
CEO
EY Denmark

Strategic sustainability goals and roadmap

Based on our impact assessment, we have set targets and defined focus areas for our sustainability work. We have summarized the main themes and progress towards our targets in our sustainability roadmap.

Building on our global strategy NextWave and our ambition to create long-term value as the world’s most trusted, distinctive professional services organization, we aim to embed sustainability into every aspect of our business at EY.



Principles of Governance, Planet, People and Prosperity are the supporting pillars of our sustainability approach as defined in the WEF-IBC framework of Measuring Stakeholder Capitalism.

	Principles of Governance	Planet	People	Prosperity
High-level ambition	To become the most trusted professional services organization	Protecting the planet to support the needs of current and future generations	Empower EY people to build their own exceptional EY experiences	Building a better working world in the communities where we live and work
FY2025 Targets & focus areas (FY19 baseline)	<ul style="list-style-type: none"> Code of Conduct and anti-corruption training, 100% Suppliers signing code of conduct, 100% 	<ul style="list-style-type: none"> Absolute CO₂ emissions -40% Business travel reduced by 50% Reduce waste and increase share of recycled waste 	<ul style="list-style-type: none"> Diversity & Inclusion, 40% women on leadership level Employee satisfaction, maintain high level, 90% EY Badges, 50% of our people are in progress or have been awarded an EY Badge 	<ul style="list-style-type: none"> 1000 EY participants volunteering through EY Ripples Lives impacted through volunteering. Aligned with Global Target to impact 1 billion persons by 2030
Actions	<ul style="list-style-type: none"> Maintain 100% level yearly Require suppliers to sign Supplier code of Conduct 	<ul style="list-style-type: none"> Implement new travel policies Reduce overall office electricity usage and procure renewable energy Encourage and improve waste sorting and reduce waste, e.g. from suppliers 	<ul style="list-style-type: none"> Improve and increase efforts for better gender balance Listening to our people to support employee engagement, retention and satisfaction Support competence development 	<ul style="list-style-type: none"> Encourage and engage employees to participate in Ripples projects Introduce new initiatives to support local communities
Results FY21	<ul style="list-style-type: none"> Training: 100% Suppliers signing: 100% 	<ul style="list-style-type: none"> GHG emissions: -81% 	<ul style="list-style-type: none"> Women on leadership level: 30% Employee satisfaction: 87% EY Badges: 25% (accumulated) 	<ul style="list-style-type: none"> Participants: 92 / 6% Lives impacted: 32,400 people
SDGs Most relevant highlighted				



Creating long-term value

Our strategy: NextWave

In a rapidly evolving world, the expectations of clients, our people at EY and stakeholders are also changing – innovation and agility are now more important than ever before. NextWave is our global strategy with our ambition to create long-term value for our clients, people and society as the world's most trusted, distinctive professional services organization.

With the launch of NextWave in 2019, the EY organization has made a commitment to drive deeper engagement around our purpose and what it means for all our stakeholders. Back then,

no one could foresee how dramatically COVID-19 would alter the business landscape. Yet, in these challenging times, the NextWave strategy has put us in a strong position to adapt and innovate, and our purpose of building a better working world has never been more relevant.

It continues to inspire EY people to not only serve our clients, but to also use our knowledge, skills and experiences to support the communities in which we live and work.



EY's value created

We have defined long-term value as a strategic lens for value creation across a broad group of stakeholders. This is a step that moves beyond the typical view of value creation that is focused solely on the financial value dimension.

We contribute by leveraging our services across the organization to focus our strategic pillars to create:

■ People value

To create an exceptional experience for EY people

■ Client value

To help clients grow, optimize, and protect value

■ Social value

To build trust in the capital markets and have a positive impact on communities and planet

■ Financial value

To be the long-term growth leader





“

With our NextWave ambition, we are unequivocally stating our goal to become the most trusted professional services organization.

Contributing through our strategic pillars

We create long-term value as the world's most trusted, distinctive professional services organization through four strategic pillars:

Client centricity

Client centricity means putting relationships at the heart of our strategy, operations and processes. It is also about understanding the wider issues clients face. Then developing the solution, drawing on our expertise across EY and our wider ecosystem, packaged with excellent delivery and the latest technology.

Exceptional and diverse people

As clients' needs become more complex, we need people from diverse backgrounds to better understand client challenges. It is our goal to continually sharpen the skills of our people by investing in empowering EY people with the right mindset and skill sets to navigate what's next and become the transformative leaders the world needs. This will also help them pursue careers as unique as they are and build their own exceptional EY experiences. These changes can help create agile and engaged teams and will drive long-term value for clients and all EY people.

Global integration and teaming

The way we team across our globally integrated organization differentiates us and drives value for all our stakeholders. We are in a strong position and can be stronger. But we need to make a step change – to make sure our operating models are efficient, we need to free up capital to invest in technology and innovation, and better enable teaming.

Data and technology

Technology and data are emerging as drivers of change – transforming how we create value to how we relate to each other and clients. Transforming means accelerating our global investment in innovation and emerging technologies and collaborating with alliance and ecosystem relationships. Until recently, we have used technology to improve our offerings and solutions. Going forward, technology – powered by data – can help innovate and differentiate our offerings in the market.

Contributing through our services

Furthermore, we provide long-term value through the services we deliver.

Assurance

In Assurance, we serve the public interest by independently assessing risk and identifying opportunities to enhance trust in business and the capital markets, in support of sustainable, long-term value creation.

Tax & Law

In Tax & Law, we provide our clients with information, insights, services and solutions to help the enterprise navigate complexity and risks, drive better business decisions, understand global tax policies and laws, and comply with the requirements and responsibilities.

Strategy and Transactions

How organizations manage their capital today will define their competitive position tomorrow. Strategy and Transactions enables clients to reimagine ecosystems, reshape portfolios and reinvent themselves for a better future.

Consulting

In Consulting, we are transforming businesses through the power of people, technology and innovation. By placing humans at the center, leveraging technology at speed and enabling innovation at scale, our clients are transforming to realize long-term value for people, business and society as a whole.

See [EY Denmark's Transparency Report](#) for FY21 for more on audit quality and quality processes.

See [EY Denmark's Annual Review](#) for FY21 for more information on our services lines.

We further the public interest by proactively addressing stakeholders' needs for trust and confidence in business and the capital markets.

Contributing through value-led sustainability services

At EY, we are committed to making business work for sustainability and making sustainability work for business. EY has developed a Value-Led Sustainability framework to help design and deliver on the business and investment case for sustainability. With this framework, we want to help our clients by shifting sustainability from a reporting-led conversation to a value-based narrative, engaging with governments and the private sector to turn sustainability into a business opportunity and help companies create and protect value.

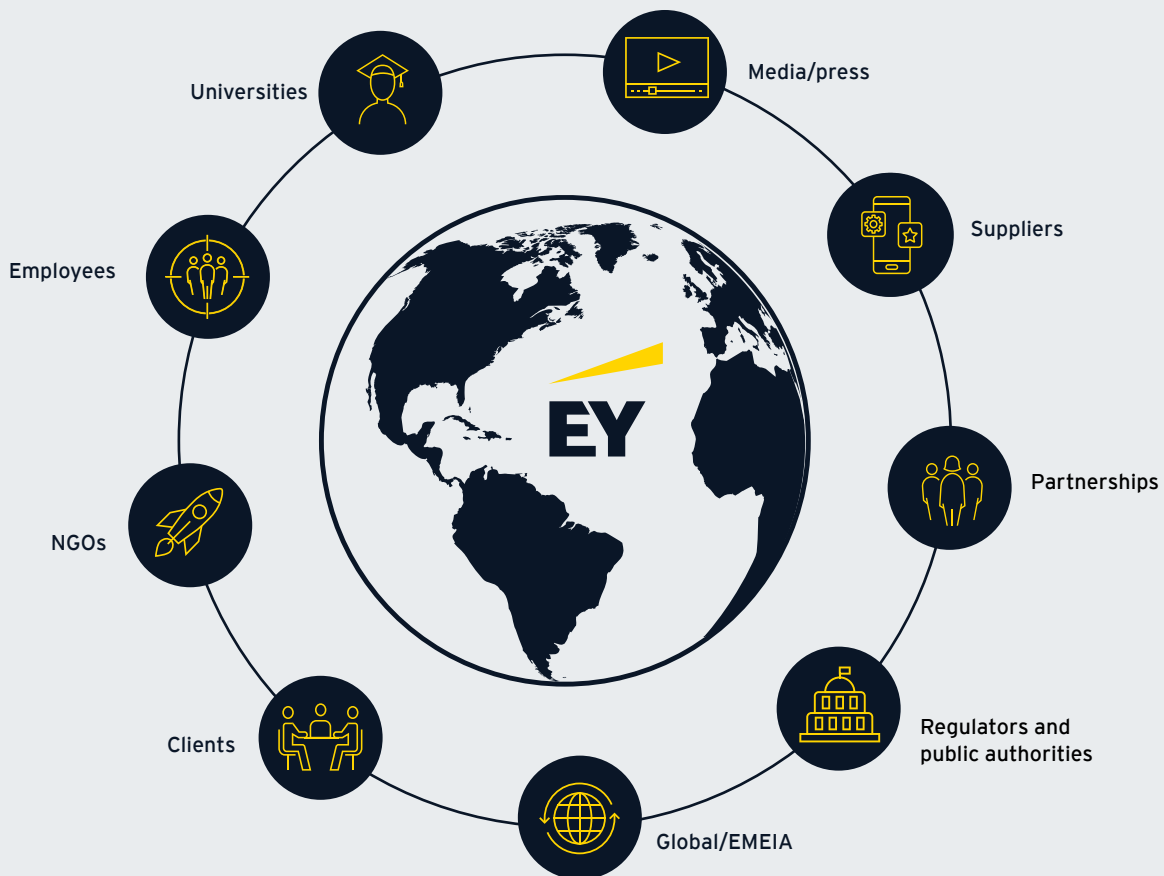
The framework can help accelerate our clients' net-zero transition journey and assist them in executing change projects in public and private sector organizations.

Additionally, we can help our clients by evaluating the strategic and business value of improving environmental, social, and governance (ESG) ratings, allowing for improved access to capital or increased investor confidence. We can also support roadmap activation and work with a cross-section of stakeholders to accelerate key components of our clients' ESG strategy.

The ever-increasing scale of global challenges call for a global approach. The EY ecosystem consists of service lines, regions, sectors and alliances, along with our more than 312,000-strong EY people in over 150 countries. This ecosystem is well-positioned to help organizations navigate sustainability across their entire value chain and embed it as a key driver of creating long-term value, helping build a better working world.

Contributing through stakeholder engagement

At EY, we engage with and maintain strong relationships with stakeholders in structured and ad hoc ways at a local, global, internal and external level every day. Engaging with our stakeholders is important to identify, understand and act upon concerns, market trends and expectations. Every stakeholder is important to the EY organization and understanding their needs and expectations is central to us becoming the world's most trusted, professional services organization.



Employees

We believe in constantly enhancing employee experience to keep our people motivated in their day-to-day work, thus helping in building a better working world. Our teams interact daily through Nordic, country, and department level touch points; meetings; town halls; or through regular counselor conversations.

Nurturing a culture of openness as well as accessibility to the leadership is important to us. Employee engagement and diversity and inclusion are corporate KPIs, and we measure our performance through regular employee surveys.

EY Global/EMEIA

We interact with the EY global teams and the EMEIA regional teams through our leadership structure, the EY Global Governance Council, and other forums that support and influence global decision-making for our member firms. We leverage our truly global One EY approach when forming teams with special competencies, sector knowledge or local insights to support our clients.

Regulators and public authorities

We offer sector-specific knowledge and experience to public authorities and deliver services to public institutions. EY senior advisors and specialists are represented in various industry bodies, for example in committees under FSR where we provide input on behalf of our industry for policy making for the benefit of citizens and society. We also specialize in public sector challenges and solutions and develop thought leadership on matters such as sustainability, urban development and reporting.

Suppliers

We stay in regular contact with our suppliers and require compliance with our Supplier Code of Conduct and support of commitment to long-term value creation and running a sustainable business.

Clients

We support our clients through our differentiated services and solutions, enabling them to achieve sustainable growth and to create long-term value. Some of the services we provide include auditing and assurance around public reporting, along with leading services to help build trust and market stability. We engage in regular dialogue-shaping conversations with our clients and assist in deliverables follow-up to help create additional value. To measure client satisfaction, we conduct formal client experience surveys on a yearly basis. We interact with start-ups in our daily business and through annual events such as the EY Entrepreneur Of The Year program.

Universities

We recruit talent from universities and business schools and commit to their continued education through formal and informal learning as our people progress their career at EY. Our people give lectures at universities to provide insights and business perspectives to students. We host competitions and events for students as well as offer mentorship programs to attract students to the EY organization and professional services in general. Finally, we engage regularly with students on social media platforms.

Media

Information via press releases and news is shared on a regular basis with the media and through our home page and social media channels. We share opinion pieces and thought leadership articles and engage in regular dialogue with journalists to offer facts as well as subject matter knowledge on issues concerning the public debate. To drive dynamic media engagement, we acknowledge requests from the media about information on the EY organization and also extend cooperation on EY-driven programs, events and agendas.

NGOs

We regularly interact with Danish and global NGOs through our corporate volunteering program EY Ripples.

Unlocking new value with EY partnerships

In this age of disruption, the pace of change has never been faster, the need for resiliency more critical and embracing transformation more vital. Achieving digital transformation single-handedly is extremely difficult for an organization. EY teams leverage the transformative potential of our alliance and ecosystem relationships to help companies rapidly and digitally transform with minimal risk. These relationships help provide technologies and insights to create new forms of client value. This helps clients achieve their transformational outcomes to turn more agile, innovate at speed, and be more resilient and better-equipped to respond to disruptive change. Examples of our alliance and ecosystem relationships include Microsoft, IBM and SAP. For more information, go to ey.com/en_dk/alliances.



Megatrends shaping our business

Megatrends shape our business and the markets in which we operate and constitute both risks and opportunities for EY. We see it as strategically important to develop plans in line with megatrends and ‘the next big thing’.

The trends, which we prioritize as most relevant to EY and which influence the assessment of our most material risks, are these:

Climate change

An ever-increasing population growth; use of polluting, carbon-intensive technologies; and the development of a linear, take-make-waste economy that overexploits ecosystems have presented a set of interconnected environmental challenges. The next wave of disruption in the environment will interlink with and exacerbate these challenges and create exponential climate impacts for earth along with increasing stakeholder demands.

Circular Economy

The world’s natural resources are under increased pressure, and therefore it is crucial that environmental resources are used and reused far more efficiently to reduce the need to extract new resources. Electronic waste is one of the fastest growing waste streams in the EU that can have an adverse impact on human and the planetary health.

Demographics

The world is currently facing demographic changes at a pace that may pose significant challenges and opportunities for businesses with growing demands from the Generation Z and Millennial generations (Gen Z/M) on sustainability, business ethics, continuous learning and flexibility standards. The new generation of workers expect companies to lead the way with a clear focus on ESG challenges.

Technology

Technological transformation and digital innovation play a critical role in the evolution of society, and technological advances continue to reshape the world as we know it. With technology at the center of business change, it enables organizations to successfully transform and unlock short- and long-term value for stakeholders, employees and communities. The rapid acceleration of digital transformation is also highlighting the need for reliable data.

New economic metrics

In order to survive and grow in an increasingly competitive and accountable business environment, organizations are required to report not only on their financial performance, but also on their nonfinancial performance so what they measure reflects what they value.

Globalization

Effects from political instability, increasing protectionism and economic and financial shifts are influencing companies’ investment plans and the overall economic development of different sectors.



Risk assessment – importance to EY’s value creation

Going forward, businesses are likely to confront a number of interconnected risks, accelerating the need to manage these risks in novel ways, alongside discovering new opportunities for growth. Global megatrends and stakeholder analyses are important factors in assessing the potential risks and inherent opportunities for EY. In addition to assessing external factors, our Risk Management team has evaluated and carried out a maturity analysis of EY internally.

We have assessed our material long-term risks, seen as a consequence of sustainability-related developments and economic, social and governance impacts throughout our value chain based on external and internal assessments.

We have categorized each risk, which naturally holds opportunities as well, within the four pillars of Principle of Governance, Planet, People and Prosperity as defined by WEF-IBC.

Identified risks

Principles of Governance

- Business ethics and compliance
- Corruption and bribery
- Business disruption and crisis response
- Cyber threats and information security
- Data ethics

Planet

- Demands for climate and environmental action
- Rising mean temperatures and extreme weather conditions
- Supply chain and environmental impact

People

- Talent Management, well-being and retention
- Diverse and inclusive organization
- Supply chain and social conditions

Prosperity

- Sustainability integration in services
- Innovative practices leading to new markets
- Globalization and geopolitical instability

Find the full risk assessment on page 63-65.

EY's impact on society

In order to constantly focus on the right sustainability related factors and create value for those who are directly or indirectly impacted by our business, we have created an impact assessment, which gives us valuable insights into the areas we should focus on now, next and in the future.

For the EY impact assessment, we have assessed the double materiality based on the most recent development within the methodology for sustainability materiality rating. It is centered on the dynamic materiality framework, which was proposed as a collaboration between the five international organizations, defining the standards for sustainability reporting CDP, the Climate Disclosure Standards Board (CDSB), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC) and Sustainability Accounting Standards Board (SASB) in September 2020.

The double materiality assessment is based on two parameters: impact on society (inside out) and importance to the EY value creation (outside in).

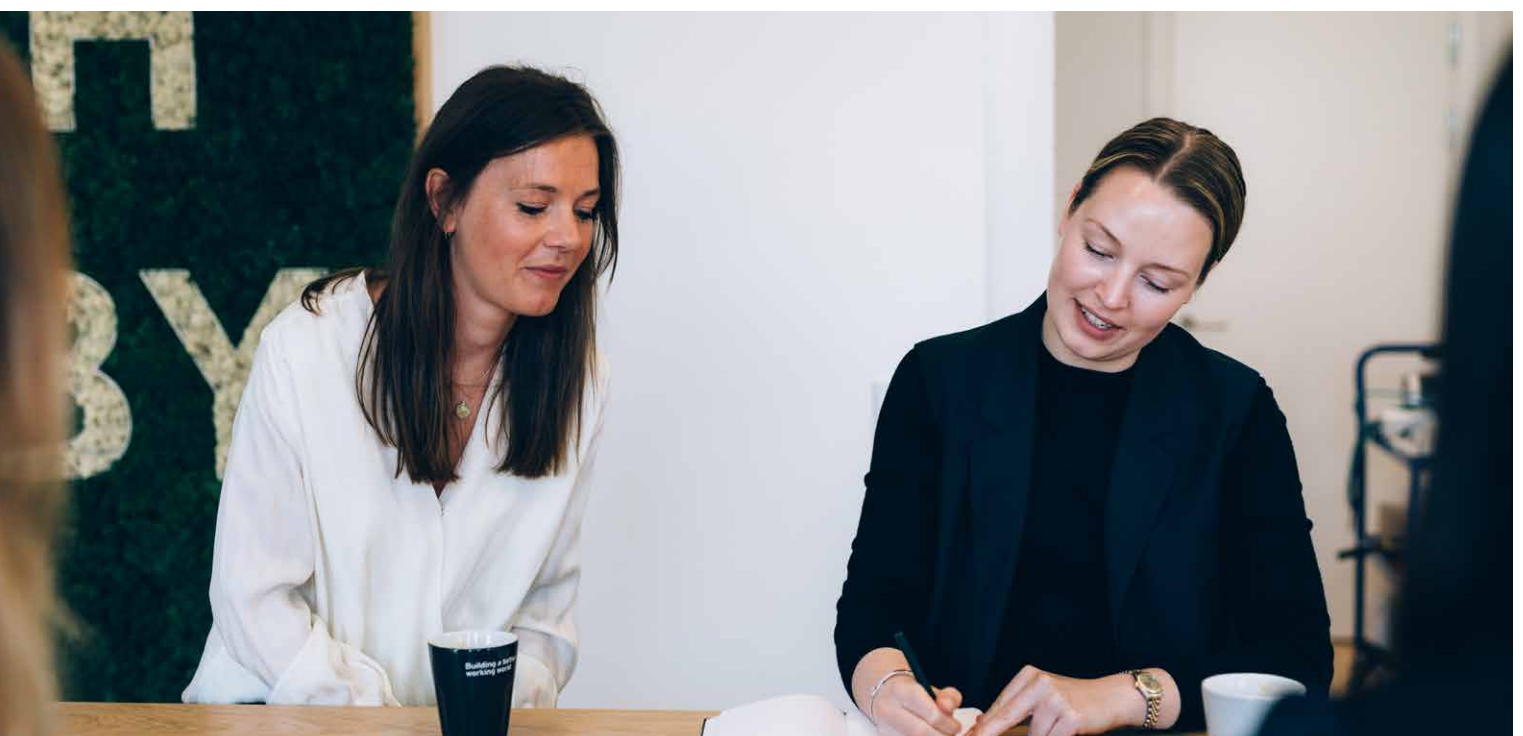
The impact on society parameter entails the EY impact on society, covering significant positive or negative impacts on the

economy, environment and people. The materiality of each topic is defined by the potential consequence of the impact in terms of severity, reversibility and scope as well as likelihood of its occurrence.

The importance to the EY value creation is defined by the risks and opportunities related to the topic, such as negative or positive impact on reputation, efficiency, sales, costs, environment or safety of employees, and the impacts these can have on value creation, such as financial loss or gain, reputational impact and impact, on market share.

Risks and opportunities are defined by the megatrends, setting the scene for EY Denmark. Environmental topics are of increasing importance to value creation, as discussions around climate grows and can have significant impact on the organization's brand and reputation if not handled well.

Our impact assessment identifies the most material areas for EY as described in the coming chapters of Principles of Governance, Planet, People and Prosperity.



Committing to the UN Sustainable Development Goals

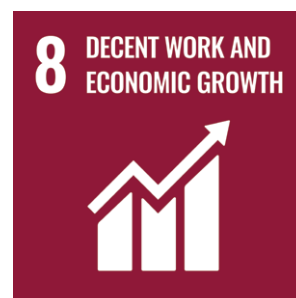
The UN's Sustainable Development Goals (SDGs) cover broad challenges such as economic inclusion, diminishing natural resources, geopolitical instability, environmental degradation, and the impacts of climate change. Business will play a crucial role in achieving the SDGs and is likely to gain a lot in the process.

In EY, we operate globally and serve global clients and through our business activities, we have either a direct or indirect impact on almost all of the SDGs. For EY Denmark specifically, our leadership team has identified four goals where we have a

particular impact through our business and where we have set targets or work dedicated at reducing our impact and where we can help improve conditions through our actions.

We recognize that we can address complex sustainability challenges by scaling up our efforts and collaborating with peers, industry bodies, clients, authorities, non-profit organizations, and society in general.

Learn more about how we address UN's Sustainable Development Goals on page 61.



Principles of Governance

Legal structure

In Denmark, EY Godkendt Revisionspartnerselskab is the company where our Danish audit practice is performed. EY Godkendt Revisionspartnerselskab is a wholly owned subsidiary of EY Partnership P/S.

EY Partnership P/S and EY Godkendt Revisionspartnerselskab are member firms of Ernst & Young Global Limited, a UK company limited by guarantee (EYG).

EY Partnership P/S is owned by partners. Some of the Danish partners are, together with partners from other EYG member firms in Europe, also international partners.

EY Denmark has 15 offices and approx. 1,600 employees.

8 DECENT WORK AND
ECONOMIC GROWTH



Selected sub-target:

8.2 "Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors".

EY works long term to strengthen quality, enhance efficiency and create transformative opportunities for sectors and businesses through a clear focus on investments in innovation, technology and AI-enabled solutions.

We aim to invest US\$ 10 billion globally from 2021 towards 2024 on audit quality, strategy, technology and people.



Governance in EY Denmark

EY Godkendt Revisionspartnerselskab's day-to-day management consists of Jan C. Olsen, CEO and Assurance Leader, and Jan M. Huusmann, CEO and Country Managing Partner.

The daily management team consists of the managers of our four Service Lines, Assurance (Jan C. Olsen), Tax & Law (Jan M. Huusmann), Consulting (Rene Ravn) and Strategy and Transactions (Søren P. Krejler).

Mona Blønd heads the Danish EY Professional Practice (Assurance Quality and Risk).

EY Denmark also includes the other EYG member firms in Denmark:

- EY Grønland Godkendt Revisionsanpartsselskab
- EY Net Source A/S

Members of the EY Denmark Supervisory Board

For EY Godkendt Revisionspartnerselskab, our highest management body is our Supervisory Board. The Board represents diversity in backgrounds, competencies, experience, business focus, seniority with EY, gender and age.



Torben Bender
Chair



Mona Blønd
Vice-chair



Mette Storm



Mikkel Sthyr



Carina Marie G. Korsgaard

Sustainability governance

In order to ensure continuous internal work on sustainability by using the synergies from EY's external service offerings, a Nordic Sustainability Core Team was established in 2020. The team is led by the EY Nordics Sustainability Lead and the team includes sustainability representatives in each Nordic country.

In EY Denmark, our sustainability representative reports to the Danish Sustainability Steering Committee which consists of

Jan M. Huusmann, Country Managing Partner and CEO, Jan C. Olsen, CEO, Mette Storm, Chief Operations Officer and Carina Ohm, Head of Climate Change and Sustainability services. The committee is responsible for setting targets and monitoring progress bi-annually.

Anti-corruption and bribery

EY is committed to the fight against corruption in all forms and, to affirm this, has established a Global Anti-Bribery & Corruption policy accompanied by an anti-corruption compliance program. We anchor anti-corruption measures across EY, and partners and employees are obliged to complete yearly training. All EY professionals and partners have done so in FY21.

A steadfast commitment to tackling corruption is not only embedded in globally consistent policies and practices, including mandatory training on anti-bribery and corruption, but in the services, we offer EY clients. For example, EY Assurance teams help clients strengthen their integrity and compliance frameworks; throughout EY, we have invested in analytics solutions to help clients quickly sift millions of lines of data in order to highlight anomalies. And EY blockchain solutions

help transfer data, currency and other assets in an efficient, trustworthy, transparent and secure way.

In order to raise awareness of the fight against corruption, we also cooperate with external networks and groups. We are part of organizations such as the World Economic Forum and Transparency International to find ways to address the social and economic challenges of our time. In addition, we have signed the World Economic Forum Partnering Against Corruption Initiative (PACI). Our commitment involves two measures: on the one hand, zero tolerance of bribery and, on the other, developing a practical and effective implementation program at global level through our common anti-corruption policies. Locally, adaptations are made to cover local legislation.



Risk, Independence and compliance

The EY Global Independence Policy requires EY Denmark and our people to comply with the independence standards applicable to specific engagements. EY Denmark and its employees consider and evaluate independence with regard to various aspects, including financial relationships, employment relationships, business relationships, the permissibility of services provided to audit clients, applicable firm and partner rotation requirements, fee arrangements, audit committee preapproval, and partner remuneration and compensation.

Annually, EY Denmark is included in an area-wide process to confirm compliance with the EY Global Independence Policy and process requirements and to report identified exceptions, if

any. All EY partners and professionals and certain other people, depending on their role, have confirmed that they comply with EY's independence policy and procedures. Our policies and training help avoid any non-compliance for EY people.

Independence is also an integral part of the EY Global Code of Conduct. Each of us is responsible for our own personal independence and the independence of EY. We are mindful of our own personal financial interests and EY relationships with clients.

More information on EY Denmark's independence and compliance policies can be found in the yearly transparency report.

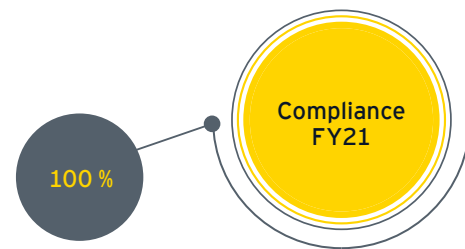
Business ethics and integrity

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other policies. It is also embedded in the EY culture of consultation, training programs and internal communications. The EY Global Code of Conduct provides a clear set of standards that guide our actions and business conduct. EY employees are required to sign the Code of Conduct yearly, and this is monitored on an individual level. EY cannot and will not tolerate behavior that is in violation of its professional standards or inconsistent with the EY Global Code of Conduct. Examples of such behaviors include discrimination, unethical practices, financial misconduct, deliberately jeopardizing quality of work or failing to adhere to EY policies. Everyone required to sign our Global Code of Conduct did so in FY21.

unethical or illegal business practices; compliance with laws and regulation and standards; and the need for honesty in competitive behavior. More specifically, it reaffirms that EY personnel shall not exchange competitively sensitive or strategic information with competitors, or take other steps intending to impede, or that could have the effect of impeding, competition in the markets in which EY operates.

Competition and Anti-Trust Law Compliance

EY as a global network is fully committed to compliance with its legal and ethical obligations, including competition law, and expects the same of all its partners and employees. The global Competition and Anti-Trust Compliance Policy is issued in support of the EY Global Code of Conduct's provisions regarding



Code of Conduct confirmation

The EY Global Code of Conduct provides an ethical framework for our behavior. It draws on our shared values and builds on our purpose and our ambition.

Our Global Code of Conduct is organized into five categories containing guiding principles that should be used by everyone within EY to guide behavior across all areas of our activity.

1

Working with one another

2

Working with clients and others

3

Acting with professional integrity

4

Maintaining our objectivity and independence

5

Protecting data, information and intellectual capital

Data ethics and data protection

At EY, we are committed to protecting information assets, personal data and client information. We secure information assets of EY clients according to our integrated data protection and information security strategy, and we believe that solid data protection and information security programs are the essential components of a leading professional services organization.

Our data protection and information security programs and practices are focused on sharing information appropriately and lawfully while preserving confidentiality, integrity and availability. Our data protection framework is based on the principles of the EU General Data Protection Regulation (GDPR). It addresses the issues raised by modern data management tools and systems.

We apply a common set of personal data management principles to all EY member firms, providing a framework for processing personal data in compliance with GDPR, local privacy laws and professional standards as well as their own internal policies.

Our data protection framework is based on the following principles:

- ▶ We protect personal data using appropriate physical, technical and organizational security measures. These security measures are designed to facilitate compliance with data protection requirements by design and by default.
- ▶ We process, store and disclose personal data only for legitimate business purposes.
- ▶ Our contracts with third-party processors contain terms that confirm data is managed in accordance with the same standards we implement across the enterprise.
- ▶ We give additional attention and care to sensitive personal data.
- ▶ We have identified appropriate measures to keep personal data accurate, complete, current, adequate and reliable.
- ▶ We only retain personal data in a form that permits identification for as long as necessary.

- ▶ Where applicable, we provide notice to individuals with whom EY member firms engage, advising them of the purpose for which we are processing their personal data.
- ▶ We keep a record of categories of processing activities carried out. Processing activities likely to result in a high risk to the rights and freedoms of natural persons will be subject to a data protection impact assessment.

Internal training

As attack methods change, so must the information, guidance and training we offer EY people. Raising awareness about threats to data privacy and information security is an ongoing and dynamic process. It is one that we take very seriously, and it is reflected not only in mandatory training updated regularly for professionals in each EY service line, but in numerous other activities to drive awareness within the entire global EY population.

Supplier risk assurance program

Our supplier risk assurance program aligns with our supplier management due diligence processes to cover third-party activities related to information security, procurement, contracts, data protection and independence, including:

- ▶ Evaluation of prospective suppliers for compliance with our ISO 27001/2 aligned global policies and controls
- ▶ Due diligence reviews, including preparation of risk ratings and findings
- ▶ Mitigation of risk findings
- ▶ Support in supplier selection and contract negotiations

EY Global Information Security Policy

Our Information Security Policy and its supporting standards and controls are continually vetted by senior management to confirm that the material remains timely and accurate, and that it correlates to legal and regulatory requirements applicable to us.



We live in a world fueled by information, making information security not just a priority, but a fundamental part of everything EY does.

EY Ethics Hotline

The EY Ethics Hotline provides EY employees, clients and others outside of the organization with a means to confidentially report activity that may involve unethical or improper behavior, and that may be in violation of professional standards or otherwise inconsistent with the EY Global Code of Conduct. The hotline is operated by an external organization that provides confidential

and, if desired, anonymous hotline reporting services worldwide. When a report comes into the EY Ethics Hotline, it receives prompt attention through our EY Ethics Board where our Nordic Risk Management Partner, General Council Officer, Head of Talent and Chief Operations Officer will address the report.



Planet

By reducing our absolute emissions by 40% across scopes 1, 2 and 3 by FY25, against an FY19 baseline, consistent with a 1.5°C science-based target, approved by the Science Based Targets initiative (SBTi), EY globally will reach net zero in FY25.



7 AFFORDABLE AND
CLEAN ENERGY



Selected sub-target:

7.3. "By 2030, double the global rate of improvement in energy efficiency"

At EY we aim to be more energy efficient by reducing our absolute GHG emissions across scope 1, 2 and 3 by 40% by reducing business travel, mainly by air, and also reduce electricity consumption and waste in our offices.



Emission targets

To reach the 40% reduction-target, EY Global has defined [seven actions](#) that apply to all of EY including, reduction in business travel, conversion to clean energy, ambitious targets on carbon reduction technologies and by requiring that our largest suppliers have set science based targets.

The global targets oblige us in Denmark to work towards the same ambitions and to implement local measures that are in line with the targets.

Key targets in EY Denmark to reduce our absolute emissions by 40% are:

- Reducing business travel emissions by at least 50% by FY25 against an FY19 baseline
- Reducing overall office electricity usage, and procuring 100% renewable energy for our remaining needs
- Reducing overall waste, increase the portion of recyclable material and encourage recycling.

Task Force on Climate-related Financial Disclosures

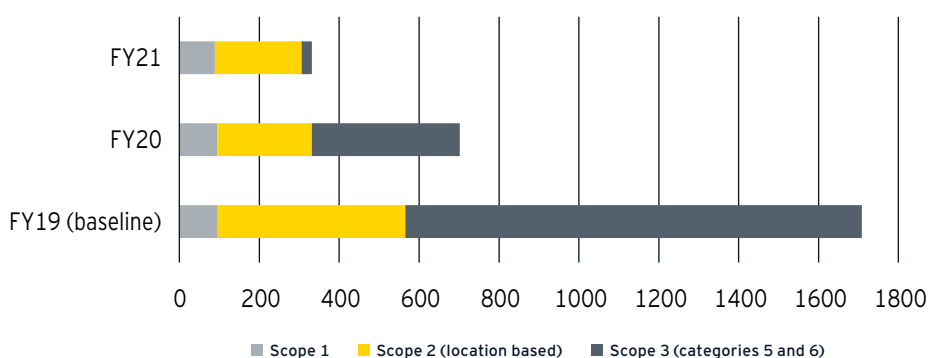
Climate is an essential part of EY’s strategy NextWave. For this report on EY Denmark’s climate-related risks, we have considered some of the elements and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). With the TCFD framework, we have assessed climate-related risks and opportunities that are impacting EY and how we mitigate and manage these risks. The governance model for climate related topics follows the sustainability governance described in

“Governance in EY Denmark” p. 25, and climate related risks are disclosed in the risk assessment p. 19 and 63-65, including both physical and transition related climate risks. This is the first year EY Denmark applies TCFD reporting, and we work to have further improvements for the coming years.

Greenhouse gas emissions

Even if our environmental and climate footprint as a professional services company is relatively low, we continuously work towards minimizing our impact. Our business travels and our office buildings are the primary contributors to EY’s carbon footprint and thereby global climate change.

Total emission t CO₂



For more details on calculations of our emissions, please refer to page 60.

Scope 1

Our direct emissions are limited to a small number of company cars, which are leased through EY Godkendt Revisionspartnerselskab (on short term, irrevocable contracts).

Emissions from these cars are 84 tonnes CO₂ in FY21 (down from 96 tonnes in FY19). Going forward, we will work to ensure a larger share of electric cars among our company cars to reduce our footprint.

Included are also emissions from the cooling systems in our Copenhagen building, which amounts to 5 tonnes CO₂ for FY21.

One of our small offices uses natural gas to cover a part of their heating consumption. This office accounts for approx. 1.5% of our total office space square meters. The consumption of natural gas is being phased out during FY22. This small share of emissions from this source is not included in our scope 1 calculations.

Scope 2

Our indirect emissions include our consumption of electricity, including cooling, and heating in EY's offices.

Since 2020, all EY offices in Denmark are powered by 100% renewable electricity, covered by Guarantees of Origin for renewable energy according to the EU Renewables Directive.

Offices and buildings

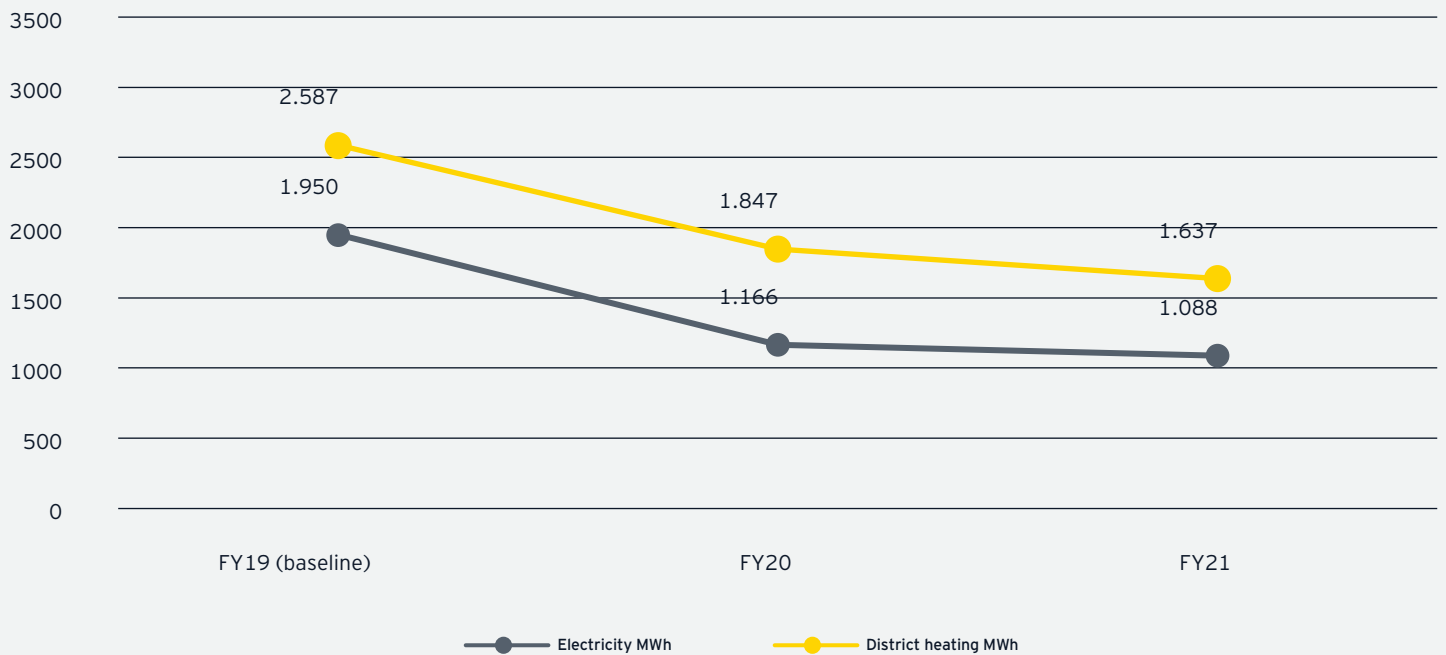
End of FY21, EY Denmark had 15 offices, with a combined gross area of approx. 30,000 gross square meters. Most of the premises are small, covering 500-1000 m². Our largest offices are the Copenhagen headquarters and the offices in Aarhus and Odense. The premises of EY offices are rented. EY pays electricity based on consumption in our largest offices. For approx. 99% of our office space, we use district heating. In FY21 as well as FY20, the electricity consumption was affected by the COVID-19 pandemic and remote working, thus not all reductions are due to conscious actions to reduce energy consumption.

In early FY20, we moved to our new, smaller and more energy efficient headquarters in Copenhagen.

We purchased 1600 MWh of renewable electricity to cover our consumption in FY21, compared to our actual electricity consumption of 1087.6 MWh in FY21.

In FY21, our teams in Esbjerg, Kolding and Herning moved to new and smaller, but more energy efficient and EY@Work-optimized locations. EY@Work is our vision for how EY will work now and into the future to attract and retain the best talent. It provides energizing and efficient workspaces, supported by current technology, which enables our people to work fluidly both in and out of the office. Supported by our hybrid working model, we do not define work as a location. It is not about where you work, but how you work and what you are working on. All new leases for offices in Denmark will also ensure that we live up to high standards with respect to climate and environment.

Electricity and heating (MWh)



Scope 3

We currently include category 5 and category 6 in the GHG Protocol Scope 3 Standard. For business travel, we are currently reporting on air travel and working on gathering sufficient data to include more factors. We are looking into calculating emissions from category 1, purchased goods and services; category 4, upstream transportation and distribution; and category 7, employee commuting, in order to report on these categories in future reports. The remaining categories do not apply for EY and thus are not reported on.

Business travel

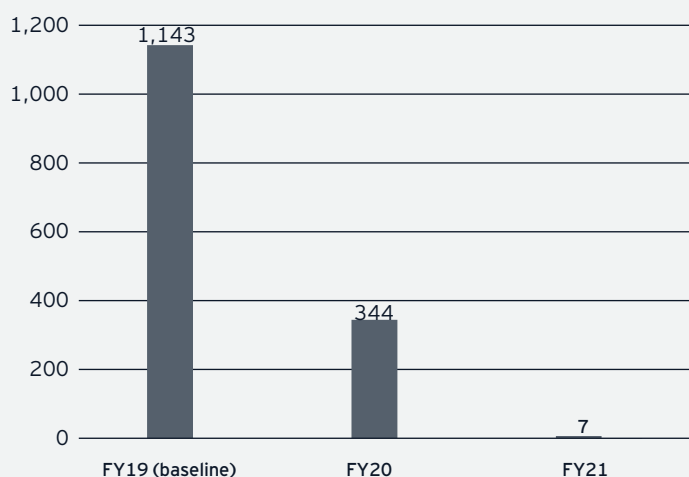
In order to meet our strategic sustainability goals, we have set a target to reduce emissions from business travels by 50% by FY25, using FY19 as a baseline.

As the world starts to recover from the COVID-19 pandemic and we start travelling again, it is necessary to keep up all the good habits and experiences we have gained from remote working.

Guided by our ambition to reduce our carbon footprint, we launched an inclusive hybrid working model in June 2021, which supports our goal to reduce the need for travel and commuting.

Air travel is the most significant contributor to our carbon footprint. At EY, it is encouraged, also by our Global Environmental Statement and our Nordics Travel Policy and Nordic Environmental Policy, to leverage technologies, such as videoconferencing in place of travel when possible, use travel options that minimize emissions, leverage flexible working arrangements, and design meetings and events that use resources efficiently. The primary reasons behind the significant decrease in air travel during FY21 were COVID-19, travel restrictions and remote working.

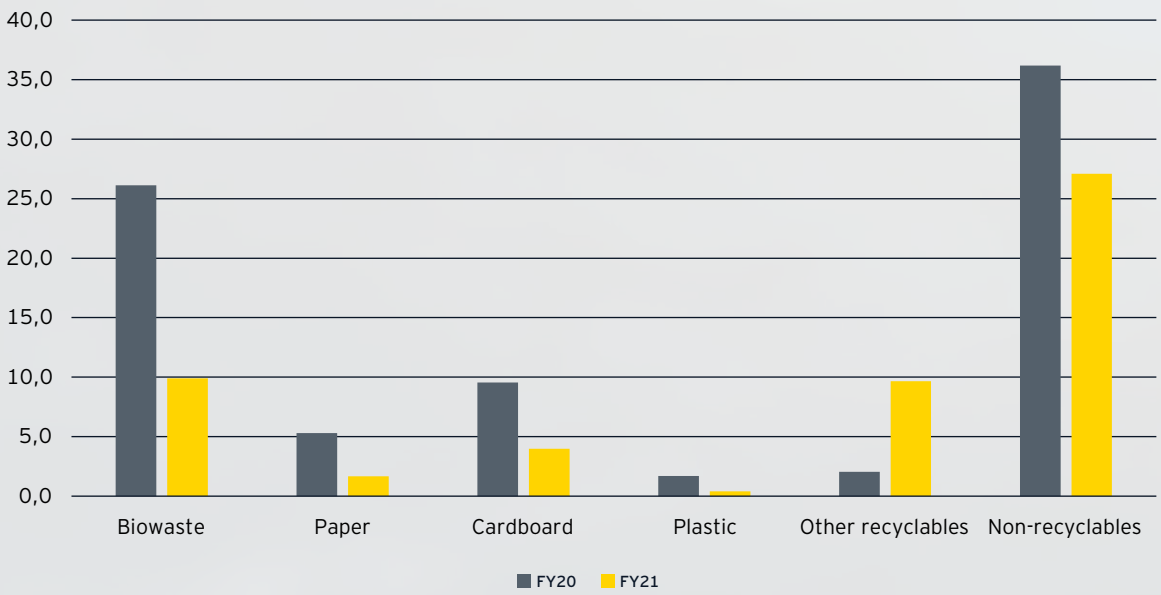
Air travel, tCO₂



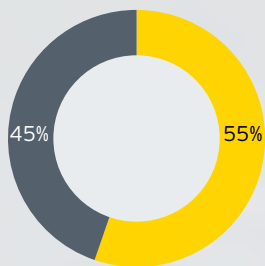
Waste management

Together with property owners and other partners, we work actively to reduce the amount of waste and to increase the amount of recycled and source-sorted waste. In FY21, the large reductions in waste amounts are mainly due to effects of the COVID-19 pandemic and remote working.

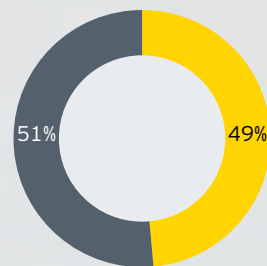
Waste (t)



**Waste FY20
(recycled & non-recycled)**



**Waste FY21
(recycled & non-recycled)**

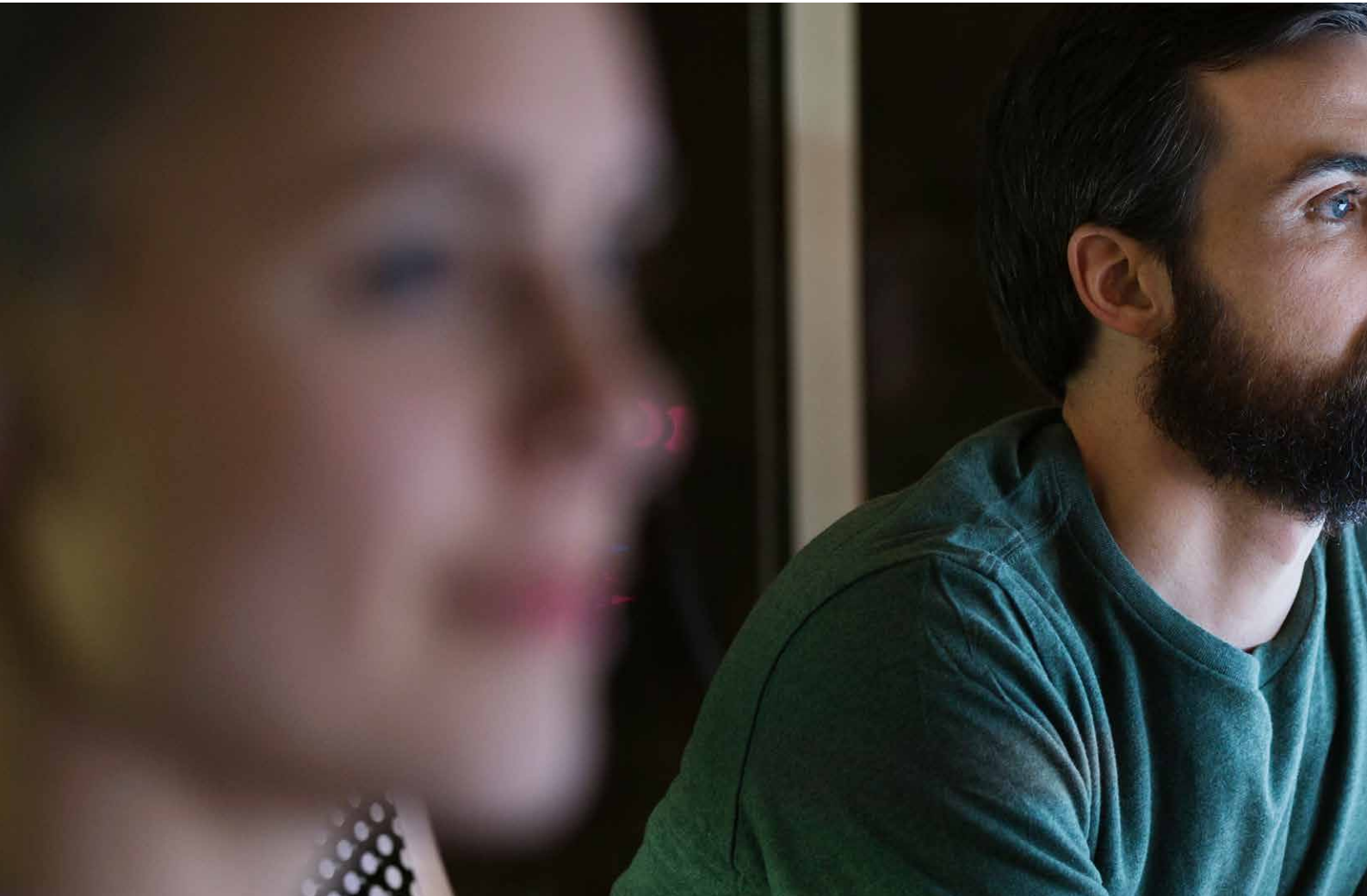
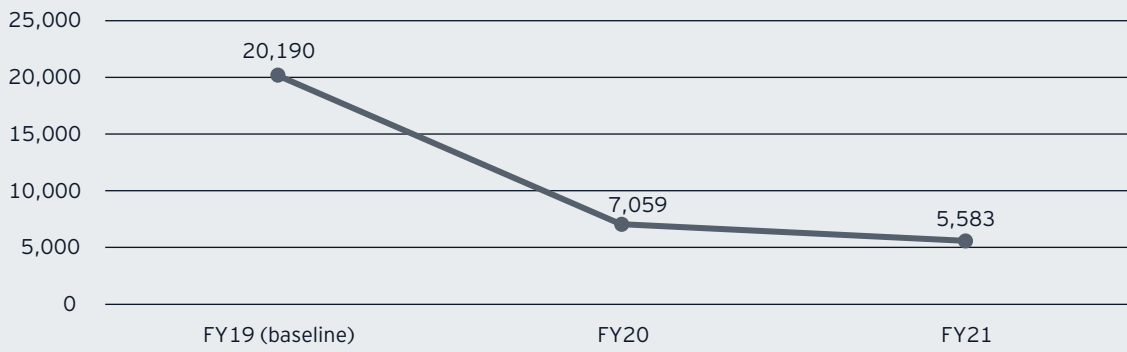




Water consumption

Water consumption was also affected by the COVID-19 pandemic in FY21, and part of the reduction is due to increased remote work.

Water consumption (m³)



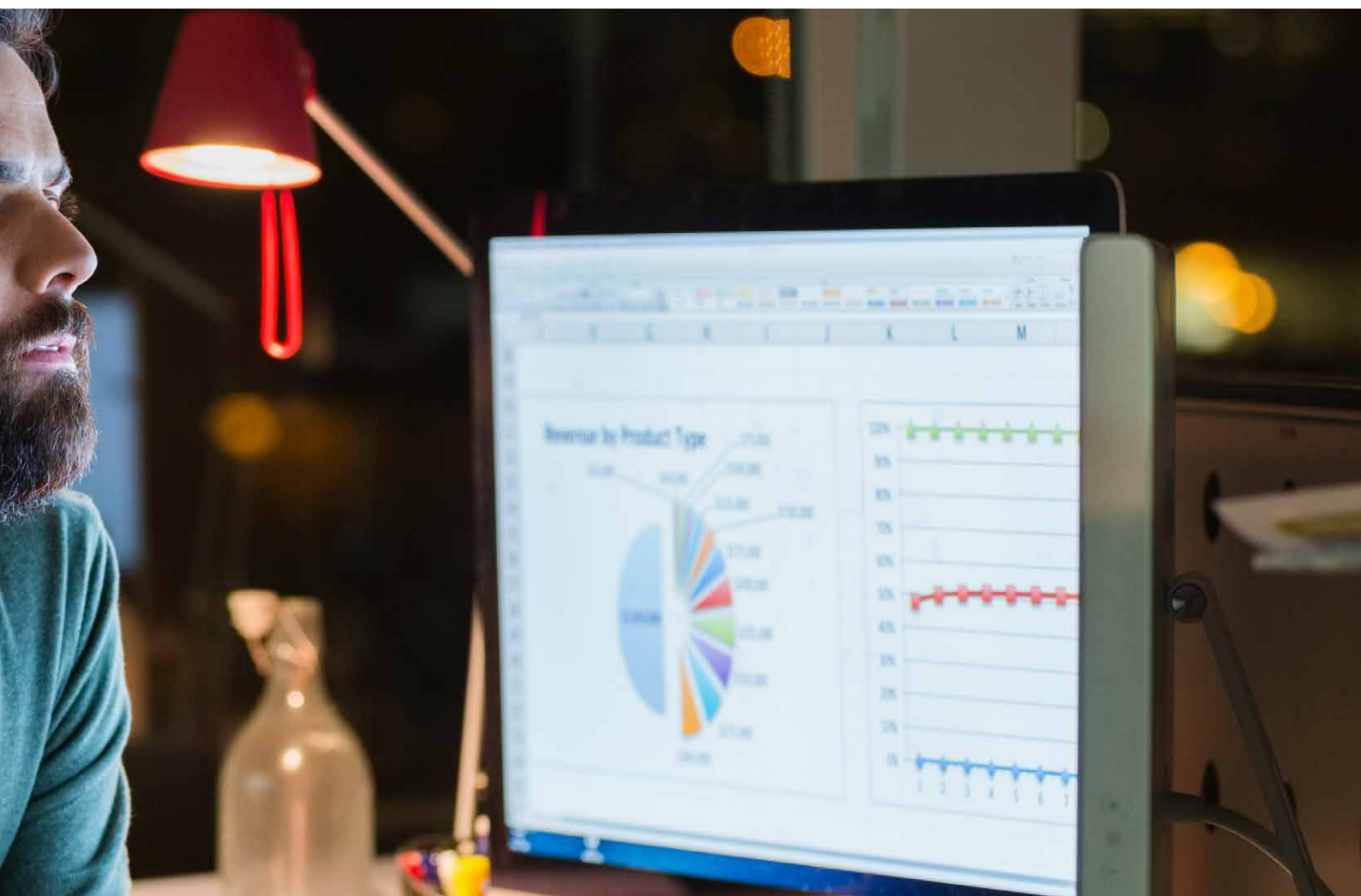
Responsible supply chain

As EY is a service organization, our supply chain is not that extensive. Our main supply by spend is professional services from other EY offices and data storage. Other big supply consists of IT equipment, mobile devices, office furniture, real estate and business premises services and health services.

We have long-term contracts with our suppliers, and we aspire to develop our supply to an even more sustainable direction. For example, with our real estate and business premises services supplier and our supplier of office supplies we have ongoing conversations and work together to find more sustainable solutions. Contracts with our biggest IT suppliers include recycling of used IT equipment and devices.

We have set a goal covering 75% of our biggest suppliers, by spend, to have set Science Based Targets by FY25. We will collaborate with all suppliers to help them on their journeys to SBTi accreditation and the decarbonization of the products and services we procure from them. By working with suppliers and encouraging them to work with us, we will further multiply the impact of EY's carbon negative position. During 2022, all EY people with responsibility for procurement will be given training in how they can support our main suppliers in setting science-based targets approved by SBTi by 2025.

Through our procurement teams, we are in the process of reaching out to all major suppliers to discuss the journey towards alignment to SBTi.



People

Our employees are our greatest asset. Their personal and professional growth is central to the success of our organization

At EY, our people are instrumental when it comes to realizing our purpose of building a better working world. Our exceptional people address the opportunities and the challenges our clients face, and for them to perform at their best, we need to provide them with exceptional experiences by:

- ▶ Having a culture where treating everyone with dignity and equality is the clear norm
- ▶ Developing their skills for the future demands in our profession and in accordance with their individual development aspirations
- ▶ Looking after their health and wellbeing without compromising the integrity of the individual.



5 GENDER EQUALITY

Selected sub-target:

5.5 "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life".

We work to ensure gender equality at all levels in the organization, and especially focus on greater gender balance on leadership level in EY. Several activities are in place already, including global and local mentoring programs, unconscious bias training, and strengthened efforts around parental leave, and we are implementing more initiatives. We aim to ensure that our activities promote our talent pool to become even more diverse and better balanced.

Diversity and Inclusion

Building a diverse workforce

In EY, we are deeply committed to creating an environment where differences are not only accepted but are truly valued. Mindset and behavioral aspects are important, and these are reinforced and supported by our policies, e.g. the global Diversity and Inclusion (D&I) Policy, and our Inclusion and Antidiscrimination Global Policy.

With a diverse workforce, we are better equipped to utilize the power of different opinions, perspectives and cultural references, which will help us set the highest performing teams. We see diversity and inclusiveness as vital to our business success and continued growth. Therefore, working with diversity and inclusion is a business imperative. We work for diversity and inclusion by taking advantage of our employees' different experiences, characteristics, knowledge and abilities, and we are deeply convinced that this creates business value, a sustainable organization and a great place to work and develop.

We have made strides over the years in the D&I space, but at the same time, we have to recognize that we – professional services in general and EY – have a particular challenge when it comes to not so much attracting female professionals, but to retaining our female colleagues as they progress and develop in their career.

Gender balance in business

We aim to have 50% men and women, and we aim to hire 50/50 men and women for our entry level positions. However, the representation of women decreases at more senior levels.

Retaining our female employees for longer – and ultimately long enough for them to make it to the partnership level – is a challenge we must overcome.

Our overall priority is to ensure gender equality at all levels in the organization, and we aim to ensure that our activities promote our talent pool to become even more diverse and better balanced.

Women in leadership

In our supreme management body, the Supervisory Board, we have 60% female representation. We target a split of 50% men and women.

Positions at leadership level represent our ranks from partner to manager level, which we define as "Other levels of management". Here the share of women was 30% in FY21. Our target is to have 40% women at leadership level in 2025 in EY Denmark.

In FY21, we promoted six people to partners in EY Denmark and 33% of our newly promoted partners are women.

To ensure a strong pipeline, and thus have an optimal foundation for increasing the share of women in other levels of management, we continue to work long-term to ensure we get more women at all levels of our organization.

	FY21	FY20	FY19 (Baseline)
Share of women in EY DK	40%	41%	43%
Share of women at leadership level (partners-managers)	30%	32%	32%
Share of women in Executive Board	0%	0%	0%
Share of women in Supervisory Board	60%	60%	66%

*Partner promotions in FY21 take effect 1 July 2021 and are therefore not included

Activities to support more female leaders

We have several activities in place to build a more diverse workforce, including steps to increase the gender balance in leadership. Some of these include:

- ▶ Stronger process for parental leave and re-entry
- ▶ Career Watch
- ▶ Navigator workshops
- ▶ Professional Women's Network
- ▶ Unconscious bias training
- ▶ Inspiring women students

Stronger process for parental leave and re-entry

Balancing family and work can be challenging, and we seek to ensure a strong process for re-entry after maternity/paternity leave, as experience shows us this is a difficult transition, especially for women. We have detailed conversation guides to facilitate conversations on important topics like managing workload and task, career ambitions in the short and medium term, and it even suggests timings for follow-up conversations. In addition, we have set up dedicated Teams calls to share relevant data and inspiration for improving conversations between employees and their counsellor and managers. Lastly, we also offer employees returning from maternity/paternity leave the opportunity to work 30 hours per week for the first two months upon 'reentry' without any salary reduction.

Career Watch

Career Watch is a program where EY women are offered a sponsor that helps the participants expand their network, exchange experiences and gain perspectives leading to both personal and professional development

Navigator workshops

These workshops target female colleagues around senior/manager level with a focus on career development, focusing on work/life balance, personal branding, self-awareness, etc.

Professional Women's Network

Professional Women's Network is an EY internal network, which provides women from around the world an opportunity and a platform for exchanging experiences and strengthening their individual network in EY.

Unconscious bias training

We have ongoing unconscious bias training workshop for partners and leaders. This targets gender biases but also includes other potential biases when it comes to ethnicity and/or cultural background.

Inspiring women students

In FY21, we saw several programs to help future female candidates reach their full potential and guide them through the transition from being students to becoming young professionals:

- ▶ "Women in Consulting – Your Mentorship Programme", which aims to inspire more female students to choose a career in management consulting through quarterly meetings, social events and mentoring, some of which were handled virtually in FY21. In FY21, 16 mentees (13 in FY20) were paired with a female mentor from EY's Consulting business who matched the mentees' background and development wishes.
- ▶ "Women in Transactions", which gathers women with a common interest in M&A and sports. Women in Transactions focuses on mentoring and physical activity and networking. For FY21, we met our goal of having 25 female mentees who are all recent graduates or students.
- ▶ "Women in Audit" was introduced in 2021 and is a network for female students considering a career path in auditing. The program includes individual mentoring sessions with female EY mentors and network activities. This year, 9 young women were enrolled in the program.

People

Age breakdown

The average age for employees in EY Denmark is 36 years.

Many employees join EY either immediately upon graduating or in the early stage of their careers. As an employer of many entry-level employees, we have a responsibility to ensure that our employees are developed and equipped with both so-called hard and soft skills to allow for a successful long-term career.

Age per rank in FY21:

Rank Name	Under 30 years	30-50 years	Over 50 years
Partner/Principal	0%	63%	37%
Executive Director	0%	50%	50%
Senior Manager	1%	88%	11%
Manager	7%	81%	12%
Senior	47%	48%	5%
Staff/Assistant	81%	18%	2%
Intern (CS)	96%	4%	0%

Pay equality

We hire young people at entry level at the exact same pay level and monitor statistics and data to ensure comparability throughout the entire career.

All employees are part of the same individual follow-up system and performance assessment process where we benchmark employees in comparable roles. It is the individual employees' role, competencies, level of experience, efforts and ultimately his/her performance that dictate the personal pay level. We believe that where differences in pay level do exist, this is a result of variations in performance – and not a question of any discriminatory factors.



Human rights and labor

At EY, we believe upholding human rights is fundamental to our purpose of building a better working world, and in 2021, we signed a Human Rights Statement on global level to demonstrate our commitment to uphold and promote human rights.

The EY Global Code of Conduct, which is anchored in our core values and beliefs, provides the ethical and behavioral framework to guide the business decisions we make every day. Our Global Human Rights Statement builds on our Code to reflect our understanding of the fundamental rights of all human beings and our commitment to promote respect for those rights.

We draw our understanding of these rights from the Universal Declaration of Human Rights, its related treaties and declarations, and the broader ethical reasoning behind their development. Our approach to respecting and upholding human rights is informed by the United Nations Guiding Principles on Business and Human Rights, which, among other things, state that businesses have a responsibility to:

- ▶ Avoid causing or contributing to adverse human rights impacts through their own activities, and to address such impacts when they occur
- ▶ Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts

In addition to avoiding and mitigating potential harm, we seek to proactively support and promote human rights for the wider benefit of the communities in which we operate. Our objective is to enhance the awareness and consideration of human rights across the EY network in the interests of all EY people and those with whom they interact.

The rights of all EY people

We are committed to upholding the human rights of EY people. Specifically, we strive to respect the following human rights, in accordance with the EY Global Inclusion and Non-Discrimination policy, that we have identified to be most salient to EY people and in our work environment:

- ▶ Health and safety – The right of all people to enjoy a physically and psychologically safe work environment
- ▶ Labor rights – The right of all people to just and favorable terms of employment
- ▶ Diversity, equity and inclusiveness – The right of all people to be respected and valued for their differences, with equitable opportunities and outcomes, in an inclusive environment where all can thrive

Impact of client engagements

As a professional services organization, we recognize our role in the communities in which EY member firms operate. EY member firms consider not only whether they can perform an engagement, but whether they should perform that engagement. While the specific role of EY may be complex and indirect, it can still be consequential, and we have a responsibility to better understand how our services, and the clients receiving them, interact with human rights and the public interest at an individual and systemic level.

Rightsholders in our supply chains

Our responsibility to respect human rights extends beyond the direct operations of EY member firms into their supply chains, where we seek to influence the broad adoption of labor rights and maintain an active view of the human rights performance of our direct and indirect suppliers. In accordance with the EY Global Supplier Code of Conduct, this includes taking steps to understand the risks of human rights violations in our supply chains, validating our assessment through supplier engagement, and supporting suppliers to reduce risk and remediate adverse human rights impacts.

All main suppliers for EY in Denmark are required to sign our Supplier Code of Conduct, and everyone did so in FY21.

Employee health and wellbeing

Finding the right work-life balance

Achieving the right work-life balance can be a significant challenge in today's society. We work to build resilience and we support our people and leaders in achieving greater balance between career and private life while minimizing and managing stressful working situations.

This work is central to ensure our people's performance is consistent and meets the high expectations of our clients. We are keenly aware of the need to manage the talent and energy of our people smartly – and by adding "Well-being" as one of the key traits of our transformative leadership model, we took this work a step further.

Our employees' daily work consists mostly of performing high-cognition tasks in an office- or home-based environment, producing solutions for our clients using technology, and attending client meetings in person or online. Therefore, the main health challenges relate to musculoskeletal issues (caused by computer work) and mental health-related issues (caused by high workloads and demands of the industry).

In FY21, the social and mental wellbeing of all was evidently challenged by COVID-19 restrictions and lockdowns, and we initiated several initiatives to help our people navigate this time.

Although we cannot measure all sick leave that may be caused by stress-related symptoms, we diligently work to minimize the risks associated e.g. by:

Monitoring individual working hours to prevent burnout

In EY, we submit timesheets every week. These log hours worked regardless of whether they relate to client work, personal development or business development. Leaders across our service lines monitor these to maintain a sense of individual workloads, and while these 'time logs' cannot stand alone they are of use when managing and discussing individual workloads.

Transformative Leadership Model

In our Transformative Leadership model, we see well-being as a central element of "Better Me". And here we ask if people prioritize and role model their own physical, mental and emotional health. See more on Transformative Leadership below.

People Pulse survey

We monitor our people's well-being through a series of questions in our People Pulse surveys which we conduct quarterly. See more on People Pulse results below.

EY Hybrid Model

In 2021, after more than a year with remote work and virtual collaboration, EY launched a new hybrid working model in the Nordics.

In short hybrid working allows the full flexibility for employees to decide whether to work from home, the client site or one of our offices. The guiding principles are client service, personal accountability and continuous dialogue, and the model empowers everyone by flexibility, technology and our collaborative culture.

This is a big step into the future way of working, but we know that one size does not fit all. We have the latest technology in place to support us with this transformation and tasks, projects and workflows combined with client needs, and collaboration in teams will be the key drivers when our people are designing their own EY experience as they decide when, how and from where they want to work.

Additional actions in FY21 to ensure well-being during corona lockdown:

World Mental Health Day and Wellbeing Week

In October 2020, we launched EY's Wellbeing Week and also marking the World Mental Health Day by giving inspiration, food for thought and tools to increase our people's wellbeing. We hosted a combination of specialist webinars accessible to all EY people while promoting some of the resources available locally to support wellbeing.

New Year's Reception on personal energy

To kick start the new year, and while still under lockdown, we hosted a virtual New Year's reception focusing on our personal energy and how we take good care of ourselves and each other. Expert of physical and mental health Chris McDonald addressed all of EY Denmark on The Science of Human Wellbeing and Performance, addressing the key to high performance and wellbeing at the same time.

Physical health

To ensure the physical health of our employees, we also offered home office equipment to all employees during FY21 to ensure ergonomically correct working conditions when working from home.

We introduced an app with short physical exercises to prevent musculoskeletal problems and pain and engaged employees and teams in competitions to complete exercise programs in the app.

In June 2021, we launched the "EY Denmark Run for Education Challenge", encouraging EY people to walk or run in support of the Danish organization Kwera, which works to ensure higher education to the youth of Malawi. EY's challenge collected DKK 150 000 for Kwera – money that will help another five young people get a university-level education thus impacting entire families for life.

We offer fitness facilities in our largest offices, employee sport clubs and healthy food in our canteens. In the office, all our workstations comply with health and safety regulations. In addition, in Copenhagen, our workstations and work environment are "well" certified as part of the DGNB certification.

Transformative Leadership at EY

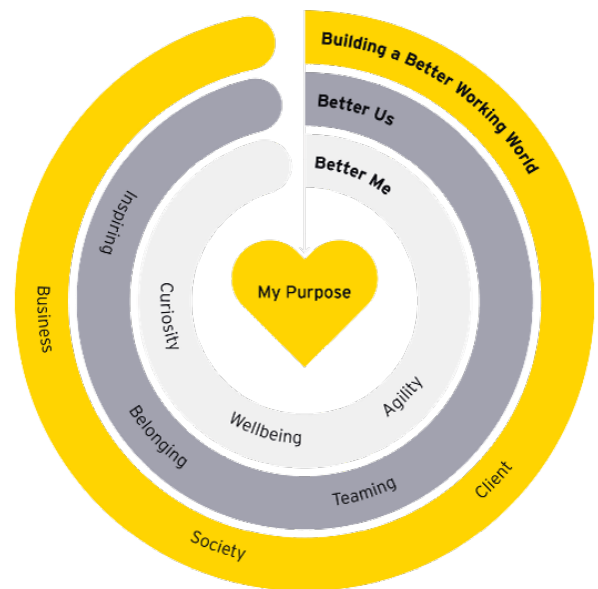
All of our people are leaders, be it of themselves or of others. As part of NextWave, we launched our Transformative Leadership model in 2020, a set of leadership behaviors that are positively correlated to leadership effectiveness and business outcomes. Our Transformative Leadership model is a set of leadership behaviors to fuel a culture in which our people and teams thrive and inspire results. It's how we realize our personal purpose.

In EY, leadership is not a rank, it's a personal choice. We believe all people can be transformative leaders, and we expect all our people to show leadership behaviors; to have an opinion, dare to speak up, take charge and influence others. We believe in the power of having transformative leaders, who inspire others and build our culture.

Transformative leaders are purpose-driven, in line with our values, and bring out the best in themselves and others.

This is why we have enhanced and aligned our performance management and development process, LEAD, to include elements of the model. Elements include a continuous investment in one's own development and future skills rather than focusing simply on past achievements.

EY's Transformative Leadership model



Listening to our people

In 2020, our People Surveys went from being conducted annually to being carried out in shorter 'pulses' on a quarterly basis to allow for flexibility in questions and timing in the surveys and at the same time allow us to stay updated on our people's wellbeing on a more frequent basis.



We track EY people's perceptions and wellbeing and our People Surveys document that our people are satisfied – and we managed to increase many important scores during the pandemic, for example:

- **87%** say
"I am proud to work for EY" (2020: 73%)
- **87%** say
"I feel included and supported by the people I interact with each day" (2020: 79%)
- **89%** say
"EY provides a work environment where I feel free to be myself" (2020: 89%)

Health and safety committee

At EY, we have a Health and Safety Committee whose mission it is to promote and further advance safety and well-being at work. The committee is elected for a two-year period at a time. It regularly gathers to discuss topics requiring special attention and brings forward the issues raised by employees in the organization and to the management.

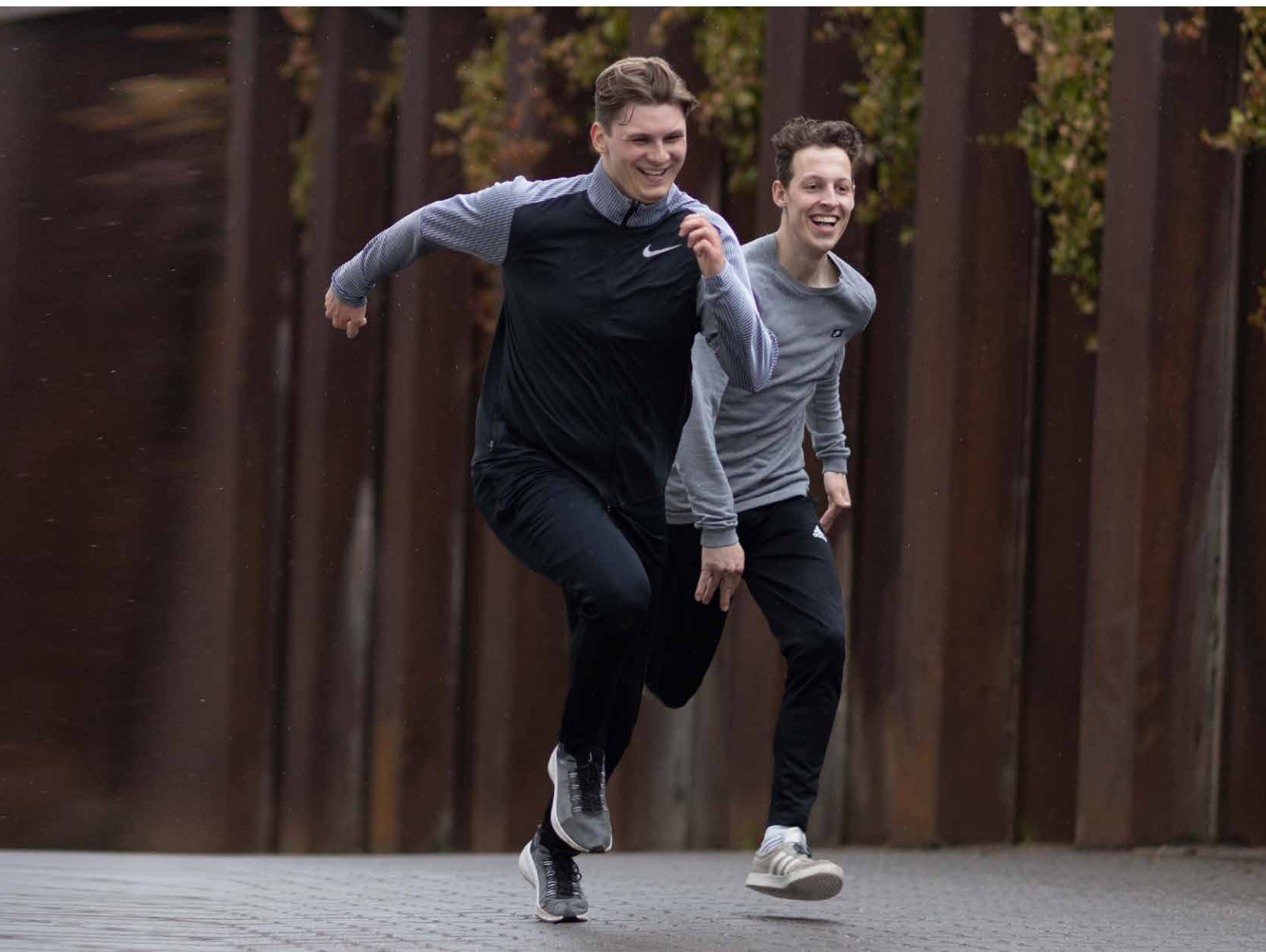
Occupational health care and insurance

EY complies with an early caring model for maintaining and enhancing our employees' competence and work capacity. Managers are provided with training in the model that aims to recognize risks related to work ability (i.e., physical conditions, work overload, stressful life situations) in the early stages by regularly following sickness absence.

EY employees in Denmark are covered by a health insurance which covers them and their families in the event that their health fails.

EY's extensive insurance package aims to cover the health and safety of all employees in the work environment as well as in leisure time. In addition, it covers free access to medical specialist consultation, including physiotherapists, chiropractors, psychologists, etc. From 2021, as we introduced our hybrid working model, we have ensured that our insurance program also covers working from home.

EY also provides a health check every three years for employees over the age of 45.



Continuous learning and training

At EY, it is our people who deliver exceptional client services, and it is our people who make EY a great place to work. We want to inspire and motivate our people, not only through learning, experience and coaching, but also by building strong relations and lasting networks across service lines and countries. This helps them form a lasting foundation for a successful career, development and growth.

Developing the skills of the future

In today’s quickly changing world, it is more important than ever for our people to never stop learning. We invest to help them build the right skills and experiences. Staying relevant keeps our people ahead in the market and it drives the delivery of exceptional client service, thus helping our clients achieving sustainable and inclusive growth.

Today, we have a unique opportunity, by mixing virtual and traditional learning, to create new, hybrid learning experiences across new technological mediums. In FY21, we provided our people in Denmark with more than 56,000 hours of formal learning (compared to 51,000 in FY20 and 61,000 in FY19). Although we saw a reduction in training in FY20 compared to pre-corona numbers, we have again significantly increased the hours of training in FY21 – and we expect this growth to continue in FY22, especially as we are again able to provide physical classroom training.

Our people also receive external training, complemented by coaching. The total learning investment in FY21 amounted to DKK 12 million, which is about half of FY20 due to COVID-19 and cancellation of large physical training events and significant transfer to online training.

At EY, formal learning is the baseline, complemented and enhanced by coaching, mentoring and the right work experiences. All professionals get a minimum of 120 learning hours during a three-year period and the necessary number of hours needed to obtain and keep their professional certifications.

FY21 Formal learning (Hrs)

Denmark	Non-Technical	Technical	Grand Total
eLearning	5240	19253	24493
Physical classroom	1305	11849	13154
Virtual classroom	7099	11802	18901
	13644	42904	56548



EY Badges

We are increasingly investing in e-learning, which with the COVID-19 lock downs in FY21 was reinforced and this year, we have increased the number of formal courses rolled out in a virtual format. On top of this, we have provided access to over 200 externally validated and industry-recognized credentials, known as “EY Badges”. EY Badges are awarded at bronze, silver, gold and platinum levels, covering industry sectors, digital, analytics, blockchain, AI, cybersecurity, sustainability and transformative leadership. Our Danish employees have been awarded 198 EY Badges through this online learning platform and another 236 are in progress.

As part of NextWave EY also launched an opportunity for EY’s employees to complete a full MBA degree, the so-called EY

Tech MBA, free of cost to all EY employees. This Executive MBA debuted in July 2020 and is awarded by the fully accredited Hult International Business School. The EY Tech MBA builds on credentials awarded through the EY Badges system.

Enabling better conversations

Formal learning forms a baseline that is complemented and enhanced through mentoring, coaching and daily work experience. A couple of years ago, EY launched the LEAD process to ensure that people are frequently given feedback.

The LEAD process assures that every employee has, at least three times a year, a conversation with their counselor to discuss their career aspirations, feedback and development needs.



Discrimination and harassment

Zero tolerance for unethical behaviour

Unethical behaviour as we phrase it in EY – even by a few – has a negative impact on our culture, reputation and attractiveness as an employer as well as our credibility as a service provider.

EY has a zero tolerance for unethical behaviour, and sanctions will mirror the gravity of the offence. This is reflected in our Global Inclusion and non-discriminatory policy.

At EY, all partners and employees have a personal obligation to speak up if they ever observe behaviour that they believe does not live up to the principles in our Code of Conduct, and the leadership team will act on any reports based on legitimate concerns that should be investigated.

One case is one too many, but our concern is also the cases which we may not learn about. This is why we communicate

about our policies and how to report incidents as well as offer training for our people and leaders. We have also established a Nordic Ethics Board who handles reports.

In March, EY supported the organization Lederne’s (The Danish Association of Managers and Executives) promise of zero tolerance for sexual harassment and unethical behaviour in a national campaign. As an important part, we encouraged all EY people to take a course from Lederne in prevention and management of sexual harassment and unethical behavior, containing knowledge, inspiration, guides and tools that can be applied in real life. This course supplements EY’s own training offered to leadership and employees on unethical behavior.

EY has no reported incidents in FY21.

Prosperity

Businesses have impacts on, and benefit from, economic and social prosperity in myriad ways and it is widely recognized that businesses cannot succeed in a failing society. Furthermore, a company's value is increasingly reflected in the off-balance sheet intangible assets and value drivers associated with economic and social prosperity.





4 QUALITY EDUCATION



Selected sub-target:

4.4. "By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship".

We work to increase the number of young people with relevant skills for employment and entrepreneurship, especially through our EY Ripples program. Here EY people volunteer their time and skills to mentor students and vulnerable young people, do homework assistance to children, and offer feedback and coaching to students with a passion for entrepreneurship.

Prosperity

To demonstrate our commitment to build strong, transformative and inclusive economies in the long term, in line with the SDGs, we use the below three interrelated themes from the existing reporting standards and framework landscape to help to distinguish the most important aspects of prosperity

- ▶ Employment and wealth generation
- ▶ Innovation of better products and services
- ▶ Community and social vitality

Absolute number and rate of employment

The total number of EY People was 1634 end of FY21, and the total number of new hires in FY21 was 421 people. By gender, we hired 184 women (44%) and 237 men (56%).

Economic contribution

EY Denmark adds economic value to society through job creation and our services to build a better working world. Additionally, EY Denmark contributes to the funding of public services through tax payments. Please see more in EY's annual review and financial statements on our contributions.

EY Denmark's revenue increased by 11% in FY21 compared to FY20.

Payments to providers of capital consist of dividend payments and financial costs. This does not significantly demonstrate EY's contribution to economies. At the same time, payments to governments consist of corporate income taxes. Community contributions have been defined to include donations of which the largest made in FY21 was to the Danish organization Kwera of DKK 150,000 in connection with a running challenge for EY employees in June to support our people's wellbeing and at the same time ensure higher education for more young people in Malawi.

Investing in innovation

Over the past three years, EY globally made investments of US\$8b and has committed to an expanded investment spend of US\$10b over the next three years, an increase of 25%.

The investment spend is being made in vital areas such as audit quality, transformation, technology and people and will continue to help EY clients, EY people and communities innovate and transform.

As a professional service organization, our innovation efforts extend beyond the traditional research and development definition; instead, our investments in developing better products and services to serve clients and EY people better captures the current focus on innovation.

Social value generated

With EY's corporate volunteering program, EY Ripples, we give our people the opportunity to use their core business capabilities to make a difference.

We have established EY Ripples because we believe business has an important role to play in tackling society's toughest challenges. To foster sustainable inclusive growth, EY Ripples mobilizes EY people, tapping into our unique skills and knowledge to achieve a long-term vision: to positively impact one billion lives by 2030 globally.

Through EY Ripples, we apply our skills and experiences where they can make the biggest difference – we use our skills in new contexts, take on stretch assignments and practice broader competencies than might typically be required in our day-to-day roles. EY Ripples is focused on supporting the next generation

workforce, working with impact entrepreneurs and accelerating environmental sustainability. We believe these are the best ways to use our skills to help overcome the biggest challenges facing our planet – as framed by the UN Sustainable Development Goals.

For FY21, our goal was to engage 5% of our people in volunteering projects. With over 90 people volunteering their skills and time, we have reached this target, offering more than 300 hours and impacting more than 32,000 lives in FY21 through the many initiatives in EY Ripples.

For FY22, we aim to double our engagement in EY Ripples activities – contributing to our global ambition of impacting 1 billion lives through EY Ripples in 2030.



The value of empowering communities

Innovation, entrepreneurship, coaching, learning, and education are key elements in EY's corporate volunteering program EY Ripples and important areas that EY can and

would like to help promote. EY Ripples is a commitment to play a leadership role in our communities, using a wealth of talent, know-how and powerful networks to ultimately create long-term value for us all.

Examples of EY Ripples initiatives in FY21:

Being a citizen scientist: In collaboration with Zooniverse, EY people can volunteer as citizen scientists by joining Penguin Watch. Our people supported researchers to understand how penguin habitats have changed over time and assess the threats to penguin colonies across Antarctica and the Southern Ocean. This engagement provides invaluable data to help develop the right policies and strategies for penguin protection, which would otherwise take research teams years to conduct.

Kwera: People from across service lines at EY supported the Danish organization Kwera by helping develop a financial forecast model, audit a project report, set up an accounting system in Denmark and Malawi and tax structuring.

Through their sustainable financial model, Kwera works to ensure higher education for young people in Malawi.

Foundation for Entrepreneurship (Fonden for Entreprenørskab): The foundation's Danish Entrepreneurship Festival gathers up to 7,000 students each year in a competition to inspire, motivate and spark more children and young people's interest in entrepreneurship. We are proud to be part of the judging committee and get to see and give feedback to the young entrepreneurial ideas, which are presented in the competition.

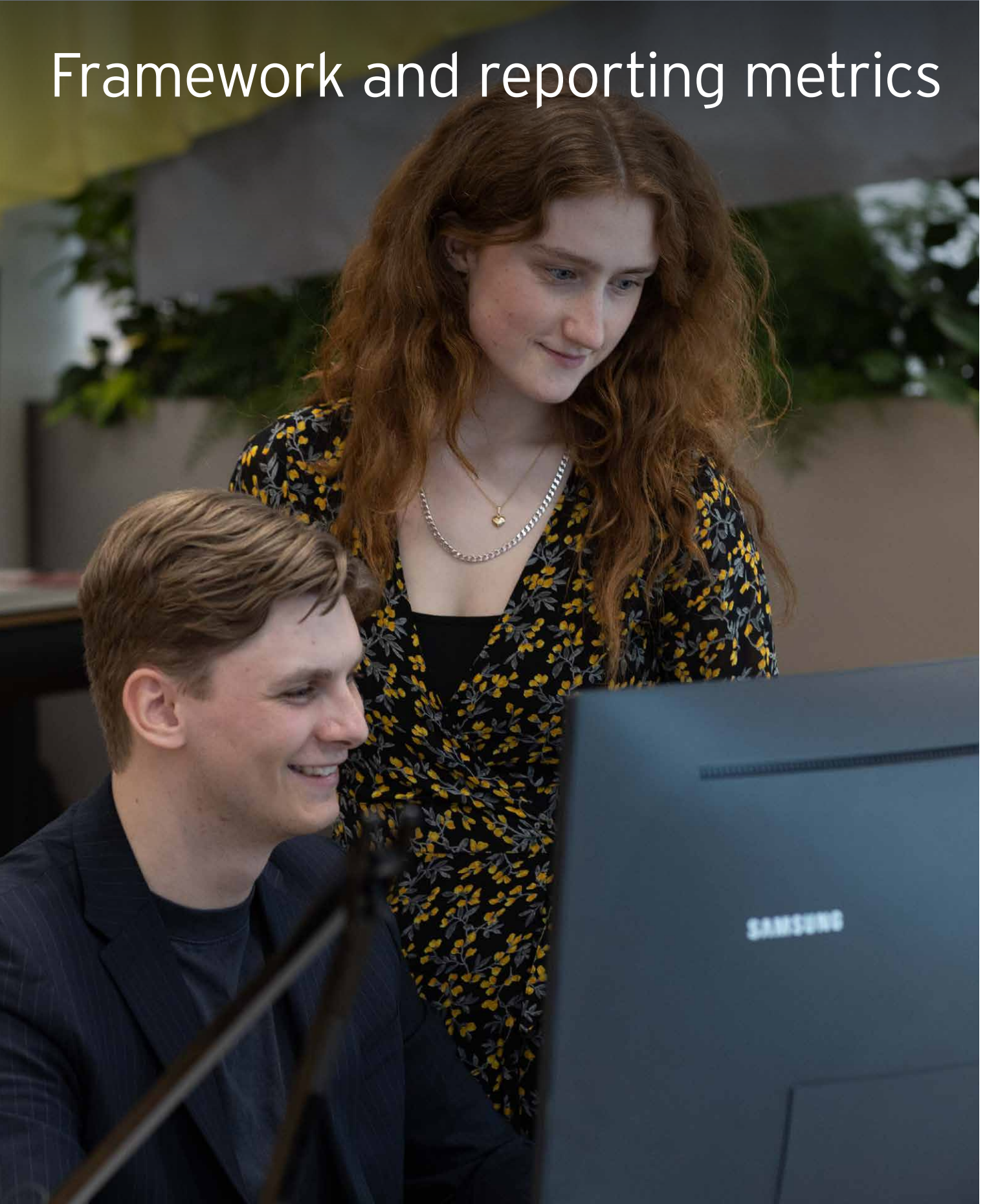
Through Fonden for Entreprenørskab, we are also involved in their Start Up Program competition, both as mentors and judges for students.

Impact Hive entrepreneurship event: EY brought together 100 senior advisors in EMEA, including Danes, to help leading impact entrepreneurs solve live challenges. Our people were coaching CEOs of selected high-growth impact entrepreneurial companies to find better ways through online sessions.

Den Sociale Kapitalfond: EY Denmark is one of the primary pro bono partners for Den Sociale Kapitalfond, which invests capital and skills in companies and organizations which help solve social problems.

This past year, EY people – mainly from our Tax and Transactions teams – provided help and support in the fund's investments processes, e.g. in relation to financial due diligence, tax due diligence and structuring of the investments. The target companies included Danpal, Refurb, Auto Mobil and ProfilService.

Framework and reporting metrics



Reporting principles

This sustainability report contains general information about EY's economic, social and environmental operations for FY21, between 1 July 2020 and 30 June 2021. We report on a yearly basis and our reporting cycle is our fiscal year. The report references the "Stakeholder Capitalism Metrics" developed by the World Economic Forum's International Business Council in cooperation with EY, Deloitte, KPMG and PwC in 2020. In addition, we report on climate risk in accordance with the Task Force on Climate-related Financial Disclosure (TCFD) framework.

We have also aligned our sustainability reporting to the concept of double materiality. Compared to prior year, we have aligned our Nordic reporting for Denmark, Finland, Norway and Sweden. Our last report, which was for FY20, reporting period 1 July 2019-30 June 2020, was published in November 2020. We do not have any restatement to our previous report.

This report is not externally assured but verified by EY's Climate Change & Sustainability Services.

Metrics that we do not include in our report

The disclosure of some metrics may be constrained by our inability to track precise information, where we run into complex privacy and data protection challenges related to our structure, or in cases where a measure will not give our stakeholders meaningful information about our organization or where disclosing information could expose us to greater risks.

While our aim is to always report over a three-year retrospective period, in instances of new disclosures where we are collecting data for the first time, we will initially report just one year and build up to three years in subsequent reports: Our aim is to increase what we disclose whenever we can, and in our current sustainability report we disclose 19 of the 21 core metrics and 7 of the 34 expanded metrics. All referenced disclosures and metrics are listed below. In the report, we have included the most material KPIs and metrics for EY.

WEF- IBC index

WEF Metric	Core (C) / Expanded (E)	Source (header, page number)	Reporting / omission
Principles of Governance			
Setting purpose	C	Who we are page 4, Principles of governance, page 22	
Governance body composition	C	Legal structure page 22, Governance in EY Denmark, page 25	
Material issues impacting stakeholders	C	Contributing through stakeholder engagement, pages 14-15	
Anti-corruption	C	Anti-corruption and bribery, page 26	
Protected ethics advice and reporting mechanisms	C	Business ethics and integrity, page 27	
Integrating risk and opportunity into business process	C	Risk assessment, pages 19 and 63-65	
Purpose-led management	E	Who we are page 4, Principles of governance, pages 22-29	
Planet			
Greenhouse gas (GHG) emissions	C	GHG emissions, page 33 and 61	
TCFD implementation	C	Task Force on Climate-related Financial Disclosures (TCFD), side 33	
Land use and ecological sensitivity	C		Not applicable to EY since EY does not have sites adjacent to protected areas or key biodiversity areas.
Water consumption and withdrawal water-stressed areas	C	Water consumption, page 38	Water withdrawal in water-stressed areas not applicable as our water consumption is quite low and we do not operate in water-stressed areas.
Paris-aligned GHG emission targets, Impact of GHG emissions	E	Planet, page 30, GHG emissions pages 32-36	
Single-use plastics	E	Waste management, page 36	Since 2020, EY has eliminated single use plastic in our Copenhagen office and in most other offices where we have single use products, they are made from reusable material

WEF Metric	Core (C) / Expanded (E)	Source (header, page number)	Reporting / omission
People			
Diversity and inclusion	C	Diversity and inclusion, pages 42-43	
Pay equality (%)	C	Pay equality, page 44	
Wage level %	C		EY's new hires for entry-level positions are university students or recent graduates and thus the EY entry-level wage is higher than in lower-wage sectors and above minimum wage
Risk for incidents of child, forced or compulsory labor	C	Human rights and labor, page 45	
Health and safety	C	Employee health and wellbeing, pages 46-47	
Training provided	C	Training provided, pages 50-51	
Discrimination and harassment	E	Discrimination and harassment, page 51	
Prosperity			
Absolute number and rate of employment	C	Absolute number and rate of employment, page 54	
Economic contribution	C	Economic contribution, page 54	
Financial investment contributions	C	Investing in innovation, page 54	
Total R&D expenses	C		Not available for FY21, expected to be included in future reports
Total tax paid	C	Economic contribution, page 54	Refer to EY's financial statements
Infrastructure investments and services supported	E	Investing in innovation, page 54	
Significant indirect economic impacts	E	Social value generated, pages 54-55	
Social value generated	E	Social value generated, pages 54-55	
Reporting core metrics	19		
Reporting expanded metrics	7		

Accounting principles

Planet

Scope 1:

Cars

Emissions from cars are based on average yearly mileage statistics from DTU Center for Transport Analytics and emission factors for 'large cars' from UK Government GHG Conversion Factors for Company Reporting.

Scope 2:

Electricity

We have based calculations on actual electricity consumption figures for our offices in Copenhagen and Aarhus, which are our largest offices, and which comprise more than 70% of our people. Based on a calculation per person, we have estimated the total consumption in EY Denmark based on FTEs.

Since 2020, all EY offices in Denmark are powered by 100% renewable electricity, covered by Guarantees of Origin for renewable energy according to the EU Renewables Directive.

Emission factors used:

Electricity market-based: For FY19, we used AIB European residual mixes 2020 (the factors are only CO₂, not including equivalents). For half of FY20 and all of FY21, we used 0 as a factor as all EY offices in Denmark are powered by 100% renewable electricity.

Electricity location-based: Energinet 2020.

District heating

We have based calculations on actual heating consumption figures for our offices in Copenhagen and Aarhus, which are our largest offices, and which comprise more than 70% of our people. Based on a calculation per person, we have estimated the total consumption in EY Denmark based on FTEs.

Emission factors used:

District heating location-based: Energistyrelsen 2020.

Scope 3:

Waste and business travel

Scope 3 emissions include category 5 and category 6 in the GHG Protocol Scope 3 Standard.

Category 5, waste generated in operations, are calculated estimates of the emissions based on the actual waste amounts in the Copenhagen and Aarhus offices.

Emission factors used: WWF Climate Calculator factors – International 2018. (factors are CO₂e).

For category 6, air travel emissions are calculated using the DEFRA 2019, DEFRA 2020, DEFRA 2021 factors for Business travel air equivalent to each year (the factors are CO₂ equivalent).

EY Global retroactively changed the calculation principles for EY air travel. Previously, air travel cost was booked and recognized based on person location whereas from FY22, the project owner to which the cost is booked holds the responsibility. Thus, the emissions reported here for FY19 and FY20 do not balance to the figures in our FY20 sustainability report.

People




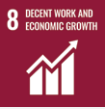
All data about EY people, including gender and age are extracts from our HR-system covering the fiscal year.

Figures on training and learning are based on time registration for learning related activities.

GHG emissions (CO₂t)

Direct (Scope 1) GHG emissions & Energy indirect (Scope 2) GHG emissions (CO₂t)	FY19 (baseline)	FY20	FY21
Scope 1 Direct emissions (company owned vehicles)	96	90	84
Scope 1 Direct emissions (cooling liquid)	no data	5	5
Scope 1 Direct emissions	96	95	89
Scope 2 Indirect emissions:			
Scope 2 Purchased electricity market based	1138	250	0,0
Scope 2 Purchased electricity and heating location based	470	236	216
Scope 3 (Other indirect GHG emissions), tCO ₂			
	FY19 (baseline)	FY20	FY21
Category 5 Waste generated in operations	no data	26	20
Category 6 Business travel	1143	344	7
Scope 3 Other indirect GHG emissions	1143	370	27

Our commitment to UN's Sustainable Development Goals

SDG	SDG sub target	EY's indicator	Baseline FY19	Objective FY25
<p>4 Quality education</p> 	<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>	<p>Lives impacted through our corporate volunteering program, EY Ripples</p> <p>Continuous education and development of EY people</p>	<p>Zero – Program was introduced</p>	<p>(Global): 1 billion lives impacted by 2030.</p>
<p>5 Gender equality</p> 	<p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<p>Share of women on leadership level (manager – partner)</p>	<p>32% women on leadership level</p>	<p>40% women on leadership level</p>
<p>7 Clean and affordable energy</p> 	<p>7.3 By 2030, double the global rate of improvement in energy efficiency</p>	<p>Carbon negative in 2021 and Net Zero by 2025</p>	<p>1,709 tCO₂</p>	<p>40% reduction in absolute emissions across scope 1, 2 and 3.</p>
<p>8 Decent work and economic growth</p> 	<p>8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors</p>	<p>Clear focus on investments in innovation, technology and AI-enabled solutions to strengthen quality, enhance efficiency and create transformative opportunities for sectors and businesses.</p>	<p>FY19 annual technology investment plan of US\$ 1 billion</p>	<p>US\$ 10 billion invested globally from 2021 towards 2024 in audit quality, strategy, technology and people</p>




Risk assessment and management

Each risk is assessed according to likelihood and consequence for EY, and then it is described how EY mitigates and manages each risk through our daily work and actions, our policies, procedures, trainings etc. to significantly reduce or eliminate the likelihood of risk occurrence. For more information see page 19.

Principles of Governance

Identified risk/opportunity	Material rating	Mitigation and risk management
<p>Business ethics and compliance At a time when information is rapidly transmitted, it is vital for organizations to strive toward consistent ethical behavior. To be a trusted consultant, the EY organization has to act with the highest standards of business ethics and compliance. As an audit and consulting firm, the purpose of our business is to build trust in the capital markets and ensure that we and our clients comply with the regulations and industry standards that exist. Maintaining the highest standards are important to preserve the EY reputation and trust in the markets.</p>		<p>Management: EY is working in a highly regulated area and we are subject to regular external inspections by authorities. Employees are subject to rigorous trainings, and our quality and risk department undertakes regular internal audits of selected clients and engagements, and we follow strict independence processes for all client work. On a yearly basis, we conduct quality and risk reviews with all partners. Every year, EY Denmark is included in an area-wide process to confirm compliance with the EY Global Independence Policy and process requirements and to report identified exceptions, if any. At the same time, all EY professionals are required to confirm compliance with independence policies and procedures at least once a year.</p>
<p>Corruption and bribery Operating as a multinational company, EY, particularly when operating in some locations, faces potential risks associated with corruption and bribery. Involvement in cases of corruption or bribery could severely damage trust and EY's reputation and market position.</p>		<p>Management: EY has a strong anti-corruption compliance program in place. We anchor anti-corruption measures across EY, and partners and employees are obliged to complete yearly training. At least once a year as part of EY's procedures, all EY professionals and certain other people, depending on their role, confirm that they comply with EY's policies and procedures. A steadfast commitment to tackling corruption is also embedded in the services we offer EY clients. We also cooperate with external networks and groups to raise awareness of the fight against corruption.</p>
<p>Business disruption and crisis response Crisis management and business continuity planning is essential to protect people and business from the impact of potential crises. As a global organization with a large workforce and client portfolio, it is important that we have solid contingency plans enabling us to respond to various potential threats, such as pandemics, terrorist attacks, cyber threats etc.</p>		<p>Management: EY has both global and local safety procedures and contingency plans implemented. These plans are subject to continuous updates and review. At the same time, we have regular workshops with all key stakeholders to ensure continuous compliance and improvements, and we ensure to communicate our plans to our employees and provide training regularly.</p>
<p>Cyber threats and information security Cyber threat management is more critical than ever as cyber-attacks continue to evolve. The EY organization handles valuable and classified client information which must be protected and handled in accordance with legal requirements and guidelines. As cyber threats become more complex, the corresponding risks need to be managed with technology-related intelligence as well as internal procedures to protect the information that EY handles. Oversight or noncompliance can result in large financial penalties and loss of client trust, as well as damage to brand or market position.</p>		<p>Management: EY has comprehensive contingency plans, an ISO 27001 certification on global level and thorough review of all systems and tools. An important element of risk mitigation and management in EY is our data protection and information security framework. We protect information assets, personal data and client information, through their creation, transmission and storage, in accordance with the requirements of applicable laws, regulations and professional standards.</p>
<p>Data ethics As technologies evolve, so does the potential for risk. While data analysis is not new, today we are able to process large amounts of data quickly and make correlations and predictions using disparate data sets. The ease of these efforts may create issues related to privacy, confidentiality, transparency, and identity.</p>		<p>Management: Data protection and our information security framework are important elements of risk mitigation and management in EY. We secure information assets of EY clients through our integrated data protection and information security strategy, and we believe that solid data protection and information security programs are the essential components of a leading professional services organization. Our data protection and information security programs and practices are focused on sharing information appropriately and lawfully while preserving confidentiality, integrity and availability. Our data protection framework is based on the principles of the EU General Data Protection Regulation (GDPR). It addresses the issues raised by modern data management tools and systems.</p>

Planet

Identified risk/opportunity	Material rating	Mitigation and risk management
<p>Demands for climate and environmental action There is an increased focus on environmental and climate action among all EY stakeholders. A lack of environmental focus is likely to cause reputational damage if we fail to incorporate sufficient climate action measures in our own operations.</p>		<p>Management: EY is taking extensive climate action both in our own operations and through our client work, helping clients transform to more sustainable growth. EY has announced its ambitions to be carbon negative in 2021. By reducing our absolute emissions by 40% across Scopes 1, 2 and 3 by FY25, against an FY19 baseline, consistent with a 1.5°C science-based target, approved by the Science Based Targets initiative (SBTi), EY will reach net zero in FY25. An important step to reach our goals will be to reduce our business travel by 50% by 2025. Energy consumption in our buildings, waste management etc. are also important factors we work with.</p>
<p>Rising mean temperatures and extreme weather conditions Insufficient climate measures can lead to rising global mean temperatures. Global warming is expected to cause an increase in the frequency of hurricanes, wildfires and floods. These events can adversely affect people and businesses located in the areas where these extreme weather conditions occur more frequently.</p>		<p>Management: To ensure EY has a minimal climate and environmental footprint, we aim to reduce our absolute emissions by 40% across Scopes 1, 2 and 3 by FY25, against an FY19 baseline, consistent with a 1.5°C science-based target, approved by the Science Based Targets initiative (SBTi), and reach net zero in FY25. Furthermore, as a globally integrated company, we rely on teams in many different regions across the globe, regions that may be exposed to these conditions. EY is prepared to face the extreme weather conditions, by creating local crisis management plans and safety & action plans for crisis handling to ensure we are able to help our people and serve our clients at all times. We also advise our clients on taking necessary measures to reduce risks in this connection.</p>
<p>Supply chain and environmental impact There is an increasing demand from stakeholders and clients to integrate environment-friendly initiatives into supply-chain management. As a global professional service organization, our global supply chain is of utmost importance, although our impact is of a smaller scale than other industries. As a technology-intensive firm, we must continue to provide confidence that our entire supply chain is following applicable regulation as there are potential reputational risks associated with any oversight which could result in loss of client trust and damage to the EY brand or market position.</p>		<p>Management: EY's Global Supplier Code of Conduct outlines, among other things, our environmental expectations and asks suppliers to verify their adherence and standards at the RFI/ RFP stage (and reaffirming at the time of contract execution). In addition, we monitor supplier performance through our EY Supplier Portal where suppliers complete a self-assessment questionnaire on their social and environmental policies, practices and certifications.</p>

People

Identified risk/opportunity	Material rating	Mitigation and risk management
<p>Talent Management, well-being and retention Our employees are our greatest resource. Their growth – in knowledge, prosperity and well-being and equal opportunities for all are central to the success of our organization. Risks associated with this could be attracting and retaining talent, addressing demands from young generations and further developing the organization.</p>		<p>Management: We continuously invest in our people to help them build the right skills and experiences through training and a wide variety of development opportunities – to support our clients and to be strong leaders of the new generation of workers. We support our people and leaders in achieving greater balance between career and private life, provide flexibility and minimize stressful work situations. We frequently ask about our people’s wellbeing, engagement and satisfaction and work hard to stay ahead as an attractive employer through focused employer branding activities engaging many of our employees across our business.</p>
<p>Diverse and inclusive organization The business case for building a diverse organization is clear, and failing to see the power of diversity is likely to impact both reputation and growth.</p>		<p>Management: Being a globally integrated organization, our teams are naturally diverse, and we recruit broadly from all nationalities, backgrounds and age groups. Our main challenge concerns attracting and retaining female professionals and leaders and we have actions in place to improve gender equality on leadership level such as plans for recruitment and promotions, career conversations, mentoring etc.</p>
<p>Supply chain and social conditions Throughout the supply chain, risks associated with potential violations of human rights and international conventions pose reputational risks.</p>		<p>Management: EY’s Global Supplier Code of Conduct outlines, among other things, our expectations concerning human rights and social conditions and asks suppliers to verify their adherence and standards at the RFI/RFP stage (and reaffirming at the time of contract execution). In addition, we monitor supplier performance through our EY Supplier Portal where suppliers complete a self-assessment questionnaire on their social and environmental policies, practices and certifications.</p>

Prosperity

Identified risk/opportunity	Material rating	Mitigation and risk management
<p>Sustainability integration in services Country and EU legislation make ever-increasing demands on non-financial reporting, including all ESG factors. This sets new demands for new service offerings and for businesses to keep up and meet new requirements, set the pace and lead the way.</p>		<p>Management: At EY, we are integrating sustainability into all services to ensure we are at the forefront of the market and ready to meet new demands of increased sustainability focus. Examples include our EMEA Sustainable Business Service initiative that helps our clients create value by adopting business strategies, innovations, operations and technologies that achieve environmentally sustainable growth. Through our Value-Led Sustainability framework, we help clients design and deliver on the business and investment case for sustainability. At the same time, we work to develop and build the right competence across service lines and to attract and retain top talent to help execute these ambitions, ensuring we stay competitive in the market.</p>
<p>Innovative practices leading to new markets With the emergence of new markets, especially in the renewable energy sector, such as onshore or offshore wind power and hydropower, the global renewable energy industry is growing fast. This can offer huge potential for those who aim high, commit first and move fast, but it also represents a risk for those companies not able to adapt, change and meet new demands.</p>		<p>Management: EY strives to combine experience, capabilities and tech to support clients in these new service areas and to gain sustainable growth. Our strong sector focus in all markets ensures that we stay up to date with industry developments and are able to adapt our service offerings to shifts in demand. EY has the expertise to create opportunities to maximize shareholder support for long-term value creation strategies, measurement of progress towards new, purpose-driven goals and ensure transparency. Through our ecosystems of alliances, we are able to combine both emerging and widely used technologies with our capabilities to develop new offerings for clients.</p>
<p>Globalization and geopolitical instability Geopolitical complexity, effects from political instability, increasing protectionism and economic and financial shifts are exposing business to conflict and influencing our clients, their investment plans and the overall economic development for different sectors.</p>		<p>Management: Supported by our strong global presence and close industry alliance partners, EY meets these challenges through global integration and teaming and strong service offerings that support our clients in addressing issues related to globalization or geopolitical instability and helping build a better working world.</p>

EY | Building a better working world

About EY

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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