



If sustainability is everyone's business,
how do we make it ours?

EY Switzerland Sustainability Report 2021



The better the question.
The better the answer.
The better the world works.



Building a better
working world



2,605 employees

552.5 million CHF total net revenue

112,988 training hours

528,000 tCO2e globally offset

95% renewable energy

13,536 EY Ripples volunteering hours

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A note from the leadership

Understanding our priorities, commitments and performance

Since 2020, the global pandemic has brought unprecedented challenges to businesses and communities, requiring us to reimagine new ways to continue to *Build a better working world*. From advising governments on how to build more sustainable and inclusive economies, to encouraging businesses to focus and report on long-term, inclusive value creation, EY's services already play a vital role in all of this. However, more can and must be done.

Extreme poverty is on the rise and climate change is threatening to deepen inequality even further as vulnerable communities are hit first and worst. While capitalism has created enormous global prosperity, it has also left too many behind. EY believes an economic system that is fairer, more trustworthy and capable of addressing humanity's most profound challenges is urgent.

EY Switzerland's Sustainability Report sets out the parameters of our environmental, social and governance (ESG) strategy and explains how we are living up to our purpose of *Building a better working world*. As a leading professional services firm, we take ownership of our economic, environmental and societal responsibilities. With this report, we are holding ourselves accountable – especially for our commitment to reduce our environmental footprint, transform our social impact and ensure transparent and fair governance.

Even in such extraordinary times, EY has maintained a leading position among its peers. This success comes with responsibility. We realized slight revenue growth but have also been able to continue to create a positive impact on our clients and communities. This has only been possible due to our exceptional people. They have quickly adapted to hybrid working models and are keeping up their motivation and enthusiasm to deliver high quality services, despite the challenges of working while physically distanced. Our high performing teams are navigating this time by learning new skills, demonstrating solidarity and remaining resilient. We are proud of each EY employee who is part of this transformational journey into a post-COVID-19 environment. Investing in our people – who are at the heart of our organization – remains a top priority to us.

Today, companies that look beyond the traditional focus of growth and at a broader range of stakeholder interests are emerging into leading positions. These developments are making ESG a true driving force, leading the way as we head toward a new normal. As a leading professional services firm in Switzerland, we are committed to considering relevant ESG aspects in our business decisions to drive sustainable and inclusive growth and create long-term value for our people, clients, society and planet.

Our organization has been one of the early movers when it comes to identifying and acting on various climate-related risks and opportunities and the related impacts on business. The global pandemic has demonstrated how external factors can impact economies and has also uncovered the fragility and vulnerability of businesses and ecosystems. This experience has significantly increased our awareness toward another global crisis: climate change. Our aim has always been to reduce our environmental footprint and we are achieving this through a three-pronged approach. First, we are embedding sustainability throughout relevant business operations. Second, we are supporting our clients on their decarbonization journey by offering new solutions and services based on our value-led sustainability framework. And finally, we are extending various sustainability initiatives toward our value chain partners. Globally, we have already achieved our own target to become carbon negative during 2021 and declared a net zero aspiration by 2025, in alignment with the Science Based Target initiative and ambition of the Paris Agreement to limit a global temperature rise to 1.5°C above pre-industrial levels.

Today we are about 2,600 people strong across 11 offices in Switzerland and Liechtenstein. Embedding an inclusive culture enables our people to unfold their potential and helps us create the highest performing teams to deliver high-quality service to our clients. "Exceptional and diverse people" is one of the key pillars in our NextWave strategy and we are fully committed to developing such a workforce by enriching their skills, honing their talents and providing the means for them to build an exceptional career experience. To develop a gender-balanced workforce, we have implemented



various programs and policies. Today, the number of female employees stands at around 40% and we have almost 20% female representation in leadership.

We believe that a better working world is one where our people and our wider communities come together and jointly contribute to improving the common good. We continue to increase the reach and impact of our global corporate responsibility programs like EY Ripples and EY Cares. During financial year 2021 (FY21), EY Switzerland alone impacted more than 1.2 million lives through our EY Ripples program. We have also supported our people and our clients with initiatives such as our Solidarity Campaign, where we offered pro-bono services by giving access to our specialists to jointly develop responses and dedicated engagements to help our stakeholders navigate through the pandemic.

Through a robust governance and risk management framework, we provide transparency and fairness in our approach. Our stakeholders have made a large contribution in shaping who we are today. Engaging

with them always leads to valuable insights that help us to assess and monitor the extent to which we can create positive impact. We believe that transparent disclosure of our governance and performance will keep us closely connected to our stakeholders.

The last year has reshaped the world and how we, as individuals and organizations, interact with our people, clients, society and the planet. We look forward to continuing this transformation journey together with all our stakeholders as we pursue our purpose of *Building a better working world*.

Stefan Rösch-Rütsche

Country Managing Partner

Bruno Patusi

Financial Services
Country Leader

Robin Ann Errico

Chief Risk Officer and Corporate
Responsibility Board Chair

Andreas Blumer

Chair of the Board

Report highlights

A snapshot of our sustainable performance during financial year 2021 (FY21)

Client value

Clients served

6,687 Total clients served

19 Number of Swiss Market Index (SMI) clients served

Client satisfaction program

8.48/10 Average client recommendation score

+3.41% increase compared to FY20 

#1 in trust KPI among professional services firms
(Source: EY Global Brand Survey)

Knowledge and skill enhancement sessions for clients

1,400 participants from the business community attended solidarity campaign events

Over 35 webcasts, panel discussions, conferences on key business topics

wavespace™

We host one of the globally distributed wavespace centers in Basel out of 40 centers worldwide.

People value

Headcount by category*



41%
Female

59%
Male

1,019
Management staff
32% of employees are female

1,420
Non-Management staff
46% of employees are female

166
Temporary staff
(including contractors, interns,
trainees/apprentices)

*) The total headcount includes contractors, interns, trainees/apprentices

Employee turnover



Promoting gender diversity

40%
new employees hired
were female

33%
Board of Directors
are female

30%
female employees
were promoted

22%
of our Swiss Management
Committee is represented
by women

18%
PPEDD (Partner, Principal and Executive Director
and Director) positions are held by women

Headcount by service line**

Service line	Headcount (no.)	% of female employees
Assurance	969	35
Consulting	399	29
Core Business Services	340	66
People Advisory Services	142	58
Strategy and Transactions	196	29
Tax	446	43

***) Headcount per service line excludes contractors, interns, trainees/apprentices

Career development

46.32
Avg. learning hours per
employee

53
interns, trainees and
apprentices

80%
of our employees feel free, included, supported and valued
(as per our EY People Pulse Survey)

Report highlights

A snapshot of our sustainable performance during financial year 2021 (FY21)

Social value

Climate stewardship

Total greenhouse gas emissions for FY21:

3,779 tCO₂e

42% reduction in total greenhouse gas emissions compared to FY20 and 54% reduction in total greenhouse gas emissions compared to FY19

Advocacy

Founding member of

“The Embankment Project for Inclusive Capitalism”

Member of

UNGC Network Switzerland and Lichtenstein

Opportunities for young people

16 trainers providing vocational training to the young people across Switzerland

Contributions under our EY Ripples program



19%

Cash contributions

55%

Contributions to selected sponsorships

22%

Skill-based volunteering

4%

Management cost

1,207,695

lives impacted in FY21

197

employees dedicated

13,536

hours of skill based volunteering

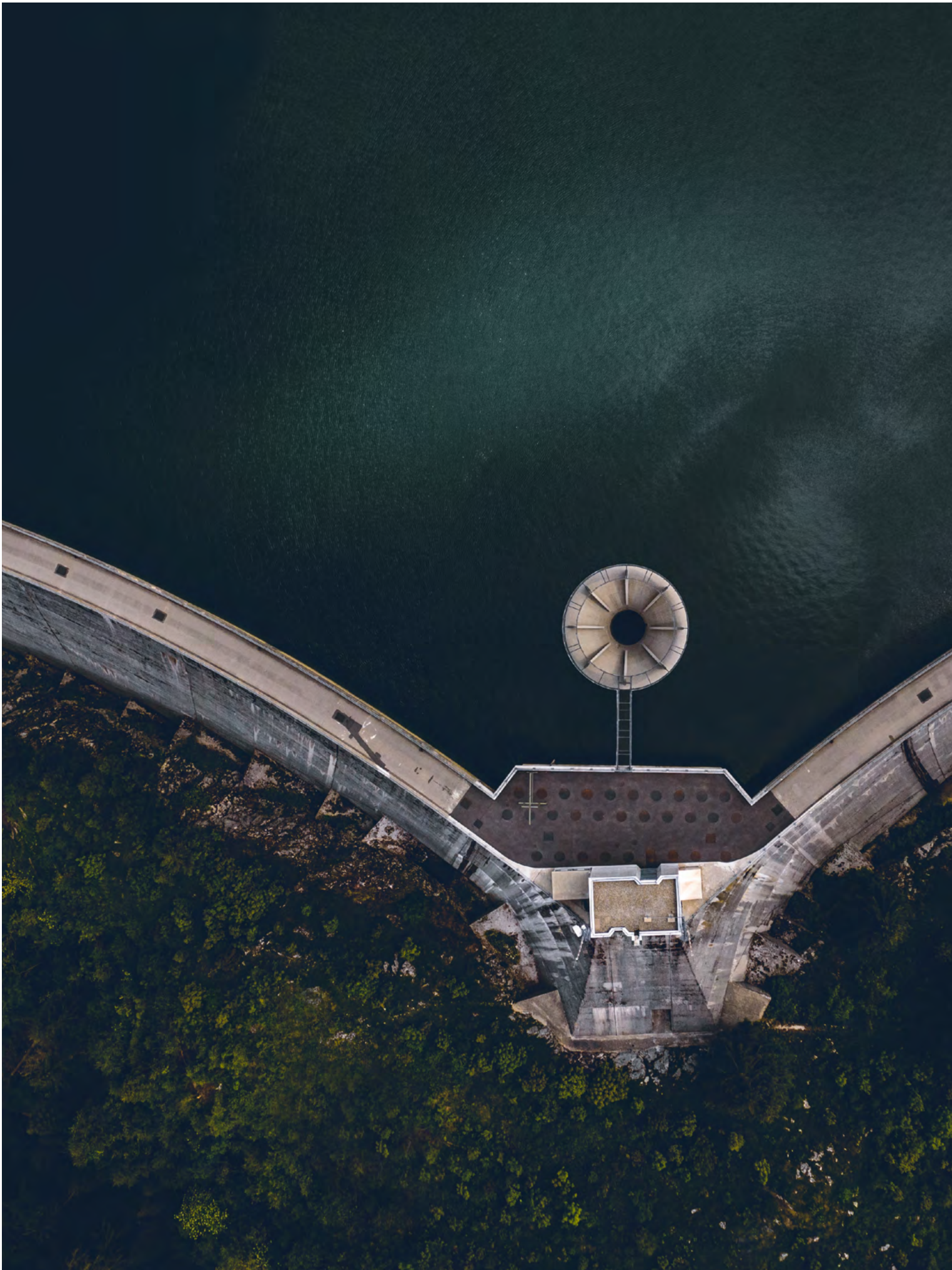
Financial value

Revenue by service line



Economic value generated







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ABOUT US

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Builders of a better world –
that’s who we are

EY Global

Ernst & Young Global Limited (EYG), a UK Company limited by guarantee, is a global leader in assurance, tax, strategy, transactions and consulting services worldwide. EYG coordinates the member firms and supports cooperation among them. In this report, EY refers collectively to the global organization of the member firms of EYG.

EY Switzerland

In Switzerland, Ernst & Young Ltd is a corporation incorporated in Basel and a member firm of EYG. EY Switzerland also includes Ernst & Young AG, Vaduz, an EYG member firm in Liechtenstein. Ernst & Young AG, Vaduz, is a 100% subsidiary of Ernst & Young Ltd, Basel and reference made in this report to EY Switzerland generally includes its subsidiary in Liechtenstein.

Ernst & Young Ltd, Basel, is owned by ATAG Ernst & Young Holding Ltd and ultimately by Chatmust AG, the two Swiss holding companies. The equity of Chatmust AG is collectively owned by the partners in Switzerland (Swiss Partner Pool), whereas the voting rights of ATAG Ernst & Young Holding Ltd have been transferred to EY Europe SCRL, Belgium.

In this report, we refer to ourselves as “EY Switzerland”, “we”, “us” or “our” and we refer to our employees as our “people”.

Our geographical footprint

Figure 1

EY Global

22
Regions

+700
Locations

+150
Countries

300,000
Professionals

Present in 3 Geographic Areas:

- **EMEIA**
Regions: **8** Countries: **97**
- **Americas**
Regions: **8** Countries: **31**
- **Asia-Pacific**
Regions: **6** Countries: **23**

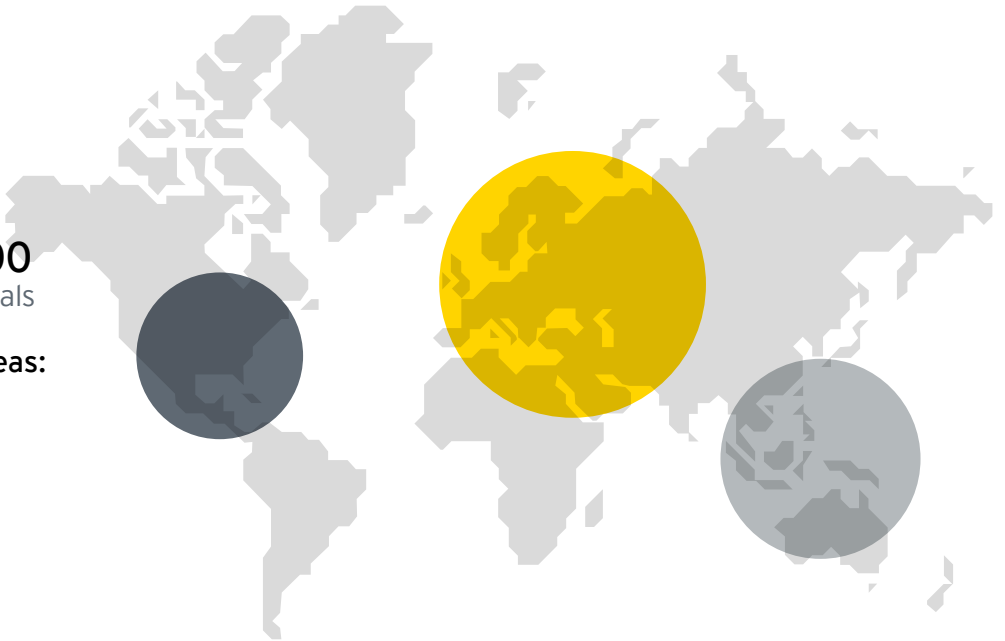


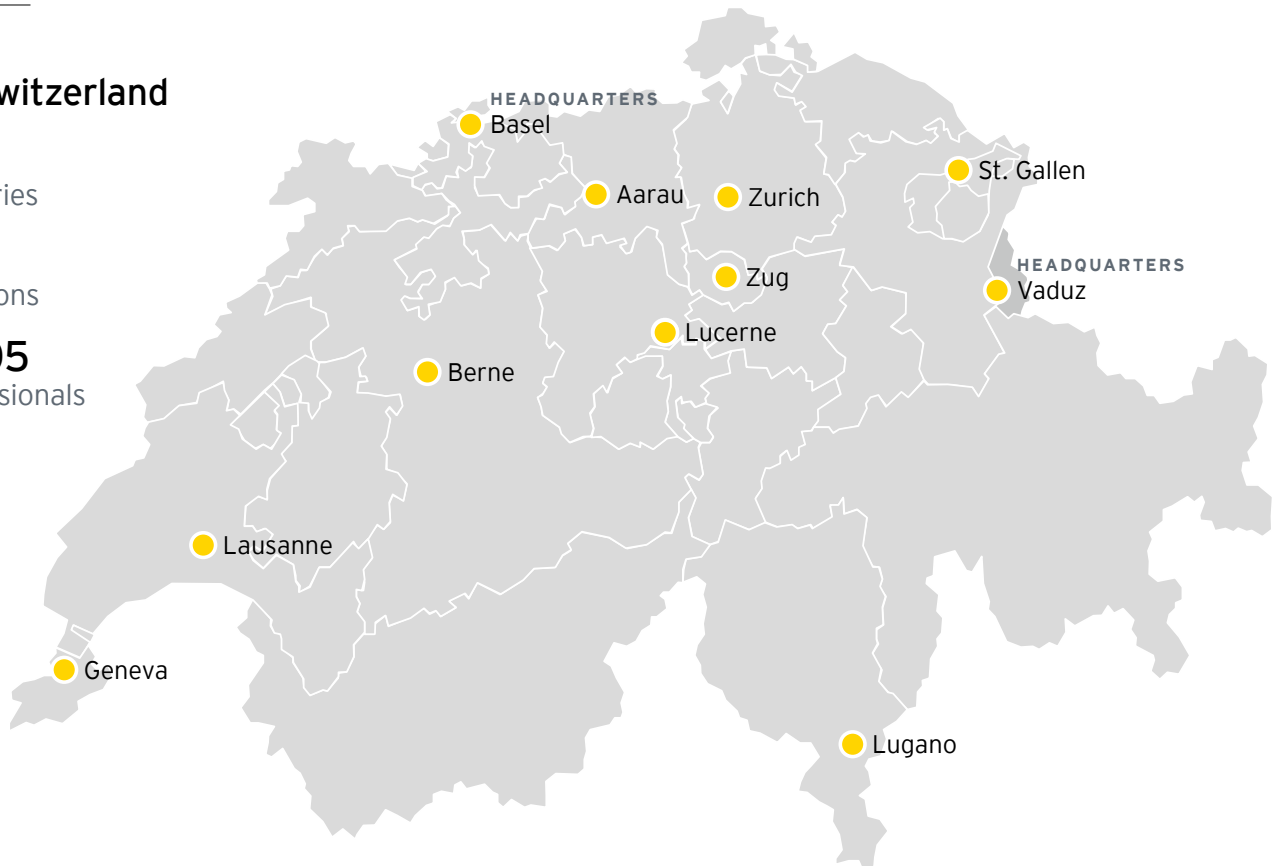
Figure 2

EY Switzerland

2
Countries

11
Locations

2,605
Professionals



Our services and industries

Service lines

We have the following five service lines through which we provide services and solutions across both industries and the financial service sector:

- ▶ Consulting
- ▶ Strategy and Transactions
- ▶ Assurance
- ▶ Tax
- ▶ People Advisory Services

Industries

We focus on clients in the following industries:

- ▶ Automotive
- ▶ Banking and capital markets
- ▶ Consumer products
- ▶ Government and public sector
- ▶ Health
- ▶ Insurance
- ▶ Life sciences
- ▶ Media and entertainment
- ▶ Mining and metals
- ▶ Oil and gas
- ▶ Power and utilities
- ▶ Private equity
- ▶ Real estate
- ▶ Technology
- ▶ Telecommunications
- ▶ Wealth and asset management

Our purpose

At EY, our shared purpose is *Building a better working world*. The insights and quality services we provide help build trust and confidence in the capital markets and economies the world over. We develop outstanding

leaders who team up to deliver on our promises to all our stakeholders. In doing so, we play a critical role in *Building a better working world* for our people, our clients and our communities.

Our values

Our shared values are the fundamental beliefs of our global organization and the foundation on which it is built. Our values guide our actions and behavior. They influence the way we work with each other; the way

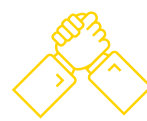
we serve our clients and the way we engage with our communities. They reinforce our Global Code of Conduct, which guides the decisions we make and the way we do business. Our shared values represent:



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

The NextWave strategy

In today’s rapidly changing world, the needs of our stakeholders are continuously evolving. Innovation and agility have emerged as top priorities. The unprecedented business and societal challenges triggered by the global pandemic have increased demand for effective new strategies to navigate a path to growth.

We are dedicated to helping our stakeholders solve their toughest challenges and realize their bold ambitions. At the core of our global NextWave strategy is our ambition to create long-term value for our clients, people and society as the world’s most trusted, distinctive professional services organization.

The **NextWave ambition** is built on four strategic pillars:

- ▶ **Client centricity**
- ▶ **Exceptional and diverse people**
- ▶ **Global integration and teaming**
- ▶ **Data and technology**

Through these pillars, we build on existing strengths and invest in future capabilities to deliver exceptional client service and create long-term value across four dimensions:

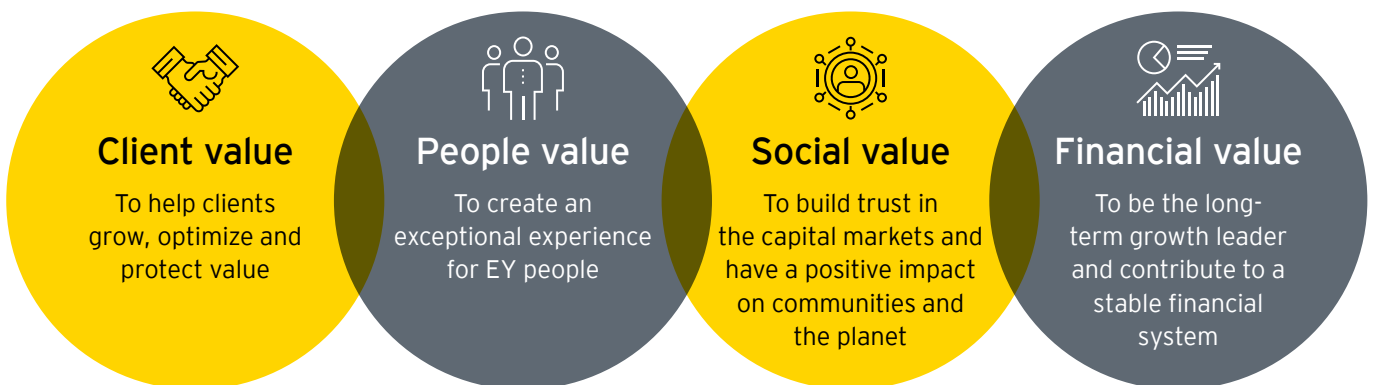


Figure 4



Figure 3

Our ESG commitments and priorities at a glance

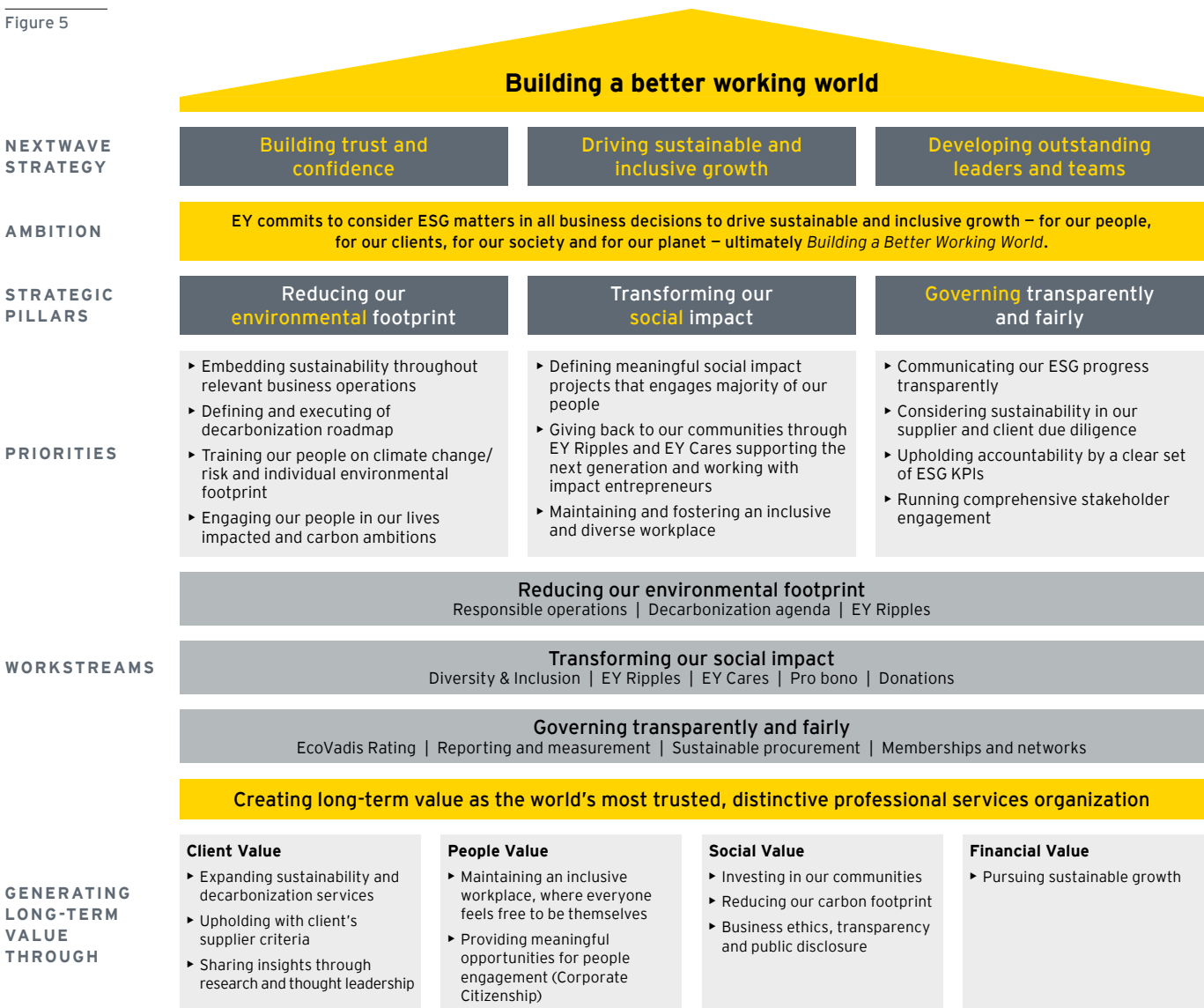
We believe that economic growth alone cannot help us in *Building a better working world*. It must be combined with the positive impact created for people, clients, society and the planet. As we build a better future, everyone should have adequate opportunities to contribute to economic growth and long-term, inclusive value.

Besides helping our clients with their sustainability transformation, we have embarked a few years ago on a continuous journey of becoming more sustainable and responsible across our own business. By integrating ESG practices in our operations, we commit to supporting sustainable growth that empowers everyone to

contribute to and benefit from economic success, both today and tomorrow. Our ESG commitment is aligned with the NextWave strategy and ultimately seeks to achieve positive outcomes aligned with UN Sustainable Development Goals (SDGs).

To deliver on our ambition, we have defined specific targets and an execution roadmap for each of our ESG strategic pillars. We believe that the action plans in place will help us to reach our targets, resulting in a better working world for our people, our society, our clients and our environment. For the detailed roadmap, see section "Appendix", starting on page 102.

Figure 5



How we are reducing our environmental footprint

Responsible operations

Measures to move towards more sustainable operations in terms of office electricity, waste management and office consumption.

Decarbonization agenda

EY has announced an action plan to execute its carbon ambition. We are working on a reduction road map to phase out carbon off-setting.

How we are transforming our social impact

EY Ripples

We engage in skill-based volunteering projects that give our people opportunities to use their skills, knowledge and experiences to positively impact lives.

EY Cares

Our people engage in traditional volunteering projects for community development.

How we are governing transparently and fairly

EcoVadis Sustainability Rating

We obtain an external view of our sustainability performance through the EcoVadis Sustainability Rating, which we then share with our clients on the EcoVadis platform.

Memberships and networks

We are active members in selected networks to jointly drive the sustainability agenda.

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A better working world is one where EY is taking concrete actions to reduce our carbon footprint and at the same time drive sustainable growth.

EY Ripples

Our people can support our ESG journey by engaging in EY Ripples projects to accelerate environmental sustainability.

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A better working world is one where EY people and our wider communities come together and jointly contribute to the common good.

Pro bono and donations

Selected projects are executed pro-bono for supporting charities, educational institutions and non-governmental organizations.

Diversity & Inclusion

We define activities and initiatives to enhance our D&I performance and KPIs.

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A better working world is one where EY measures, reports and transparently discloses its performance.

Reporting and measurement

It is important for us to have adequate data at hand for defining key performance indicators and targets and for tracking and reporting results.

Sustainable procurement

We engage with our suppliers and hold them accountable to the environmental and social standards we hold to ourselves.





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Our ESG strategy is based on our materiality analysis and commitment to the SDGs

About the report

This is EY Switzerland's sustainability report (called "report" hereinafter) for financial year 2021 (FY21), covering the reporting period 1 July 2020 to 30 June 2021. Where relevant, appropriate and helpful for comparison, we also provide information on the last three financial years. In this report, we refer to ourselves as "EY Switzerland," "we," "us" or "our." EY refers collectively to the global organization of the member firms of Ernst & Young Global Limited (EYG).

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, applying the core option to communicate transparently the non-financial performances to internal and external stakeholders. Going forward, EY Switzerland intends to disclose its performance on an annual basis as part of its commitment to the ten principles of the United Nations Global Compact (UNGC) and the UN Sustainable Development Goals (SDGs). This report and future editions shall also serve as the UNGC Communications on Progress.

This report provides a consistent, balanced and accurate representation of the key material topics, actions undertaken and achievements reached over the reporting period. We revised the material topics through internal stakeholder consultation, taking into account the perceptions of external stakeholders and based on periodic interactions with the various functions of EY Switzerland.

All changes with respect to our last report (2016) concerning our goals, mission, vision, strategy, and key performance metrics are a result of our efforts to align our businesses with EY Global's Next Wave Strategy, 2020.

This report covers all offices and activities of Ernst & Young Ltd, Basel and Ernst & Young AG, Vaduz (a 100% subsidiary of Ernst & Young Ltd, Basel).

The authenticity of the data and processes disclosed in the report has been assured by Treureva Ltd, an independent third-party assurance provider. Treureva Ltd provided limited assurance in accordance with the International Standard for Assurance Engagements (ISAE) 3000. The assurance statement provided in the report covers the scope of work undertaken, the engagement methodology and the extent to which EY Switzerland has applied the GRI Standards and includes the opinion on the report. The report on the limited assurance can be found on section "Appendix", starting on page 102.

Stakeholders can contact cr@ch.ey.com for any questions.



Stakeholder engagement

Our stakeholders have contributed to who we are today. Engaging with them provides us valuable insights into how we can positively impact them. In other words, stakeholder feedback helps us measure our progress in the pursuit of long-term value creation.

We regularly engage with our stakeholders and assess their feedback to ensure we are addressing their concerns and expectations as we strive toward excellence. Feedback may be directly connected to stakeholders' business

or related to the evolving political, socio-economic and environmental trends worldwide. For this report we have identified relevant internal stakeholders to engage with during the materiality analysis process who also reflected the views of our external stakeholders, where applicable.

Our key stakeholder groups include:

Our people

Our people are our greatest asset. We continuously drive our efforts toward enriching their skills, embracing their talents and fostering their potential to ensure an exceptional EY experience for them.



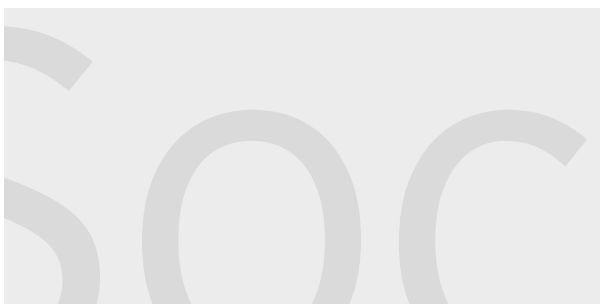
Our clients

We are committed to delivering high quality services to our clients. We build and maintain their trust by helping them solve their toughest challenges and responding to their needs.



Our society

We are driven to invest our knowledge, skills, time and financial capabilities to positively impact the lives of the people in our communities, to help in creating a better world for them to live in.



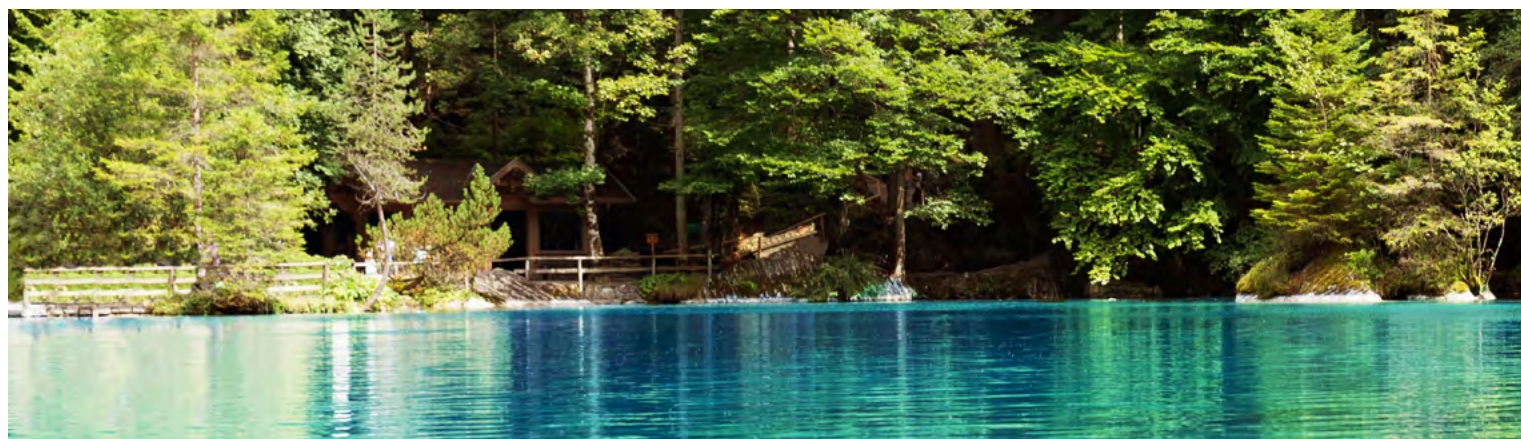
Our regulators

We are committed to maintaining open and transparent relations with regulators and adhering to our standards of ethical behavior and independence.

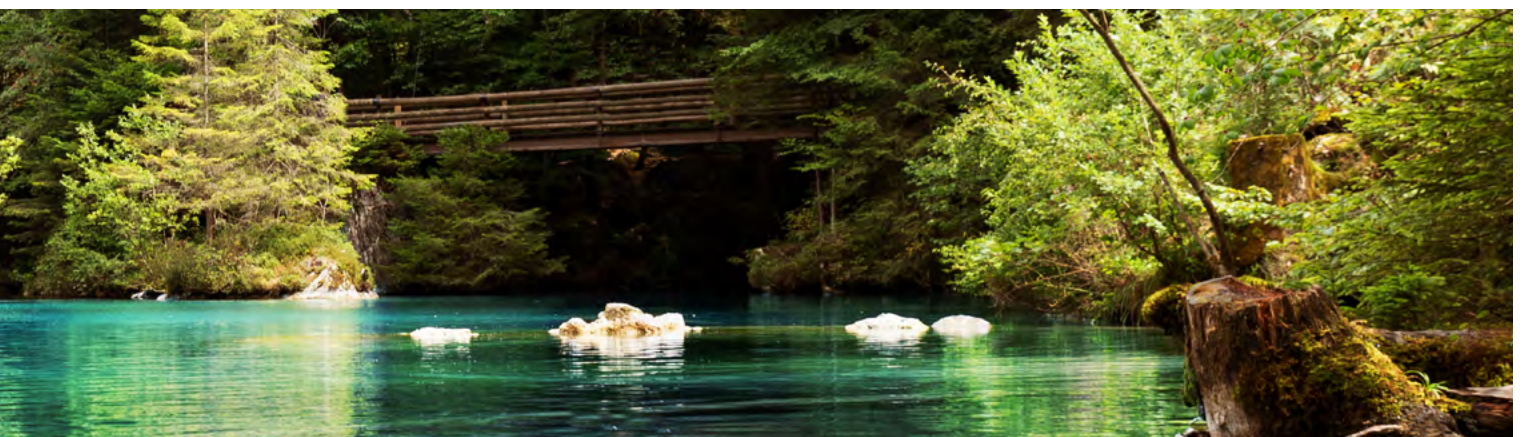


Table 1

Stakeholder groups	How we engage	Frequency	Stakeholder expectations
Our people: Current and future employees	▶ EY People Pulse Survey	▶ Three times a year	<ul style="list-style-type: none"> ▶ Leadership and purpose ▶ High-quality engagements ▶ Career development and upskilling ▶ Reward and recognition ▶ Employee well-being initiatives
	▶ Your Voice/People Sounding Boards	▶ Annually	
	▶ All people webcast	▶ Monthly	
	▶ LEAD – performance feedback system	▶ Three times a year	
	▶ Training and development programs	▶ Ongoing	
	▶ Client engagement projects	▶ Ongoing	
	▶ Recruiting events	▶ Ongoing	
	▶ Alumni events	▶ Twice a year	
Our clients: Current and future clients	▶ Assessment of Service Quality Surveys	▶ For each major engagement	<ul style="list-style-type: none"> ▶ New solutions ▶ Digitalization and innovation ▶ Service and quality excellence ▶ Diversity and inclusiveness ▶ Sustainable and responsible operations ▶ Thought leadership/ insights
	▶ Webcasts/events/newsletter/blog	▶ Ongoing	
	▶ Presentations in public forums	▶ Ongoing	
	▶ Entrepreneur of the Year Award	▶ Annually	
	▶ Brand survey	▶ Annually	
	▶ Request for information/request for proposals	▶ Ongoing	
	▶ EcoVadis Sustainability Rating	▶ Annually	



Stakeholder groups	How we engage	Frequency	Stakeholder expectations
Our society: <ul style="list-style-type: none"> ▶ Next generation ▶ Impact entrepreneurs ▶ Government/NPO/NGOs ▶ Our communities/civil society ▶ Media ▶ Academia 	<ul style="list-style-type: none"> ▶ Employee volunteering – EY Ripples, EY Cares ▶ Community investments and outreach programs ▶ Recruiting events ▶ Guest lectures at academic institutions ▶ Press-releases 	<ul style="list-style-type: none"> ▶ Ongoing ▶ Ongoing ▶ Ongoing ▶ Ongoing ▶ Ongoing 	<ul style="list-style-type: none"> ▶ Contribution to the SDGs ▶ Fostering environmental sustainability ▶ Developing the next generation workforce for employment and wealth generation ▶ Enabling impact entrepreneurs ▶ Instilling trust by transparency
Regulators (selection): <ul style="list-style-type: none"> ▶ Federal Audit Oversight Authority (FAOA) ▶ Public Company Accounting Oversight Board (PCAOB) ▶ Swiss Financial Market Supervisory Authority (FINMA) ▶ Financial Market Authority (FMA) Liechtenstein ▶ Federal Tax Administration 	<ul style="list-style-type: none"> ▶ Exchanges during official meetings ▶ On-site audits and document disclosure ▶ Sustainable audit quality 	<ul style="list-style-type: none"> ▶ Annually ▶ Annually ▶ Annually 	<ul style="list-style-type: none"> ▶ State-of-the-art assurance services ▶ Transparency, strong governance and upholding business ethics ▶ People and client data security ▶ Reduction in deficient audits ▶ Dialogue about new and emerging regulations ▶ Adherence to national and local regulations



Focus on material topics

We performed a materiality analysis to identify the various topics related to our economic, environmental and social responsibility and arrange them in hierarchical order. Our approach is broken down into four key steps:

STEP 1 Identifying material topics

We reviewed internal and external documentation as well as selected clients' materiality analyses. This helped us to identify the initial list of material topics that could have current and/or future implications on our stakeholders or

EY's performance. We identified an initial list of 59 topics, which were further streamlined into 17 material topics. We then clustered the topics into the categories: principles of governance, people, planet and prosperity.

STEP 2 Engaging with relevant stakeholders

We identified relevant internal stakeholders to engage with during the materiality analysis process. The stakeholder selection was limited to internal stakeholders only, who also reflected the views of our external stakeholders where applicable.

As part of the stakeholder engagement process, we rolled out an internal online survey and conducted interviews to collect the views of defined stakeholder groups on the potential impact of the 17 material topics for EY Switzerland and its relevance to internal and external stakeholders.

Identified internal stakeholder groups included our employees, key members of leadership and each service line, Corporate Responsibility Board members and representatives from multiple business areas and functions including Risk Management, Talent and Facility Management. It also included selected community representatives such as EY Switzerland's Climate Taskforce and People Sounding Board members.

STEP 3 Undertaking the strategy workshop

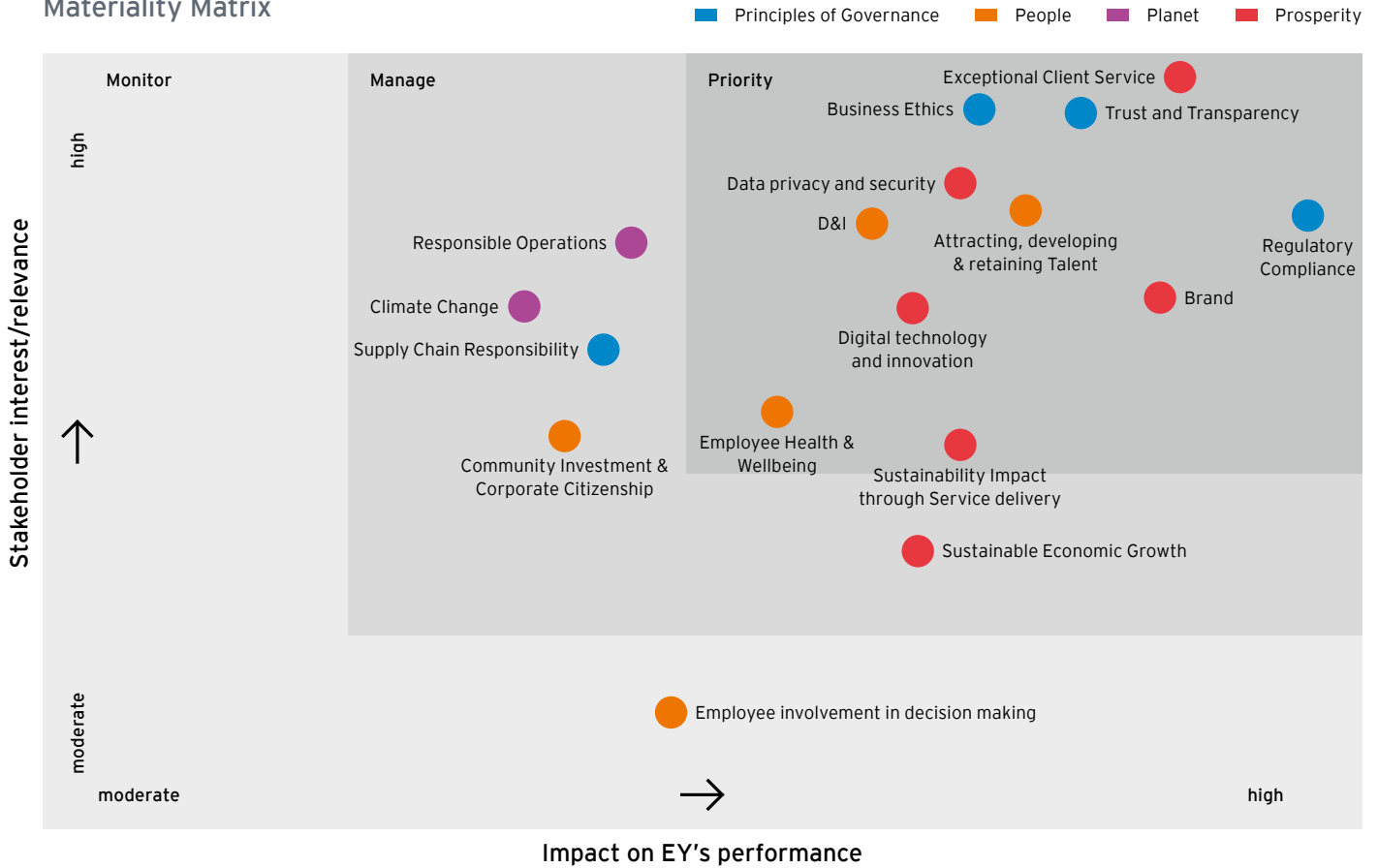
We held a strategy workshop with EY Switzerland's senior leadership that led to an interactive exploration of the materiality of the 17 topics.

STEP 4 Finalizing the materiality matrix

We developed the materiality matrix representing the 17 material topics, prioritized based on their relevance to stakeholders and impact on EY's performance. The materiality matrix was finalized and validated by the Swiss Management Committee.

Figure 6

Materiality Matrix



Alignment of our material topics with the principles of the UNGC and SDGs

EY has committed to the UNGC and UN SDGs to accelerate the progress of the NextWave strategy and our ambition to create long-term value for clients, people and society as the world’s most trusted, distinctive professional services organization. Adhering to this commitment, [EY reports](#) its progress on the Ten Principles of the UN Global Compact and the SDGs.

Aligning ourselves with EY’s global commitment, EY Switzerland maps the UN Principles and SDGs that are most relevant for our business and stakeholders to the material topics identified in our materiality analysis. The outcomes are integrated into our ESG strategy and business decision making. This sustainability report also serves to meet the requirements of a progress report on EY Switzerland’s UNGC commitment. For more details on the alignment of the UN Principles and the UN SDGs to this sustainability report, see section “Appendix”, starting on page 102.





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We are guided by the principles of integrity, quality and accountability

We operate in a demanding, complex and increasingly globalized business environment.

With new challenges each day, the choices we make define our reputation as individuals and as an organization.

EY strives to build a culture of quality and trust that emphasizes transparency, independence and accountability of all professionals.

We rely on our values, our purpose and our professional standards – anchored in our sound governance structure – to guide us in our day-to-day choices and decisions.



Our governance structure

EY operates as a global business with one shared strategy, led and overseen by a common governance structure that coordinates the member firms, including EY Switzerland and promotes cooperation among them. Each member firm is a legally distinct entity. Their obligations and responsibilities as members of EY are governed by the regulations of EY and various other agreements. The member firms are grouped into three geographic areas: Americas and Asia-Pacific as well as Europe, Middle East, India and Africa (EMEIA). The areas comprise multiple regions.

EY Switzerland as part of the global network

EY Global Executive (GE) chaired by our Global CEO and Chair, Carmine Di Sibio, is the highest governance body of EY and focuses on strategy, execution and operations. It brings together all the elements of our global organization, including the leaders of our geographic areas and service lines.

The **Global Governance Council (GGC)**, comprising one or more representatives from each region, other member firm partners as at-large representatives and up to six independence non-executives, advises EY on policies, strategies and the public interest aspects of its decision making. The GE and the GGC approve nominations for the Chair and CEO of EY.

Also included in our global governance structure are the **GE Committees**, established by the GE to bring together representatives from across the organization who are responsible for making recommendations to the GE.

Our **Global Practice Group**, comprising members of the GE, GE Committees, regional leaders and sector leaders, promote a common understanding of EY's strategic objectives and help drive consistency of execution across the organization.

All **EY member firms** commit to pursuing the EY objectives. They undertake implementation of global strategies and plans to maintain the prescribed scope of service capability. All member firms adhere to applicable professional and ethical standards as well as applicable

regulations, methodologies and policies, including those on audit, risk management, independence, knowledge sharing, talent and technology.

Further, each region elects a **Regional Partner Forum (RPF)**, whose representatives advise and act as a sounding board to regional leadership. The partner elected as presiding partner of the RPF also serves as the region's representative on the GGC.

EY Switzerland comprises two separate regions in the EMEIA Area – the Financial Services Organization (FSO) region and the Europe West (EW) region (established from 1 July 2021). Regional determination is driven by the clients served. FSO serves clients in the financial services sector, whereas EW serves all non-financial services clients. Prior to the establishment of the EW region, the non-FSO part of Switzerland was included in the Germany, Switzerland and Austria (GSA) region.

Driving the global strategy

In EY Switzerland, the **Swiss Management Committee (SMC)** is responsible for strategy, execution and operations. This includes the responsibility to develop, approve and update the organization's purpose, value or mission statements, strategies, policies and goals



related to economic, environmental and social topics, their impacts, risks and opportunities. Its members bring together all the elements of our Swiss organization, including our functions, service lines, geographic areas and committees.

The **ATAG Ernst & Young Holding AG Board (the Board)** is the highest governance body responsible for providing the general operational direction for our Swiss entities, while aligning it with our global

strategy and priorities. They act as a sounding board for the SMC by monitoring progress as we execute our strategy. The Board members proposed by Chair and/or SMC are formally elected at the ATAG EY Holding AG shareholders' meeting.

All members of the Board and SMC are executive members (not independent) and are appointed for a period of three years, which is extendable by another three-year term.

The Management Committee of Ernst & Young Ltd as of 30 June 2021 is composed of the following members:

- ▶ **Stefan Rösch-Rütsche** (Country Managing Partner)
- ▶ **Robin Ann Errico** (Chief Risk Officer and Chair of the Corporate Responsibility Board)
- ▶ **Elizabeth Whitfield** (Chief Talent Officer)
- ▶ **Scott Mason** (Chief Operating Officer)
- ▶ **Bruno Patusi** (Financial Services Country Leader)
- ▶ **André Schaub** (Managing Partner, Assurance, Corporate Clients)
- ▶ **Patrick Schwaller** (Managing Partner, Assurance, Financial Services Clients)
- ▶ **Adrian Bruno Widmer** (Managing Partner, Consulting, Financial Services Clients)
- ▶ **Daniel Gentsch** (Managing Partner, Tax & Legal, Corporate Clients)

The Board of Directors of the two Swiss holding companies and the Swiss Partner Pool is composed of:

- ▶ **Andreas Blumer** (Chair)
- ▶ **Laurent André Bludzien** (Vice Chair)
- ▶ **Sabine Betz-Schwegler** (Member)

The functions and dedicated committees that enable implementation of the economic, environmental and social topics at EY Switzerland include:

- ▶ **Europe West Leadership and Markets Board** is responsible for the strategy and operations of the non-Financial Services business.
- ▶ **FSO Executive Committee**, which sets the strategy in accordance with EMEIA FSO and manages day-to-day operations for the Financial Services business.

- ▶ **Corporate Responsibility (CR) Board** is responsible for driving strategy and initiatives, including communication, around CR and sustainability for EY Switzerland and managing environmental and social concerns.
- ▶ **Talent Organization** comprises the Chief Talent Officer (CTO) and talent partners from each service line and is responsible for driving the talent strategy and initiatives. The execution of the strategy is led by the Head of Talent and the Talent team.
- ▶ **Risk Management (RM) function** is responsible for the application of the compliance framework, risk identification, mitigation and monitoring as well as the implementation of an enterprise risk management (ERM) system. The Chief Risk Officer (CRO) is responsible for leading the RM function.
- ▶ **Diversity & Inclusion (D&I) Council's** role is to set and drive the D&I strategy for EY Switzerland.

The Chair of the CR Board, the CRO, D&I Council leader and the CTO are a part of the SMC.



Diversity in governance

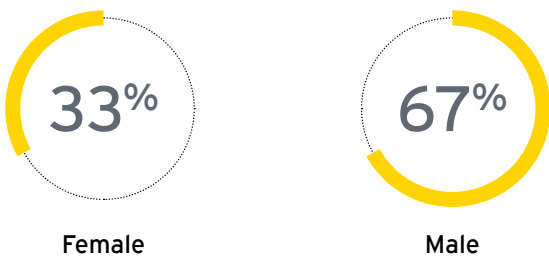
Diversity is a key consideration in the appointment of members of the Board and the SMC. Members are appointed not only on the basis of gender, but also considering other factors like their subject matter



expertise, skills, achievements and competencies. Diversity in governance enables us to generate valuable insights while developing our effective strategies, policies and procedures.

Figure 7

Diversity in the Board



The Board and SMC's remuneration

The same remuneration system used for all other partners of the firm applies to the SMC and Board members. We follow the EMEIA Partner Reward System (EPRS), which is a retrospective cash-based variation

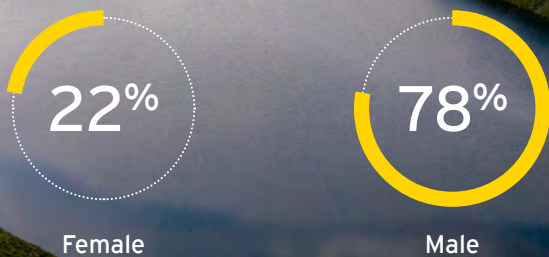


system that is managed at EMEIA level but monitored and approved by the Regional Partner Forums through delegates to the EMEIA process. The EPRS takes into consideration feedback from stakeholders as well as EY colleagues through our internal performance evaluation system, LEAD.

Annually, the EPRS allocates to each partner a portion of the distributable income of the firm. Variable compensation to the SMC and the Board are linked to organization level goals, including but not limited to service quality, increasing diversity and inclusiveness in the workforce and contributing to prosperity in the communities. The performance outcome has a direct impact on variable component of the partner's income.

Figure 8

Diversity in the SMC



Driving ESG at EY

The EY Global Vice Chair – Sustainability, responsible for driving the ESG strategy and performance, reports directly to the EY Global Chair and CEO. Also, the EY Global Responsible Business Leader leads the corporate responsibility efforts and regularly updates the Corporate Responsibility Governance Council (CRGC), which includes nine members of the EY GE and represents a cross-section of senior leaders across geographies. The CRGC provides oversight of the environmental strategy, including implementation of the EY global environmental statement.

The Global Vice Chair of Sustainability and Global Responsible Business Leader have dedicated teams to drive the strategy. In addition, EY’s Climate Change and Sustainability Services (CCaSS) advises both global and country leads. Regional Environmental Managers and a Global Corporate Responsibility team, together with CCaSS, are responsible for setting overarching strategies and targets.

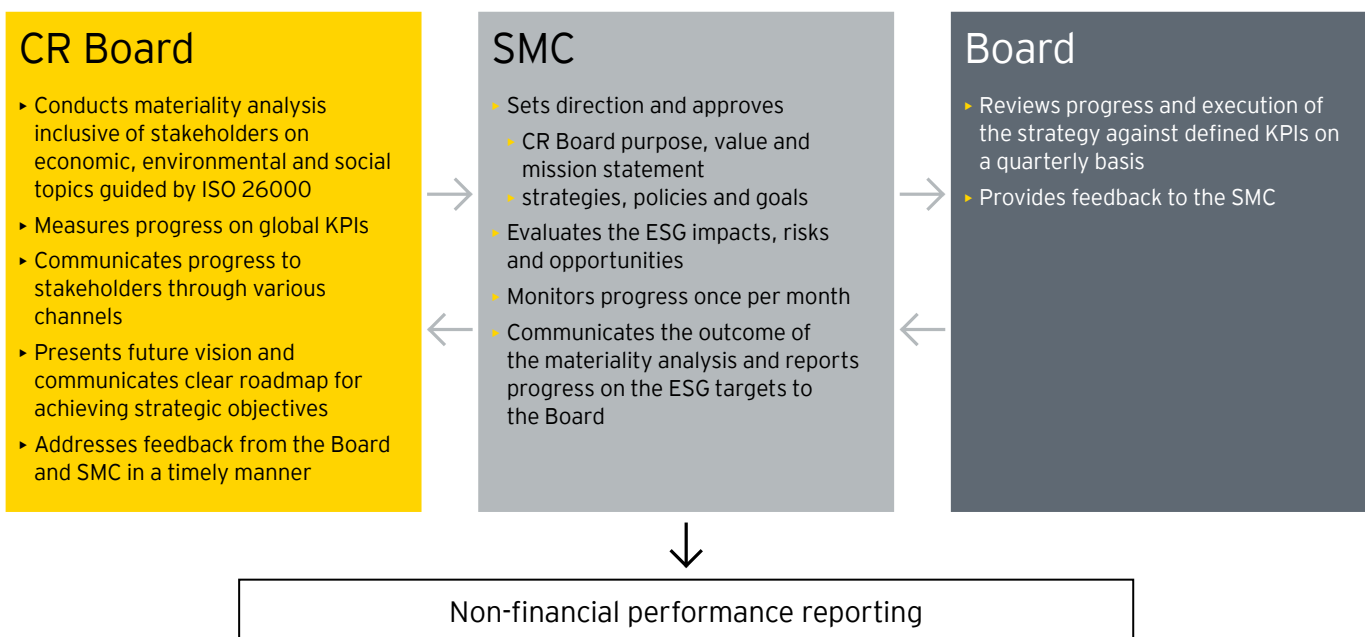
Aligning our ESG practices with EY Global

Aligned with our global ESG targets, the SMC defines the ESG strategy and targets for EY Switzerland. We maintain a robust framework to monitor and report our defined targets and we communicate our ESG performance through our sustainability report. Our CRO, who is a member of the SMC and leads the CR Board, has oversight and responsibility for the ESG strategy execution as well as the sustainability report.



The flow diagram below details the responsibilities of the CR Board, SMC and the Board in integrating the ESG practices in our operations and strategic decision making.

Figure 9



Business ethics

At EY Switzerland, we are committed to conducting professional practices in accordance with the applicable professional and ethical standards, including the independence requirements.



Our leadership is responsible for setting the right tone at the top and demonstrating EY's commitment to *Building a better working world* through our behavior and actions. Our people understand that quality and professional responsibility starts with them. Our shared values guide our people to do the right thing and our commitment to quality and professional standards are embedded in who we are and in everything we do.

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other relevant policies and is embedded in the EY culture of consultation, training programs and internal communications. We have appointed an Ethics and Compliance Leader within the Risk Management (RM) function, who is responsible for communicating with and educating all EY people on their expected behavior and actions in line with the EY Code of Conduct. The Ethics and Compliance Leader also monitors our people's continuous adherence to the Code.

Additionally, we have a Financial Crime Leader responsible for the design and implementation of EY's first line of defense anti-corruption policies and procedures and for monitoring compliance. Both the Ethics and Compliance Leader and the Financial Crime Leader report to the Global Risk Management Leader.

To further ensure that the Code of Conduct is embedded into the organization's culture, all EY people, regardless of individual role, position or practice, file an annual confirmation affirming that they have read, understood and will act in accordance with the Code of Conduct. Both the Code of Conduct and the annual confirmation highlight the responsibility of EY people to speak up when they observe behavior that does not live up to the principles contained in the Code of Conduct.

Our people can report any concerns through the EY/Ethics Hotline, which is operated by NAVEX Global, an externally contracted provider. The EY/Ethics Hotline provides EY people, clients and others outside of the organization a means to report in confidence any activity that may involve unethical or improper behavior, as well as any behavior that may be in violation of professional standards or otherwise inconsistent with the EY shared values or Global Code of Conduct. With an option for anonymous reporting, the hotline creates an environment that encourages everyone to act responsibly and report misconduct without fear of retaliation. The hotline is also a channel for our people to engage and communicate with us about any other concerns that may be beyond this specified scope.

Our Global Code of Conduct

sets out a clear set of standards for the way we conduct business. It provides each of us with an ethical framework to guide us when we are faced with complex and challenging choices. We strive for a culture that emphasized the responsibility and accountability for all professionals for quality and trust.



Every report submitted through the EY/Ethics Hotline, either by phone or through the [website](#), receives prompt attention with oversight from the RM function. Depending on the content of the report, appropriate individuals from RM, Talent, Legal or other functions are involved in addressing the issue. The same procedures are followed for matters that are reported outside of the EY/Ethics Hotline.

The EY/Ethics Hotline also provides for an escalation process in case of significant matters. Depending upon the severity and nature of the complaint, matters could be cascaded from the Swiss Ethics Oversight Committee to the region (Europe West or EMEIA Financial Service Organization), Area (EMEIA) or Global Ethics Oversight Committees.

We had six cases registered through the EY/Ethics Hotline in FY21, all of which have been resolved and closed. In FY20, we had seven registered cases that have been resolved and closed as well.

To further ensure adherence to ethical standards and behavior across the organization, we have our Global Policy for reporting Non-Compliance with Laws, Regulations and EY's Code of Conduct (NOCLAR), aligned with the International Ethics Standards Board for Accountants (IESBA). The policy sets out a framework to guide actions of professional accountants in deciding how best to act in public interest when they become aware of actual or suspected non-compliance with laws and regulations. This policy also reinforces the general principles of our Global Code of Conduct by rejecting unethical or illegal business practices, supporting compliance with laws, regulations and standards and upholding our commitment to ethical behavior and quality. NOCLAR clarifies our people's responsibility to speak up.



Risk management

Geopolitical volatility, rapid technological advances, emerging markets and new clients are driving business disruption. Against this background, regulators are increasingly keen to understand the way organizations identify and manage their risks. Like other businesses, we deal with a variety of risks in our day-to-day operations. Therefore, managing risks is integral to ensuring that our teams comply with the relevant regulations while delivering quality and exceptional services to our clients.

EY Switzerland operates in accordance with applicable law and regulations, with our compliance framework, comprising numerous company-wide policies, ERM, procedures and controls in place. Compliance with legal requirements and ethics standards is our top priority and is ensured by our RM function.

Our RM is guided by our values, as outlined in the EY Code of Conduct and implements required internal controls based on key policies. An annual risk assessment helps us to identify, monitor and mitigate risks and summarizes major risks in a register. The risk register also serves as a checkpoint to review completeness and the mitigation measures in place to manage each risk.

The key ESG-related risks identified by EY Switzerland are:

- ▶ **Regulatory risk/public policy:** We adhere to the laws and regulations associated with ethics and independence and embrace transparency to protect ourselves from reputational risks.
- ▶ **Climate risk:** Our climate ambition (for more details, see section: "Environment", starting on page 92) is instrumental in managing physical and transition risks.
 - ▶ **Physical risk:** EY Switzerland's offices and people face potential risk of high-intensity weather-related events.
 - ▶ **Transition risk:** We anticipate our operating expenses to increase due to change in country regulations and implementation of financial instruments such as carbon tax, that could negatively impact the travel expenses.
- ▶ **Market risks:** We build our capabilities and innovate cutting-edge solutions to be the market leader and avoid competition-related market risks.

Another market risk and a key enabler of innovation is attracting and retaining the best talent, which we ensure by empowering our people to have an exceptional EY experience.

- ▶ **Third-party/supply chain risks:** We undertake due diligence of third parties on outsourcing our client services. This helps us to avoid any reputational damage and other risks that may arise from suppliers' non-compliance with relevant regulations such as labor laws and their functioning under inappropriate working conditions.

The ERM also outlines the monitoring procedures for the risks that have been assessed as major. Monitoring of these risks, as well as formulation of relevant mitigating activities, occurs during monthly SMC, Swiss Leadership or Markets Board meetings.

Our risk management policies and practices

As an integral part of fulfilling our commitment of *Building a better working world*, we serve the public interest by delivering high-quality audits with independence, integrity, objectivity and professional skepticism. EY professionals focus on not only enhancing audit quality and upholding independence, but also ensuring compliance with the applicable laws pertaining to environmental and social integrity. The foundation of our compliance framework is the EY Global Code of Conduct and the underlying policies and guidelines defining our values and ensuring compliance with applicable laws and regulations.

Our ERM, risk management governance and compliance programs have ensured no significant fines and no non-monetary sanctions were imposed for non-compliance with environmental laws, social and economic areas and/or regulations as of 30 June 2021.

Client and engagement acceptance

The EY Global Policy on Client and Engagement Acceptance sets out principles for member firms to determine whether to accept a new client or a new engagement, or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting EY people and meeting regulatory requirements. The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions to accept or continue clients or engagements
- ▶ Meet applicable independence requirements
- ▶ Identify and deal appropriately with any conflicts of interest
- ▶ Identify and decline clients or engagements that pose excessive risk
- ▶ Require consultation with designated professionals to identify additional risk management procedures for specific high-risk factors
- ▶ Comply with legal, regulatory and professional requirements

In addition, the EY Global Policy on Conflicts of Interest defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions for managing potential conflicts of interest as quickly and efficiently as possible, using appropriate safeguards.

We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for efficiently coordinating client and engagement acceptance and continuance activities. As part of this process, we carefully consider the risk characteristics of a prospective client or engagement and the results of due diligence procedures. Before taking on a new engagement or client, we determine whether we can commit sufficient resources to deliver quality services, especially in highly technical areas and if the services the client wants are appropriate for us to provide.

Anti-bribery and anti-corruption

The EY Global Anti-bribery Policy supports the EY Global Code of Conduct by prohibiting bribery in all forms, including facilitation payments. It provides EY people with direction on certain unethical and illegal activities. It emphasizes the obligation to comply with anti-bribery laws and provides a definition of what constitutes bribery. It also identifies reporting responsibilities when bribery is discovered with respect to bribery of or by EY personnel, as well as when we discover bribery at our clients. In recognition of the growing global impact of bribery and corruption, efforts have been increased to embed anti-bribery measures across EY.

EY Switzerland has deployed the EY Global Anti-bribery Policy accompanied by an anti-corruption compliance program. This has been communicated to all EY people across all regions, including our business partners.

To ensure that no corrupt activities exist across the organization's value chain, EY people are also expected to comply with the Global Procurement Policy, the Global Independence Policy and the Hospitality and Gifts Policy. The Hospitality and Gifts Policy may be helpful in identifying circumstances where corporate hospitality or a gift to a client may be acceptable and not characterized as bribery.

To prevent corruption and at the same time raise the awareness of our people for corruption risks, EY relies on a comprehensive digital training and communication offering. All EY member firm partners and employees are required to complete the "Anti-Bribery and You!" training. All people joining EY undertake this training and affirm their understanding of the policy to confirm their compliance.

EY people are empowered to bring to the attention of our RM function any concerns about suspected fraud, bribery and corruption or any violation, without fear of punishment or unfair treatment through the EY/Ethics Hotline. As of 30 June 2021, we confirm that EY Switzerland has not identified any incidents of corruption.

In line with EY's commitment to a culture of compliance, including our role within the profession to combat corruption and other forms of financial

crime, EY continues to take a seat at the World Economic Forum's Partnering Against Corruption Initiative (PACI) and has recently been appointed as the knowledge partner to the B20's Transparency and Anti-Corruption working group.

Independence practices

Independence is a concept fundamental to the audit profession and is pervasive in all dealings between EY member firms and their audit and assurance clients. Each EY employee is responsible for their own personal independence and the independence of EY.

We consider and evaluate independence regarding various aspects, including our financial relationships and those of our people; employment relationships; business relationships; the permissibility of services we provide to audit clients; applicable firm and partner rotation requirements; fee arrangements; audit committee pre-approval, where applicable; and partner remuneration and compensation.

The EY Global Independence Policy requires EY Switzerland and our people to comply with the independence standards applicable to specific engagements, e.g., the IESBA Code of Ethics and with Swiss or Liechtenstein country independence standards, respectively and where required, SEC independence standards.

We have implemented EY's global applications, tools, and processes to support us, our professionals, and other employees in complying with independence policies. For a comprehensive overview please refer to our [Transparency Report](#).

Annually, EY Switzerland is included in a process to confirm compliance with the EY Global Independence Policy and process requirements and to report identified exceptions, if any. All EY professionals and certain others, based on their role or function, are required to confirm compliance with independence policies and procedures at least once a year. All managers through partners and certain others,

based on their role or function, are required to confirm compliance quarterly. EY develops and deploys a variety of independence learning programs. All professionals and certain other personnel are required to participate in annual independence learning to help maintain our independence from the companies we audit. The annual independence learning program covers independence requirements focusing on recent changes to policy, as well as recurring themes and topics of importance. The timely completion of annual independence learning is required and is monitored closely.

Global Competition and Anti-trust Law Compliance Policy

EY Switzerland is fully committed to compliance with competition and anti-trust laws. This compliance is essential to avoid reputational damage, significant fines and criminal penalties.



The provisions of our Global Competition and Anti-trust Law Compliance Policy reaffirm that we 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 we operate. The policy encompasses the legal principles underlying competition and anti-trust law, the types of behaviors that might raise anti-competition questions and whom to consult in the event of questions regarding the application of this policy to particular situations.

Any non-compliance with this policy is a breach of the EY Code of Conduct and may result in disciplinary actions, including dismissal. Risk Management, in conjunction with Legal, is responsible for implementation of this policy, as well as training, compliance monitoring and internal reporting of violations.

There are no pending or completed court actions or out-of-court-proceedings, monetary fines or penalties for non-compliance with laws or regulations, nor were there any anti-competitive conduct or breaches of anti-trust laws issued against EY Switzerland as of 30 June 2021.

Global Anti-Money Laundering Guidance

At EY, we are committed toward complying with applicable anti-money laundering and counter-terrorism financing laws and regulations and are intolerant of the involvement of money laundering and/or terrorism financing by our people and all persons acting for or on behalf of our organization, such as consultants and third-party subcontractors. The Global Anti-Money Laundering Guidance identifies practices based on the Financial Action Task Force recommendations to mitigate the risk.

Global Insider Trading Policy

The EY Global Insider Trading Policy reaffirms the obligation of our people not to trade in securities when in possession of insider information, provides detail on what constitutes insider information and identifies whom our people should consult if they have questions regarding their responsibilities.

The Global Policy on reporting fraud, illegal acts and other non-compliance with laws and regulations or EY's Global Code of Conduct requires EY professionals to speak up on observing such behavior or acts.

Global Confidentiality Policy

Protecting confidential information is ingrained in the everyday activities of Ernst & Young Global Limited (EYG) member firms. Respect for intellectual capital and all

other sensitive and restricted information is required by the EY Global Code of Conduct, which provides a clear set of principles to guide the behaviors expected of all those who work with EY. The Global Confidentiality Policy further details this approach to protect information and reflect ever-changing restrictions on the use of data. This policy provides added clarity for those who work with EY member firms and forms the fundamental broader guidance that includes key policies on conflicts of interest, personal data privacy and records retention. Other guidance covers social media and information-handling requirements.

Global Personal Data Protection Policy

The Global Personal Data Protection Policy supports and builds upon provisions within the EY Global Code of Conduct regarding how we respect and protect personal information, in accordance with applicable law, regulatory frameworks and professional standards. This has been updated to be consistent with the EU General Data Protection Regulation (GDPR) and other local regulations across the globe.

The Global Guidance on Reporting Loss, Theft or Inappropriate Disclosure of Confidential Information identifies the steps EY personnel should take in response to a loss/theft of EY, client or third-party confidential information. It supplements the requirements set out in the Global Confidentiality Policy, Global Acceptable Use of Technology Policy and the Global Personal Data Protection Policy.

Education and Training

Our compliance framework is underpinned and consolidated by continuous and systematic training and development to promote and increase the awareness of EY employees on relevant risks. We have various global and local awareness and training programs including new-hire trainings, milestone trainings, rank specific

trainings and core service line curricula to sensitize relevant EY employee groups about policies, tools and procedures. The Global Code of Conduct and the Independence Update trainings have to be reaffirmed

each year by most employees depending on rank and services they provide. There are exceptions for employees on parental leave, on long-term sick-leave, certain employee groups and contract workers.

Table 2

Name of mandatory training	Number of employees mandated to undertake training in FY21	Training hours
Conflict of Interest	237	228.5
Handling Information Safely	271	177.5
Anti-bribery and You: Anti-Bribery and Corruption	332	252.5
EY Global Code of Conduct (yearly)	2,218	2,676
General Data Protection Regulation (GDPR)	179	87
Financial Crime Money Laundering, Tax Evasion and Terrorist Financing Training	347	175.5
Global Independence Training	335	668.5
Independence Update Trainings (yearly)	1,655	3,316



Trust and transparency

At EY, we maintain trust and transparency by regularly communicating with relevant stakeholders on how we manage risk, by maintaining independence as auditors and by ensuring sustainable audit quality.

We are increasingly integrating ESG practices into our operations and making long-term commitments such as achieving net zero carbon emissions, increasing diversity, equity and inclusiveness in the workforce and contributing to prosperity in the communities we operate in. To maintain trust and transparency with our relevant stakeholders, it is critical for us to measure and disclose progress against our commitments and action plans.

We foster trust and transparency with relevant stakeholders through the following disclosure mechanisms and assessments:

Transparency Report

We embrace the transparency objectives of the European Union's Regulation 537/2014, which require statutory auditors of public interest entities (PIEs) to publish annual [transparency reports](#).

Sustainability reporting

This is our sixth sustainability report developed in alignment with the GRI Standards and follows our last edition for the year 2016. Through this report, we communicate to our stakeholders on the identified material topics, our ESG-integrated business strategy and the policies, actions and reporting we have in place.

Global Brand Survey

For the KPI "trust", the Global Brand Survey found EY Switzerland to be the new number one among professional services organizations as measured by favorability and distinctiveness across clients and non-clients in Switzerland.

EcoVadis Rating

The EcoVadis Sustainability Rating reviews the extent to which we introduce sustainability policies, practices and reporting in our business and helps us to understand the gaps to further improve our performance.



In FY21, EY Switzerland was ranked among the top 24% of companies by EcoVadis in the legal and accounting industry, resulting in a bronze rating for our first assessment. We are encouraged by this start but are also committed to enhancing our rating further with the corrective action plan. Our overall score out of 100 was 50. Our scores per category were as follows: Environment – 50/100; Labor & Human rights – 50/100; Sustainable procurement – 50/100; Ethics – 50/100.

United Nations Global Compact (UNGC)

EY has been a signatory to the United Nations Global Compact (UNGC) since 2009. This makes all EY member firms including EY Switzerland commit to integrating the relevant principles of UNGC and the UN Sustainable Development Goals (SDGs) into our strategy, culture and operations. Globally, we communicate our progress on the same through our [EY Global Review Report](#) published on an annual basis.

In 2021, EY Switzerland joined the UNGC Switzerland & Liechtenstein Network, which supports companies who are striving to implement responsible business conduct and Corporate Social Responsibility within their sphere of influence. The network also helps them in implementing the Swiss National Action Plan on Corporate Social Responsibility, Green Economy and Business & Human Rights.

Supply chain management

We are significantly dependent on our suppliers to procure services and products. At the same time, EY Switzerland is itself a supplier of services and solutions to clients. While we expect our suppliers to fulfill



criteria – defined by us or specific standards – with respect to environment, labor and human rights, ethics and sustainable procurement, we also endeavor to meet our clients' similar expectations of us.

Our supply chain

Our supply chain includes suppliers of essential products and services under the following four categories:

- ▶ Real Estate, Workplace Services
- ▶ Travel, Meeting and Events Services
- ▶ Technology Sourcing
- ▶ Talent and BMC Procurement

During FY21, we engaged with a total of 986 suppliers and spent CHF 41.3 million on the purchase of goods and services. We rely heavily on local suppliers to ensure short supply chains and a quick response to the market. We source almost 80% of products and services locally from Switzerland and approximately 95% of our procurement spend is on local suppliers. Our objective is to create a sustainable impact through building a local and diverse supply chain.

Supplier transparency

Through our commitment to *Building a better working world*, we strive to create sustainable and inclusive economic growth. We recognize that our responsibility

to minimize the environmental and social impact of our business operations extends not only to our people but also our suppliers. We acknowledge the need for consistent efforts on our part to promote the highest ethical standards within our supply chain and to maintain and grow a diverse supplier base that reflects the markets, clients and communities we serve.

Our procurement process at EY is guided by the Global Procurement Policy. The policy is applicable for the purchase of all goods and services on behalf of the organization and for selecting suppliers and awarding contracts.

The Global Procurement Policy includes our [Supplier Code of Conduct](#), which provides guidance on the highest levels of legal, ethical, environmental and employment-related standards that our suppliers must adhere to. All our contractual agreements are bound by this code.

The Environmental Social Governance Services (ESGS), which reports directly to the Chief Supply Chain Officer, is responsible for driving an inclusive and sustainable mindset across the organization through our procurement strategy.

The ESGS strategy focuses on the following principles:

- ▶ **Environmental:** To procure in a sustainable way, looking beyond short-term needs and considering the longer-term impacts of each purchase.
- ▶ **Social:** To procure reflecting a broader goal linked to resource efficiency, social responsibility and economic resilience.
- ▶ **Governance:** To be accountable with transparent business practices that monitor our sustainable and growth impact.

We implement the principles of the procurement strategy into our due diligence processes during onboarding of new suppliers and the periodic monitoring and evaluation of the high-risk suppliers. EY assess and rates the underlying risks of the existing and potential suppliers through our cloud-based management system that provides us real-time updates on the onboarding and periodic due diligence process.

Supplier due diligence

The due diligence process is undertaken based on a standard questionnaire that is completed by the supplier and helps us assess and rate suppliers based on their:

- ▶ Agreement with the Supplier Code of Conduct
- ▶ Adherence to human rights and environmental standards
- ▶ Effectiveness in implementing environmental and social policies and programs
- ▶ Environmental and social assessment of Tier 2 supplier
- ▶ Affirmation to supplier diversity and inclusiveness

Through the due diligence process, the suppliers are scored on the above-mentioned criteria. Those who score EY's minimum criteria are classified as sustainable. Based on the score received by a supplier, we provide recommendations for action plans to mitigate any identified gaps. The action plans are developed considering the following rules:



Table 3

Due diligence function score	Action plans
EY Green	Marked as sustainable
EY Amber	Standard escalation email whereby we ask the supplier to review and make improvements
EY Red	Tailored escalation email is sent to the supplier where we highlight their specific areas for improvement and ask them to commit to improvements within 12 months

In FY22, EY will carry out an ESG audit pilot program with a selection of our high-risk suppliers, as identified by an ESG risk mapping tool developed by EY's CCaSS team. Following the pilot, we aim to also audit high risk suppliers who have scored poorly in our supplier management system.

Supplier selection

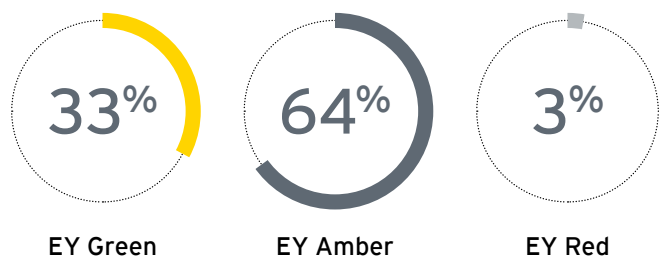
At EY, we ensure consistency and mitigate risks by asking all suppliers to agree to adhere to our Supplier Code of Conduct as part of our due diligence and contract. All our sourcing managers are requested to include a core set of ESG and human rights questions in every request for proposal (RFP) that is shared with the supplier during the onboarding process. These questions are based on thematic areas including, but not limited to, the supplier's commitment to climate change, environmental and social management systems and certification, diversity and inclusion, and how the supplier can support the sustainability efforts of EY.

We request all potential suppliers to respond to these questions, which are reviewed, scored and considered as part of the supplier selection process.

In FY21, EY Switzerland assessed 40 suppliers against the ESG procurement principles. of those, 13 suppliers were identified as sustainable having met our criteria.

Figure 10

Supplier classification based on due diligence scores



We constantly endeavor to make our value chain more sustainable, inclusive and equitable. To strengthen our value chain, our ESGS team has partnered with EY's CCaSS team to design and implement our in-house Sustainable Sourcing Framework. This framework will provide guidance on key ESG parameters while purchasing a product or service and is expected to be rolled out and incorporated within our supplier onboarding and due diligence procedures by February 2022.

Promoting sustainability and inclusion within EY's Supply Chain Services team

Besides assessing suppliers' ESG performance, the ESGS team also acts as a key enabler of ways to improve their ESG and diversity performance through the following networks:

- ▶ The ESG Network aims to drive a mindset of sustainability through communication of best practices and learnings to our suppliers. It works to identify ways to improve and build on initiatives; to strengthen processes and tools to better embed inclusiveness and sustainability; to share targets and results; and to serve as a liaison point for Supply Chain Services on ESG-related topics.
- ▶ The Inclusiveness in Supply Chain Services Network aims to drive a mindset of inclusivity and has four action streams to bring this to life. The action streams cover communication and culture, diverse representation in Supply Chain Services, supplier diversity and learning and development initiatives.

Supplier diversity and inclusion

At EY, we seek to actively identify, develop and do business with diverse suppliers as an integral component of our procurement activities. To promote supplier diversity and inclusion in our supply chain, we encourage engaging with suppliers that are of small and medium scale; certified as at least 51% owned, operated and controlled by one or more minority, woman, LGBTQ+ or person with a disability; or a historically underutilized business defined by the local country. Our ESGS team undertakes multiple capacity-building initiatives like mentoring, education and networking programs for such suppliers.

Assuring sustainability in our clients' value chains

As a supplier of services and solution to clients, EY needs to meet the ESG criteria defined by our clients for supplier onboarding. Our Business Development team, together with pursuit teams and the CR Board and team, develop responses for clients' RFPs and requests for information (RFIs). RFPs and RFIs demand disclosures on topics including, but not limited to, strategy, certifications, procurement, diversity and inclusion, carbon footprint and sustainability reporting. We provide this information in our responses. Clients can also access our EcoVadis Business Sustainability Rating on request.

During FY21, we received a total of 23 RFPs and RFIs from our clients requiring ESG disclosure for participation in the supplier onboarding process.

Human rights

EY's [Global Human Rights Statement](#) reflects the EY Global Code of Conduct and the United Nations Principles on Business and Human Rights. The statement addresses the rights of our people, including those related to health and safety, labor rights and diversity, equity and inclusiveness. The Chief Talent Officer (CTO) and the Head of Talent are responsible for the seamless implementation of the statement across EY Switzerland.



EY intends to further implement the Global Human Rights statement through training for all our people, strong governance and consistent monitoring.

Our employment practices

Our employment policies ensure zero tolerance of child labor and forced labor. We verify all applications before proceeding to interviews.

Diversity & Inclusion (D&I)

For more details on our efforts to foster D&I in the workplace, including our D&I governance, see section: "People", starting on page 64.

Freedom of expression

We provide numerous opportunities for our people to address their concerns with management through various listening tools such as the EY People Pulse Survey. For more details, see section: "People", starting on page 64.

Supplier human rights assessment

At EY, our responsibility to respect human rights extends beyond the direct operations of EY member firms and 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 direct and indirect suppliers.

Complementing our Human Rights Statement is the Supplier Code of Conduct, which outlines expectations around issues associated with:

- ▶ Elimination of forced labor
- ▶ Elimination of child labor
- ▶ Provision of minimum wages to workforce with transparency on deductions
- ▶ Stipulated working hours, including reasonable breaks and overtime provisions that are voluntary and compensated
- ▶ Non-discrimination
- ▶ Provision of healthy, safe and hygienic working conditions

At EY, we have also established a Human Rights and Modern Slavery Working Group to build on our response to modern slavery. With global representation from three key parts of the business (Global Corporate Responsibility, CCaSS and Supply Chain Services), we collaborate to map and mitigate risk.

We utilize the expertise of the EY CCaSS team to provide training to the Supply Chain Services on human rights and modern slavery; to shape policy and processes; and to actively input on strategy. We organized an annual training in December 2020 for three employees from Supply Chain Services based in Switzerland to enhance their general understanding of human rights and modern slavery, how the topic affects the EY supply chain and what EY is doing to prevent it.

We monitor human rights compliance through the supplier due diligence process. Based on available policies and feedback mechanisms, we identify actual and potential human rights risk of our suppliers. To date, we have identified no human rights risk amongst our suppliers.







4

ABOUT US
MATERIALITY
GOVERNANCE
CLIENTS
PEOPLE
SOCIETY
ENVIRONMENT
APPENDIX

“

Transparency, trust and technology are at the heart of how we work with clients

Creating value through client trust and confidence

At EY, we create long-term value for our clients by helping them grow, optimize and protect value, so that they can address today’s challenges, capitalize on opportunities and move forward in the next wave of technological and social changes. To do so, we provide high-quality services and capabilities that are developed through a client-centric approach.

This client-centric approach helps us to meet the diverse needs of our clients and create positive brand experiences. It is also pivotal in building clients’ trust and confidence in us, which is a leading indicator of our future performance. Trust is what enables us to create value and gives us the confidence to make bolder strategic moves to maintain a competitive advantage in business. That is why we are committed to building trust continuously and consistently – by meeting our clients’ expectations and creating long-term value. We do this through:

- ▶ Our value-led **services and solutions** that help our clients build and run successful businesses
- ▶ **Our alliances** that strengthen our service quality and performance
- ▶ Our assistance to clients in their **sustainability transformation**
- ▶ Our initiatives in **digital and innovation transformation that help clients mitigate the risks and capture the opportunities arising from the evolving market landscape**
- ▶ **Our services and solutions in data protection and privacy** to enhance our robustness and our clients’ business models and reduce data breaches
- ▶ Our efforts to ensure **service quality** and **client satisfaction**
- ▶ **Our culture of continuously engaging with clients and other business community members** to keep them up to date with the latest business developments and support their business growth



Our services and solutions

Through our five service lines – Consulting, Strategy and Transactions, Assurance, Tax and People Advisory Services – we provide services and solutions across both industries and the financial service sector to help our clients capitalize on transformative opportunities. Our services are the activities we conduct on behalf of our clients to provide solutions to their issues and expectations. We also support them in fulfilling regulatory requirements, keeping investors informed and meeting the needs of all relevant stakeholders. And in this fast-changing world, we provide them with the support they need to be effective today and create long-term value for tomorrow.

- ▶ **Consulting:** Under our Consulting services, we focus on the power of our people, technology, skills, tools and innovation to meet our client demands for sustainable business transformation. EY Consulting services provides leading service in Risk, Cybersecurity, People Advisory Services, Digital, Innovation, Robotic Process Automation (RPA), Finance and Supply Chain and Operations. Through our two services, Business Consulting and Technology Consulting, we harness transformation throughout our clients' business and broader ecosystems. We realize our clients' transformation goals through implementation of agile frameworks that puts human skills at the center, delivers technology at speed and enables innovation at scale.
- ▶ **Strategy and Transactions:** Strategy and Transactions enables clients to reimagine their ecosystems, reshape portfolios and reinvent themselves for a sustainable and resilient future. We specialize in Transactions and Corporate Finance, International Tax and Transaction services and Transaction Strategy. Through these, we provide a full spectrum of strategy and transactions capabilities that assist our clients in defining their strategic direction and driving actionable plans and transformation strategies.

To deliver unique proposition to our clients, we have developed the Connected Capital Solutions (CCS). We use this solution to address client requirements around strategy, corporate finance, buy and integrate, sell and separate and reshaping organizational portfolios. The CCS assists our clients in developing and converting strategic visions into concrete plans. We leverage EY's global reach and the depth of EY services to execute our engagements and transform our client businesses, so that they achieve their full potential.

- ▶ **Assurance:** Our Assurance service line serves public interest by anticipating and independently assessing risks and identifying opportunities to enhance trust in business and capital markets in support of sustainable, long-term value creation. Our services are spread across Audit, Financial Accounting Advisory Services (FAAS) and Forensic and Integrity Services. Our Audit teams are responsible for delivering high-quality, analytics-driven audits with independence, integrity, objectivity and professional skepticism. This is accomplished by a data-first approach enabled by analytics and our digitally empowered teams who are committed to independence, integrity, objectivity and professional skepticism.

Our FAAS and Forensics teams help protect and restore enterprise and financial reputations; support the finance function in enhancing decision making and efficiency; and help address the risks and opportunities arising from climate change and sustainability issues.

Together, Assurance services protect and promote sustainable, long-term value for stakeholders.

Going ahead, we aim to use more sophisticated data analytics to be able to continue developing the audit of the future and deliver greater insights, assurance and value to clients and the capital markets. As a step toward achieving our ambition, we are consistently investing in digitalization and technology. We have introduced cutting-edge technologies such as EY Canvas (a leading global audit technology platform that connects EY audit teams and client users), EY Helix (the global platform to analyze bulk client data) and many others. Additionally, we have also adopted small digital measures in business that has resulted in improving our service turnaround time, such as the use of electronic signature for signing audit reports and virtual platforms for internal discussions and client meetings.

- ▶ **Tax:** Our Tax practice provides clients with information, insights, solutions and services that help them to avoid complexities and risks through better business decisions, improved assessment of global tax policies and understanding and complying with laws, regulations and responsibilities.

Our services include Business Tax Services (BTS), Global Compliance and Reporting (GCR), Indirect Tax, International Tax Services, Global Law, Transaction

Tax (joint with Strategy and Transactions) and Tax Technology and Transformation, enabling us to provide end-to-end tax and legal solutions to our clients and improve their business resilience and long-term value.

At EY, globally we have 65,000 skilled EY Tax professionals operating out of 145 jurisdictions worldwide. Their prowess clubbed with EY’s numerous tax services such as Tax and Finance Operate solution, EY Tax Managed Services, including Legal Managed Services, position our organization as the most trusted cross-border tax and legal advisor in Switzerland and in many other parts of the world. All our solutions are digitally driven by the EY Tax Platform (GTP) – the first cloud-enabled technology among the Big Four.

Digitalization along with recent acquisitions such as EY Riverview Law and Pangea 3 has enabled EY to become the pioneer in offering Global Legal Advisory, Legal Function Consulting and Legal Managed Services to our clients. Additionally, EY Law has been recognized by the Financial Times as a disruptor in the legal services space and was also judged the leader in providing legal services by Acritas’ Global Alternative Legal Services Provider brand index.

- ▶ **People Advisory Services:** An integral part of *Building a better working world* is managing people in business effectively. Our People Advisory Services helps our clients do exactly that through the implementation of our innovative services and solutions.

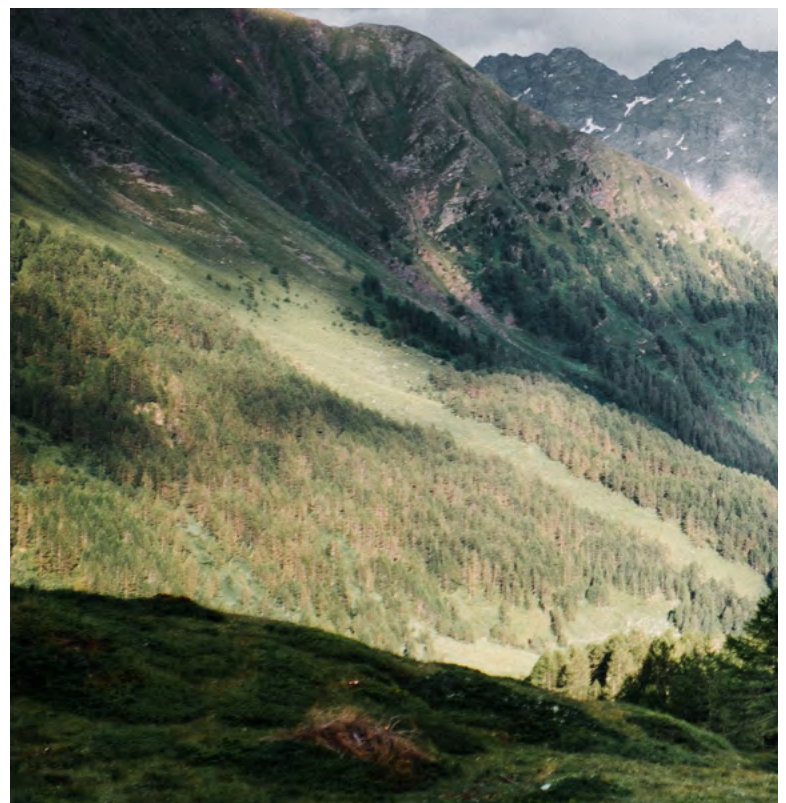
Our three ecosystems that offer end-to-end integrated people-related advisory and tax services solve the most complex people-related organizational, compliance and behavioral challenges of our clients’ business. These are detailed below:

- ▶ **Integrated mobile talent:** We help clients deploy their talent to the right areas or location to support businesses, provide a seamless journey for their mobile workforce and ensure compliance. Our key services and solutions include expatriate tax services, global immigration services, payroll, equity, mobility improvement and short-term business traveler.
- ▶ **Transformation:** We help clients to put talent and purpose at the center of their transformation agenda to proactively respond to disruptions, achieve

business objectives and improve financial services and solutions. For transformation, we help businesses in the areas of change management, learning and leadership and digital HR transformation and systems.

- ▶ **Transaction:** We help clients build agility in the fields of remuneration, pension and transaction.

With digitalization becoming increasingly significant for businesses to improve their efficiencies and people management, one of our key priorities is to build on our digital resources and integrate it as a part of our service delivery process. Currently, we have three digital resources that stand out – the Global Tech Platform that functions as a mobile pathway providing clients everything over one digital platform, Automation to deliver compliance and transactional solutions including tax and immigration and the Global Delivery Platform to meet all our clients’ business needs. Using these, we are successfully serving our clients through COVID-19, while also supporting them to prepare for a seamless talent management in the post-COVID-19 world.



Our focus industries

Besides our service line approach, we also employ an industry-specific approach that enables our people to master the challenges specific to client activities. This network of expertise is deployed regardless of the nature of our services and allows us to offer our clients tailored support and a truly multidisciplinary approach.

We focus on clients in the following industries:

- ▶ Automotive
- ▶ Banking and capital markets
- ▶ Consumer products
- ▶ Government and public sector
- ▶ Health
- ▶ Insurance
- ▶ Life sciences
- ▶ Media and entertainment
- ▶ Mining and metals
- ▶ Oil and gas
- ▶ Power and utilities
- ▶ Private equity
- ▶ Real estate
- ▶ Technology
- ▶ Telecommunications
- ▶ Wealth and asset management

One of the key pillars of our NextWave strategy is client centricity. Client relationships are at the heart of our strategy, operation and processes. To smoothly translate our clients' needs and align them with our solutions, services and capabilities, we have established 13 buyer-based fields of play.

The 13 fields of play include Strategy and Transformation, Transactions, Customer and Growth, Supply Chain and Operations, Sustainability, Cybersecurity, Tax, Finance, Risk, Technology, Audit and Governance, Legal and Investigations and Organization and People.

Our alliances

At EY, we have more than 30 technology and industry alliances and more than 100 technology and innovation relationships. Within these strategic alliances with technology and industry leaders and a host of businesses with specialized capabilities, we co-develop powerful technology, distinctive capabilities and industry experience which addresses our clients' toughest business challenges.

We collaborate to create pioneering services powered by leading and emerging technologies, including AI, blockchain, Internet of Things (IoT) and cybersecurity. Our services address a broad range of client needs, such as turning insights into business breakthroughs, accelerating supply chain strategies and modernizing the finance and accounting processes. Our ability to provide excellent service through our alliances builds our clients' trust and confidence in EY.

EY Switzerland is a founding member of digitalswitzerland, a nationwide, multi-stakeholder initiative to strengthen Switzerland's position as a leading innovation hub. By engaging government, business, academia and the public, the initiative creates a platform to lead Switzerland forward. We believe that digitalization plays a critical role in reshaping today's global marketplace. Digitalswitzerland provides the platform to connect established businesses with the digital leaders of tomorrow. It is a place for new ideas to thrive and untapped potential for sustainable businesses to grow.



Key trends affecting environment, social and governance (ESG) performance

Stronger focus on non-financial performance reporting

Investors today are favoring businesses that integrate ESG considerations into their decision making. Also, financial institutions are developing due diligence procedures to determine credit sanctions based on ESG criteria. Against this background, the need to standardize, measure and aggregate non-financial data is rapidly increasing.

As companies navigate post-COVID-19 scenarios, their focus is shifting toward accelerating the integration of ESG into their strategy. Many are adopting the available methods for non-financial performance disclosure, including the European Union's (EU) recent proposal for a Corporate Sustainability Reporting Directive (CSRD), which amends the Non-Financial Reporting Directive (NFRD). The CSRD aims to support the European Green Deal in combating climate change and transforming the EU into a net zero economy by 2050. Large public interest companies in the EU will have to implement the directive at the beginning of 2023 after the draft standards are made available for public consultation. This would require them to quickly revise their ESG disclosure methods within a very short time span.

Further, the newly established International Sustainability Standards Board (ISSB) aims to develop a comprehensive global baseline of high-quality sustainability disclosure standards to meet investors' information needs. The ISSB's standards will enable companies to provide comprehensive sustainability information for the global financial markets. The standards will be developed to facilitate compatibility with requirements that are jurisdiction specific or aimed at a wider group of stakeholders.

In view of the above requirements, our non-financial reporting Advisory Services have been actively supporting clients to communicate their non-financial performance and respond to the developments in the corporate, non-financial reporting frameworks. Through our varied services and solutions, we help clients to develop and execute their sustainability vision.

Growing demand for digitalization and data management

Rapid advances in digitalization are changing the way business gets done and creating new business opportunities. Companies worldwide are using new digital technologies to revisit and optimize their entire business model, starting from the internal control systems to interactions with clients, both virtually and in person. Moreover, digital tools have been even more useful during COVID-19, to maintain business communication with clients and support employees working from remote locations during the lockdown and afterward as well.

Apart from the existing technological achievements in fields like automation, digital labor, mobile economy, businesses are likely to largely benefit from the upcoming innovations in areas like artificial intelligence and cognitive computing. Further, our country is backed by a host of tech-based multinationals that rely on the services of a highly qualified workforce from the region to boost the digital economy. This growth in digital usage has led to a massive increase in data generation, compelling businesses to look for innovative tools that can analyze big data and optimize non-value-added activities. It has also increased our focus on protecting personal and client data.

Digitalization and innovation have long been a core part of EY's strategy as we aim toward global integration and teaming using data, technology and our diverse pool of talent. We have multiple digitalization professionals in areas such as data science and blockchain, who support us and our clients to adopt new digital ways of doing business. We partner with leading digital software companies such as Microsoft and SAP to innovate new technology-based solutions for our clients. We also work continuously on our own operations to integrate all our data into a cloud-based data management system, while continuing to implement strict protocols for client data protection.

Shift in company work culture due to COVID-19

The COVID-19 restrictions on physical interactions have taught businesses how to best capitalize on their available resources and introduce appropriate virtual tools for continued communication with employees and other relevant stakeholders.

Further, efforts like online skill development programs and recreational events help to maintain employees' mental health and emotional well-being, which could otherwise have been impacted more by the sudden shift in working styles and the lack of physical and social interaction.

We used our learning platform SuccessFactors for building skills and shifted all in-person training to a virtual setup. We also established a COVID-19 Task Force to take appropriate precautions in alignment with the latest advice from the Swiss Federal Office of Public Health. We further provided support to employees and their immediate family members infected by the virus. The health and wellbeing of our people is our number one priority and guides all our decisions. We recognized that it was difficult for our people to disconnect from work, especially during the first couple of months of the pandemic. For example, we introduced a program called "Better through the Pandemic" for all our people. With the Solidarity Campaign, driven by various service lines, we provided immediate support to many of our clients through free webcasts, articles, access to selected tools and surveys.



Assisting clients on their sustainability transformation journey

Next to digital transformation and the pandemic, climate change and sustainability is one of the biggest challenges faced by today's corporations and society. Value-led sustainability brings the collective power of our organization's services and solutions to support clients as they implement and accelerate sustainability strategies and transformation. It also serves the basis for communicating and reporting impact.

EY is committed to making business work for sustainability and making sustainability work for business. A significant proportion of our intellectual potential is invested in developing our sustainability solutions and services. We deliver end-to-end solutions from reframing strategies, accelerating transitions, implementing the right governance, reporting and operations processes to build trust and recognition with our clients' stakeholders. Our teams provide sector-specific solutions in areas such as ESG strategy, Energy Transition & Renewables, Green Infrastructure, Sustainable Supply Chain, Green Tax, Mobility, Sustainable Products, Sustainable Finance, and Decarbonization.

In 2020, we launched EYCarbon, which combines capabilities from various service lines, offering end-to-end solutions for the sustainability and decarbonization of our clients. To address the challenges across business types and navigate the transformation, we provide our clients with comprehensive advice – from planning to realization on the following aspects:

- ▶ Individual CO2 reduction goals, approaches and strategies
- ▶ Climate neutral operations, supply chain and added value networks
- ▶ Stakeholder-oriented communication, argumentation and dialogue

Supply chain decarbonization: experience with a Swiss utility company

Business need: We were engaged by a Swiss utility company to enable their mission to decarbonize their activities and replace the distribution of natural gas with the local production of renewable heat.

EY Switzerland's role: As a part of this engagement, we supported the company in developing their decarbonization strategy and conducted financial and sensitivity analysis on the economic impact of phasing out the distribution of natural gas under various scenarios.

Value delivered: We developed a clear implementation strategy indicating the investments needed for technology (e.g., district heating and heat pumps) absorption. The client achieved significant mid-term reduction in CO2 emissions by switching from a fossil fuel-based gas and heating oil to renewable heat alternatives.

Our People Advisory Services practice supports clients with their D&I strategy, leadership development programs and corporate culture. Our specialists assess the D&I practices of our clients with EY's comprehensive Global Equity Standards framework, which examines diversity and inclusion from every angle, providing a robust standardized accreditation. Further, we help our clients to assess and enhance their equal pay practices in adherence with Swiss regulations. We also run a variety of workshops with our client's top leadership. One of the examples is our POWER Up workshop series and a new leadership workshop format which we have co-developed with our partner Advance.

Successful organizations depend on their reputation for keeping promises, respecting laws and behaving ethically to maintain stakeholder trust. Interdisciplinary EY teams help our clients to strengthen their governance through advisory on their corporate governance and governing body structures, along their supply chain as well as their business ethics practices. Our Tax and Legal teams jointly with the Governance, Risk and Compliance team provide

a number of services to improve respectively consolidate the governance of our clients. For example, supporting the boards to develop effective corporate governance and navigate the compliance journey starting with establishing a strong governance framework, creating an ongoing risk monitoring system, automating the risk monitoring through a robotics-enabled platform and conducting regular risk assessments. Our CCaSS and Supply Chain teams undertake assessments of supply chain risks such as human right issues and the Forensic & Integrity services assist companies and their legal counsel to investigate facts, resolve disputes and manage regulatory challenges. Our integrated approach ranges from enhancements in areas of perceived weakness or issues – including governance, controls, culture and data insights – to full organizational design and structural implementation.

Governments around the world are increasingly using taxation to achieve their environmental targets. Many countries now offer tax incentives to promote “green” behavior and impose specific levies, duties or energy and

environmental taxes to discourage undesirable behavior and to raise revenues. Our clients will need to factor the growing role of environmental taxes, resource efficiency and low-carbon activity incentives into their thinking and modeling when making investment decisions.

To keep our clients updated on the key trends and developments in sustainability, we regularly publish articles, blogs and thought leadership content. We organize multiple virtual events and discussions on key sustainability and ESG topics with our clients and ecosystem partners. In FY21, a total of 898 participants from our business community attended these sessions.



Our initiatives in digital and innovation transformation

Today's megatrends are reshaping the world, creating abundant opportunities and fundamental threats. Technology, innovation, globalization and shifting demographics are the roots of the megatrends shaping the world, creating unprecedented disruption across sectors. We help clients transform and evolve their businesses rapidly so that they can seize the opportunities that arise. Further, we help them mitigate the risks that innovation and digital transformation create.

Our expertise and experience – across trusted, diverse teams and alliances within the larger business ecosystem – empower us to advise our clients on the end-to-end transformation of their business. To determine the depth and scale of such transformation, we consider a variety of business aspects, including, for example, how a client's customer experience can be enriched and personalized through data-led insights, how trust can be built using blockchain to bring transparency to the industry, or how AI can be used to liberate talent and create opportunities. Our overall objective is to help businesses thrive: to scale new peaks in an environment of constant change, experimentation and transformation.

Aligned with the NextWave strategic pillar “Data and technology”, EY has developed specific global digital technologies, platforms and solutions that we can use for delivering innovation and digital transformation services to clients from various business sectors. Highlights include:

EY UtilityWave: This industry-first platform was developed with the support of Microsoft to transform how companies manage, integrate and leverage data from Internet of Things (IoT) devices to improve performance.

Intelligence automation (IA): This combines robotic process automation, digital and AI technologies to automate and optimize end-to-end processes, resulting in significantly lower costs and improving performance, human productivity and business agility.

EY Embryonic: This cloud-based technology helps visualize the links between traditional and innovative companies by mapping the flow of capital and M&A transactions and gives our clients quick insights, enabling them to make better investment decisions to transform their business.

EY OpsChain Tesseract: This blockchain-powered platform supports new mobility businesses built around fractional ownership of vehicles and new investment models.

EY Commercial Transformation: This solution enables sales growth and improves their investments and returns through the right strategies, relevant commercial analytics and capacity building.

Insurwave: This is the world's first blockchain-enabled insurance platform. It integrates and secures the streams of disparate data sources involved in insuring shipments around the world. EY developed it with the support of Guardtime and other insurance industry leaders.

EY Smart Factory: This is a people-centered digital platform that helps manufacturing businesses to develop, implement and drive global operational excellence programs in a connected and centrally controlled system. It offers access to an extensive database of leading practices, methodologies, tools, training and analytics. The integrated solution helps us to assist our clients with tracking and sustaining performance improvement.

Digitally integrated customer experience (DICE): DICE harnesses different disciplines – from user research and business model design to analytics, rapid prototyping and technology architecture – to deliver an integrated solution, helping the technology, media and telecom companies to respond rapidly and consistently across all touchpoints to deliver continuous, compelling experiences for customers.

For the optimization of our client's business performance and value creation, we have invested in integrating our digital and innovation capabilities and assets into many of our services from across different service lines. These include Tax services, Financial Consulting services, Supply Chain Services, Blockchain Consulting services and many others.

There is also the EY Transformation Zone that brings together teams from across EY to drive a cohesive, strategic focus on innovation for EY and ensures a coordinated and consolidated approach. Additionally, EY has a host of other global digital technologies, platforms, solutions and services that we use to deliver client engagements.

Some of the key initiatives are described below:

EY wavespace™ centers

We are proud to host one of our globally distributed EY wavespace™ centers in Basel, Switzerland. These flagship design studios, technology incubators and real-world showcase centers are designed to deliver high-impact experiences and collaboration sessions. Linked to EY Global Innovation Garage, a 6,000 square foot spot in Palo Alto, California, they offer access to thought leaders across industries, academia and the research and entrepreneurial worlds that will help companies imagine future business models and different ways of working. They act as powerful hubs for collaboration among diverse sets of people, including internal teams. In collaborative, cutting-edge workspaces, we bring together multidisciplinary talents, capabilities and insights from all our service lines.

Our focus areas include AI, analytics, blockchain, customer experience, cybersecurity, design thinking, digital strategy, disruptive innovation, emerging technologies, Innovation-as-a-Service or co-sourced innovation, Internet of Things (IoT), rapid prototyping, RPA, user experience (UX), virtual reality (VR) and augmented reality (AR).

EY CogniStreamer

All EY people can leverage this Artificial Intelligence (AI) -powered innovation collaboration platform to collectively capture, shape and validate ideas and turn them into new business opportunities for EY and our clients. CogniStreamer helps a global, broad ideation collaboration process, where engagement teams can innovate across geographies and functions and any EY professional can contribute to the submitted ideas and share their unique insights.

Discover

This global knowledge portal connects people and ideas across the world. Content from more than 10,000 databases and insights from our people join in a virtual knowledge marketplace that applies the latest technologies and empowers everyone at EY to lead with their ideas and share their unique insights.

Innovation Community

This online community, consisting of over 70,000 people (the largest EY online community), creates and shares thought leadership on corporate innovation methods, their application at EY and our industry in general and resources available to EY professionals (including learning and funding opportunities).

Protecting client data and privacy

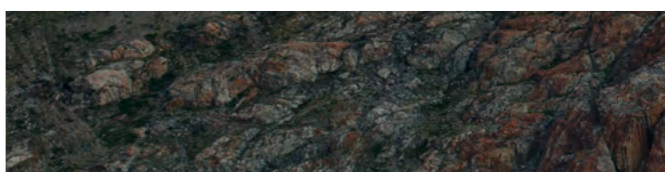
The rapid digitalization of human interactions and the workplace has expanded the suite of essential digital risks. As our operations become more cloud-based and machine learning-dependent, we critically monitor the supply and consumption of digital content and implement robust measures for personal and client data protection and privacy.



Our data protection and privacy matters are governed by the EY Global Information Security Policy and EY data protection framework, which is based on the stated principles of the EU General Data Protection Regulation (GDPR). We disclose that there have been no complaints received from outside parties or regulatory bodies in the last three financial years.

Along with our robust personal data management framework, we are pioneers in providing and implementing data protection and privacy services and solutions to our clients. The data protection and privacy services and solutions designed by our cybersecurity teams help our clients:

- ▶ Protect their information over the full data lifecycle from acquisition to disposal
- ▶ Stay up to date with leading services in data security and data privacy
- ▶ Observe regulatory compliance in a constantly evolving regulatory landscape
- ▶ Forensically identify the scope and nature in the event of misuse or breach of personal information and help companies take steps to remediate and report the event



- ▶ Sustain an effective data protection and compliance management posture, which helps in reducing associated costs
- ▶ Protect their brand reputation through the protection of business, customer and other sensitive and regulated information

Our services aim to help companies avert costly data breaches and reduce risks of non-compliance that could result in fines from the regulator. When a breach happens, our services will help clients to remediate the breach and meet their reporting obligations in a timely manner.

Our key services and solutions for data protection and privacy include:

- ▶ **Next-generation security operations and response:** Alongside our consulting and managed services portfolio, our next-generation security operations and response services help clients to build a transformation strategy and roadmap to implement the next generation of security operations.
- ▶ **Identity and access management (IAM):** Our IAM services help clients manage the lifecycle of digital identities for people, systems, services and users by giving them a clear view of who has access to what resource in the organization.
- ▶ **Cybersecurity, strategy, risk, compliance and resilience:** Cybersecurity, strategy, risk, compliance and resilience teams provide clients with a clear picture of their current cyber risk posture and capabilities, giving them an informed view of how, where and why to invest in managing their cyber risks.



Ensuring service quality and client satisfaction

To achieve our ambition of being recognized as the world's most trusted, distinctive professional services organizations, we must provide exceptional client experience at every interaction.

Internal quality controls and go-to-market framework

Exceptional client experience comes not only from ensuring the quality of our services but also through regular client experience reviews. A "good enough experience" is no longer adequate. Today, clients expect to be served by the best mix of people offering the most relevant and innovative services, but also seek an interesting, memorable and value-enhancing experience from the organizations they work with. We need to be conscious of both our service quality and the level of client satisfaction attained through the EY experience.

In order to ensure the quality of our services, we have introduced a quality control system based on the policies, tools and procedures detailed in our [Transparency Report](#). For each of our service lines, we have a partner in charge of the quality and risk management along with a dedicated team. In addition, our Global Code of Conduct sets out the guiding principles we follow to uphold our

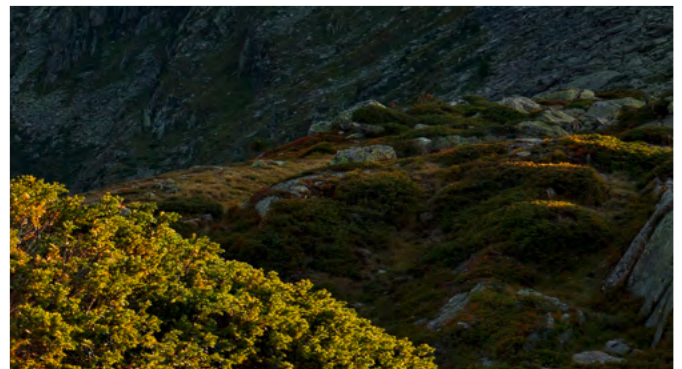
quality, independence, professional integrity and conduct while working with our clients. These principles also inspire us to deliver exceptional client service.

Two types of controls ensure the quality of our services: controls embedded within service delivery and annual on-the-spot controls of the services.

To further ensure that the nature, quality and accessibility of our services meet our clients' expectations and demands, we have established our Brand, Marketing and Communication (BMC) go-to-market framework. Our brand impact is driven by eight principles based on strengthening the EY brand, adopting client centricity, leading by issues and enhancing and promoting EY's technical capabilities.

The BMC team's approach is to introduce agile, innovative, measurable and high-quality services for our clients. We leverage the BMC go-to-market framework to assess client issues and expectations, goals and targets and the existing global trends, risks and opportunities. Assessment outcomes are compared with EY's existing service database to help us to understand the nature of new services we need to develop and how to customize existing ones. This process allows us to meet the client's demands and expectations in every respect and but especially in terms of service quality.

We leverage the critical outcomes of the BMC go-to-market framework to not only increase client trust and confidence in our brand but also to develop and enhance our clients' brand value. We disclose that we had no incidents of non-compliance with regulations or laws resulting in fines or warnings in the last three financial years with respect to services information and labeling and marketing communication.



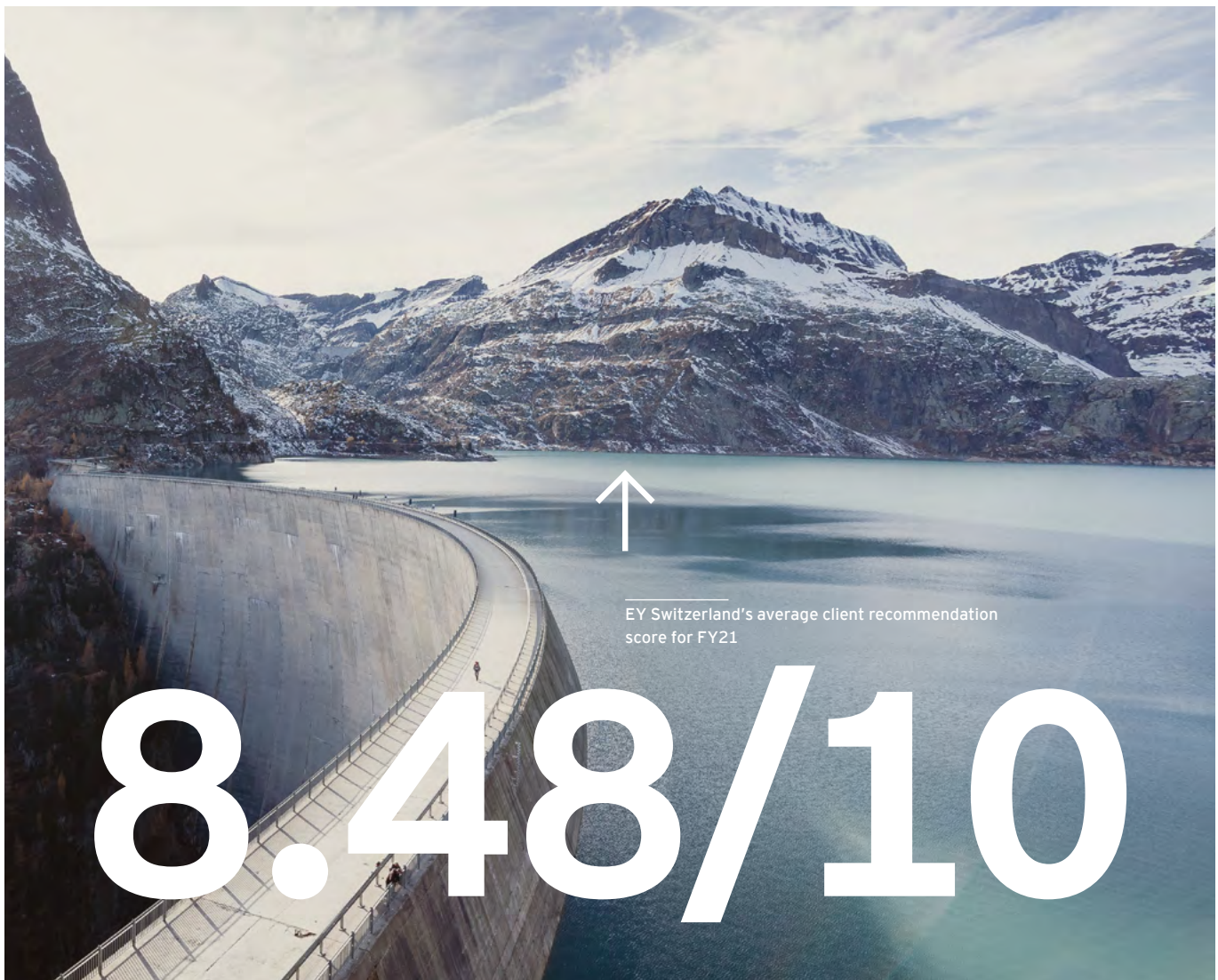
Assessing client satisfaction through external feedback mechanisms

EY's Global Client Satisfaction Program helps us anticipate client needs, assess our performance against expectations and provide our point of view on areas of opportunity and improvement. Under the program, all EY member firms carry out client satisfaction surveys through questionnaires or individual interviews.

To ensure independent feedback, interviews are carried out by someone not involved in any engagements for the respective client. We undertake the following interviews

and questionnaire-based surveys: Assessment of Service Quality (ASQ), Expectation of Service Quality (ESQ), Win-Loss and Relationship surveys and interviews.

In FY21, we conducted 697 surveys comprising 235 ASQ interviews, 85 ESQ surveys and interviews, 334 ASQ surveys, 40 win-loss interviews, two Relationship surveys and one Win-Loss survey. The return rate of the surveys and interviews was 65% with 450 complete responses received.



Continuous engagement with clients and business communities

Engaging with clients for an excellent EY experience

As a part of our efforts to drive the NextWave strategy's first pillar "client centricity", we emphasize regular focused discussions, awareness generation and feedback sessions with our clients. This ensures continuous reassessment and realignment of our approach, services and solutions with our clients' current expectations and requirements. This practice has always helped us proactively assess any challenges that arise from the evolving market landscape and address them in a timely manner. The approach proved particularly useful in avoiding the potential detrimental effects of COVID-19 on our own and our clients' business.

Our Solidarity Campaign during and after COVID-19

Even when in-person meetings were no longer viable, EY people made a tremendous effort to remain in close contact with colleagues, clients and the overall business community. In this period of uncertainty and change, EY Switzerland launched the **Solidarity Campaign**, comprising various virtual events, platforms and activities to sensitize our clients on the business

1,400

Number of participants for the centrally organized webcasts of the solidarity initiative

challenges triggered by COVID-19 now, next and beyond. The campaign also identified appropriate measures that our clients could implement to help them tackle the challenges. All information on the Solidarity Campaign was published on our website, including:

- ▶ A series of solidarity webcasts, sharing of best practices and hosting executive lounges
- ▶ An online priority assessment of COVID-19-related business challenges
- ▶ First-aid instructions for Swiss SMEs

To popularize the campaign on social media, we introduced two hashtags, #EYnewnormal and #solidarity, which we used while posting videos and opinions from our leaders on EY Switzerland's Twitter and LinkedIn profiles.

Apart from publishing regular newsletters, articles (EY Impulses), EY webcasts and blog posts on various topics around the new normal, the Solidarity Campaign also launched other programs and initiatives such as rapid risk assessments, the New Normal Magazine, EY Calling Card and virtual hackathons.

We also identified five areas of concern in which businesses are likely to be impacted due to COVID-19: people, stakeholder communications, building resilience and preparing for recovery, reshaping strategy and solidarity programs. For each area, EY proposed measures our clients could implement to overcome the impending negative impacts.

For better outreach, EY built a task force with partners from each service line as experts to help our clients with various initiatives. The contact details of the task force members were included in the EY Calling Cards and circulated to clients and businesses every week.

Keeping business community members up-to-date with the latest market developments

As keen market observer with links to many stakeholders in the wider economy, EY is well placed to share knowledge of emerging business topics. Besides hosting conferences, webcasts and panel discussions for our clients, we also have various programs to keep clients up to date on current issues and upcoming trends. Further, as a member of the Swiss Venture Club we encourage, promote and support promising entrepreneurs. We also recognize business achievement through programs such as the EY Entrepreneur Of The Year™. We want the business community around us to benefit from our knowledge, expertise and skills. That is why we conduct a wide range of presentations at public forums, platforms, universities and accessible to the public. You can sign up for future events [here](#).

Prix Swiss Venture Club

The Swiss Venture Club (SVC) promotes entrepreneurship throughout Switzerland and offers its over 3,000 members from all sectors and regions one of the largest and most important business networks in Switzerland. The SVC is a central driving force for the Swiss small and medium-sized enterprises (SMEs) and EY has been supporting their endeavors as a gold partner for many years.

Every two years, each of the seven Swiss economic areas hosts its own Prix SVC Award, with a top-class jury, selecting the most successful companies in the regions. The Prix offers an ideal networking opportunity and a captivating award ceremony with interesting insights into the companies selected by the jury.

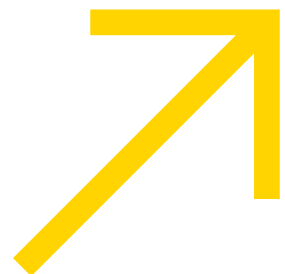
Public Value Award together (EY PVA)

EY PVA awards start-ups from Switzerland, Germany and Austria that generate public value. Based on a scientific evaluation methodology of the public value theory (Public Value Scorecard), start-ups and their business models are evaluated in terms of their public benefit orientation and potential contribution to the common good (public value). EY is a founding member of the PVA together with HHL Leipzig Graduate School of Management.

EY Entrepreneur Of the Year™


The Entrepreneur Of The Year™ is highly respected across the globe as an award, as a program and more importantly, as a mindset. Since 1986, EY has been committed to the unique Entrepreneur Of The Year program, which specifically recognizes the achievements of entrepreneurs. The program, which was launched in the US, has spread to over 70 countries, including Switzerland. The associated Entrepreneur Of The Year competition is the world's biggest and most prestigious business award for entrepreneurs. The global network of 50,000 entrepreneurs continues to grow, with 5,000 nominees and 1,200 finalists added each year.

In Switzerland, the EY Entrepreneur Of The Year success story began in 1998. Since then, up to 50 entrepreneurs have applied for the competition every year. The jury selects one award winner from a shortlist of three finalists in each of the categories: Industry, Hi-Tech and Life Sciences, Services and Trade, Family Business and Emerging Entrepreneur. We conducted our 24th Swiss edition of the EY Entrepreneur of The Year in October 2021.



A selection of EY thought leadership

We keep asking better questions in order to find better answers. EY professionals across all service lines regularly conduct and publish studies, write articles on the latest trends and our point of views.



When will you take the initiative in the green economy?

Organizations should start preparing for shifts in Switzerland's regulatory landscape and continue to incentivize environment friendly behaviour.

[Internet](#) *EY Publication 2021*



How to realize the full potential of ESG+?

ESG can enable businesses to deliver change and stakeholders to better understand their full value and impact. ESG must adapt to future disclosures on biodiversity, innovation, wellbeing and more.

[Internet](#) *EY Publication 2021*



Why the climate crisis will completely change every company?

Climate is the new digital as the climate transformation will change all areas of life and business activities over the long term.

[Internet](#) *EY Publication 2021*



EY Global Climate Risk Disclosure Barometer

The 2021 Global Climate Risk Disclosure Barometer shows why organisations must accelerate the implementation of climate strategies.

[Internet](#) *EY Publication 2021*



How digitalization acts as a driver of decarbonization?

A greenhouse gas neutral future can only be taken with digitisation which will enable new forms of transparency, collaboration and control, better informed production and consumption decisions as well as creative environmental policies.

[Internet](#) *EY Publication 2020*



Decarbonization – opportunities and risks for companies and investors?

EY specialists explore the risks and opportunities faced by companies, markets and businesses as they undergo fundamental and rapid change in the path towards decarbonization.


[Internet](#) *EY Publication 2021*



EU Action Plan – Deep dive on Disclosure Regulation (SFDR)

SFDR is the first set of a regulatory wave aiming to reorient capital flows towards a more sustainable economy.

[Internet](#) *EY Publication 2020*



Unlocking the power of diversity will fuel future success

Promoting diversity and inclusion is the right thing to do from a societal and governance perspective, but it also has a positive impact on an organization's overall performance values.


[Internet](#) *EY Publication 2021*



Advance & HSG Gender Intelligence Report 2021

Retain women in the workforce and create the best environment for them to climb the leadership ladder has always been a challenge. Discover the latest facts & figures on the development of gender diversity in Swiss workplace.

[Internet](#) *EY Publication 2021*



Inspiring EY leaders to be accountable for creating an inclusive culture

Consciously embedding inclusive behaviors into the DNA of an organization and achieving greater diversity is so much easier if inclusion is a given – but it's not an easy journey.

[Internet](#) *EY Publication 2020*





5

ABOUT US
MATERIALITY
GOVERNANCE
CLIENTS
PEOPLE
SOCIETY
ENVIRONMENT
APPENDIX

“

The exceptional EY experience
lasts a lifetime

Builders of a better working world

At EY, we empower our people with the right mindsets and skills to navigate what's next, become the transformative leaders the world needs, pursue careers as unique as they are and build their own exceptional EY experience.

Our people are the heart of our business and bring our purpose – *Building a better working world* – to life. Together, we deliver exceptional service to our clients and strengthen trusted relationship with our stakeholders. It's how we generate long-term, inclusive value.

At EY Switzerland, our commitment is to empower our people to shape their exceptional EY experience: It's yours to build. We are committed to our people's wellbeing and promote a diverse and inclusive work environment where every individual receives support and equal opportunities to grow.

Our governance structure for talent management

Our Global Code of Conduct guides the behavior and actions of our people when working in teams and with our clients and stakeholders. The Chief Talent Officer (CTO) – part of our Swiss Management Committee (SMC) – is responsible for our organization's talent strategy and activities. In executing the strategy, our CTO is supported by the Talent Team led by the Head of Talent, the Talent Partners and HR Business Partners in all our service lines. To refine and enhance the talent focus, the Talent Team leverages feedback from various employee listening channels including quarterly EY People Pulse (EYPP) surveys and the People Sounding Board.

Further, our policies and commitments ensure our operations involve no risk of a human rights violation. During the reporting period, no such incidents of human rights have been identified within our operations.



Attracting, developing and retaining diverse talent

The ambition of our NextWave strategy is to engage and retain exceptional and diverse people. As a professional services organization, attracting the best talent is key to delivering our client services and growing our business.



Globally, EY was once again named among the top 10 of the world's most attractive employers in a survey by employer branding specialist Universum in 2021. They surveyed more than 228,000 businesses, IT and engineering students worldwide. EY Switzerland was also named number 2 among professional services firms in Switzerland.

New talent

EY promotes an attractive employee value proposition for talents worldwide by offering diverse career opportunities. We continuously screen the market to identify people who have the potential and skills to provide exceptional services to our clients and become future leaders.

Our recruitment process focuses on talented graduate (and post-graduate) hires as well as experienced professionals. We source people from diverse educational backgrounds and sectors to bring a versatile range of skills and capabilities into the organization.

Figure 11

Breakdown of total employees at EY Switzerland by gender (no.)

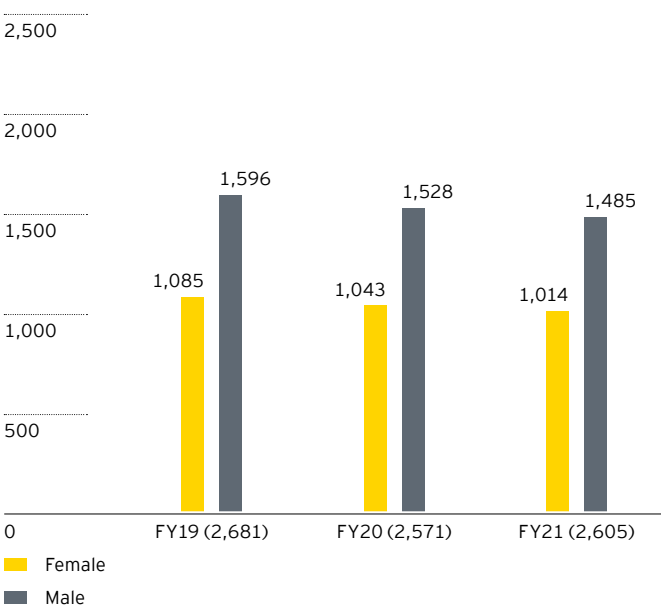
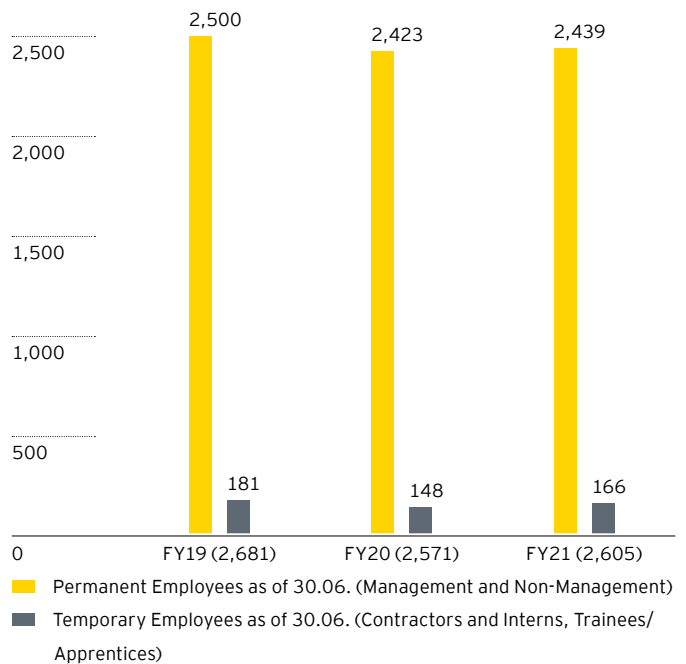


Figure 12

Breakdown of employees at EY Switzerland by category (no.)



Next-generation talent

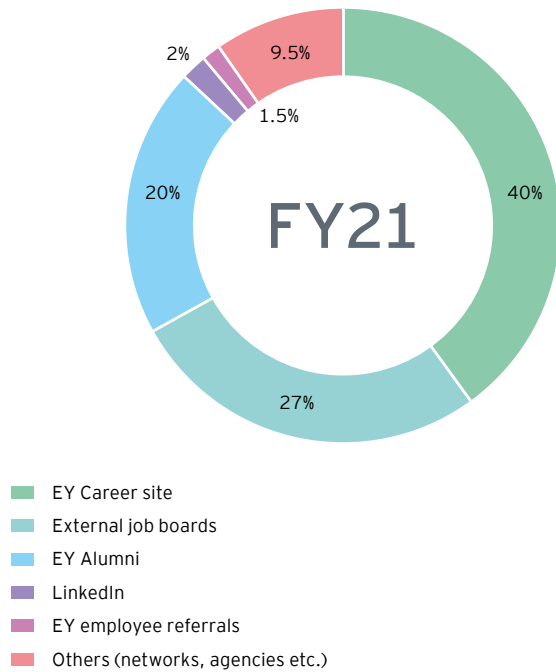
We strive to attract the next generation of talent and actively reach out to young minds on university campuses as part of our recruitment strategy. Campus ambassadors from each service line engage with students. They promote our employer branding activities at selected universities and position EY as an employer of choice. Our campus ambassadors conduct on-campus recruitment interviews and also take an active part in the recruitment process.

EY has highlighted 11 target universities, eight focus universities and is considering expanding the scope to other universities to access the best talent. Our work is supported by six campus scouts – either interns, working students or EY consultants – who interact directly with peers at their university. With several EY people serving as guest lecturers, we are represented at over 20 campus lectures each year. We undertake a minimum of 70 campus activities in a typical year.

Formal and informal events are another opportunity to meet talented individuals. We organize or attend over 130 different events, workshops and fairs, which are typically held during two seasons (spring and fall). These platforms and channels enable us to network and build our professional relationships, exchange thoughts on multiple topics and promote our employer brand. They are also a chance to get to know potential candidates.

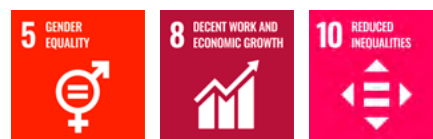
As we were unable to attend any campus events in FY21, we switched to online recruiting and networking events. For example, we invited students to the EY's Sparkling Strategy online meetup, lunch talks, virtual interview coaching workshops and online careers fairs. We increased our social media presence to showcase our offering and encourage students to take part. Other channels through which we meet experienced candidates include the EY career site, external job boards, EY employee referrals, the EY Alumni Network, employment networks and agencies.

Figure 13
Breakdown of recruitment sources in FY21 (%)



Talent acquisition and onboarding

At EY, our people work together to deliver high-quality services to our clients. The individuals we employ must meet the requirements of the hiring service line for competencies and skills. Besides assessing suitability during the interview process, the hiring service line considers factors such as existing client engagements, service offerings and solutions, market demand and requirements and future trends.



We hire two categories of employees – permanent and temporary. Permanent employees are hired at both management and non-management level. Temporary

employees refer to contractors, interns and trainees or apprentices. We offer internships of four to six months' duration to students in the course of, or just after, their bachelor's or master's studies. More than one-third of our interns stay with us after this experience and become working students or receive a permanent contract. Our annual EY Chase the Case program is an example of how we recruit interns. The competition takes the format of a case study. Participating students from different fields compete in groups of three over three rounds to win an internship at EY.

We are also a proud employer of apprentices. A dual program of vocational education and training of three years duration is offered to young individuals. During the three years, apprentices change departments several times. We have certified practical trainers across the various functional areas: General Counsel Office, Facility Management, Talent, Business Development and selected service lines. During the reporting period, we hired four new apprentices, bringing our total headcount in this category to 16.

While it was difficult to pursue our regular in-person hiring practices in 2020, we successfully redesigned our recruitment process to be entirely virtual – from

attracting talent and conducting interviews to onboarding our new joiners. Each month, we host an EY Welcome Day to provide relevant information and ensure a smooth start for our new joiners.

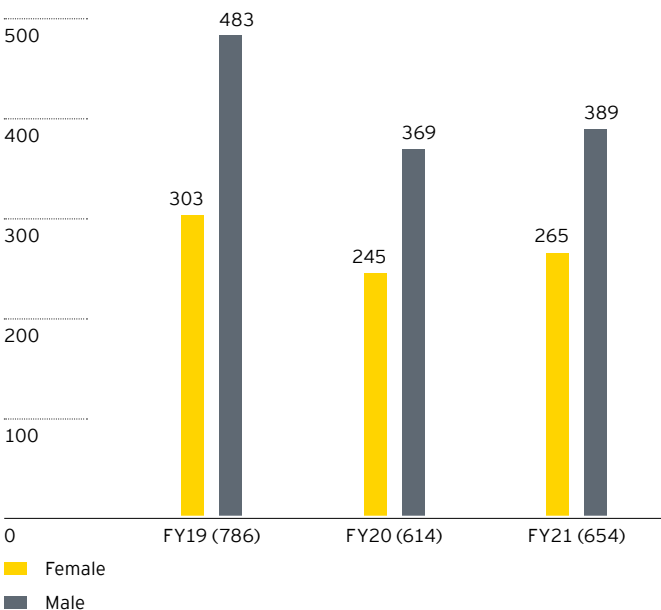
Connections that last

Through the EY Switzerland Alumni Network, our people can continue their exceptional EY experience even once they have left the organization. The network offers various opportunities for interaction and exchange and has been well received by alumni.

Over 5,000 alumni members have become clients, actively choosing to maintain their connection with us based on the trusted relationship built in the past. Moreover, many of our former colleagues have returned to EY. These boomerangs reflect the high level of trust our people place in EY's ability to add value and enrich their careers. In the last three FYs, we have rehired 172 employees from our EY Alumni Network.

Figure 14

Breakdown of new hires by gender (no.)



Over 5,000 alumni members have become clients, actively choosing to maintain their connection with us.



5,000+

Safeguarding our people's health and wellbeing

We, as an employer, have a responsibility toward our people to create an environment that supports their physical and mental health. We are committed to ensuring a safe working environment where our people have the flexibility to balance the needs of our clients and business with their individual needs. The responsibility to support our people's wellbeing has been all the more significant during COVID-19. Like many organizations, we needed to quickly adapt to virtual ways of working, while enabling our people to manage their physical and mental health as they adjusted to an entirely different working environment.

At EY Switzerland, we have further increased the focus on our people's wellbeing by building on our existing offering. This includes health programs and events, health awareness training, monetary and non-monetary benefits and recognition instruments.

Promoting our people's health and wellbeing in the workplace

Wellbeing is a major focus area of EY's transformative leadership framework which recognizes personal wellbeing as a core competence of transformative leadership.



Health@EY is the umbrella initiative that helps us to build resilience, manage stress, deal with pressure and ultimately stay physically and mentally well so we can unfold our full potential. There are many individual health programs and initiatives. Highlights include:

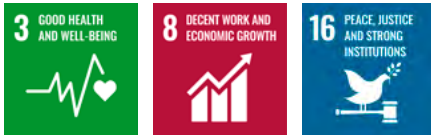
- ▶ **Employee Assistance Program:** Our external provider Movis offers confidential personal employee assistance services, providing support, coaching and expert information on any work-related, personal, health and financial issues that our people may encounter. The number of consultations remained steady in 2020 in comparison to previous years.

- ▶ **Flu shot:** At EY Switzerland, we offer free flu vaccinations to our people every fall.
- ▶ **Sports:** EY Switzerland's people have access to selected sports and fitness clubs.
- ▶ **Vitality Program:** The program focuses on maintaining the physical and mental wellbeing of our people. It comprises health webcasts, articles, mindfulness training and workout sessions, health-related tips and free access to external platforms for an improved lifestyle.
- ▶ **EY Badges:** EY Badges are also available in the fields of health, safety and wellbeing. We offer a Bronze and Silver Badge that include topics such as nutrition, physical exercise, relaxation or mindfulness, sleep, stress reduction as well as self- and time management.

We have also introduced a more rigorous monitoring system of working hours and vacation management to make sure that our people take enough time to disconnect from work and get enough rest.

New health programs and initiatives during COVID-19:

- ▶ **Step-up challenge:** While our people were working from home, we encouraged them to run, cycle and exercise. We also invited them to walk or bike instead of taking the car or public transport. The CO2 saved was tracked by an app. For every kilometer our people ran, walked or cycled, they earned virtual credits (referred to as recoins) and for every 100 recoins collected, EY Switzerland planted a tree supporting an NGO's reforestation project with a total of 297 trees.
- ▶ **Free workout plans:** EY Switzerland collaborated with a fitness partner to provide live workout sessions free of charge to our people over a period of four months. This initiative helped people stay fit and healthy while they worked from home.
- ▶ **Virtual competition:** As our traditional and popular year-end get-together was not possible, EY developed a virtual alternative to uphold our team spirit. The virtual competition comprised fun virtual team events like cooking courses, escape rooms, pub quizzes and dinners.



Further, we give our people gifts to recognize special contributions to the firm's achievements or mark personal milestones such as work anniversaries, birthdays, weddings or registered partnerships and the birth of children.

We also run an employee recognition program called EY Merci. It gives our people an additional means and a framework by which to recognize, appreciate and thank colleagues and peers for demonstrating exemplary behaviors and living core EY values. Exceptional performance can be rewarded with an additional monetary award.

Financial security at EY and beyond

We want our people to feel financially secure and capable of looking after their dependents during their careers at EY and beyond. Some ways we achieve this include:

- ▶ **Pension funds and insurance coverage:** We support our people with mandatory and supplementary contributions to pension plans. We also offer discounts on supplementary health insurance coverage.
- ▶ **Further benefits during employment:** We provide our people with an SBB Half Fare Travelcard, corporate credit cards and a fleet discount on an employee car purchase or leasing.

A safe and flexible work environment

Although our focus during COVID-19 shifted to mental health and wellbeing, we always work to ensure our people feel physically and mentally safe in their work environment.



Our commitment to workplace health and safety includes a range of measures to prevent and manage accidents. We use questionnaires on Occupational Health and Safety (OHS) issued by the Swiss National Accident Insurance Fund (SUVA) and Federal Coordination Commission for Occupational Safety (FCOS). The questionnaires are used to detect potential accident risks and energy points in all eleven offices. Further, we have for each office one dedicated building manager and one dedicated health and safety specialist which both are assigned by our external facility management provider. They are complemented by the Occupational Safety Lead, a respective Risk and Security Lead and the Office Managing Partners. All these individuals report to the Crisis Management Team who manages the protocol with the Emergency Response Plan (ERP) in place and executes them.

We comply in all our offices with the norms published by SUVA and FCOS on office lighting, minimum required square meters per employee and minimum required number of restrooms. From a working ergonomic perspective, we work with the checklist of FCOS and adhere to the guideline No. 6508 by providing adequate desks, chairs, monitors and lighting. The workstations at our new offices in Geneva, Lucerne and Basel are equipped with standing desks, ergonomic chairs and two screens each. We provide a first aid kit in all our offices. In our larger office locations, we also have a medical and breastfeeding room.

Further, we work with our external facility management provider to conduct a self-check to identify potential hazards in all our office locations. As a professional

services firm, our people are not engaged in dangerous work or in hazardous workplaces and as a result, there is no need for special workplace safety training. We have one to two defined company first responders (18 in total across Switzerland) at almost all offices who received emergency training provided by EY and an external provider. The company paramedics must refresh their training every two years and oversee emergency situations. Further, we have dedicated evacuation staff that is trained by the respective landlords.

In the professional services industry, no work-related illnesses are defined by the public health authorities. Work-related fatalities and work-related injuries are not tracked, as the risk of accidents in EY businesses are low. We can only report on illnesses, accidents and medical appointments in aggregate. In FY21, we can report a slight decline of our people's overall absence rate due to illness, accident or medical appointments from 49.6 hours per capita in FY20 to 48.3 hours.

We comply with all Swiss health and safety legislation and regulations. Most of the accidents involving our people occur during their non-working hours. To ensure the protection of our people in the event of an accident, they are provided with mandatory accident insurance (UVG) coverages in alignment with the Swiss law. Additionally, we have salary provisions in case of sickness and accident.

Our understanding of safety is not limited to only ensuring the physical safety of our people. As a responsible employer, we commit to making our people feel mentally and emotionally safe as well. To fulfill this responsibility, one of the primary focus areas for us is to foster a work environment which is free from discrimination, bullying and sexual harassment.

The EY/Ethics Hotline (for more details, see section: "Governance", starting on page 26) is our whistleblowing facility. Anyone can use it to register and handle employee concerns, including those related to any behavior that constitutes discrimination, bullying or sexual harassment. Our Employee Assistance Program can also be consulted for any issues our employees may face. We impose strict rules prohibiting any retaliation against colleagues who in good faith report inappropriate behavior. Further, to create employee awareness on these concerns and on the ways to report

inappropriate conduct, we have implemented Dignity at Work Guidelines and a Respect at Work training on our learning platform.

To maintain a positive work environment, we regularly familiarize our people – including new hires – with EY's compliance requirements. This includes training programs on EY's core values, Code of Conduct, Independence and ethical standards. For more details on the trainings, see section: "Governance", starting on page 26.

Further, we also support our leaders in better shaping and driving a diverse and inclusive culture anchored in our values. We do this through multiple leadership development trainings and workshops with relevant stakeholders.

In FY20, we rolled out the **NextWave Leadership Workshops (NWL)** at EY Switzerland. These two-hour virtual workshops are based on a modular approach that gets EY's current and future leaders actively involved in the EY's Transformative Leadership Framework. During the workshops, our leaders gained the following:

- ▶ Insights into perceived experiences of our people when it comes to leadership values and behaviors
- ▶ An understanding of the key building blocks for transformative and outcome-based leadership
- ▶ New perspectives and ideas on how to unlock motivation, inspire and engage our people

These workshops were well received, with 386 senior managers and above in the FY20 workshop series and about 500 managers and above in the FY21 workshop series.

Additionally, the Leading with our Values training, which is mandatory for all our people, guides us on how to navigate potentially difficult situations that conflict with our EY Values and Global Code of Conduct. Also, our Inclusive Leadership for All learning course helps people understand and adopt inclusive leadership behaviors that can bring our values to life and build an inclusive work culture.

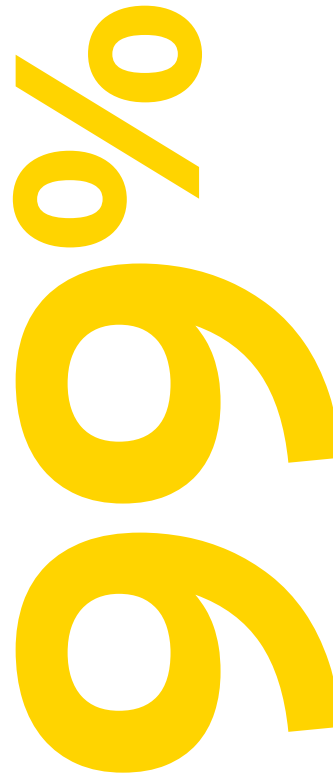
Workplace flexibility for better work-life integration

EY Switzerland is committed to a work environment where people are free to be themselves and bring the best of themselves to work. We believe this benefits our clients, our people's own career development and our organization. Client centricity, teaming and collaboration are central to who we are as a professional services organization.



We have always enabled flexible working practices; as we returned to the office following the easing of COVID-19 restrictions, we introduced hybrid working guidelines to facilitate the transition and balance client and business needs with individual flexibility. Furthermore, all our people are entitled to the following leave benefits:

- ▶ **Vacation:** Our people get an annual leave entitlement exceeding the regulatory minimum of 20 to 25 or 30 days depending on employee rank.
- ▶ **Unpaid leave:** If the regular vacation or other flexible working time options do not meet their requirements, people can also apply for unpaid leave.
- ▶ **Parental leave:** Mothers at EY are entitled to 16 weeks of 100% paid maternity leave. Fathers receive two weeks of 100% paid paternity leave.
- ▶ **Care leave:** Our people are entitled to short-term leave and continued payment of salary for up to three days per incident to facilitate the organization and care of an immediate family member in case of an emergency.
- ▶ **Other paid leave:** Extra paid leave is provided in case of certain life situations such as wedding or partnership registration, death of family members and relocation.



In the last three years, 99% of our people return to work after parental leave.



We also promote part-time working models for colleagues at all stages of their professional career to enable them to balance a fulfilling professional career with personal commitments. If our people wish to remain employed by EY after they reach retirement age, there are possibilities to extend employment.

We strongly believe that our people were able to adapt so quickly and so well to remote working during COVID-19 because flexible working was already a part of EY's culture.

A culture of transparent feedback

Our people have the opportunity to express themselves and be heard through a number of employee listening channels. These channels also offer us an important source of feedback to refine our overall talent priorities and shape the exceptional EY experience. Through regular feedback mechanisms and digitally enabled employee listening tools, we gain holistic insights about our people's experiences, including anonymous feedback on current

topics. We use this to inform decisions toward sustainable actions and change. By speaking up, our people play an active role in building a culture of trust and transparency.

Our key listening tool is the EY People Pulse Survey (EYPP), launched in FY21 to replace the annual Global People Survey. EYPP is a strictly confidential employee survey that helps us to listen to our people, understand what we are doing well and what we need to improve. It fosters open and honest communication and supports us in making positive changes by informing our priorities for leadership, communication and talent initiatives. Further, EYPP provides more frequent and timely insights as we run it three times a year. The survey results for EY Switzerland showed a gradual improvement for each of the KPIs measured over the past 18 months. More than 80% of respondents of the last survey in FY21 expressed that they feel free to be themselves and feel included, supported and valued at EY Switzerland.

We further facilitate professional listening through anonymous recruitment, onboarding and exit surveys for each new hire and voluntary leaver. Furthermore, we are piloting team experience and mood tracking surveys. We also conduct other focused surveys and polls that help us measure the impact of key programs such as LEAD and our EY Badges learning program. These feed into continuous

improvement activities ensuring maximized value for our people. We apply qualitative methods such as focus group discussions when we need more in-depth feedback. Our interactive Your Voice and People Sounding Board sessions enable a two-way communication where elected people representatives from each service line participate to voice out employee opinions, needs and concerns. To stay close and connected to our people, their needs and concerns – especially at the beginning of COVID-19 – we launched a COVID-19 survey. The survey focused on understanding the extent to which our people were able to effectively adapt to virtual ways of working, disconnect from work and their feelings about returning to the office.

Receiving and acting on employee feedback

The results and responses received using the above-mentioned feedback mechanisms and listening tools are discussed comprehensively at different meetings and events. These include management and talent leadership meetings, all people webcasts, Your Voice and People Sounding Boards sessions. These discussions and the feedback results inform our decisions and lead to the introduction of a range of wellbeing, recognition and flexible working initiatives. The People Sounding Boards are also used to explore initiatives and changes in working conditions upfront.



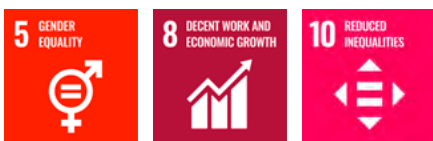
Lifelong learning

Building a better working world starts with our people. The exceptional experiences they have at EY empower them to grow their careers and become transformational leaders. In turn, this is what enables them to make a difference in businesses, governments and communities around the world.

We promise our people: the exceptional EY experience. It's yours to build. We enable our people to develop and grow through 360-degree performance feedback, comprehensive learning and development and career management across technical and non-technical domains along EY's Transformative Leadership Framework.

Leadership evaluation and development (LEAD)

The approach supporting the application of the transformative leadership framework is LEAD – our performance, development and career management tool. It is based on regular exchange between the employee (also known as the counselee) and their supervisor (also known as the counselor) who supports and guides them on their career journey with EY.



Through LEAD, employees request feedback from senior colleagues they have worked with on engagements. This enables them to better understand their strengths and focus areas for improvement as they further grow and develop. The feedback cycle runs three times a year and all our people are required to participate.

In FY21, 100% of our people received a performance review and a rating. Counselors receive the year-end finalization form comprising the outcome of the year-end performance review for each counselee. They are requested to communicate the outcome of the key performance indicator assessment and LEAD rating to their counselee. If a counselor does not submit the

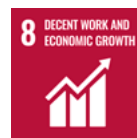
year-end finalization form to their counsees on time, an auto release will inform the counsees on their performance dashboard.

The feedback conversations between the counselee and the counselor aim at identifying key areas of growth and learnings that enable targeted skill-building and help advance development needs.

Beyond current performance management, LEAD also facilitates planning of the next career milestones and goals to further create an exceptional career experience for the individual.

Learning and development

Each employee has a personalized training curriculum which is accessible through our learning platform in SuccessFactors. The platform offers over 3,000 mandatory as well as elective trainings, covering a wide range of technical and firm-wide learnings.



Our training programs comprise workplace training where employees need to be physically present, as well as virtual training accessible through SuccessFactors. Due to COVID-19 limitations on physical interaction, all training was held virtually in the reporting period. We implemented new training methods and leveraged technologies such as Microsoft Teams, Murals and other Microsoft applications to deliver them. Our trainers and facilitators were educated on running virtual trainings and using these new technologies to ensure that new information can be consumed in the best possible way.

Technical training

Each service line conducts its own technical training programs, either physically or virtually via the EY learning platform. Further, external online training courses on Udemy, Skillssoft, goFLUENT and others covering a range of topics are offered free of cost to our people. All courses are regularly updated considering multiple factors including the service line requirements, regulatory and technology developments, market trends and the changing societal and digital trends. Our policy on external learnings describes the external training request and support process.

Soft skills and professional development

We offer training programs to help our people acquire and develop relevant skills. Soft skills training helps our people take up bigger challenges and embrace leadership responsibilities. Some of the key topics we address include transformative leadership skills, negotiation skills, communication and presentation skills, self-management and time management, purpose finding and mindfulness.

Our people also receive appropriate **milestone training** when they are promoted.

We also offer **certification training through our EY Badges program**. This global program is designed to upskill our people with digital capabilities and business acumen. Taking part helps individuals build the transformative mindset needed for the future. The program offers defined packages of learning content on specific topics. Upon completing each learning package, our people earn digital credentials, which can be shared internally and externally on their personal profile.

In FY20, we have also introduced the EY Tech MBA program in association with the Hult International Business School, enabling all EY people worldwide to take part in a fully accredited corporate MBA, free of charge.

↙ **120**

All our people are required to undertake a minimum of 120 learning hours over a three-year period.

On-the-job training

We complement formal training with ongoing support from managers and other team members throughout delivery of client engagements. This is a core element of



how we help our people grow in their roles, improve the quality of client deliverables and ensure timely feedback on development areas.

Table 4

Total learning hours per service line (in hours)

	FY19	FY20	FY21
Assurance	66,437	68,737	64,819
Consulting	16,673	13,498	14,582
Strategy and Transactions	7,393	4,870	4,331
Tax	19,848	23,416	21,812
People Advisory Services	4,690	5,173	3,847
Core Business Services	4,344	3,428	3,597
Totals	119,385	119,122	112,988

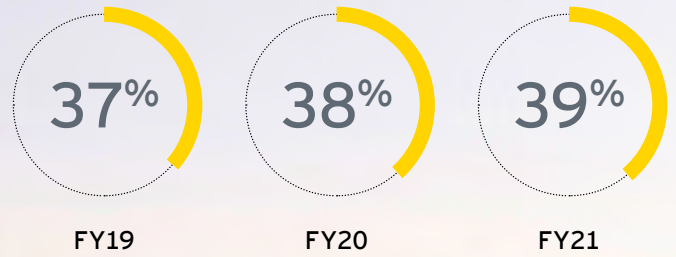
↗ **1,102**

EY Switzerland employees earned themselves 1,102 EY Badges to date.

Moreover, the variety of engagements and client challenges – all experienced in an international working environment – enables our people to develop their technical and interpersonal skills and deepen their sector knowledge and expertise.

Figure 15

Proportion of employees in management roles (%)



A diverse and inclusive employment journey

Diversity & Inclusion (D&I) are core to who we are and how we work. We maintain a collective commitment to fostering an environment where all differences are valued, practices are equitable and everyone experiences a sense of belonging. The EY culture inspires people to team and lead inclusively in their

interactions every day. Guided by the principles of our Global Code of Conduct, we embrace multicultural experience and diversity as strengths of our global organization. It means we respect one another and strive for an inclusive environment, free from discrimination, intimidation and harassment.

Our understanding of the terms “Diversity” and “Inclusion” (D&I)

Diversity is about differences. At EY we think broadly about differences such as nationality, language, education, gender identity and expression, sexual orientation, generation, age, socioeconomic background, working and thinking styles, religious background, abilities and disabilities, experiences, career paths, technical skills and identity dimensions defined and constructed by some societies in ethnic, color, cultural, or racial terms.

Inclusiveness is about leveraging differences to create an environment where all people feel and are valued for who they are, have a sense of belonging and are inspired to contribute their personal best in every encounter.



Fostering D&I throughout our peoples’ career journey – from recruitment, development and promotion to retention within the organization – is of top priority for us. It is how we help our people develop a global mindset and capabilities to adapt to different domestic and cross-border contexts. The significance of D&I to EY has resulted in its integration with our NextWave strategy where it is reflected in two of the core strategic pillars “Exceptional and diverse people,” and “Global integration and teaming.”

Our D&I governance structure

The D&I Council and the D&I Project Team at EY Switzerland coordinate the D&I activities and deliver on our leadership’s commitment. The D&I Council Leader is also a member of the Swiss Management Committee. We regularly collaborate and exchange experience and best practices with D&I leaders on EMEA and Europe West level as well as with clients and external communities.

Our Global Executive (GE) has signed the [EY Global Executive Diversity & Inclusion Statement](#) based on our Global Anti-Discrimination Policy which ensures that diverse mindsets and opinions are represented and respected across EY. Furthermore, the approach to be taken by EY for implementing all D&I-related activities is outlined in the Global D&I Roadmap and Culture Change Continuum.

Gender equality

EY Switzerland works actively toward increasing women representation and participation across all the service lines and business functions. We currently have 1,012 female employees working with us – or 41% of our total workforce. Out of this, 78% women are client facing.



EY Switzerland has signed the diversity charter of Advance – the leading business association for gender equality in Switzerland and a network of more than



120 Swiss-based companies committed to increasing the share of women in management. By signing the charter, EY has committed to maintaining gender balance in business and developing a workplace environment that supports a fair and balanced approach throughout the entire process of female talent hiring and management. Signatory organizations to the Advance diversity charter pledge to promote gender diversity through:

- ▶ Having one member of their senior leadership team responsible for the topic of gender diversity and inclusion and ensuring that measures are followed throughout
- ▶ Setting internal targets for gender diversity and ensuring the intention to deliver against these internal targets
- ▶ Engaging in a regular dialogue with Advance on progress and impact and by sharing best practices and challenges
- ▶ Striving for gender equality including equal opportunities and pay

EY has identified specific D&I metrics against which it tracks and evaluates its progress using the Global D&I Tracker. In case of an event where any act of inequity and injustice is identified during the progress monitoring and evaluation process, it is addressed and resolved by EY's Global Social Equity Task Force (GSET) comprising EY leaders from around the world.

To support achieving gender equality in Switzerland, we are measured each FY against EMEIA- defined promotion and recruiting KPIs for the entire Swiss practice. In FY21, the EMEIA provided targets were used as a base to determine agreed targets for Swiss service lines. Service lines were asked to submit their five-year target plan suggesting a phased increase of female ratio based on service line ambition and feasibility. Performance against these targets is monitored bi-yearly. Furthermore, we monitor gender equality in the context of performance appraisals, promotions and pay at each stage of the annual performance review process.

We conduct various learning programs at different stages of our female employee's careers to help them advance at EY. We focus our development programs for women in early and mid-stage careers by supporting them in

discovering personal purpose, values and strengths. Building on this we then support them to acquire leadership skills and craft their own desired career path. For example, the three-module Navigator development program is designed to enable women get ahead of their managerial roles and own their career by increasing self-awareness, articulating personal brand and identifying desired career experiences. The workshops include a mix of theory, hands-on exercises and experience sharing. We conducted three sessions with a total of 83 female participants in FY21 and expanded the target group to all genders starting from FY22.

These learning programs support in building the skills that drive confidence and courage as our people progress and grow into our future leaders. This, in turn, positively impacts gender equality in our organization. We can already see this reflected in the number of female employees currently holding leadership positions and the promotions awarded to women in FY21.

During FY21,

- ▶ we promoted 30% of our women to their next level role
- ▶ 18% of our female employees hold PPEDD (Partner, Principles and Executive Director and Director) roles in the organization
- ▶ our women represent 33% of the composition of the Board.
- ▶ our Swiss Management Committee includes 22% female partners.



Our commitment toward inclusive leadership is also evident in the programs we implement for integration and teaming at the global and national levels. These programs foster diversity and inclusion among all our people, regardless of their gender and provide opportunity for mobility and mentoring.

Two examples of such programs are:



Mobility4U (M4U)

Mobility directly relates to our NextWave's pillars of engaging and attracting exceptional and diverse people followed by a global integration and teaming.

We believe that mobility can provide an exceptional experience to our people to build knowledge and skills as well as global networks and global mindsets. Therefore, our streamlined mobility offering, M4U encourages our people across all the service lines, to take up mobility-based engagements as a part of their next career milestones. To enable this, counselors are required to nominate their counselees for the mobility assignments after discussing it with them during the LEAD feedback sessions.

EY Switzerland Mentoring Program, 2021

The mentoring program is set up to accelerate the advancement of our people in EY Switzerland by sharing knowledge and building relationships. The program is digitally enabled and open for all female and male employees from Senior Consultant to Senior Manager ranks. Each cycle has a window of six months aiming to intensely focus participants. They all receive onboarding documents and conversation guides to optimize their time together. The key benefits of the program for mentees include the opportunity to build a wider network, develop new skills and knowledge and gain clarity and confidence on career goals. The possibility to brainstorm and ask for advice on career scenarios from supportive mentors greatly improves the chances for female as well as male employee retention.

Mentors gain visibility to EY's aspiring younger talent and help to develop them through knowledge transfer and advice. This brings personal satisfaction and exposure to fresh perspectives, ideas and approaches. It's the latter that feeds an inclusive leadership team and therefore culture. Eligible employees – both mentees and mentors can participate in the program as many times as they wish.

To date, we ran a pilot program in spring 2021 with 58 successful mentee/mentor pairs comprising only female mentees and both male and female mentors. Due to the positive feedback and success of the pilot, the rollout of the program was expanded to male mentees in FY22.

In addition to the mentioned programs and initiatives, EY has instituted **Women. Fast Forward**, a global platform for engaging our people, clients and communities to advance gender equality across the three pillars: Women in leadership, Women entrepreneurs and Next generation. EY Switzerland participates in these key programs.

In each pillar, we bring together networks and resources to advance gender equality in organizations across all levels of decision making and leadership. Details on some of the key programs implemented under Women. Fast Forward are provided below:

Key programs under Women. Fast Forward

POWER Up tool: The tool was created by EY's Coaching Practice to simplify and condense the overwhelming wealth of information available to current and future female leaders with respect to professional development. By using the tool, we aim to get to the heart of the behavior that can help build power and drive success. Our female leaders from all ranks are introduced to the tool in a workshop. The objective of Power Up is to support women in managerial positions to grow confidence in their unique talents, embrace opportunities with courage, as well as gain clarity and confidence to ask for what they want to achieve in their personal and professional definitions of success. Further, it aims to help our leaders understand the perceived work experiences of women and how to support female advancement at work. In FY20 we had 87 and in FY21 98 female participants.

EY Entrepreneurial Winning Women™: The program targets women founders who have built profitable small companies but have not yet found the essential tools needed to scale sustainably. The program offers female entrepreneurs the opportunity to participate in a bespoke

executive education program with year-round activities to expand their knowledge, strengthen their skills and increase their visibility. The community consists to date of over 750 female entrepreneurs globally.

Women Athlete: The program commits to supporting the global female athlete community through advancing Thought Leadership, promoting athlete dialogue and supporting female athletes with successful next career opportunities, after completing their career in sport.

Corporate Finance Woman of the Year: This is a global competition that recognizes talented women currently studying at the university with the potential of fulfilling a career in EY Strategy and Transactions. The challenge requires the participants to think critically and to come up with creative solutions for complex problems. In FY21, EY received 3,426 applications from which 289 women participated in the competition across 23 EY offices around the world resulting in 22 finalists. EY Switzerland is also part of this competition and offers the finalists an internship.

We further run awareness campaigns through our monthly Let's talk events organized by the Professional Women's Network and our bi-annual event series on Women in Industries and Women in Financial Services where we invite female panelists and leaders to talk about transformational business topics and industry trends. These are events open to women and men from the business community.

Equal pay

In 2019, EY Switzerland received the Fair-ON-Pay label based on the Logib analysis reviewed by Comp-On AG in accordance with the certificate standard of Société Générale de Surveillance SA (SGS). Certification is subject to a surveillance audit after three years and is valid until



August 2023 in compliance with the standards set by the Swiss Federal Office for Gender Equality in 2019. The surveillance audit was conducted in 2021 and the certificate was reconfirmed. The label signifies the robust and fair overall average salary definition practice adopted by EY in the previous four years and underlines the firm’s efforts to close biased pay gaps that might exist on an individual level. This is one of the many milestones in our continuous journey to promote gender equality.



In FY21, EY was part of the St. Gallen Diversity Benchmarking to assess and compare EY’s D&I KPIs with those of other Swiss companies. The results are published in the Advance & HSG Gender Intelligence Report. With this assessment, we not only have a clear view of the facts and figures but also receive concrete recommendations for our recruiting, pipeline management and career planning practices.



Inclusion and support of the LGBTQI+ community

Creating a work environment where LGBTQI+ professionals can be their authentic selves at work is a core element of our D&I commitment. All EY people-oriented policies protect against discrimination based on sexual orientation or gender identity and our benefit packages afford same-sex partnerships the same rights as all others. EY has introduced the Unity-Network for the LGBTQI+ community and its allies which aims to raise awareness on biases and microaggressions, organized networking events and runs mentoring programs.

Swiss LGBTI Label



EY has been awarded the Swiss LGBTI Label for its efforts to create an inclusive and appreciative workplace for the LGBTI+ community in 2020. This label is awarded to organizations that are committed to a discrimination-free work environment.

Inclusion and support of the BAME community

We foster a black, Asian and ethnic minority (BAME) community within the organization that aims to raise awareness around biases and microaggressions related to this community. We also organize networking events and mentoring programs that consider the specific challenges and needs of people from the BAME community.

Enabling diverse abilities

EY people with diverse abilities are treated no differently from other employees. We are proud to be one of the 4% of companies globally to have included disability in our diversity agenda. We launched our

first Access and Inclusion Plan in 2017 and continue to build and deliver on our commitment to advancing disability inclusion in business.

We are currently expanding our role with **The Valuable 500** – a global initiative of 500 organizations in national and international markets committed to putting disability on their leadership agendas. As a part of The Valuable 500, we commit to the following:

- ▶ Enable our people to proudly bring their authentic and full selves to work every day
- ▶ Deliver an inclusive employment journey from how we recruit to how we develop, retain and promote
- ▶ Equip our people with the skills and knowledge needed to be inclusive of people with a disability
- ▶ Provide a more accessible workplace through accessible technology and building design

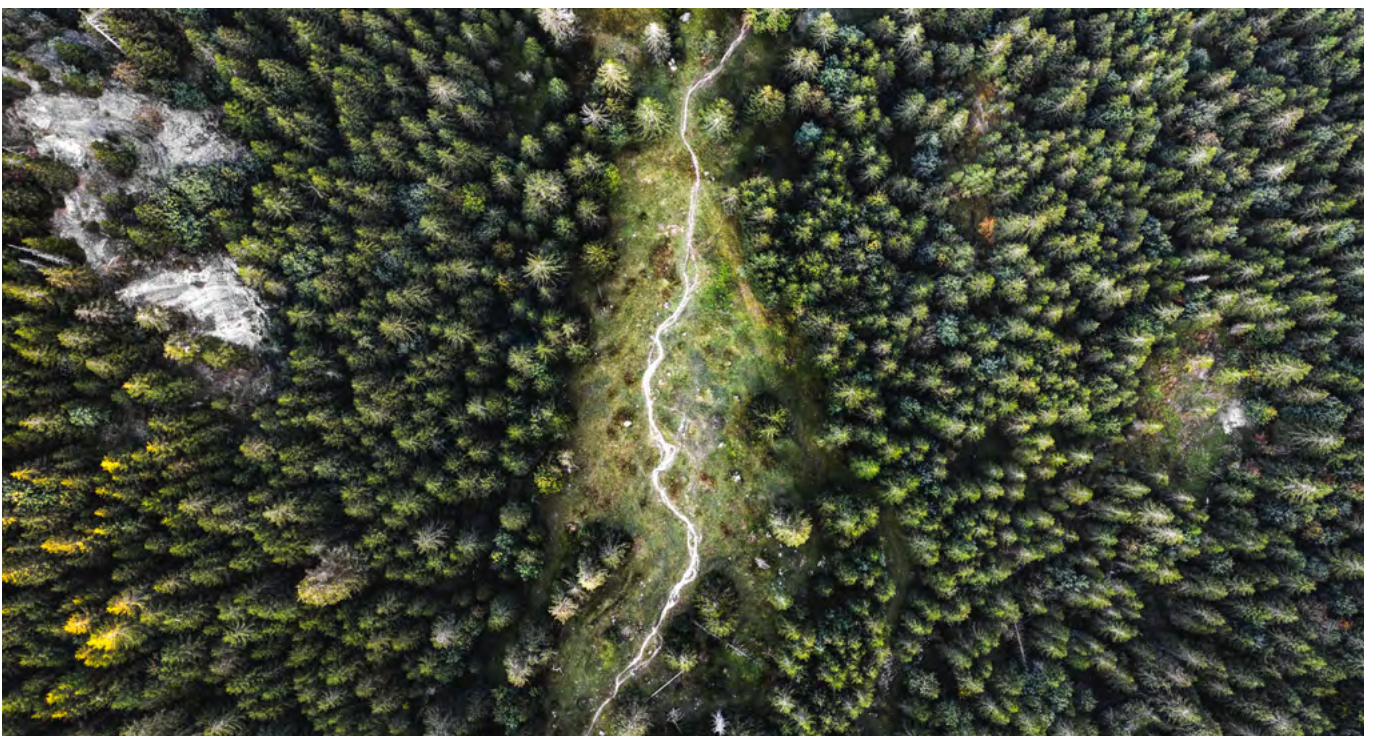
We take conscious steps to develop barrier-free infrastructure within all our office premises, including working areas, toilets and access points.

Purple Champions

Our Purple Champions network aims to raise visibility and inclusion of professionals with a disability. Purple Champions are EY people who volunteer to raise the confidence and visibility of their colleagues with a disability and increase their sense of belonging and support in the workplace. Highly active at both the regional and national levels, the network supports various initiatives and fosters active exchange for continuous improvement.

myAbility talent® program

EY Switzerland has partnered with myAbility, a social enterprise that fosters equal opportunities for people with disabilities or chronic diseases. The organization works with corporations to help these individuals realize their full potential and integrate effectively into teams. We were one of six employers to take part in the first myAbility Talent® career starter program in Switzerland. The program builds confidence among affected individuals and helps ease them into the Swiss labor market. EY invited five individuals to take part in a job shadowing in various service lines and also offered employment or internships to three individuals in FY21.







6

ABOUT US
MATERIALITY
GOVERNANCE
CLIENTS
PEOPLE
SOCIETY
ENVIRONMENT
APPENDIX

“

At scale, individual contributions
turn into collective progress

Creating social value through corporate responsibility

Driving inclusive growth is at the heart of our purpose and shapes our approach towards creating positive social impact in our communities. We believe in *Building a better working world*, where everyone can contribute to and share the benefits of sustainable economic growth. When we look at the world around us today, we see societal challenges everywhere – issues such as deepening inequality, growing unemployment, lack of opportunity for young people and low trust in institutions. At EY, we feel a responsibility to utilize our knowledge, skills, experience and global convening power in finding better answers and realizing better outcomes to these challenges.

We run corporate responsibility (CR) programs and initiatives to extend the value of our knowledge, skills and experiences to the people in our local communities and wider society in which we operate. Such focus areas include impact entrepreneurs and social enterprises, i.e., those accelerating quality jobs creation and affordable access to basic goods and services for the next generation workforce. Additionally, we inspire our people to embrace responsible consumption and decision making to accelerate the environmental sustainability of our operations and value chain.

Apart from creating socially inclusive and environmentally sustainable economic growth, our efforts also contribute to long-term value for our organization, people and society.

All our CR engagements are driven by our **Corporate Responsibility (CR) Board**. The CR Board is committed to delivering on our global CR strategies and ambitions by defining local execution plans in line with local needs.

The CR Board focuses on the following three areas to create social value:

- ▶ Transforming our social impact
- ▶ Ensuring we operate responsibly
- ▶ Minimizing our environmental impact

Our people engage in both internally developed programs and initiatives around the key focus areas as well as those developed in collaboration with local organizations and third-party providers. We continuously improve our

internal programs and initiatives by collecting regular feedback from our people and the program beneficiaries through various employee listening formats and dedicated program surveys.

Further, the EcoVadis Sustainability Assessment results are made available to our stakeholders upon request. The results help them understand the nature of the indirect economic impacts we have on our local communities and society.



Furthermore, we are working to increasingly link our community engagements to the UN SDGs relating to gender equality, decent work, reduced inequalities, climate action, peace, justice and strong institutions and partnerships. These SDGs specifically represent the areas where we believe we can have the most impact. In this section of our sustainability report, we only cover our efforts to transform our social impact – the first focus area of the CR Board. The other two focus areas will be covered in the section: “Environment”, starting on page 92.

We transform our social impact through initiatives such as EY Ripples, EY Cares, donations to charities and pro-bono service delivery.

EY Ripples – positively impacting 1 billion lives

EY Ripples is our global volunteering program. It enables our people to use their skills, knowledge and experience to positively impact the lives of millions of individuals. It unites our regional CR programs as well as collaborations with clients, NPOs and NGOs, impact networks and many others under one bold vision for 2030.

The EY Ripples vision is to positively impact the lives of 1 billion people and the communities where they live and work by 2030. By the end of 2022, we aim to have mobilized more than 1 million of our people and wider networks to contribute to addressing some of society's toughest challenges. Our organization's goal is to directly impact the futures of 10 million individuals and organizations, creating a ripple effect that will indirectly benefit 100 million people by 2022 and 1 billion people by 2030.

Along with enabling our people to transform the lives of others, EY Ripples can also enrich the experiences of our people and teams in many ways. It provides them with new learning and opportunities to build their leadership skills. It also helps them develop new perspectives on personal impact, broadens their horizon, builds their personal brand and gives them a sense of pride in helping to build a better working world.

The program provides our people with various skill-based volunteering opportunities to make a difference and contribute to the vision. These opportunities are aligned to the three focus areas of the program, which in turn are based on EY people's knowledge, skills and experience.

Supporting the next generation

Our people mentor and coach the next generation workforce either in person or virtually to develop the mindset and the transferable skills they will need to find and sustain meaningful work in the future. For this, our people volunteer to spend a few hours during the week, a whole day or even up to 12 weeks on full-time projects abroad. The next generation workforce includes students searching for jobs, young people and under-served groups like refugees and migrants looking to enter or re-enter the labor market.

Some of the key initiatives we have undertaken to support the next generation workforce under EY Ripples include:

- ▶ **EY × HEC Grand Challenge**, where we collaborated with students from the University of Lausanne to address EY's "Grand Challenge" of minimizing our environmental impact and achieving our ambition to become net zero by 2025. The challenge took place over one semester. It helped students develop skills that are required in an increasingly competitive job market, such as critical thinking and creative problem-solving.
- ▶ **Virtual "Girls in ICT Day" workshop**, where 10 of our people volunteered for 46 hours to mentor 54 female students from Swiss public schools. The workshops were held via video call and focused on building the students' awareness about various career opportunities available in science, technology, engineering and mathematics (STEM). The workshops also imparted knowledge on topics including digitalization, emerging technologies and computer science. A highlight for students was the chance to program an educational robot. EY lent the educational robots to schools in advance and coached the teachers on how to code them in several train-the-trainer sessions. The simplified programming language, specially developed for these robots, enabled students to unleash their creativity by programming and testing the functionalities.
- ▶ **Coaching workshop for migrant entrepreneurs**, where 12 EY people dedicated 4.5 volunteer hours each to coach 15 aspiring young entrepreneurs with migrant backgrounds. The focus was on how to acquire the essential skills to develop innovative business or project ideas. We organized the workshop in collaboration with a Zurich-based NPO specializing in coaching for refugees or people with a migrant background in the areas of communication, leadership and entrepreneurial skills to support employment opportunities.
- ▶ **Regional Guilds@EY challenge**, part of our EY Refugee Support project to integrate refugees into the Swiss labor market. The regional challenge looked at the best ideas to give back to our society. The project was run in collaboration with a local

NPO that supports refugees with the preparation of application documentations and job interviews. By winning the challenge, the Swiss team was awarded funding for the project.

Working with impact entrepreneurs

Our people use their business skills, knowledge and experience to support impact entrepreneurs who drive progress toward the UN SDGs, tackle inequality and empower people to change their lives. We support the impact entrepreneurs in creating quality jobs for the underserved groups and delivering vital goods and services – including clean water and affordable energy- for their communities.

Some of the key initiatives we have undertaken to support impact entrepreneurs under EY Ripples include:

- ▶ We supported a non-profit organization that developed a platform to support small and medium-sized enterprises affected by COVID-19. The platform helped the enterprises find new ways to (remotely) sell/offer their services, plan their liquidity, or leverage technology to sustain their business. Nine of our people devoted 142 volunteering hours to impact 30,003 lives through this program.
- ▶ We advised an impact entrepreneur on various aspects of the second ideation phase of their start-up company and related platform. We supported them by hearing their business case and business strategy and provided them with project management advice.
- ▶ We helped the impact enterprise **FH Europe**, whose purpose is to fight inherited lipid (fat) disorders to revise and improve their purposeled and impact-driven strategy. We supported them by co-creating a sustainable impact-driven organization. This was achieved by sharing methodologies and knowledge to foster a structured and customer-centered strategy. Three of our people volunteered for this program with a total of 497 volunteering hours impacting 1,000,004 lives.

Accelerating environmental sustainability

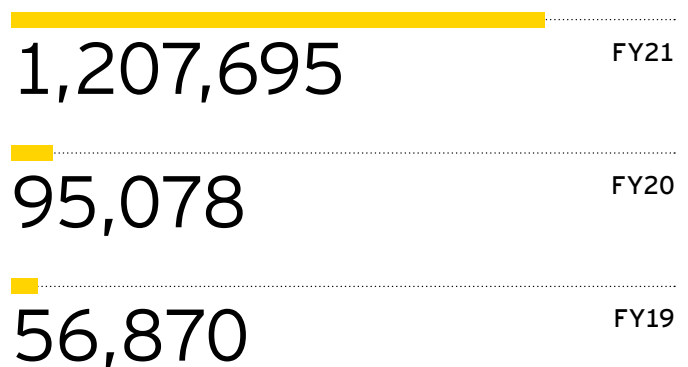
Environmental sustainability is already an integral part of how we work with the next generation and impact entrepreneurs – for example, teaching environmental literacy skills or helping scale impact enterprises that provide affordable access to solar energy. In addition to this and in recognition of the interconnection between climate change and inequality, we are developing new initiatives dedicated to accelerating the adoption of behaviors, technologies and business models that protect and regenerate the environment. For more details, see section: “Environment”, starting on page 92.

Measuring and reporting our progress toward the EY Ripples vision 2030

While we assumed that COVID-19 restrictions would slow progress toward our EY Ripples vision 2030, the shift to virtual programs was very successful. Our third-party collaborators were agile and offered social impact projects virtually, which enabled us to easily increase our participation. The EY Ripples portal serves to qualify social impact projects in adherence to the globally set criteria, makes the projects visible to our people and helps identify the right people with the right skills to engage in projects across Switzerland.

Figure 16

Total lives impacted through EY Ripples in Switzerland (Nos)



Our figures for FY21 demonstrate a significant increase in lives impacted in Switzerland – with more than 1.2 million compared with 95 thousand lives impacted in FY20. The increase is the result of the large scale high-impact projects we were able to deliver virtually. For our global figures, please refer to the [EY Global Value Realized Report 2021](#).

Lives impacted is the total number of direct and indirect beneficiaries reached through the EY Ripples program, discounted for attribution. Our approach to attribution aligns with leading practice from the development space and Embankment Project for Inclusive Capitalism, Long-Term Value and CCaSS principles to enable systematic, scalable, and assurable processes. It enables EY to convey the breadth and depth of impact EY Ripples is having. The counterfactual is derived from the related SDG gap in the beneficiary country. To enable scale, lives impacted measurement and reporting has been built into an integrated global technology solution, leveraging Microsoft Azure and PowerBI. This approach enables EY to quantify both the breadth and depth of the impact EY Ripples is making and communicate the type of impact through the UN SDGs.

Additionally, one of the measures to create long-term social value as part of our NextWave ambition is the KPI “lives impacted”. As part of our NextWave scorecard, lives impacted can also be selected as a KPI in our leaders’ goal setting in LEAD.

We have also noted a consistent rise in the number of EY people participating in the EY Ripples program over the past few years. Going forward, we hope to invest many more hours in this skill-based volunteering program to reach our aim of 550 participants in FY22.

Table 5

	FY19	FY20	FY21
Number of employees participating	23	84	197
Employee hours	8	1,225	13,536

EY Cares

EY Cares is the collection of all regional initiatives in Switzerland organized by EY people to connect to the communities. If our people are looking for a short-term, hands-on volunteering option for themselves or their team, EY Cares is the place to make their contribution.

Most of the EY Cares activities were restricted last year due to COVID-19, as the activities under the program require physical support for implementation. For instance, pouring soup with the Schweizer Tafel to collect donations for people in need or helping a local bakery that employs people with disabilities in its protected workplace. However, with our people’s help and support, we were able to create an overview of organizations supporting individuals in need during COVID-19. Thirty organizations were included on our digital platform and EY colleagues could volunteer to support those any time at a regional or local level. After the relaxation of the COVID-19 restrictions, we aim to continue our EY Cares activities.



Our total community investments

Our community investments comprise:

- ▶ **Charitable contributions** such as cash donations and in-kind donations like pro-bono or low-bono work done for the NPOs to support their social impact projects and initiatives.
- ▶ **Time-based contributions** such as the time our people spend to coach, mentor and upskill people from the local communities through engagement in the traditional volunteering programs (EY Cares) and the skill-based volunteering programs (EY Ripples).
- ▶ **Program management** such as our investments to run all activities around our strategic pillar “Transforming our social impact”.

At EY Switzerland, we have contributed a total of CHF 2,122,316 over the last three FYs on the above-mentioned community investment areas. Of that 32.12% (CHF 681,853) was invested in FY21. Our key activities and spending under each community investment area over the last three FYs are provided below:

Charitable contributions (cash and in-kind donations)

- ▶ We made a cash contribution of CHF 130,484 in FY21
- ▶ We contributed CHF 375,147 to selected sponsorships in FY21
- ▶ Over the last three FYs, our contribution to pro bono/ low bono activities totaled CHF 138,640
- ▶ We donated 100,000 hygiene masks to the federal government in FY20

Value of time contribution

- ▶ Over the last three FYs, we have invested CHF 19,592 in traditional volunteering activities
- ▶ Our investment in skill-based volunteering programs has risen from CHF 795 to CHF 143,565 over the last three FYs

Program management costs

- ▶ A total investment of CHF 488,175 has been made over the last three FYs for the program management of the activities and projects within the strategic pillar “Transforming our social impact”

Apart from that, Ernst & Young Global Limited (EYG) also advises governments on building more sustainable and inclusive economies. We help businesses innovate with purpose and as a founding member of The Embankment Project for Inclusive Capitalism, we have co-authored the new corporate reporting framework to streamline the [measurement of stakeholder capitalism](#) together with other WEF-IBC members.

We have instituted the Enablon software to record our community investments and report it in our annual EY Global Review Report, which has been revised and published as the [EY Global Review – Value Realized 2021](#). Our global figures on community investment are also available in the above-mentioned document and the [UNGC Progress Report](#).







7

ABOUT US
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We are already carbon negative –
and committed to doing more to protect
the environment.

Accelerating environmental sustainability through responsible business

As a leading professional services firm, EY Switzerland strives to incorporate environmental concerns into its strategic decision making to drive sustainable and inclusive growth – for people, clients, society and the planet, ultimately *Building a better working world*. With this in mind, the environmental agenda forms a core part of our organization's ESG strategy.

As a responsible corporate citizen, we adopt an equitable and inclusive approach to design our measurable goals and targets to future-proof our businesses. We focus to realize those goals through transformation of our own businesses as well as by bringing our stakeholders and value chain partners under the scope of our ambitious vision.

We have developed the environmental agenda and priorities in alignment with the environmental commitment outlined in [EY's Global Environmental Statement](#). The Statement guides us to focus on the following function areas for effective environmental management:



Responsibility to ensure environmental sustainability in the business is assigned to our CR Board. However, the Swiss Management Committee (SMC) is the ultimate governing body responsible for overseeing the ESG strategy and its execution.

We practice good governance in our organization through transparency and accountability to both our internal and external stakeholders. We believe that transparent disclosure of our governance and performance keeps us closely connected to all stakeholders. To achieve our goals, we maintain robust monitoring and reporting around our KPIs and initiated the process of communicating our ESG performance through a sustainability report. Additionally, the EcoVadis Business Sustainability Assessment and consequent Rating enables us to review the extent to which we could incorporate various new sustainability aspects in our business and understand the gaps to further improve our performance.

With this strategy, we are implementing specific environmental initiatives that reduce our company's impact on the environment. Such initiatives include reducing our carbon footprint, encouraging responsible material consumption, significantly reducing our business travel, collaborating with our value chain partners and training our people on eco-friendly work practices.

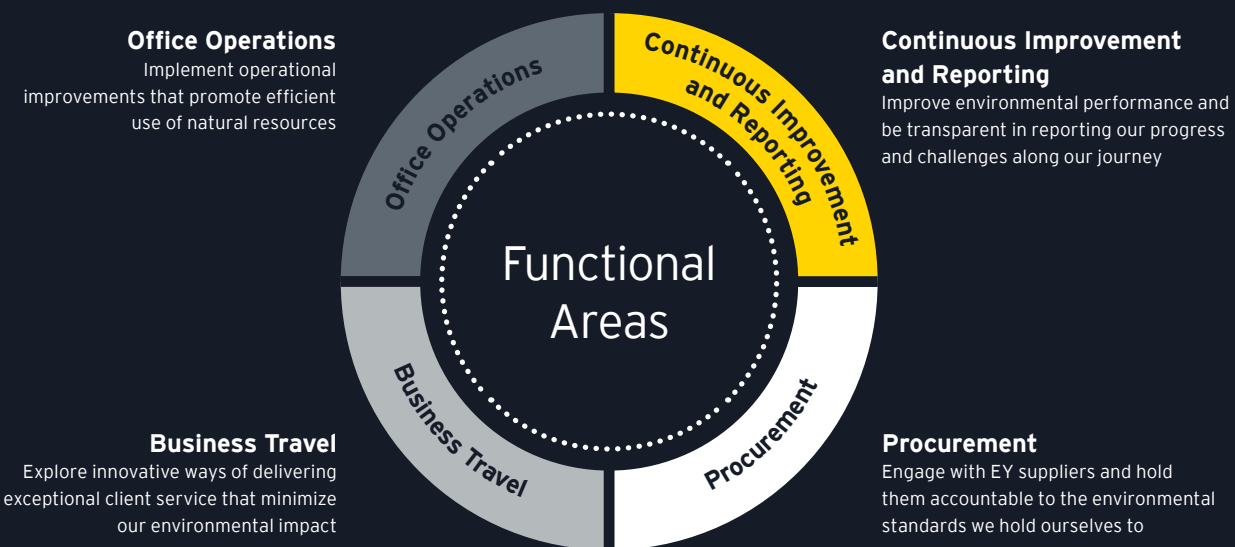


Figure 17

Reducing our own carbon emissions

Switzerland's government and people recognize the serious threats of global warming and climate change. According to the Federal Office of Meteorology and Climatology, MeteoSwiss, Switzerland's climate has seen large natural fluctuations over the last few decades. This has coincided with a steady rise in the average annual temperature, mainly attributable to the increase in industrial greenhouse gas (GHG) emissions. Furthermore, forecasts predict that we will witness the occurrence of higher intensity storms and less snowfall in the coming years, associated with an increased risk of floods, landslides and debris flows.

The situation calls for governments, businesses and citizens to take collective responsibility and combat the detrimental impacts of climate change. In 2015, the governments of 196 countries came together and signed an international treaty – the Paris Agreement on Climate Change. The agreement commits to limit the average global temperature rise to 1.5 degree Celsius above preindustrial levels through reducing global GHG emissions. EY, as a responsible organization, is effectively contributing to this transformation journey toward a low carbon economy.

EY's climate commitments and goals

We announced our [carbon ambition](#) in January 2021, after having become carbon neutral in 2020. The ambition sets a bold target of reaching net zero by 2025 by reducing, offsetting and removing more carbon from the atmosphere than we emit. A major step toward achieving this goal and delivering on our seven-point action plan was to become globally carbon negative as of October 2021. Now, we are embracing the challenge and opportunity of continuing to grow our business while working towards being net zero by 2025 – and supporting our clients to do the same. To achieve net zero, eliminate all avoidable emissions and remove the remaining emissions by 2025, EY worked with the Science-Based Targets initiative (SBTi) to develop and validate a science-based target to reduce the total emissions by 40% across the entire organization. EY Switzerland, in alignment with EY's global climate target, has committed to reduce its GHG emissions by the same amount by 2025.

In line with our commitment, we have identified areas of improvement and defined related goals to implement in our operations.

FOCUS AREA

Reducing business travel

KEY GOALS, TARGETS AND INITIATIVES

- ▶ While we recognize that many EY services require an element of business travel, we also know that air travel is where they have the most significant negative impact on the environment. Business travel makes up to 58% of our overall carbon footprint as of FY20. We mostly travel for client, training, business development and meeting purposes. While we had introduced measures to reduce travel for internal business purposes considerably even prior to the global pandemic, we are still working on further measures to reduce client-related travel. The global pandemic was a significant contributor to the reduction in business travel. Even as our people return to offices and resume business travel, emissions will remain within our science-based target range. To further reduce the GHG emissions resulting from business travel, we continue to encourage our people to use virtual collaboration tools to engage with relevant stakeholders and are reequipping our offices to enable hybrid collaboration through technology. The effort is aligned with our goal to achieve a 35% reduction (against the FY19 baseline) in our business travels by FY25 in order to reach the global net zero ambition by 2025.
- ▶ We aim to further adapt our travel policy to reduce internal travel and client-related travel to the extent possible depending on our clients' needs.
- ▶ Additionally, we provide our engagement teams with tools and technologies such as the EY Engagement Carbon Calculator, which estimates and tracks the carbon emissions level per engagement, enabling the teams to make better travel choices and encourage greener alternatives wherever possible.

FOCUS AREA

Sustainable energy consumption

KEY GOALS, TARGETS AND INITIATIVES

Increased share of renewable energy measures:

- ▶ Currently, electricity is purchased from the national grid in Switzerland and all offices procure 100% renewable energy products. Due to minor fluctuations in renewable energy availability, our offices are supplied with electricity from roughly 95% renewable energy sources.
- ▶ Our goal is to become fully aligned with EY's global commitment to run all offices on 100% renewable energy by 2025. We also commit to obtaining the RE100 membership during the same period.
- ▶ To run on 100% renewable energy for the common areas going forward, our property owner has set up a solar photovoltaic (PV) system at our Zurich office, which generates approximately 148,000 kWh of electrical energy per year. The power generated will be redirected to the common-area electricity of the property.

Energy saving and energy efficiency measures:

- ▶ In cooperation with the Zurich office property owner, the property management company and the facility management provider, we are preparing to submit a ten-year cantonal target agreement (Kantonale Zielvereinbarung) for the office. Developed with the support of EY's energy provider, this agreement aims to set clear energy efficiency targets for the building and the office space and enable fulfillment of the cantonal and federal energy laws.

- ▶ We run various energy-saving initiatives at Swiss offices to reduce our carbon emissions. One of the initiatives is the replacement of the exterior light arrangements with LED lighting at the Zurich office, which has resulted in a saving of 17,000 kWh of electrical energy per year. We are planning to expand the initiative in the coming years to save an additional 58,000 kWh of electrical energy per year.
- ▶ Additionally, we standardized the norms for using mechanical ventilation in our Zurich office, which resulted in savings of approximately 143,000 kWh of electrical energy for the reporting period.
- ▶ Other measures undertaken to improve energy efficiency in the office include the use of motion sensors for office lighting and standard settings for all new laptops to go into sleep mode within a certain period of non-use.
- ▶ Our reduction strategy regarding real estate is coordinated closely with our property owners and managers. They provide data for our electricity, heating, cooling and water consumption, which enables us to take appropriate measures to reduce it accordingly. When new property contracts are due, we consider environmental factors such as electricity consumption, provision of renewable energy on site and proximity to public transportation, we also choose, whenever possible, office premises in Minergie® buildings. Currently, four (two certified) of our 11 offices are located in buildings that are constructed adhering to the Minergie® standards.

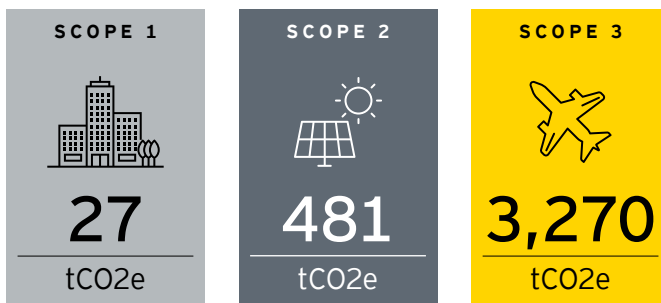
Our GHG footprint

We track and estimate all three types of GHG emissions for EY Switzerland, namely Scope 1, Scope 2 and Scope 3. The direct GHG emissions (Scope 1) is an account of the fugitive GHG emissions released from air conditioning equipment and fire suppression systems, which forms a small percentage of our total GHG emissions. We count the emissions from use of purchased energy (district heating and electricity) for estimating indirect GHG emissions (Scope 2). Sources of other indirect emissions (Scope 3) include GHG emissions resulting from employee commute, business travel, waste disposal as well as fuel and energy-related activities.

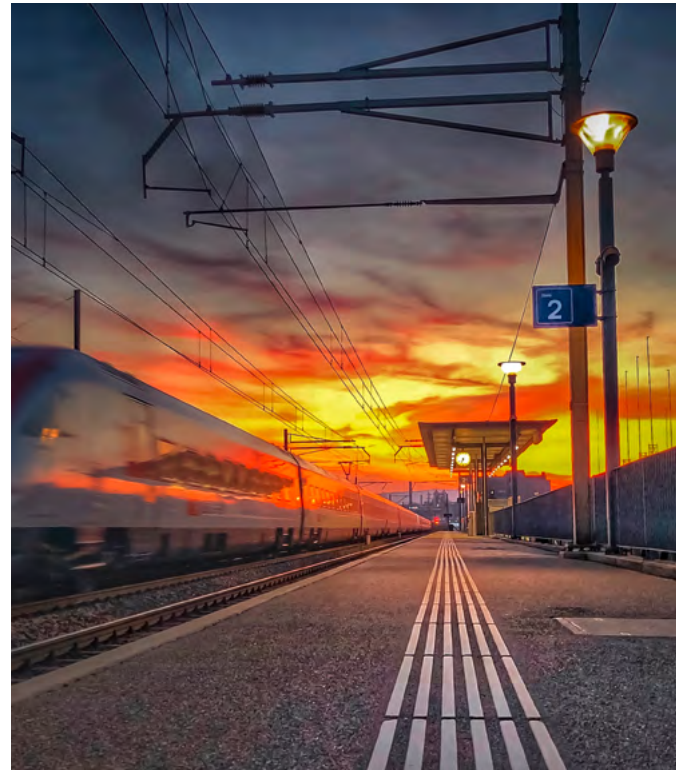


Further, specific metrics are leveraged to consistently track and estimate the GHG emissions resulting from the business to continue making an effective contribution toward our global commitment of becoming net zero by 2025. The estimated GHG emissions for the reporting period are provided below:

Figure 18



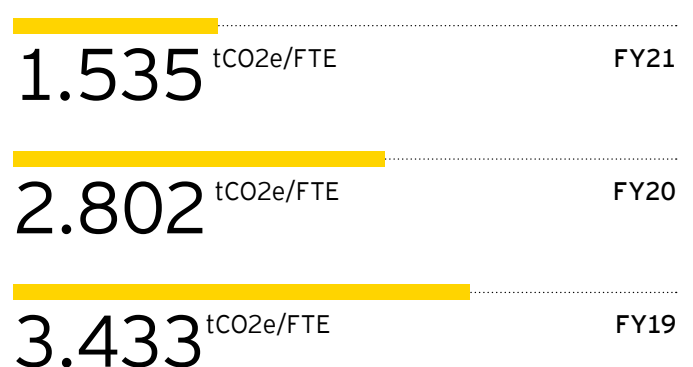
For details on the methodology and assumptions used to estimate the GHG emissions, see section: "Appendix", starting on page 102.



Majority of the GHG emissions emanate from our value chain itself. The extent largely depends on the business choices people make. Therefore, it is important to estimate and monitor the GHG emission intensity by calculating the total GHG emissions against total full-time equivalent employees (FTEs) in the reporting period. Our GHG emission intensity over the last three FYs is also presented alongside:

Figure 19

Emissions intensity



COVID-19 and its impact on our GHG emissions

As a consequence of COVID-19, our business models were redefined in a manner that resulted in an overall reduction in the GHG footprint during the reporting period.

This outcome is majorly attributed to the change in work patterns during COVID-19, with most of our people working remotely during the lockdown. However, even after lockdown restrictions were eased, we continued to operate at 25% capacity in our offices.

This virtual mode of working has resulted in a significant reduction in business travel and cut down the office commute of our people, resulting in a 42.46% reduction in the GHG emission level over the last financial year (FY21 total emissions: 3,779 tCO2e).

The trend of the total GHG emissions over the recent three FYs and the total GHG emissions by source is provided below:

Figure 20

Decreasing trend of overall GHG emissions

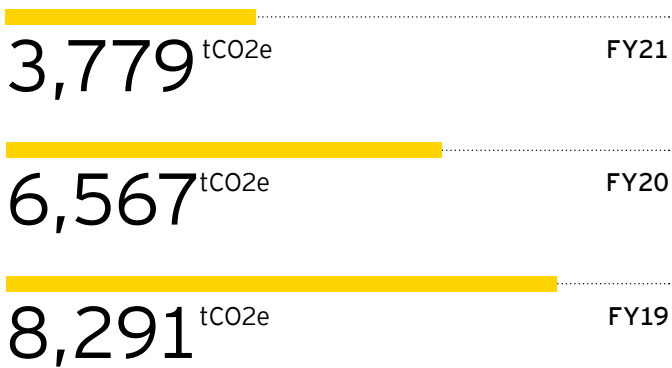
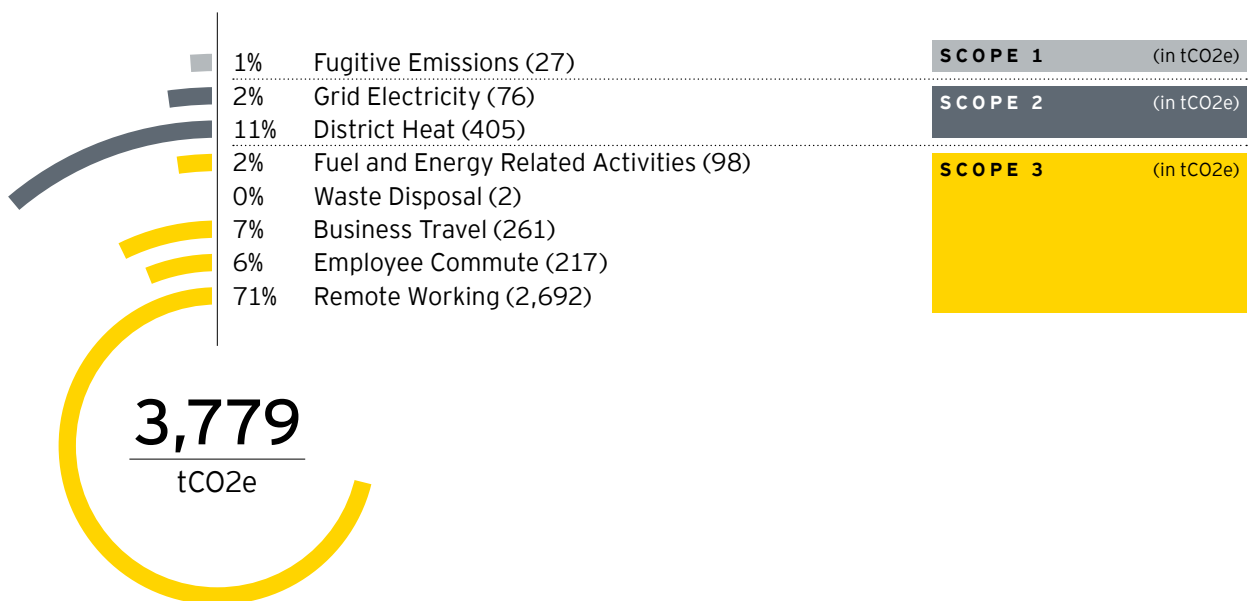


Figure 21

Total GHG emissions by source



Creating a responsible business environment by improving operations and changing people behavior

As a responsible market leader, EY is mindful of the impact our business actions have on the economy, society and the environment.

We consistently implement sustainable initiatives in our business operations that encourage an environmentally conscious workplace for our people and create long-term value for all our stakeholders. Responsible consumption together with responsible behavior of our people ensure that all our practices utilize resources and goods in a manner that will meet present needs without compromising on the ability of future generations to meet their own aspirations.

Changing people behavior toward responsible business choices

We understand that our organization's environmental and business performance is largely impacted by the business decisions our people take, the choices they make in terms of procuring materials and traveling to client sites and the behavior they model through their business practices. For this reason, we focus on educating our people on the sustainable choices available to them and enabling informed decision making. We undertake multiple initiatives, including awareness raising in various leadership meetings, all people townhalls, sustainability trainings and workshops. Some of the key initiatives are:

- ▶ **Climate action workshops:** We started to run workshops with our people to raise awareness about their personal climate action responsibilities and to help them adopt environmentally friendly practices in their day-to-day work.
- ▶ **Sustainability trainings:** Our goal is to train the majority of our people (new and existing) in sustainability matters by FY23. We will do it by rolling out multiple trainings on different sustainability-related agendas. We also offer sustainability trainings as part of the EY Badges program, which provides certified learning content packages. We launched a Climate Change and Sustainability Bronze Badge in FY20, which provides courses on environmental, economic and social topics, totaling 15 hours of learning. A further range of five Badges around Impact Entrepreneurship, Business

Case for Sustainability, Circular Economy, Sustainable Finance Transformation and Responsible Business will be launched in FY22.

- ▶ **Sustainability information at our Welcome Day:** We have introduced corporate responsibility topics for discussion in our induction programs for new employees.
- ▶ **Creation of a Climate Action Taskforce:** Initiated by our people from multiple locations, the taskforce supports activities like office-wise GHG emission estimations, analysis of travel data and development of news articles on climate-related topics.

In the upcoming reporting period, we aim to develop an environmental policy to guide our people on all relevant environmental matters including applicable environmental regulations, reduction of waste and its effective management and energy conservation.

Integrating responsible behavior into our culture

We firmly believe that an effective method to reduce the ecological footprint is by changing the way we deliver services and consume goods. Therefore, for each of our consumption choices, we consider the environmental impacts along the product lifecycle (from procurement until disposal). This approach applies for both goods and services.



Integrating principles of responsible consumption into the business culture has become every employee's responsibility. Our procurement policies and procedures provide that all our people uphold and abide by this principle while performing any activity.

Reduction and safe disposal of waste

We do not consider waste as trash, but raw materials that can have a second life. We undertake multiple initiatives to ensure sound waste management at all our office locations. The key initiatives are highlighted below:

Centralized waste bin system for waste collection and segregation

The first key step in ensuring effective waste management was to undertake the proper collection and segregation of the generated waste. For this, we partnered with Green Office, a provider of efficient and innovative solutions for waste sorting, to implement a centralized waste bin system in all offices. By using data such as number of desks and square meters, we strategically placed the bins in all offices for easy accessibility.

We also equipped all coffee points with capabilities to segregate general waste, PET and aluminum cans. The main objective was to eliminate the smaller waste bins from across all offices and develop a unified waste management approach.

All the electronic waste we generate is recycled through authorized recyclers, except for a part of e-waste (mobile phones, laptops and printers) that is resold to brokers for further reuse or recycling. We also segregate paper and cardboard for recycling by our providers. Confidential documents and files are disposed of separately in line with data privacy considerations and 100% recycled by our provider. General waste is eliminated through combustion.

Paperless where possible

As a professional services firm, we use a lot of paper, especially for official documents and communications requiring signatures. This results in large quantities of paper waste. To minimize this, we introduced virtual business cards, paperless billing, paperless human resources document processing and implement double-sided printing in general. Over a period of eight months, we issued 17,126 invoices of which 92.5% were digitally billed. Furthermore, conscious efforts have been made to reduce wastepaper by limiting the number of printers across all our offices. We have reduced the number of printers across Switzerland

from 219 to 66 over the last three FYs. All toners and cartridges are collected and recycled by our provider. Across our various service lines and functions, several teams have committed to paperless operations by introducing new technological features, such as the management of the entire audit documentation through our online platform EY Canvas, making the process completely paperless.

This initiative has helped to streamline our communications through an integrated portal and enabled us to provide a seamless audit. We and our clients felt the benefits of this in particular during COVID-19. We also commit to zero deforestation by sourcing Forest Stewardship Council (FSC)-certified paper products.

Managing e-waste

In FY21, we collected and disposed of 420 kg of mixed electronic and electrical waste (collectively "e-waste") via authorized recyclers. We also resold 790 kg of e-waste (laptops, mobile phones and printers) from all our Swiss offices to brokers. We have saved 38,851 kg of CO₂-equivalent, 17,154 kg of raw materials and 229,468 l of water. All other e-waste is collected and handed over to Swico Recycling, a non-profit system for taking back scrapped electronic waste and electronic equipment used in offices.

As headphones tend to have a short product life, we have an agreement with our provider to refresh and repair them as required.

Transitioning to plastic-free workspaces

Given the negative impacts of plastics on human health and the environment, we committed in FY19 to reducing plastic usage and plastic waste generation by maximizing the use of alternative, more eco-friendly plastic products.

For this reason, the single-use plastic products in cafeterias have been replaced with reusable cups, compostable cup toppings, compostable cutlery and reusable lunch boxes. At the Zurich office, we have partnered with the leading reusable packaging solution provider, reCIRCLE AG, to procure alternative plastic material cups and BPA-free water bottles.

The plastic cups placed next to the chilled and sparkling water dispensers on each floor were replaced with reusable EY drinking bottles.

Further, we have partnered with organicMondays AG, a women-owned company that offers organic and plastic-free feminine hygiene products. Since November 2020, all EY women's bathrooms in all locations across Switzerland are stocked with complementary plastic-free feminine hygiene products.

Promoting sustainable products in our Giveaway Shop

We have been exploring ways to develop environmentally friendly promotional items for sale in the Giveaway Shop, our online internal gift portal. To guide us in selecting the right suppliers, we have defined a set of environmental criteria for production. Contracts are awarded to only

those suppliers who meet these criteria. We also consider impact entrepreneurs as potential suppliers to procure innovative sustainable products that are recyclable and reusable.

One impact entrepreneur that we engage with is Keiretsu. This company has a certified environmental management system and works on the principle of sustainability by design. In partnership with the company, the Giveaway Shop produces several environmental-friendly alternatives including recyclable stationary, bottles and mugs, eco-labelled products like OEKO-TEX certified clothing, etc. This arrangement with Keiretsu has helped increase the proportion of sustainable products available in the Giveaway Shop from 8% as of December 2018 to 38% in FY21 (exceeding our target of 33%). We aim to align 80% of our assortment with at least one environmental criterion by 2025.

Supporting value chain partners in optimizing their environmental footprint

Besides reducing our carbon footprint, we also aim to support our value chain partners in implementing environmental changes. Engaging with them helps us to better align our environmental decisions with their needs and expectations and in turn, drive overall long-term sustainability. We make a conscious effort to ensure that our value chain partners play a substantial role in our sustainability journey.

Strengthening environmental sustainability across our supply chain

Our global commitment is to engage with our suppliers and hold them accountable to the environmental standards that our organization adheres to. Continued efforts are made to promote the highest environmental and ethical standards within our supply chain and to maintain and grow a diverse supplier base that reflects the markets, clients and communities we serve. For more details, see section: "Governance", starting on page 26.

Going forward, our aim is to get 75% of our suppliers (calculated by spend) to set science-based carbon-reduction targets by FY25. We aim to achieve this by identifying the large (by spend) suppliers based out of Switzerland and tracking development of their local target. We will collaborate with all suppliers to help them on their journeys to SBTi accreditation and 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 ambition.

Additionally, the EY@Work sustainability checklist defines the sustainability criteria for real estate procurement services. Adhering to this checklist while selecting suppliers helps to adopt green building principles and track those buildings that have LEED, BREEAM, Energy Star or Minergie® certification.





8

ABOUT US
MATERIALITY
GOVERNANCE
CLIENTS
PEOPLE
SOCIETY
ENVIRONMENT
APPENDIX

“

Rigorous methods enable us to measure and track our ESG performance

Our ESG journey

Our ESG-strategy is based on our materiality analysis and continuously developed. We define for each financial year targets and concrete measures for each ESG-pillar.

The following table provides an overview on the current action plan:

Environment

Category	Area	Initiative	Outcome	Timeline
Policy	Travel policy	Enhance the travel policy to reduce internal and client-related business air travel by promoting alternative ground transportation means	<ul style="list-style-type: none"> ▶ Changing behaviors and decision making ▶ Reducing business travel to reach carbon ambition 	FY22-FY23
Action	Office electricity	Procure renewable energy for the remaining 5% of our EY office space that is currently not renewable	<ul style="list-style-type: none"> ▶ 100% renewable energy across all offices 	FY22
	Office waste	Identify further measures to increase data accuracy on waste and enable appropriate reduction measures	<ul style="list-style-type: none"> ▶ Reduction of GHG emissions ▶ Increased data accuracy 	FY22 and beyond
	Employee commute	Revise mobility/car allowance guidelines	<ul style="list-style-type: none"> ▶ Changing behaviors and decision making ▶ Reduce GHG footprint of employee commute/travel 	FY23
	Travel	Implement the updated travel policy, providing tools and monitoring travel activities	<ul style="list-style-type: none"> ▶ Reaching our carbon ambition of reducing business travel by 35% until 2025 	FY25
	Training	Provide sustainability training to promote awareness	<ul style="list-style-type: none"> ▶ Upskilling of our people ▶ Changing behaviors and decision making 	FY22-FY23
Measuring	GHG estimation	Enhance data collection and accuracy on an ongoing basis	<ul style="list-style-type: none"> ▶ Comprehensive data collection ▶ Regular and timely reporting 	FY22

Social

Category	Workstreams	Initiative	Outcome	Timeline
Policy	Community investment guideline	Define volunteering, donations and pro-bono criteria and targets	<ul style="list-style-type: none"> ▶ Holistic approach and foundation as operating standard ▶ Greater control on adherence to criteria 	FY22
Action	EY Ripples	Continue to run 4-6 local projects for each EY Ripples pillar in collaboration with third parties and non-profit organizations	<ul style="list-style-type: none"> ▶ Increasing lives impacted ▶ Providing an exceptional career experience to our people 	Ongoing
	People engagement	Continue to develop people engagement communication plan	<ul style="list-style-type: none"> ▶ Increasing volunteering hours and participants 	Ongoing
	Diversity & Inclusiveness	Increase NextWave leadership workshop and mentoring program participation	<ul style="list-style-type: none"> ▶ Changing behaviors ▶ Increasing diversity in senior leadership positions 	Ongoing
Measuring	Community investment reporting	Increase reporting ability around pro-bono, sponsoring, skill building events and memberships	<ul style="list-style-type: none"> ▶ Greater transparency and data accuracy on our community investment ▶ Greater control on adherence to criteria 	FY22

Governance

Category	Workstreams	Initiative	Outcome	Timeline
Policy	CR ambassador network	Create an ambassador network across all Swiss locations	<ul style="list-style-type: none"> ▶ Greater alignment and local sounding 	FY22
Action	Stakeholder engagement	Run a holistic stakeholder engagement approach	<ul style="list-style-type: none"> ▶ Monitoring of material topics 	Ongoing
	Diversity & Inclusiveness	Introduce Swiss D&I KPI framework	<ul style="list-style-type: none"> ▶ Building a gender balanced pipeline of the next generation leaders for our highest governance bodies and senior leadership 	FY21-FY22
	Risk Management Trainings	Continuous training and awareness program on Anti-bribery and Independence	<ul style="list-style-type: none"> ▶ No incidents of non-compliance with laws, regulations and EY values and professional standards 	Ongoing
	External communication	Increase external communication around sustainability	<ul style="list-style-type: none"> ▶ Increased visibility on sustainability topics and EY's contribution 	FY22
Measuring	EcoVadis Assessment	Conduct re-assessment and publish results externally	<ul style="list-style-type: none"> ▶ Increase prior year rating ▶ Greater transparency by sharing our scorecard with clients 	FY22
	CR scorecard	Deploy CR scorecard aligned with NextWave	<ul style="list-style-type: none"> ▶ Report progress on annual basis ▶ Inform NextWave KPIs for leadership on D&I, carbon ambition progress and EY Ripples lives impacted 	FY22

GRI Index with UN SDG mapping

General Disclosures

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Disclosure	Disclosure title	Page	Comment	SDG mapping	
Organization Profile					
GRI 102: General Disclosures 2016	102-1	Name of the organization	12		
	102-2	Activities, brands, products, and services	14		
	102-3	Location of headquarters	13		
	102-4	Location of operations	13		
	102-5	Ownership and legal form	12		
	102-6	Markets served	13		
	102-7	Scale of the organization	13, 118, 125	Data for quantity of services provided is not available. However, the nature of services is provided on page 14 and total number of clients served is provided on page 6.	
	102-8	Information on employees and other workers	118	A significant proportion of our activities are performed by our own employees. No significant variations in the number of employees by contract, by gender and by region has been observed. The employee data has been compiled based on data captured in the HR Management systems.	8, 10
	102-9	Supply chain	41		
	102-10	Significant changes to the organization and its supply chain		No significant changes to the organization's size, structure, ownership, or supply chain have been observed.	
	102-11	Precautionary Principle or approach	35		
	102-12	External initiatives	114-117	Ten Principles of UNGC (page 114), Global Human Rights Statement (page 114), Global Executive Diversity & Inclusion Statement (page 115), Global Environmental Statement (page 116)	
	102-13	Membership of associations	40, 62, 82	United Nations Global Compact (UNGC) on page 40, Prix Swiss Venture Club on page 62, Swiss LGBTI Label on page 82, Fair-On-Pay label on page 82	
Strategy					
102-14	Statement from senior decision-maker	04			
Ethics and Integrity					
102-16	Values, principles, standards, and norms of behavior	14-15, 33		16	
102-17	Mechanisms for advice and concerns about ethics	33			
Governance					
102-18	Governance structure	29-32			
102-19	Delegating authority	30			
102-20	Executive-level responsibility for economic, environmental, and social topics	30			
102-21	Consulting stakeholders on economic, environmental, and social topics	32		16	
102-24	Nominating and selecting the highest governance body	30		5, 16	
102-26	Role of highest governance body in setting purpose, values, and strategy	32			
102-28	Evaluating the highest governance body's performance	31			
102-29	Identifying and managing economic, environmental, and social impacts	32		16	

General Disclosures

2/2

Disclosure	Disclosure title	Page	Comment	SDG mapping	
Governance					
GRI 102: General Disclosures 2016	102-30	Effectiveness of risk management processes	35		
	102-31	Review of economic, environmental, and social topics	32		
	102-32	Highest governance body's role in sustainability reporting	32		
	102-35	Remuneration policies	31, 82		
	102-36	Process for determining remuneration	31		
	102-37	Stakeholders' involvement in remuneration	31, 75		16
	Stakeholder Engagement				
102-40	List of stakeholder groups	21			
102-41	Collective bargaining agreements		Collective bargaining is not relevant to our organization and therefore this disclosure is not applicable.		
102-42	Identifying and selecting stakeholders	21			
102-43	Approach to stakeholder engagement	22-23			
102-44	Key topics and concerns raised	22-23			
Reporting Practice					
102-45	Entities included in the consolidated financial statements	20			
102-46	Defining report content and topic Boundaries	20			
102-47	List of material topics	25			
102-48	Restatements of information	20			
102-49	Changes in reporting	20			
102-50	Reporting period	20			
102-51	Date of most recent report	20			
102-52	Reporting cycle	20			
102-53	Contact point for questions regarding the report	20			
102-54	Claims of reporting in accordance with the GRI Standards	20			
102-55	GRI content index	106-113			
102-56	External assurance	134			

GRI Index with UN SDG mapping

Economic

Disclosure	Disclosure title	Page	Comment	SDG mapping
Economic Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	04	
	103-2	The management approach and its components	04	
	103-3	Evaluation of the management approach	04	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	125	The economic value generated and distributed from operations at our subsidiary in Liechtenstein is insignificant in value and hence has been included in the amount of economic value generated and distributed at EY Switzerland. 8
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	86	
	103-2	The management approach and its components	86	
	103-3	Evaluation of the management approach	86	
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect impacts	84-90	We do not measure significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agenda. 1, 3, 8
Procurement Practices				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	41	
	103-2	The management approach and its components	41	
	103-3	Evaluation of the management approach	41	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	41	8
Anti-Corruption				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	36	
	103-2	The management approach and its components	36	
	103-3	Evaluation of the management approach	36	
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	36, 39	16
	205-3	Confirmed incidents of corruption and actions taken	36	16
Anti-Competitive Behavior				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	37	
	103-2	The management approach and its components	37	
	103-3	Evaluation of the management approach	37, 33	(EY/Ethics Hotline)
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	38	16

Environment

1/2

Disclosure	Disclosure title	Page	Comment	SDG mapping		
Materials						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	94			
	103-2	The management approach and its components	94			
	103-3	Evaluation of the management approach	94			
GRI 301: Materials 2016	301-2	Recycled input materials used	The Data Management System to capture the relevant information is currently being put in place. Therefore, data on this indicator is not available for the reporting period.	8, 12		
Energy						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	94-96			
	103-2	The management approach and its components	94-96			
	103-3	Evaluation of the management approach	94-96			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	124	Standards, methodologies, and assumptions applied for the calculation of energy consumption is provided on page 127-128.	7, 8, 12, 13	
	302-3	Energy intensity	124		7, 8, 12, 13	
	302-4	Reduction of energy consumption	124	Standards, methodologies, and assumptions applied for the calculation of energy consumption is provided on page 127-128. The reduction in energy consumption for the reporting period is measured against the energy consumption of FY19	7, 8, 12, 13	
Emissions						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	94, 95, 97			
	103-2	The management approach and its components	94, 95, 97			
	103-3	Evaluation of the management approach	94, 97			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	97	EY has worked with the Science-Based Targets initiative to develop and validate a science-based target to reduce the total emissions by 40% across the entire organization by 2025 against the base year, FY19. There have been no significant changes in the emissions that triggered recalculation of the base year emissions.		
	305-2	Energy indirect (Scope 2) GHG emissions	97			
	305-3	Other indirect (Scope 3) GHG emissions	97			
	305-4	GHG emissions intensity	97			13
	305-5	Reduction of GHG Emission	122			13
Waste						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	94			
	103-2	The management approach and its components	94			
	103-3	Evaluation of the management approach	94			
GRI 306: Waste 2016	306-1	Waste generation and significant waste related impacts	100		12	
	306-2	Management of significant waste related impacts	100	We have initiated the process to report and monitor waste related data and have completed it for one of our offices at Zurich. Hereon, we will be replicating the process for all our remaining 11 offices. Therefore, in the subsequent reporting periods, using our waste data management system, we are expected to report on the waste generation from all our offices.	8, 12	

GRI Index with UN SDG mapping

Environment

2/2

Disclosure	Disclosure title	Page	Comment	SDG mapping
Environmental Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	35	
	103-2	The management approach and its components	35	
	103-3	Evaluation of the management approach	35	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	35	16
Supplier Environmental Assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	41	
	103-2	The management approach and its components	41	
	103-3	Evaluation of the management approach	41	
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	42	No significant actual and potential negative environmental impacts were identified in the supply chain.

Social

1/4

Disclosure	Disclosure title	Page	Comment	SDG mapping
Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	66	
	103-2	The management approach and its components	66	
	103-3	Evaluation of the management approach	66	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	120	5, 8, 10
	401-3	Parental leaves	122	5, 8
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	70	
	103-2	The management approach and its components	70	
	103-3	Evaluation of the management approach	70, 72-74	
GRI 403: Occupational Health and Safety 2016	403-3	Occupational health services	70-72	8
	403-5	Worker training on occupational health and safety	70-72	8
	403-6	Promotion of worker health	70-72	3
	403-10	Work-related ill health	72	We do not track work-related illnesses and accidents in our industry. We do not have a system in place for recording work-related illnesses and accidents, however, we monitor the overall absence hours on illnesses, accidents and medical leaves. 3, 8, 16

Social

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Disclosure	Disclosure title	Page	Comment	SDG mapping
Training and Education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	75	
	103-2	The management approach and its components	75	
	103-3	Evaluation of the management approach	75	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	121	We calculate average training hours per employee, however we do not classify average training hours per employee by gender and employee category. 4, 8
	404-2	Programs for upgrading employee skills and transition assistance programs	75-76	8
	404-3	Percentage of employees receiving regular performance and career development reviews	75	5, 8, 10
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	78	
	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	78	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	118, 119, 121	5, 8
Non-Discrimination				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	78	
	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	72	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken		There are no incidents of discrimination during the reporting period 5, 8
Freedom of Association and Collective Bargaining				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	44	
	103-2	The management approach and its components	44	
	103-3	Evaluation of the management approach	44	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	44	Freedom of association or collective bargaining does not apply to our own operations. We monitor human rights compliance of our suppliers through the supplier due diligence process. Based on available policies and feedback mechanisms, we identify actual and potential human rights risk of our suppliers. To date, we have identified no such human rights risks amongst the suppliers. 8

GRI Index with UN SDG mapping

Social

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Disclosure	Disclosure title	Page	Comment	SDG mapping	
Child Labor					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	44		
	103-2	The management approach and its components	44		
	103-3	Evaluation of the management approach	44		
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	44	Our employment policies ensure zero tolerance of child labor. Our organization's activities are not hazardous in nature. Therefore, to date we have identified no risks for incidents of child labor or young worker exposed to hazardous work from our own operations. With respect to our suppliers, we monitor human rights compliance through the supplier due diligence process. To date, we have identified no risks for incidents of child labor in our supply chain.	8, 16
Forced or Compulsory Labor					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	44		
	103-2	The management approach and its components	44		
	103-3	Evaluation of the management approach	44		
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	44	Our employment policies ensure zero tolerance of forced or compulsory labor. Therefore, to date we have identified no risks for incidents of forced or compulsory labor. With respect to our suppliers, we monitor human rights compliance through the supplier due diligence process. This includes identifying actual and potential human rights risk of our suppliers such as forced or compulsory labor. To date, we have identified no risks for incidents of forced or compulsory labor in our supply chain.	8
Human Rights Assessment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	44, 114		
	103-2	The management approach and its components	44, 114		
	103-3	Evaluation of the management approach	44, 114		
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	39, 44		
Local Communities					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	86		
	103-2	The management approach and its components	86		
	103-3	Evaluation of the management approach	86		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	86-90	5, 8, 10, 13, 16, 17	

Social

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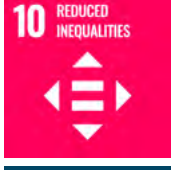

Disclosure	Disclosure title	Page	Comment	SDG mapping
Supplier Social Assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	41	
	103-2	The management approach and its components	41	
	103-3	Evaluation of the management approach	41	
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	42	No significant actual and potential negative social impacts were identified in the supply chain. 8, 16
Marketing and Labeling				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	59	
	103-2	The management approach and its components	59	
	103-3	Evaluation of the management approach	59-60	
GRI 417: Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	59	
	417-3	Incidents of non-compliance concerning marketing communications	59	
Customer Privacy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	58	
	103-2	The management approach and its components	58	
	103-3	Evaluation of the management approach	58	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	58	16
Socioeconomic Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	35	
	103-2	The management approach and its components	35	
	103-3	Evaluation of the management approach	35	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	35	

Supporting the Ten Principles of the UNGC

We strive to build a better working world by adhering to the highest ethical standards, protecting human rights, upholding labor standards, protecting the environment and enabling socio-economic development.

We reaffirm this commitment by integrating the Ten Principles of United Nations Global Compact (UNGC) into our strategy, culture and operations. In the table below, we have highlighted how all the relevant UN Principles align to our sustainability report.

Human rights

Alignment to UNGC Principle	Our commitment	Related SDG impact
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p>	<p>EY’s Global Human Rights statement reflects the EY Global Code of Conduct and the United Nations Principles on Business and Human Rights. The statement addresses the rights of our people, including those related to health and safety, labor rights and diversity, equity and inclusiveness. Through our policies, commitments, procedures and initiatives we operationalize the Global Human Rights statement in our workspace, supply chain and communities. All our employees undergo training and confirm their commitment to our EY Global Code of Conduct.</p>	
<p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>Our responsibility to respect human rights extends beyond our direct operations into our supply chains, where we seek to influence the broad adoption of labor rights and maintain an active view of the human rights performance of direct and indirect suppliers.</p> <p>Our Global Procurement Policy includes our Supplier Code of Conduct, which provides guidance on the highest levels of human rights standards that our suppliers must adhere to and all our contractual agreements are bound by the Code. The Supplier Code of Conduct outlines expectations around issues including sustainability, human rights, modern slavery and child labor and suppliers are asked to verify their adherence and standards at the RFI/RFP stage (and to confirm these details at the time of contract execution). Further, we collaborate with our CCaSS team to train our Supply Chain Services on human rights and modern slavery; to shape policy and processes; and to actively input on procurement strategy in our supply chain. For more details, see section: “Governance”, starting on page 26.</p> <p>We also conduct thorough ESG due diligence (including human rights standards review) prior to onboarding new suppliers and periodic ESG reviews for our existing suppliers. For more details, see section: “Governance”, starting on page 26.</p> <p>We also acknowledge our roles and responsibilities toward protecting and upholding human rights in our communities. As a part of this, we involve our own people and also collaborate with clients, NGOs and impact networks to engage in social activities through corporate responsibility programs like EY Ripples & EY Cares. For more details, see section: “Society”, starting on page 84.</p>	    

Labor

Alignment to UNGC Principle	Our commitment	Related SDG impact
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Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

See UNGC Principal 1

Principle 4:

the elimination of all forms of forced and compulsory labor

Principle 5:

the effective abolition of child labor; and

Principle 6:





the elimination of discrimination in respect of employment and occupation.

EY has signed the Global Executive Diversity & Inclusion Statement, which ensures that diverse mindsets and opinions are represented and respected across EY. Our approach to D&I-related activities is outlined in the Global D&I Roadmap and Culture Change Continuum. As part of our D&I progress monitoring, we regularly review our compensation practices, both in terms of our workforce and individual employees. In addition, the Global Inclusion and Non-Discrimination Policy complements our commitments to ensure zero tolerance of discrimination, intimidation and harassment and encourages equitable and respectful treatment for our people across borders.

In 2019, EY Switzerland received the “Fair-On-Pay” label, which is regularly re-audited and is valid until 2023. The label signifies the robust and fair overall average salary definition practice adopted by EY in the previous five years and underlines the firm’s efforts to close biased pay gaps that might exist on individual level. For more details, see section: “People”, starting on page 64.

Supporting the Ten Principles of the UNGC

Environment

Alignment to UNGC Principle	Our commitment	Related SDG impact
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges.</p>	<p>We incorporate environmental challenges into our strategic decision making and align our efforts to EY’s Global Environmental Statement. The statement outlines the organization’s environmental agenda and priorities and guides us to focus on the following function areas for effective environmental management: Business travel, Office operations, Procurement and continuous improvement and reporting on environmental performance.</p>	
<p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p>	<p>To mobilize our Global Environmental Statement on the functional areas, we practice good governance in our organization through transparency and accountability to both our internal and external stakeholders. As a part of this, we maintain robust monitoring and reporting around our KPIs and have initiated the process of communicating our ESG performance through a Sustainability Report and EcoVadis Business Sustainability Rating.</p>	
<p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Corresponding with our efforts to enhance ESG performance, we are implementing specific environmentally friendly programs and technologies that reduce our company’s environmental footprint. Such initiatives include reducing our carbon footprint, encouraging responsible material consumption, reducing our business travel, collaborating with our value chain partners and educating our people on eco-friendly work practices. For more details, see section: “Environment”, starting on page 92.</p>	
		

Anti-Corruption

Alignment to UNGC Principle

Our commitment

Related SDG impact

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

We adopt the EY Global Anti-bribery Policy that supports the EY Global Code of Conduct by establishing a prohibition on bribery in all forms, including facilitation payments. Additionally, we have the Global Policy for reporting Non-Compliance with Laws, Regulations and EY's Code of Conduct (NOCLAR).

Further, to ensure that that no corrupt activities exist across the organization's value chain, our people are also expected to comply with the Procurement Global Policy, the Business Relationships Global Policy and the Hospitality and Gifts Policy.

Along with implementation of robust policies, we also raise our people's awareness on corruption risks through our comprehensive digital training and communication offerings. For instance, all our people (including partners) are required to complete the "Anti-Bribery and You!" training.

We empower our people raise any concerns about suspected fraud, bribery and corruption or any violation through our EY/Ethics hotline and without fear of punishment or unfair treatment.

Externally, we play a significant role in helping our clients' businesses combat corruption and other forms of financial crime through our service offerings such as the EY Forensic & Integrity Services. These services help clients balance business objectives and risks, build data-centric ethics and compliance programs and ultimately develop a culture of integrity.

As a global organization, EY continues to take a seat at the World Economic Forum's Partnering Against Corruption Initiative (PACI) and has recently been appointed as the knowledge partner to the B20's Transparency and Anti-Corruption working group. We are involved in this initiative together with around 170 other organizations and companies to disseminate the PACI Principles for Countering Bribery.

For more details, see section: "Environment", starting on page 92.



Facts and figures

Client value

Average client recommendation score (Non-GRI)

Parameter	FY19 (out of 10)	FY20 (out of 10)	FY21 (out of 10)
Average client recommendation score	8.08	8.20	8.48

Client base for Swiss Market Index (SMI) companies (Non-GRI)

Parameter	FY19 (no.)	FY20 (no.)	FY21 (no.)
Number of SMI clients served	20	19	19

Client base (Non-GRI)

Parameter	FY19 (no.)	FY20 (no.)	FY21 (no.)
Number of clients served	6,842	6,775	6,687

People value

Data on employment

Employees by employment contract, by gender (GRI 102-8)

Parameter	FY19 (no.)	Female (%)	Male (%)	FY20 (no.)	Female (%)	Male (%)	FY21 (no.)	Female (%)	Male (%)
Permanent employees	2,500	40.72	59.28	2,423	40.61	59.39	2,439	40.42	59.58
Temporary employees	181	37.01	62.99	148	39.86	60.14	166	40.96	59.01
Total employees	2,681	40.46	59.54	2,571	40.56	59.44	2,605	40.46	59.54

Note: The total headcount of each FY includes the contractors, interns, trainees/apprentices.

Total number of employees by employment category (permanent and temporary) by gender (GRI 102-8) and percentage of employees per employee category by gender (405-1)

Parameter	FY19 (no.)	Female (%)	Male (%)	FY20 (no.)	Female (%)	Male (%)	FY21 (no.)	Female (%)	Male (%)
Management (permanent)	982	31.37	68.63	987	31.91	68.09	1019	32.28	67.72
Non-management (permanent)	1,518	46.78	53.22	1,436	46.48	53.52	1,420	46.26	53.74
Contract employees (temporary)	127	37.79	62.21	86	36.04	63.96	113	37.16	62.84
Interns, trainees/ apprentices (temporary)	54	35.18	64.82	62	45.16	54.84	53	49.05	50.95
Total employees	2,681	40.46	59.54	2,571	40.56	59.44	2,605	40.46	59.54

People value

Data on employment

Percentage of employees per employee category by age group (GRI 405-1)

Parameter	FY19 (no.)	<30 (%)	30-50 (%)	>50 (%)
Management (permanent)	982	3.85	83.50	12.65
Non-management (permanent)	1,518	61.26	34.78	3.96
Contract employees (temporary)	127	12.59	54.33	33.08
Interns, trainees/apprentices (temporary)	54	100	0	0
Total employees	2,681	38.70	52.88	8.42

Parameter	FY20 (no.)	<30 (%)	30-50 (%)	>50 (%)
Management (permanent)	987	4.16	83.08	12.76
Non-management (permanent)	1,436	59.05	36.78	4.17
Contract employees (temporary)	86	10.46	46.52	43.02
Interns, trainees/apprentices (temporary)	62	96.80	1.60	1.60
Total employees	2,571	37.38	54.55	8.07

Parameter	FY21 (no.)	<30 (%)	30-50 (%)	>50 (%)
Management (permanent)	1019	2.74	84.78	12.46
Non-management (permanent)	1,420	57.32	39.08	3.60
Contract employees (temporary)	113	6.19	53.09	40.70
Interns, trainees/apprentices (temporary)	53	98.20	1.80	0
Total employees	2,605	34.58	56.82	8.60

Employees by service line (Non-GRI)

Parameter	FY19 (no.)	FY20 (no.)	FY21 (no.)
Assurance	924	927	969
Consulting	422	380	399
Core Business Services	377	356	340
People Advisory Services	170	160	142
Strategy and Transactions	215	209	196
Tax	446	453	446
Total	2,554	2,485	2,492

Note: The total headcount of each service line excludes the contractors.

Facts and figures

People value

Data on new hires

Total number and rate of new employee hires by gender (GRI 401-1)

Parameter	FY19 (no.)	Female (%)	Male (%)	FY20 (no.)	Female (%)	Male (%)	FY21 (no.)	Female (%)	Male (%)
New hires	786	38.55	61.45	614	39.90	60.10	654	40.50	59.50

Parameter	FY19	Female	Male	FY20	Female	Male	FY21	Female	Male
Hiring rate (%)	29.31	27.92	30.26	23.88	23.48	24.14	25.10	25.43	26.19

Note: Hiring rate is equal to number of employees hired to total headcount. Hiring rate of female employees is number of female employees hired to the total female headcount. Hiring rate of male employees is number of male employees hired to the total male headcount.

People value

Data on employee turnover

Total number and rate of employee turnover by gender (GRI 401-1)

Parameter	FY19	Female	Male	FY20	Female	Male	FY21	Female	Male
Employee turnover (no.)	799	306	493	795	331	464	523	196	327
Turnover rate (%)	29.80	28.20	30.88	30.92	31.73	30.36	20.07	19.32	22.02

Note: Turnover rate is calculated by total leavers divided by total headcount. Turnover rate of female employees is calculated by total female leavers divided by total female headcount. Turnover rate of male employees is calculated by total male leavers divided by total male headcount.

Total number and rate of employee turnover by age group (GRI 401-1)

Parameter	FY19		FY20		FY21	
	Employee turnover (no.)	Turnover rate (%)	Employee turnover (no.)	Turnover rate (%)	Employee turnover (no.)	Turnover rate (%)
<30	358	34.48	423	44.15	275	30.52
30-50	387	27.31	326	23.47	223	15.06
>50	54	23.89	46	20.53	25	11.16

People value

Data on apprentices

Apprentice data (Non-GRI)

Parameter	FY19 (no.)	FY20 (no.)	FY21 (no.)
New hires	6	6	4
Active apprentices employed	19	18	16

People value

Data on learning hours

Average learning hours for employees (GRI 404-1)

Parameter	FY19 (no.)	FY20 (no.)	FY21 (no.)
Average learning Hours per employee	47.75	49.16	46.32

Note: Average learning hours per employee is the cumulative service line learning hours divided by the number of permanent employees

People value

Data on diversity of governance bodies and employee categories

Diversity of governance bodies by gender (GRI 405-1)

Parameter	FY19 (no.)	Female (%)	Male (%)	FY20 (no.)	Female (%)	Male (%)	FY21 (no.)	Female (%)	Male (%)
Board of Directors	4	0	100	4	0	100	3	33	67
SMC Members	10	20	80	12	17	83	9	22	78

Diversity of employee categories by gender (GRI 405-1)

Parameter	FY19		FY20		FY21	
	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)
Leadership (Partners, Associate Partners, Directors)	15	85	15	85	18	82
Middle Management (Senior Managers and equivalent Core Business Services ranks)	33	67	36	64	35	65
Junior Management (Managers and equivalent Core Business Services ranks)	40	60	38	62	39	61

Diversity of governance bodies and employees by age (GRI 405-1)

Parameter		FY19 (%)	FY20 (%)	FY21 (%)
Board of Directors	30-50	25	0	0
	>50	75	100	100
SMC Members	30-50	50	58	56
	>50	50	42	44
Leadership (Partners, Associate Partners, Directors)	30-50	69	67	66
	>50	31	33	34
Middle Management (Senior Managers and equivalent Core Business Services ranks)	30-50	92	92	93
	>50	8	8	7
Junior Management (Managers and equivalent Core Business Services ranks)	<30	10	10	7
	30-50	85	85	89
	>50	5	5	4

Facts and figures

People value

Data on parental leave

Parental leave of permanent employees (GRI 401-3)

Parameter	FY19		FY20		FY21	
	Female	Male	Female	Male	Female	Male
Employees entitled for parental leave (%)	100	100	100	100	100	100
Employees that took parental leave (no.)	69	82	76	73	56	82
Employees that returned to work in the reporting period after parental leave ended (no.)	69	81	76	73	55	82
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work (no.)	48	66	62	62	48	71
Return rate of those that took parental leave (%)	100	99	100	100	98	100
Retention rates of employees that took parental leave (%)	70	80	82	85	86	87

Social value

Community investments (GRI 201-1)

Parameter		FY19 (CHF)	FY20 (CHF)	FY21 (CHF)
Charitable Contributions	Cash	208,375	0	130,484
	Selected sponsorships	493,392	0	375,147
In kind	Pro-bono/low-bono	22,735	112,690	3,215
Time	Traditional volunteering	13,722	5,870	0
	Skills-based volunteering	795	120,188	143,565
Program management cost (management FTE and management cost)		241,133	221,563	29,442
Total		980,152	460,311	681,853

Note: The source for these figures is the Enablon community investment reporting tool, where we had to look for cash donations, SDG related sponsorships/ memberships and pro-bono engagements which are not marked as such in the financial system – they have to be tracked manually. The reported figures are the minimum that could be detected the actual investments are assumed to be higher.

Skills-based volunteering – EY Ripples (Non-GRI)

Parameter	FY19	FY20	FY21
Lives impacted (no.)	56,870	95,078	1,207,695
Employee participation (no.)	23	84	197
Staff hours (hours)	8	1,225	13,536

Note: The steep rise in the lives impacted is due to a high-impact long-term project with FH Europe.

Environmental value

Data on GHG emissions

Direct (Scope 1) GHG emissions; Energy indirect (Scope 2) GHG emissions; Other indirect (Scope 3) GHG emissions (GRI 305-1, 305-2, 305-3)

Parameter	FY19 (tCO ₂ e)	Percentage of total GHG emissions (%)	FY20 (tCO ₂ e)	Percentage of total GHG emissions (%)	FY21 (tCO ₂ e)	Percentage of total GHG emissions (%)
Scope 1						
Fugitive emissions	27	0.32	27	0.41	27	0.71
Total Scope 1 emissions	27	0.32	27	0.41	27	0.71
Scope 2						
Grid electricity	95	1.15	88	1.34	76	2.01
District heating	422	5.09	400	6.09	405	10.73
Total Scope 2 emissions	517	6.24	488	7.43	481	12.74
Scope 3						
Fuel and electricity-related activities	82	0.99	79	1.21	98	2.60
Waste disposal	2	0.03	4	0.05	2	0.04
Business travel	3,851	46.44	3,820	58.17	261	6.92
Employee commute	3,676	44.34	1,534	23.35	217	5.74
Remote working	135	1.63	616	9.38	2,692	71.25
Total Scope 3 emissions	7,747	93.43	6,053	92.16	3,270	86.55
Total GHG emissions (tCO₂e)	8,291	100.00	6,567	100.00	3,779	100.00

Reduction of GHG emissions (GRI 305-5)

Parameter	FY19	FY20			FY21		
	Base year emissions (tCO ₂ e)	Absolute emissions (tCO ₂ e)	Reduction in emissions compared to base year (tCO ₂ e)	Percentage reduction (%)	Absolute emissions (tCO ₂ e)	Reduction in emissions compared to base year (tCO ₂ e)	Percentage reduction (%)
Scope 1 emissions	27	27	0	0	27	0	0
Scope 2 emissions	517	488	30	6	481	36	7
Scope 3 emissions	7,747	6,053	1,694	22	3,270	4,476	58
Total emissions	8,291	6,567	1,724	21	3,779	4,513	54

Facts and figures

Environmental value

Data on Energy

Energy consumption in gigajoules (GJ) within the organization (GRI 302-1)

Parameter	FY19 (GJ)	Percentage of total energy consumption (%)	FY20 (GJ)	Percentage of total energy consumption (%)	FY21 (GJ)	Percentage of total energy consumption (%)
Electricity consumption	8,399	39	7,556	38	5,960	32
Heating consumption	8,636	41	8,345	42	8,551	46
Cooling consumption	4,243	20	4,064	20	4,048	22
Total energy consumption within the organization	21,278	100	19,965	100	18,559	100

Note: Conversion factor 1 kWh = 0.0036 GJ

Reduction of energy consumption (GRI 302-4)

Parameter	FY19		FY20		FY21		
	Base year energy consumption (GJ)	Energy consumption (GJ)	Reduction in energy consumption compared to base year (GJ)	Percentage reduction (%)	Energy consumption (GJ)	Reduction in energy consumption compared to base year (GJ)	Percentage reduction (%)
Electricity consumption	8,399	7,556	843	10	5,960	2,439	29
Heating consumption	8,636	8,345	291	3	8,551	85	1
Cooling consumption	4,243	4,064	179	4	4,048	195	5
Total energy consumption within the organization	21,278	19,965	1,313	6	18,559	2,719	13

Energy intensity (GRI 302-3)

Parameter	FY19 (GJ/FTE)	FY20 (GJ/FTE)	FY21 (GJ/FTE)
Energy intensity	8.81	8.52	7.54

Note: Energy intensity is the total energy consumption within the organization/total headcount.

Environmental value

Data on Waste

Total waste generated (GRI 306-1)

Parameter	FY19 (in tons)	FY20 (in tons)	FY21 (in tons)
Paper Waste recycled	70.73	91.01	31.53
E-waste recycled	0.11	2.50	0.42
E-waste reused	0.62	0.56	0.79
Mixed waste combustion	31.79	71.80	35.70
PET waste recycled	0	0	2.086
Cardboard waste recycled	0	3.13	1.60
Total	103.25	169.00	72.12

At our Zurich office, we receive valid data related to waste that allow categorization. Due to the data situation, we have extrapolated the Swiss-wide waste based on the Zurich data assuming that there are no major discrepancies in waste generation across the offices. Zurich covers approximately 50% of our workforce. The extrapolation was made based on overall FTEs. In FY19, PET waste was not recorded as we could recycle for free and cardboard was not segregated from general waste.

Financial value

Total capitalization (GRI 102-7)

Parameter	FY19 (CHF)	% of total capitalization	FY20 (CHF)	% of total capitalization	FY21 (CHF)	% of total capitalization
Debt	227,965,107	93	217,990,046	93	262,551,940	94
Equity	16,848,570	7	17,314,586	7	16,919,486	6
Total	244,813,677	100	235,304,632	100	279,471,426	100

Economic value generated (GRI 201-1)

Parameter	FY19 (CHF)	% of total value generated	FY20 (CHF)	% of total value generated	FY21 (CHF)	% of total value generated
Assurance	222,161,000	41	225,372,000	42	234,202,000	42
Consulting	111,786,000	21	104,612,000	19	100,603,000	18
People Advisory Service	34,972,000	6	36,276,000	7	37,037,000	7
Strategy and Transactions	54,950,000	10	56,566,000	10	59,556,000	11
Tax	115,498,000	21	116,606,000	22	121,124,000	22
Net revenue from all service lines	539,367,000	100	539,432,000	100	552,522,000	100
Income from any other sources	0	0	0	0	0	0
Total economic value generated	539,367,000	100	539,432,000	100	552,522,000	100

Note: Total economic value generated (CHF) is the net revenue from all service lines plus income from any other sources

Economic value distributed (GRI 201-1)

Parameter	FY19 (CHF)	% of total value distributed	FY20 (CHF)	% of total value distributed	FY21 (CHF)	% of total value distributed
Operating costs	74,417,463	14	73,911,912	14	70,178,419	13
Employee wages and benefits	421,993,477	78	422,167,996	78	435,532,296	79
Payments to providers of capital	3,626,000	1	3,449,128	1	3,413,642	1
Payments to government	35,879,461	7	36,365,783	7	39,927,813	7
Community investments	123,894	0	34,471	0	64,930	0
Total economic value distributed	536,040,295	100	535,929,290	100	549,117,100	100

Economic value retained (GRI 201-1)

Parameter	FY19 (CHF)	FY20 (CHF)	FY21 (CHF)
Total economic value retained (CHF) = Total value generated – total value distributed	3,326,705	3,502,710	3,404,900

Note: Total economic value retained (CHF) is the total value generated minus total value distributed.

Methodology for GHG emission estimation

At EY Switzerland, we collected data to estimate our GHG emissions for FY19, FY20 and FY21. We coordinated and consolidated the data collection for all our offices in

Switzerland and Liechtenstein, representing 100 percent of the firm's headcount.

1. Reporting scope and period

- 1.1 The GHG emissions are reported in line with EY's financial year, which runs from 1 July to 30 June.
- 1.2 Our methodology for estimating GHG emissions is based on the principles defined by The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (updated 2015).

2. Estimation of Scope 1, Scope 2, and Scope 3 emissions

- ▶ We estimate our emissions by multiplying the activity data of the environmental indicator and the relevant emission factor for the activity.
- ▶ These emissions are reported in tons of CO2 equivalent, which considers the impact of the greenhouse gases carbon dioxide, methane, and nitrous oxide and hydrofluorocarbons (in our case: R-410A).

2.1 Estimation of Scope 1 emissions

Scope 1 emissions encompass the estimated fugitive emissions associated with the refrigerant gas R-410A for FY19, FY20, and FY21.

Definition Emissions from HVAC systems resulting from the leakage of refrigerant gases over the operational life of the equipment

Activity Data The activity data encompasses the refrigerant gas charged into the HVAC system

- Assumptions**
- ▶ Each of the 52 HVAC systems has an equivalent refrigeration capacity of R-410A i.e., 0.8 tons of refrigeration (TR)
 - ▶ A HVAC system of 1 TR capacity requires 1 kg of R-410A
 - ▶ The frequency of maintenance for all HVAC systems that includes recharging of R-410A is 3 years. As a result, we assume that equal quantities of R-410A were charged into each of the 52 HVAC systems for FY19, FY20 and FY21

Source of global warming potential (GWP) considered Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report (2014)

2.2 Estimation of Scope 2 emissions

2.2.1 Purchased electricity from power utility

Definition Emissions resulting from electricity generation for use within the offices controlled and owned by us

Activity Data The activity data encompasses the electrical energy consumption at our offices

Source of emission factors considered Grid (electricity generation) emission factor for Switzerland and Liechtenstein (non-OECD Europe): IEA 2018 database

2.2.2 Purchased electricity from landlord

Definition Emissions resulting from the use of electricity purchased from the landlord for ancillary services such as heating, cooling, ventilation and water treatment and provision

Activity Data The activity data encompasses the electrical energy consumption for ancillary services in our offices

- Assumptions**
- ▶ We receive annual invoices from our landlords for electrical energy consumption (including cooling). This annual billing cycle does not match our reporting period for five of our 11 offices. Taking a conservative approach for those six offices, we consider the electrical energy consumption for the invoice period and financial period to be the same as there have been no significant changes in our operations.
 - ▶ We have received electrical energy consumption data for five offices out of 11 based on the annual invoices received from our landlords for FY21. Due to unavailability of electrical energy consumption data for the remaining offices in FY21, we have taken a conservative approach and considered electrical energy consumption for FY21 and FY20 to be equal as there have been no significant change in our operations.
 - ▶ For our offices at Aarau and Zug we have not received electrical energy consumption data from the landlord for any of the financial years. As a conservative approach we are applying the average electrical energy consumption per built up area to estimate the electrical energy consumption for these offices. We apply similar assumptions to estimate emissions due to cooling at Lugano office.
 - ▶ For Lugano office, as six months electricity consumption data (July 2021 to December 2021) for the invoice period (considered as financial period) is unavailable and there are no monthly invoices for the last 3 FYs, we take a conservative approach and calculate the electricity consumption for FY21, on basis of the average of 12-month total of the electricity consumption of FY20.

Source of emission factors considered Grid (electricity generation) emission factor for Switzerland and Liechtenstein (non-OECD Europe): IEA 2018 database

Methodology for GHG emission estimation

2.2.3 Purchased heat from landlord

Definition This includes emissions resulting from the purchase of heat energy for heating purposes within the offices controlled and owned by us

Activity Data The activity data encompasses the heat energy consumption at our offices

- Assumptions**
- ▶ We receive annual invoices from our landlords for heat energy consumption. This annual billing cycle does not match our reporting period for five of our 11 offices. Taking a conservative approach for those six offices, we consider the heat energy consumption for the invoice period and financial period to be the same as there have been no significant changes in our operations.
 - ▶ We have received heat energy consumption data for five offices out of 11 based on the annual invoices received from our landlord for FY21. Due to unavailability of heat energy consumption data for remaining offices in FY21, we have taken a conservative approach and considered heat energy consumption for FY21 and FY20 to be equal as there have been no significant changes in our operations.
 - ▶ For our offices at Arau and Zug we have not received heat energy consumption data from the landlord for any of the financial years. As a conservative approach we are applying the average heat energy consumption per built up area to estimate the heat energy consumption for these offices. We apply similar assumptions to estimate emissions due to cooling at Lugano office.
 - ▶ For Lugano office, as six months heat energy consumption data (July 2021 to December 2021) for the invoice period (considered as financial period) is unavailable and there are no monthly invoices for the last 3 FYs, we take a conservative approach and calculate the heat energy consumption for FY21, on basis of the average of 12-month total of the heat energy consumption of FY20.

Source of emission factors considered UK (heat and steam) emission factor: DEFRA 2019, 2020, 2021 emissions database

2.3 Estimation of Scope 3 emissions

We follow the Scope 3 standard of the GHG Protocol to monitor and quantify our Scope 3 emissions in the following five categories for FY19, FY20 and FY21:

2.3.1 Fuel and energy related activities

This includes our upstream emissions related to electricity and heat generation and emissions associated with transmission and distribution (T&D) loss

2.3.1.1 Transmission and distribution losses related to electricity supply

Definition	This accounts for emissions associated with the electrical energy lost during supply of electricity from the electric utility to our office.
Activity Data	The activity data encompasses the electrical energy loss in T&D
Assumptions	<ul style="list-style-type: none"> ▶ We have considered T&D loss factors for the calendar year 2018, 2019 and 2020 from IEA databases ▶ T&D loss factors for Switzerland and Liechtenstein are the same
Source of emission factors considered	UK electricity (T&D loss): DEFRA 2019, 2020, 2021 emissions database

2.3.1.2 Transmission and Distribution losses related to supply of heat energy

Definition	This accounts for emissions associated with the heat energy lost during supply of heat from the source of generation to our office.
Activity Data	The activity data encompasses the heat energy loss in district heat distribution.
Assumption	We assume the T&D loss factor is 5% as per DEFRA
Source of emission factors considered	UK electricity (distribution loss – district heat & steam): DEFRA 2019, 2020, 2021 emissions database

2.3.1.3 Upstream emissions related to electricity generation and T&D loss

Definition	Upstream emissions related to electricity generation are emissions associated with extraction, refining and transportation of primary fuels before their use in the generation of electricity
Activity Data	The activity data encompasses the electrical energy consumed and the losses occurring in the transmission and distribution
Source of emission factors considered	<ul style="list-style-type: none"> ▶ Well-to-tank (WTT) conversion factors for electricity generation: WTT overseas electricity (generation) for Switzerland and Liechtenstein (non-OECD Europe): DEFRA 2019, 2020, 2021 emissions database ▶ WTT conversion factors for T&D losses in electricity supply: WTT- overseas electricity (T&D) for Switzerland and Liechtenstein (non-OECD Europe): DEFRA 2019, 2020, 2021 emissions database

2.3.1.4 Upstream emissions related to heat generation and T&D loss

Definition	Upstream emissions related to heat generation are emissions associated with extraction, refining and transportation of primary fuels before their use in the generation of heat
Activity Data	The activity data encompasses the heat energy consumed and the losses occurring in the distribution
Source of emission factors considered	<ul style="list-style-type: none"> ▶ WTT conversion factors for heat energy consumption: WTT heat and steam (UK), DEFRA 2019, 2020, 2021 emissions database ▶ WTT conversion factor for distribution losses in district heat distribution: WTT district heat and steam distribution (UK), DEFRA 2019, 2020, 2021 emissions database

Methodology for GHG emission estimation

2.3.2 Waste disposal

Definition	Emissions from third-party disposal and treatment of waste generated including transportation of waste
Activity Data	The activity data encompasses the quantity of waste recycled and incinerated
Assumptions	<ul style="list-style-type: none"> ▶ We extrapolate based on the waste generated per employee in our office at Zurich to estimate total waste generated at our offices ▶ We assume the waste treatment procedures at all operations are the same as that for our Zurich office
Source of emission factors considered	Waste disposal: DEFRA 2019, 2020, 2021 emissions database
Exclusions	Emissions from wastewater treatment is not accounted in our estimation.

2.3.3 Employee commute

Definition	Emissions from the transportation of employees between their homes and work sites, including emissions associated with extraction, refining and transportation of the raw fuels before they are used to power the transport mode
Activity Data	The activity data encompasses the distance travelled by employees on each mode of transport
Assumptions	<ul style="list-style-type: none"> ▶ 20% of our FTEs worked from home once a week before lockdown, 90% of FTEs work from home post lockdown (16.03.20-11.05.20) ▶ We refer to the Federal Statistical Office (FSO) – Commuting (PEND), Structural survey of the two-way distance travelled by an employee between home and office and the share of each mode of transport used to commute used by the working population of Switzerland ▶ We have considered public road transport as bus transport ▶ All assumptions for operation in Switzerland are applicable for Liechtenstein
Source of emission factors considered	<ul style="list-style-type: none"> ▶ Emission factor for employee commute – cars, motorbike, taxi, rail, bus: DEFRA 2019, 2020, 2021 emissions database ▶ WTT conversion factor for employee commute (extraction, refining and transportation of the raw fuels before they are used to power the transport mode) – cars, motorbike, rail, bus: DEFRA 2019, 2020, 2021 emissions database

2.3.4 Remote working

Definition	These includes emissions pertaining to working from home
Activity Data	The activity data encompasses the electrical energy consumption and heat energy consumption by our employees, attributed to remote working
Assumptions	<ul style="list-style-type: none"> ▶ 20% of our FTE worked from home once a week before lockdown. 90% of FTE work from home post lockdown period ▶ We have adopted the EcoAct homeworking emissions whitepaper to estimate emissions related to remote working ▶ We have referred to the Federal Statistical Office (FSO) – Survey on the energy sources of residential buildings to obtain the assumption on the share of each heat energy source such as heating oil, natural gas, wood, district heat, electricity, electric heat pumps and solar energy in Switzerland. This is applicable for Liechtenstein. We assume here other sources of heating as wood. ▶ We have assumed the emission factors of electric heat pumps is equal to the emission factor of the grid-based electricity ▶ We assume employees require eight months of heat supply to their homes in a year ▶ All assumptions for operation in Switzerland are applicable for Liechtenstein
Source of emission factors considered	<ul style="list-style-type: none"> ▶ Electrical energy from grid and electric heat pumps: Grid (electricity generation) emission factor for Switzerland and Liechtenstein (non-OECD Europe): IEA 2018 database ▶ Heat energy from district heat: UK (heat and steam) emission factor, DEFRA 2019, 2020, 2021 emissions database ▶ Fuel oil, natural gas, and wood: Fuel emission factors, DEFRA 2019, 2020, 2021 emissions database ▶ T&D losses in electricity supply: UK electricity (T&D loss), DEFRA 2019, 2020, 2021 emissions database ▶ Distribution losses in heat energy: District heat and steam distribution (UK), DEFRA 2019, 2020, 2021 emissions database ▶ WTT conversion factors for heat energy consumption: WTT heat and steam (UK), DEFRA 2019, 2020, 2021 emissions database ▶ WTT conversion factor for distribution losses in district heat distribution: WTT district heat and steam distribution (UK), DEFRA 2019, 2020, 2021 emissions database ▶ WTT conversion factors for electricity generation: WTT overseas electricity (generation) for Switzerland and Liechtenstein (non-OECD Europe): DEFRA 2019, 2020, 2021 emissions database ▶ WTT conversion factors for T&D losses in electricity supply: WTT overseas electricity (T&D) for Switzerland and Liechtenstein (non-OECD Europe): DEFRA 2019, 2020, 2021 emissions database ▶ WTT conversion factors of fuels (fuel oil, natural gas, wood): WTT- Fuels, DEFRA 2019, 2020, 2021 emissions database

Methodology for GHG emission estimation

2.3.5 Business travel

This includes emissions associated with employee transport and hotel stays for business reasons.

2.3.5.1 Business transport related emissions

Definition Emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars including emissions associated with extraction, refining and transportation of the raw fuels before they are used to power the transport mode

Activity Data Encompasses the distance travelled derived based on assumptions

- Assumptions**
- ▶ We have considered the cost per km travelled by road derived from available data on cost and distance travelled for a sample population of employees for FY19, FY20, and FY21
 - ▶ We have considered the cost per km travelled on railways from SBB for FY19, FY20 and FY21

- Source of emission factors considered**
- ▶ Emission factor for employee commute for business purposes – air: GHG Protocol's cross sector tools (2017)
 - ▶ Emission factor for employee commute for business purposes – cars, taxi, and rail: DEFRA 2019, 2020, 2021 emissions database
 - ▶ WTT conversion factor for employee commute for business purposes (extraction, refining and transportation of the raw fuels before they are used to power the transport mode) – cars, taxi, rail, air (including radiative forcing): DEFRA 2019, 2020, 2021 emissions database

2.3.5.2 Hotel stay

Definition Emissions associated with overnight hotel stays during business trips

Activity Data We use the number of rooms stayed per night

Assumption In cases where emission factors are unavailable for a country, we are taking an average of available emission factors of all countries

Source of emission factors considered Hotel stay emission factors: DEFRA 2019, 2020, 2021 emissions database



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To the Management Committee of
Ernst & Young Ltd, Basel

Zurich, 22 December 2021

Report of the Independent Auditor on EY Switzerland's Sustainability Report 2021

Our engagement

You engaged us to perform a limited review of the EY Switzerland Sustainability Report 2021 (hereinafter: "Report") for the period from 1 July 2010 to 30 June 2021 based on the Global Reporting Initiative (GRI) Guidelines. Our engagement did not include a review of forward-looking statements.

Criteria

We reviewed the Information in the Report against the following criteria (hereafter: „criteria“) applicable for the reporting period from 1 July 2020 to 30 June 2021:

- GRI Sustainability Reporting Guidelines, Core option

A summary of the guidelines is presented on the GRI homepage. We believe that those criteria are a suitable basis for our review.

Responsibility of the Management Committee of Ernst & Young Ltd

The Management Committee of Ernst & Young Ltd is responsible for preparing the Report and the Information contained therein in accordance with the criteria. This responsibility includes developing, implementing, and safeguarding internal controls of material importance for preparing a Report that is free from material misstatements. This responsibility includes selecting and applying suitable reporting standards, as well as measurement methods and estimates deemed suitable in view of the circumstances.

Independent Auditor's responsibility

Our responsibility is to express a conclusion on the Information disclosed in the Report based on our review to obtain limited assurance. We have planned and performed our engagement in accordance with the International Federation of Accountants' International Standard (ISAE 3000) for Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform the limited review to obtain limited assurance whether the Information complies with the criteria. Further, our firm applies the International Standard on Quality Control (ISQC1), issued by the International Federation of Accountants (IFAC), which deals with a firm's responsibilities for its system of quality control for audits and reviews of financial statements and other assurance and related services engagements. We also complied with the Code of Ethics for Professional Accountants, issued by the IFAC, which

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includes requirements in relation to our independence. In accordance with the engagement letter, our duty of care for this engagement only extends to the Management Committee of Ernst & Young Ltd.

Our approach

Our procedures were planned to obtain limited assurance as a basis for our conclusion. The scope of work to obtain evidence is reduced compared to the scope required to obtain reasonable engagement assurance and therefore a lower degree of audit assurance is obtained. We have performed all the procedures required to ensure a suitable and sufficient basis for our conclusion. Within the scope of our engagement, we obtained evidence on a sample basis considering materiality and assurance engagement risk to obtain limited assurance on the compliance of the Report with the criteria. The nature and scope of our work, including appropriate samples, were based on our professional judgment used in forming our conclusion. The performance of our engagement included the following procedures:

- Assessing the appropriateness of the underlying criteria and its consistent application,
- Interviews with employees responsible for preparing the Report to assess the processes involved in drawing up the Report, the reporting system, the methods used to obtain and process data, as well as internal controls to the extent relevant for a review of the Report,
- Analytical considerations and enquiries regarding the collection and reporting of quantitative information. In addition, we reconciled disclosed figures with supporting evidence of the sections "Report highlights" and "Additional facts & figures" of the Report but not for other sections of the Report,
- Review of the application of the GRI guidelines in accordance with the Core option. Further, we reconciled the GRI standards of the "GRI Index with UN SDG mapping" with the specific disclosures (respectively with the text) in the Report and reviewed if the disclosures comply with the requirements of the GRI standards.
- Evaluation of the overall view of sustainability information provided in the Report.

Our conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report for the reporting period ending on 30 June 2021 does not comply, in all material respects, with the specified criteria.

Treureva Ltd



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Notes

Every care has been taken to ensure that we do not exclude any gender in the terms used in this report.

This report is published in English only.

Please note that figures in this report have been rounded. This can lead to minor differences compared to the actual amounts.





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