



**Building a better
working world**

**EY Greater China FY21
Environmental, Social and
Governance (ESG) Report**

► About the Report

This is the first Environmental, Social and Governance (ESG) report (“the Report”) published by EY Greater China Region. It presents our mission, values and commitment, as well as key initiatives and outstanding performance in the ESG area.

Reporting period

The Report mainly covers the financial year 2021 (FY21), which runs from 1 July 2020 to 30 June 2021. To ensure consistency of the information and data, part of the content is outside this time span.

Organizational scope

The Report covers EY Greater China Region’s offices in mainland China, Hong Kong, Macau and Taiwan.

Designations

In the Report, “we”, “our” and “us” refer to EY Greater China Region.

Basis of compilation

This Report has been compiled with reference to the Global Reporting Initiative (GRI) standards for sustainability reporting. It discloses EY Greater China Region’s contribution to the United Nations Sustainable Development Goals (SDGs).

Principles of disclosure

The Report complies with the principles of Materiality, Quantification, Balance and Consistency.

Availability

The Report is available in print and online.

Language

The Report was originally written and published in simplified Chinese. This English version is a translation of the Chinese original.

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From the Chairman

Unwavering efforts to promote green transition Collaborative success for sustainable development

The changing conditions of nature affect us all. In this sense, all species that inhabit planet Earth are interconnected.

In recent years, we have experienced rare torrential floods, bushfires and winter tornadoes. These phenomena have all reminded us that we have a shared responsibility for the future of our species in the face of climate change and other environmental impacts that threaten the human survival and development. The wellbeing of planet Earth is in our hands, and none of us can survive alone if extreme weather conditions prevail.

The complexity of the problem challenges us to work together to build a better present, as well as a more sustainable future. Our whole society needs to use every possible tool, including regulations, government policies, technology and finance, to accelerate the green transition and advance sustainable development.

Appreciating the beauty of nature reminds us to do the right thing to conserve it. As a keen advocate and practitioner of green sustainable development, EY has been committed to progressing toward its decarbonization. EY Global has met its goals of becoming carbon neutral by 2020 and carbon negative by 2021. We have pledged to reduce our carbon emissions by 40% and meet the net zero goal by 2025. Through a series of actions, including investments in afforestation, regenerative agriculture, biochar and forest conservation in Guizhou province of China and other regions, we have removed or offset a total of 528,000 tons of carbon dioxide equivalent.

As one of the leading global professional services organizations, EY has taken on the responsibility of contributing our wisdom and capabilities of green transition and sustainable development. With a value-driven approach, we customize sustainability-related solutions for our clients. We serve customers on their journey toward sustainable development, helping them uncover new opportunities for low-carbon transition and sustainable development along the way.



Jack Chan
Chairman, China
Regional Managing Partner,
Greater China

Promoting sustainable development requires large amounts of capital and resources. According to experts and scholars, it is estimated that it will take trillions in capital for China to implement its dual carbon goals. Therefore, it is important to attract social capital in the market to meet the investment and financing needs of traditional sectors seeking to transform and upgrade, and of green industries working to expand.

Achieving green transformation and sustainable development requires a sound and comprehensive ESG system. Alongside China's efforts in localizing the ESG investment system, awareness of ESG is increasing in the capital market. As regulators impose more stringent ESG-related policies and standards, investors and other stakeholders are giving greater consideration to an organization's three pillars of sustainability - environmental, social and governance.

EY started to set up Climate Change and Sustainability Services (CCaSS) teams around the world back in the 1980s. The Greater China CCaSS team is well established in the local market and helps our clients formulate their ESG vision, mission and goals, as well as their ESG investment principles and systems. By providing services covering ESG due diligence, climate change scenario analysis and environmental stress testing, we help our clients identify, manage and mitigate ESG risks. We also track listed companies and provide investors with a comprehensive analysis of their ESG performance. In addition, we proactively offer our advice and suggestions on ESG policies, gauge market feedback on ESG information disclosure and standard setting, helping to establish an ESG investment framework and database.

Our commitment to sustainability is an unbroken thread that runs through the course of our development. It is woven into the fiber of our services and operations, of which diversity and inclusiveness, openness and sharing are all important components. We actively fulfill our social responsibility, as well as our commitments to our country and to wider society. From responding to the COVID-19 pandemic to supporting disaster-hit areas; from alleviating poverty to participating in rural revitalization, youth education, and female leadership; from enhancing employment policies to cultivating a corporate culture that enables diversity and inclusiveness, our efforts have never stopped.

Our ESG strategy and initiatives will help us forge ahead to become a market leader in the field. Looking ahead, EY will continue to work closely with different sectors in society, work together to create a green and low-carbon transition and build a sustainable future.

About EY and EY Greater China

EY is a global leader in assurance, consulting, tax, strategy and transaction services. We employ more than 310,000 people across more than 150 countries and regions. In the Greater China region, we have been offering professional services for more than half a century.



310,000 people

ESG performance highlights in FY21

Fulfilling social responsibility

- ▶ Employment
 - ▶ More than 22,000 full-time employees
 - ▶ Ratio of male to female employees: 35%/65%
 - ▶ 99.1% are local employees
 - ▶ Training
 - ▶ On-site training: 89,452 participants
 - ▶ Online training: 669,430 participants
 - ▶ Charitable donations
 - ▶ From 2011 to 2021, the cumulative charitable donations made amounted to RMB10.4 million, of which RMB2.58 million was donated in 2021
 - ▶ After the 2021 rainstorms in Henan and the flooding in Taiyuan, we responded quickly by delivering emergency aid to disaster-stricken areas
- ▶ Awarded “Best Workplaces in Greater China” by Great Place to Work for six consecutive years
 - ▶ Awarded “Best Social Responsibility Project” and “Best Campus Project” at the 2021 Employer Branding Creativity Awards organized by the Employer Brand Institute

Fulfilling environmental responsibility

- ▶ EY Global became carbon neutral on 31 December 2020 and carbon negative in 2021
 - ▶ Achieved a total reduction of 235.62 tons of carbon emissions, equivalent to planting 13,090 trees, by printing reports double-sided and reducing the use of disposable paper cups by promoting the use of water dispensers
 - ▶ All new offices (including relocated offices) have implemented waste-classification schemes
- ▶ Received various awards by *Asiamoney* for four consecutive years (2017-2020), including Best Green Finance Verification Agency in 2017, 2018 and 2020, and Best International Green Finance Verification Agency in 2019
 - ▶ Awarded Most Innovative in Green Finance by *Asiamoney* in 2019
 - ▶ Named as one of the Top 10 Green Finance Cases in 2019 by the Green Finance Professional Committee of the All-China Environment Federation
 - ▶ Awarded the Beijing Green Exchange’s Outstanding Green Asset Assessment Award for two consecutive years in 2019 and 2020
 - ▶ Winner of International Finance Forum awards for two consecutive years, including Top 10 Best Global Green Finance Innovation Award in 2020 and Top 10 Best Global Green Finance Award in 2021
 - ▶ Awarded Best Supporting Institute of the Green Investment Principle (GIP) in 2021

Fulfilling governance responsibility

- ▶ Established the EY Greater China ESG Management Committee in 2021
- ▶ 61% of newly promoted partners and directors in 2020 were women
- ▶ 40% of partners and directors in FY21 were women
- ▶ 41% of the Greater China Leadership Team in FY21 were women

Our vision and mission

EY is committed to building a better working world. In 2020, EY launched its NextWave strategy. EY firmly believes we can make a positive impact by building mutual trust and confidence among enterprises, supporting them in their own sustainable development, helping them nurture talent, and encouraging deeper and broader collaboration. Building a better working world through our own actions and by engaging like-minded organizations and individuals is the purpose and cornerstone of EY as a professional services organization.

We will continue to live our mission: to become the most trusted professional services organization by fulfilling our corporate social responsibilities, creating long-term value, and promoting high-quality sustainable development through first-class talent and innovation.



Promoting green growth and sustainable development

EY Global achieved carbon neutral in 2020 and carbon negative in 2021. We have also pledged to reduce our carbon emissions by 40% by 2025, which will see us reach the goal of net zero. In Greater China, we have established the ESG Management Committee to lead and drive the organization's sustainable development. Our solutions in the fields of green finance, green technology and ESG are assisting enterprises to achieve green and sustainable development while helping to achieve carbon peaking and carbon neutrality goals.

1



Expanding business locations

In line with national and local development strategies, we continue to expand and improve our geographic presence in Greater China. To align ourselves with the development strategies being implemented in different parts of China, we have set up operations in the cities of Haikou, Chongqing, Kunming, Jinan, Hefei, Taiyuan and Ningbo in recent years. Currently, we have offices in 33 cities in the Greater China region.

2



Promoting innovation empowerment

We adhere to innovation-driven business development. As an important part of the EY global innovation network, our EY wavespace™ centers in Beijing, Shanghai and Hong Kong are integrating innovative technologies and industry experience to help enterprises transform and upgrade.

3



Creating synergy through collaboration

EY is committed to building an open, transparent, trustworthy and efficient market environment. We fully recognize the huge value of integration and collaboration, and continue to promote cross-industry and cross-sector development. EY has formed global alliances and ecosystems in collaboration with leading companies around the world to create long-term value for society and clients.




4

Our ESG management

Building an ESG management structure

Driven by EY Global's NextWave strategy, EY Greater China Region established the ESG Management Committee. This committee is responsible for formulating ESG strategy and goals, supervising and guiding the implementation of ESG initiatives, and promoting positive interactions between EY and our internal and external stakeholders, while increasing EY's impact in the sector of sustainability.



ESG organizational structure	Responsibilities	Person in charge
<p>Top layer: Chairman, ESG Management Committee, EY Greater China Region</p>	<p>Decisions on ESG affairs</p>	 <p>Jack Chan</p>
<p>Second layer: ESG Management Committee, EY Greater China Region</p>	<p>Managing ESG affairs; composed of representatives from the EY Greater China Leadership Team</p>	 <p>Michael Bi Vice Chairman of the ESG Committee</p>
<p>ESG Management Department: Directly reporting to the EY Greater China ESG Management Committee</p>	<p>Coordinating ESG affairs in EY Greater China Region; implementing projects initiated by the ESG Management Committee internally; promoting and coordinating ESG-related services externally</p> <p>Members of the ESG Management Department include representatives from service lines (Assurance, Consulting, Tax, Strategy and Transactions) and representatives from the Talent, Brand, Marketing and Communications, and Administration departments</p>	 <p>Judy Li Secretary General of the ESG Management Committee Director of the ESG Management Department</p>
<p>Third layer: Local offices in EY Greater China Region</p>	<p>Executing ESG matters</p>	

Commitment to sustainability

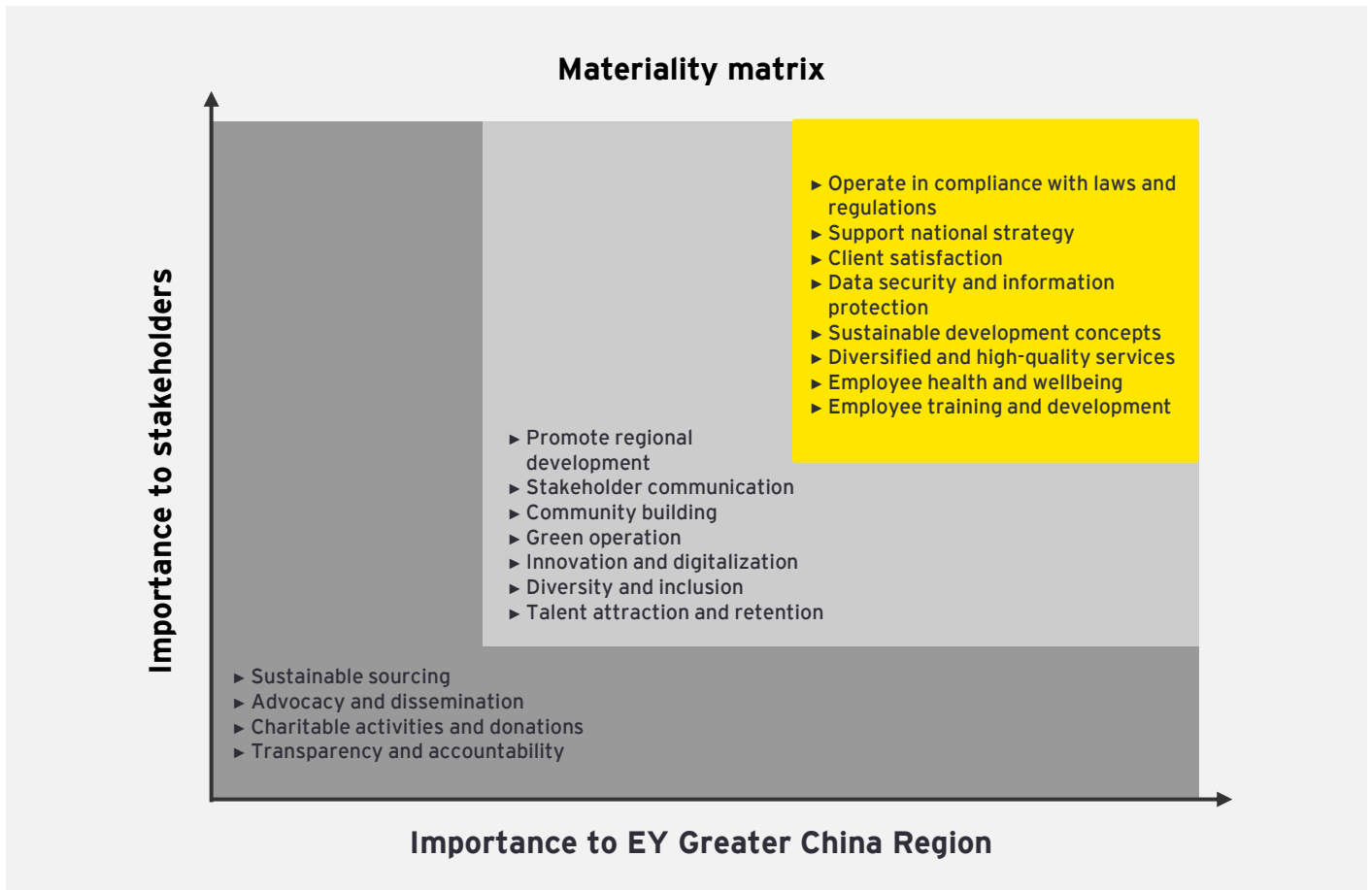
Leveraging our achievements and experience in Greater China, we are actively putting sustainable development ideas into practice. Drawing on our deep understanding of the vision of innovative, coordinated, green, open and inclusive development, we are actively supporting a multitude of major tasks under the 14th Five-Year Plan, including those related to green development and common prosperity. In addition, we are working with stakeholders to pursue the United Nations Sustainable Development Goals (SDGs).

Effective communication with stakeholders

We have established channels and systems that facilitate regular, effective and long-term communication with our stakeholders. In our interactions with stakeholders, we aim to share our experiences and views, better understand their concerns and demands, and find solutions to address economic, social and environmental issues.

Stakeholders	Stakeholders' demands	EY team's response (including but not limited to)
Government and regulators	<ul style="list-style-type: none"> ▶ Support for national strategies ▶ Promotion of regional development ▶ Operation in compliance with laws and regulations ▶ Ensuring tax compliance 	<ul style="list-style-type: none"> ▶ Signing up to strategic partnership agreements ▶ Serving in external positions and on committees ▶ Getting involved in formulating policy and making policy suggestions ▶ Responding to public policy ▶ Supporting national and regional development ▶ Responding to regulatory policy ▶ Cooperating with regulatory inspections
Clients	<ul style="list-style-type: none"> ▶ Satisfactory services ▶ Effective communication ▶ Privacy and data security 	<ul style="list-style-type: none"> ▶ Carrying out client satisfaction surveys ▶ Providing a diverse range of services ▶ Implementing data-protection and information-security plans ▶ Initiating marketing activities ▶ Holding meetings with clients
Employees	<ul style="list-style-type: none"> ▶ Optimal employment policies ▶ Effective training systems ▶ Clear career development paths ▶ Smooth communication channels ▶ A good work-life balance 	<ul style="list-style-type: none"> ▶ Organizing recruitment events ▶ Putting in place employee communication and engagement systems ▶ Setting up platforms to support employees' mental and physical health ▶ Launching employee assistance programs ▶ Customizing training for employees ▶ Collecting timely feedback and suggestions ▶ Providing leadership assessment and development ▶ Hosting the EY Alumni Network
Communities	<ul style="list-style-type: none"> ▶ Philanthropic activities ▶ Charitable donations ▶ Community development ▶ Localized operations 	<ul style="list-style-type: none"> ▶ Organizing charitable activities ▶ Providing volunteering opportunities for employees ▶ Launching the EY Ripples program ▶ Launching the EY Entrepreneurial Winning Women™ program
Suppliers	<ul style="list-style-type: none"> ▶ Fair and equitable procurement ▶ Good partnerships 	<ul style="list-style-type: none"> ▶ Implementing the supplier risk assurance program ▶ Adopting sustainable supply chain management
Industry and regulatory bodies	<ul style="list-style-type: none"> ▶ Industry exchange ▶ Experience sharing ▶ Forward-looking research 	<ul style="list-style-type: none"> ▶ Attending conferences ▶ Organizing forums ▶ Regularly publishing articles

To improve the pertinence and responsiveness of the Report, we organized a series of stakeholder surveys and participation activities during the reporting period, including offline and online forums, employee engagement survey and internal information-sharing sessions. The core ESG topics in the EY Greater China Region for FY21 will be highlighted later in the Report.



1

Green

Green development is the most prominent feature of high-quality development, and its importance is widely recognized today. By supporting green and low-carbon transformation in economic development, companies can play an active role in promoting the United Nations Sustainable Development Goals. With our strong commitment to promoting the green economy, we understand that EY, shoulders an immense responsibility to build a community with a shared future for mankind.



1.1 Carbon neutrality

We have achieved carbon neutrality, and we will contribute more in the future



The frequent occurrence of catastrophic floods and the early arrival of cold weather in recent years are reminders that the global climate is changing drastically. As we try to cope with climate change and build a community of shared future for mankind, carbon neutrality has become an indispensable component of green development.

EY is determined to make its own contributions. EY Global had achieved global carbon neutrality on 31 December 2020, and became carbon negative in 2021. In the future, EY will continue to provide clients with multiple solutions that align with their own carbon neutrality strategies.

Our practice

With its outstanding capacity for innovation, EY has been driving global reforms and continuously exploring new ways to address the environmental challenges we face, supporting our clients and communities to achieve healthy, sustainable growth while minimizing human impact on the environment.

EY has made a concrete pledge to maintain carbon neutrality, based on our record of minimizing environmental impact and supporting our clients' sustainable growth. In the future, building on our achievements to date, we will continue our efforts as follows:

- ▶ The *EY Global Environmental Statement* highlights our commitment to sustainable development and sets out actions we will take to protect the environment, such as:
 - ▶ Communicating with clients via technological means more often and cutting down on business travel
 - ▶ Purchasing renewable energy, such as wind and solar energy
 - ▶ Purchasing carbon credits, and investing directly or indirectly in projects that reduce or remove emissions, such as afforestation
 - ▶ Developing a global cross-service sustainability strategy to help clients innovate and use technology to promote sustainable development
 - ▶ Providing employees with environmental training
- ▶ We will measure our carbon footprint over the past 10 years and disclose it via the United Nations Global Compact.
- ▶ While our business is growing, we will reduce the annual emissions from EY's global offices by just under 5.5%, which will reduce the emissions per man-hour in our offices by 10%.
- ▶ We will introduce a global supplier code of conduct and use environmental criteria when assessing purchases to enhance the sustainability of the products and services we procure.
- ▶ We will work with hotel suppliers to reduce EY's waste, carbon emissions and water consumption.
- ▶ We will continue to develop market-leading CCaSS services to help our clients set and implement low-carbon and zero-carbon strategies.

Special topic: EY Global achieves carbon negative

In 2021, EY announced that it had become carbon negative and would be adopting new solutions to help its clients achieve their own sustainability goals.

EY will continue to implement low-carbon strategies, devise practical initiatives to reduce emissions, and invest in projects that remove or offset carbon emissions on a global scale. These measures echo EY's commitment to protecting the environment and promoting long-term, sustainable growth.

We will continue to reduce carbon emissions through the seven-component action plan

EY focuses on seven key components of carbon action in order to attain our long-term carbon goals:

1. Reducing business travel emissions by 35% by FY25 against a FY19 baseline.
2. Reducing overall office electricity usage and procuring 100% renewable energy for remaining EY needs, earning membership to the RE100, a group of organizations committed to renewable power, by FY25.
3. Contracting electricity supply through virtual power purchase agreements (PPAs), so as to introduce more electricity than EY consumes itself into national grids.
4. Using nature-based solutions and carbon-reduction technologies to remove or offset, more carbon than EY emits to the atmosphere every year.
5. Investing in services and solutions that help EY clients profitably decarbonize their businesses, and providing solutions to other sustainability challenges and opportunities.
6. Requiring 75% of EY suppliers, by spend, to set science-based targets by no later than FY25.
7. Providing EY teams in various locations with tools to calculate and work toward reducing carbon emissions when working for EY client.

On the basis of the successful implementation of the seven-component action plan, EY's global emissions in FY21 were reduced by 60% from FY20 and by 71% from FY19 (the base year). Although the pandemic-induced reduction in business travel was one of the main contributors to this decline, we expect emissions to remain within our science-based target even when EY employees return to their offices and resume business travel.

We will continue to invest in projects that offset or remove carbon emissions

Any emissions that we cannot avoid should be offset by investing in nature-based projects. Meanwhile, EY will continue to invest in and support innovative technologies that remove carbon from the atmosphere.

EY Global is working with the world's leading climate solution providers and investing in global projects that offset or remove carbon emissions through reforestation, regenerative agriculture, the use of biochar and forest conservation. EY has invested in six new projects that helped remove or offset an extra 34% of our carbon footprint in FY21, thus enabling us to become carbon negative globally.

At the same time, EY is also committed to investing in and supporting carbon-negative technologies around the world. For instance, we have signed a memorandum of understanding (MoU) for future offtake using direct air capture (DAC), a pioneering technology that pulls in air from the atmosphere and then, through a series of chemical reactions, extracts carbon dioxide. As a result, it creates a pure and compressed form of carbon dioxide that can be stored permanently underground, while returning the clean air back to the environment. This mimics what trees do naturally, faster in speed, occupying a smaller area, hence its scalable nature. Similar carbon-negative technologies are gradually helping to reduce the per-ton price of carbon dioxide emissions and minimize the cost of achieving net-zero emissions around the world.

To support carbon reduction and innovative carbon offset projects that can help achieve the global climate goals set out in the Paris Agreement, EY Global will continue to invest in diverse carbon reduction portfolios.



EY services

Our commitment to green development does not stop at becoming a carbon-neutral organization, but extends to influencing and supporting our clients to respond to climate change.

EY has also integrated the concept of carbon neutrality into our service offering. EY has substantial experience in supporting clients' sustainable development, and, as a leading global professional services organization, we are committed to providing businesses with comprehensive and diverse solutions. To respond to clients' needs with regard to carbon neutrality, we have set up a designated CCaSS team and actively promoted carbon neutrality and related innovations across our services such as Strategy and Transactions, and Tax, all on the basis of forward-looking policy frameworks and technical research.

Assurance

EY CCaSS team strives to help our clients present and enhance their non-financial performance and respond to issues related to the development of non-financial and consolidated reporting frameworks. We also assist clients to align with stakeholder expectations and to enhance market trust and confidence in their business results, as well as their ability to create long-term value.

- ▶ ESG strategic planning, ESG risk management, ESG information disclosure and assurance, ESG digital management platforms
- ▶ ESG investment strategy, ESG performance analysis models, ESG investment portfolio risk management
- ▶ Green finance strategic planning, certification of green financial products, climate change risk management and stress testing, online management systems for green finance, asset portfolio carbon footprint audit and disclosure
- ▶ Environment, Health and Safety (EHS) advisory
- ▶ Carbon footprint, carbon neutrality roadmaps and implementation advisory

Highlighted works

- ▶ Assisted the Ministry of Finance's China Accounting Standards Committee to promote the development of accounting standards for carbon emissions trading in China

The complexity and breadth of the impacts of climate change have made carbon audit a challenging task. Since the introduction of carbon trading, there has been no international consensus on approaches to carbon accounting. Due to the lack of widely accepted standards in carbon accounting, the carbon emissions trading mechanism poses difficulties for stakeholders. In this context, EY has joined forces with Jinan University, Tsinghua University and Guangzhou Carbon Emissions Trading Center Co., Ltd. to support the research and formulation of China's carbon emissions trading accounting standards for the China Accounting Standards Committee in the Ministry of Finance. The project also helped provide institutional support to the development of China's carbon trading market and carbon finance.

- ▶ Participated in developing ESG assurance standards for the Hong Kong Institute of Certified Public Accountants (HKICPA)

Since 2016, ESG reports have been a mandatory disclosure requirement for listed companies in Hong Kong. Investors have raised concerns about the credibility of the information disclosure. In December 2019, the Hong Kong Stock Exchange released a new version of the ESG reporting guidelines, which included encouraging listed companies to seek independent assurance to enhance the credibility of their ESG information disclosure. The new guidelines became official on 1 July 2020. To better assist practitioners in their ESG assurance work, the HKICPA released an exposure draft on ESG assurance reporting and completed the consultation on 2 December 2020. As a member of the HKICPA's ESG working group, EY was involved in preparing and discussing the document throughout the process in the hope of improving the quality of ESG information disclosure in Hong Kong.

世界银行援建项目“绿色发展背景下我国碳排放权交易会计准则的研究和制定”项目启动专家论证会



EY participates in the expert panel meeting about launching the carbon accounting standard-setting project

Chapter 1 Green

- ▶ Participated in many ESG training activities for listed companies organized by the Exchanges

As a trainer, we have participated in the Shenzhen Stock Exchange's ESG training activities for A-share listed companies. We have also taught on an advanced seminar for board secretaries of China A+H-share companies, which was jointly organized by the Shanghai Stock Exchange and the Hong Kong Institute of Chartered Secretaries. Over 500 representatives of listed companies exchanged views on ESG investment trends, ESG information disclosure and data management, while boosting the sustainable development and ESG development of listed companies in the post-pandemic era.



EY team presents the EY CapES digital ESG management platform for listed companies

Case

We helped a client develop carbon neutrality goals and strategic planning paths

Our CCaSS team has helped an Internet company formulate a set of carbon neutrality goals and implementation plans. To begin with, the team predicted the company's future greenhouse gas emissions by sorting out its historical greenhouse gas emissions and evaluating the impact of future changes in the market environment and the company's business strategy. Second, the team took a deep dive into the industry's advanced emission-reduction technologies and conducted feasibility assessments. After calculating the contribution of various emission reduction measures, the team assisted the company to formulate a set of competitive carbon targets. At the same time, the team evaluated the carbon-reduction benefits brought by the company's service provision based on its service application scenarios, helping the company formulate short-, medium- and long-term roadmaps for implementing carbon neutrality.

Case

We helped a client become a model for carbon neutrality in the domestic finance industry

Our CCaSS team assisted a financial services client to determine base year carbon emissions. After implementing a carbon emissions survey, they put forward a set of measures for reducing carbon emissions and introduced emission-reduction pathways, including purchasing carbon sink indicators to offset emissions that cannot be reduced. The team supported the client to take the lead in becoming the first domestic financial and asset management company to achieve carbon neutrality in 2021, helping the client expand their market influence by establishing a low-carbon image and a green brand.



EY is invited by the China Beijing Environment Exchange (CBEE) to explain implementation pathways to carbon neutrality targets and opportunities for ESG investing

Strategy and Transactions

EY Strategy and Transactions team is rooted in creating long-term value and providing consulting services around sustainable development. With our global vision and extensive experience in sustainability advisory, we have assisted government and corporate clients to customize and optimize the transition to carbon neutrality and

sustainable development strategies. From strategy implementation and transaction empowerment, to embracing core elements such as policies, markets, capital and clients, we provide clients with innovative solutions that help them build a green and sustainable working world.



Transformation strategy and long-term value

- ▶ Carbon neutrality transformation advisory services
- ▶ Long-term value management advisory services
- ▶ Carbon-neutral transformation path and enterprise value analysis



Strategy implementation and transaction empowerment

- ▶ Renewable energy strategy and transaction advisory services
- ▶ Enterprise carbon asset management and value assessment advisory services
- ▶ ESG due diligence and valuation services
- ▶ ESG investment and financing advisory services
- ▶ Key technology investment and financing for carbon neutrality advisory services



Infrastructure and ecological environment

- ▶ Green and sustainable infrastructure investment and financing advisory services
- ▶ Gross Ecosystem Product (GEP) evaluation services
- ▶ Ecological assets valuation services
- ▶ Regional ecological development policy advisory services

Case

We formulated a global supply chain carbon emissions reduction strategy for a global leading automotive group

We advised a global leading automotive group on its global sustainable supply chain strategy. It promotes a green upgrade of the supply chain through a supply chain design centered on the concept of circular economy, the formulation of internationally recognized emission-reduction targets, and clean power procurement.



Case

We provided advisory services on renewable energy strategy and transactions for a state-owned energy enterprise

We assisted a state-owned energy enterprise to combine its strategic vision of achieving the dual carbon goals and achieving the investment planning goals set out in the Belt and Road Initiative. The enterprise aimed to achieve carbon-neutral transformation of its energy business through investment in, and mergers and acquisitions of, renewable energy projects at home and abroad. EY provided support with project investment strategy, market analysis, and targeting, as well as a comprehensive financial consulting and transaction service in the company's domestic and regional transactions in Europe, Australia and Southeast Asia.

Case

Helping to source financing for a start-up specializing in carbon-negative technologies

Carbon Capture, Utilization and Storage (CCUS) technology is one of the key technologies for reducing carbon and other emissions. It makes it possible to use or store carbon dioxide immediately after it has been separated from the emission source, which reduces overall carbon emissions. At present, the technology is still in the early stages of development and requires capital investment. As a financial adviser, we assisted a start-up specializing in leading CCUS technology to actively seek investors, conduct multiple rounds of financing, and establish the foundation for the commercialization of technology.

Case

Researching carbon asset management and evaluation

With the rapid advancement of the dual carbon goals, the importance of establishing and optimizing a carbon asset management and evaluation system has grown. We were commissioned by the Ministry of Finance to carry out research on carbon asset management and evaluation. Leveraging our comprehensive knowledge and our local and global client networks, we conducted detailed work, including interviews, case analysis and benchmarking, and summarized the achievements and shortcomings of carbon asset management and evaluation at home and abroad. We put forward a set of suggestions to help management teams understand the responsibility of enterprises, government management departments and state-owned asset management departments in terms of carbon emissions. The work also provided a reference aid for the Ministry of Finance to regulate the measurement and management of carbon assets in state-owned enterprises and guide the establishment and improvement of enterprise carbon asset management systems.

Tax

Using multi-functional tax management methods, EY Tax services help businesses evaluate the impact of relevant tax policies. Our services include calculating the carbon footprint of corporate value chains while taking business operations into account; helping companies identify specific tax incentives, deductions and exemptions, and other financing mechanisms in phases; and, ultimately, aligning companies' tax planning with their supply chains and business models. We provide clients with the following innovative services to help them cope with the challenges of tax administration while addressing carbon neutrality:

- ▶ Green tax advisory services
- ▶ Advisory services on the EU's Carbon Border Adjustment Mechanism (CBAM)
- ▶ Advisory services on tax incentives, reductions and exemptions, and other financing mechanisms
- ▶ Advisory services on supply chain tax planning and optimization

Consulting

Consulting at EY involves an extensive network of professionals. In the era of transformation, we are agile and receptive to a wide range of concepts. We constantly provide new insights by bringing together talent with diverse backgrounds and experiences.

Our client-centric consulting teams have years of experience in sustainable development. We help clients, from government to industry, to navigate the era of change and move forward on their journey of transition to the green and low-carbon future of sustainable development.

Government-focused services

- ▶ Green strategy think tank: the government's dual carbon development plan, dual carbon action plans
- ▶ Green industry planning: industry research and planning, dual carbon policy advisory, park development planning
- ▶ Green operations management: green project development forecasts and investment planning, state-owned enterprise management training, service system construction, green mechanism innovation
- ▶ Intelligent monitoring of carbon emissions

Industry-focused services

- ▶ Green development planning: corporate dual carbon development strategy, dual carbon action plans, public disclosure of dual carbon action plans
- ▶ Carbon testing and carbon management: carbon footprint testing, carbon intensity benchmarking, carbon emissions accounting, carbon emissions management system planning, emissions reduction project management, carbon management financial system constructions, carbon data visualization
- ▶ Low-carbon emissions reduction strategy: advisory on green manufacturing, green transportation, green building, green services and other industries

1.2 Green finance

Finance empowers green development; professionalism shapes the framework

Finance is a driver of green development, and there is now a consensus within the finance industry that there is a need to contribute financial power to this development. Driven by China's dual carbon goals, green finance is now playing a vital role in promoting energy transformation, encouraging disruptive innovation in zero-carbon and negative-carbon technologies, and transforming entire industries.

Today, green finance has evolved from being just a concept into taking tangible actions across all sectors of society. EY is at the forefront of integrating green finance from policy standards into business practices.

In order to promote the development of green finance, EY CCaSS team is deeply involved in various aspects of green finance, including the formulation of green finance policies; the certification of green bonds, blue bonds, social responsibility bonds, transition bonds, sustainability-linked bonds and carbon-neutral bonds; and advisory on green investment strategies, green finance technologies, climate change risk management and stress testing, ESG investment strategies, ESG performance evaluation and analysis, ESG risk management, ESG information disclosure, carbon footprint, carbon neutrality roadmaps and implementation plans.



EY is named Best Green Finance Verification Agency by Asiamoney



Chapter 1 Green

Supporting dual carbon goals

In recent years, there has been a rapid growth in green finance products and tools in China, such as green bonds and green loans, with increasingly diversified market players. EY has remained at the forefront of exploring the development of green finance, offering innovative means of financing to clients.

So far, we have provided a total of 113 certification services for clients domestically and overseas, with the issuance of green bonds, social responsibility bonds, transition bonds, sustainability bonds and sustainability-linked bonds, with a certification scale of approximately RMB461.6 billion, which ranks us among the leaders in terms of market share.

In FY21, we provided certification services to a variety of clients in relation to sustainability bonds, deposits and loans, such as the world's first sustainability-linked bond, biodiversity-themed green bond, and sustainability re-linked bond. We also helped clients to adopt the Equator Principles in banking and optimize their environmental and social risk management standard by focusing on implementation, content and project management of the Principles.



EY professionals conduct an on-site field trip

Case

Environmental benefits from a green bond that invests in green projects

It is estimated that there will be a gross area of 1,066,840 square meters of the new green buildings; 230 acres of land reclamation; 94,600 tons of hazardous waste disposal volume; 99,000 tons of solid waste disposal volume; 99,720 tons of waste recycling volume; 303.95 million kWh of renewable energy generated per year; 9.9 million tons of treated sewage per year; 2,475 tons reduction of chemical oxygen demand (COD) per year; 693 tons reduction of biochemical oxygen demand (BOD) per year; 135,254 tons of standard coal saved per year; 217,738 tons of carbon dioxide reduced per year; 111 tons of sulfur dioxide reduced per year; 257.76 tons of nitrogen oxide reduced per year; 3.4 tons of smoke and dust and 35.76 tons of volatile organic compounds (VOCs) emissions reduced per year; 270,000 cubic meters of water saved per year; 24,831,638 seedlings will be planted and 979,500 square meters of green area added; 56.78 kilometers of managed rivers and canals; 259.81 kilometers of pipelines laid and maintained; and 27,000 cubic meters of mine pits refilled.

Case

Social benefits of a social responsibility bond supporting SMEs to resume work and production

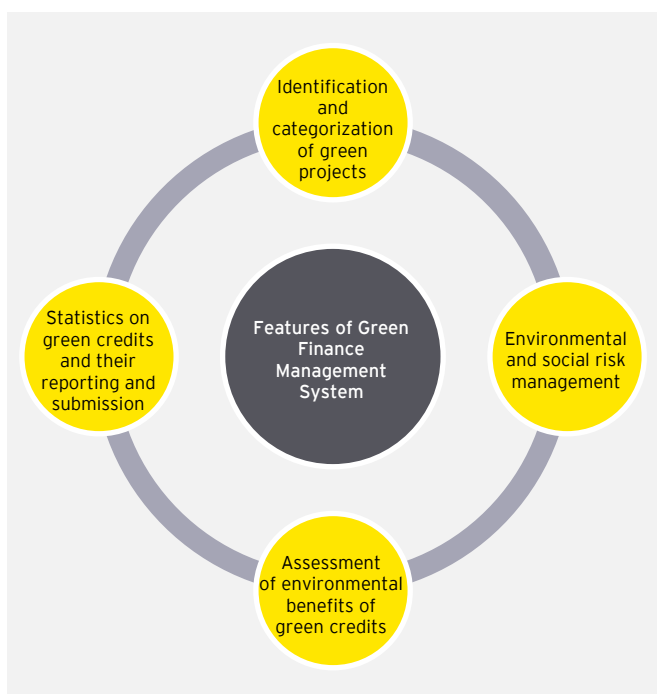
Funds raised through the social responsibility bond, amounting to RMB4,433.75 million, have been invested in 2,802 projects. Of this amount, RMB1,449.15 million has gone to 687 projects in the service industry; RMB273.77 million to 242 projects in the construction industry; RMB7.75 million to seven projects in the agriculture and fisheries industry; RMB1,407.91 million to 1,526 projects in the wholesale and retail industry; RMB1,121.46 million to 194 projects in other areas (such as education, cultural venues and hospitals); RMB72.02 million to 88 projects in the transportation, storage and communications industries; and RMB101.69 million to 58 projects in the manufacturing industry.

Technology-enabled development

In recent years, technology has become a powerful driver in the growth of the financial sector. In enabling green finance with technology, EY has contributed its unique professional strengths.

By enhancing trust, boosting efficiency, lowering costs and mitigating risks, FinTech plays the role of a connector in green finance by strengthening control over corporate operational and industry risks, and driving reforms in the risk-assessment and decision-making models of financial institutions.

To maximize the use of technology in promoting the development of green finance, we have launched a proprietary online management system, for which we own the intellectual property rights. Using technologies such as artificial intelligence (AI) and big data analysis, the system effectively enhances the ability of financial institutions to manage and analyze green finance data.



We provided advisory services on the Equator Principles for a bank listed on the Hong Kong Stock Exchange. Using our online management system, we have helped the bank boost its performance in green finance management and resolve three major problems associated with green projects: first, the frequent omission of green projects, with errors in identifying projects and low identification rates; second, difficulties in collecting raw data about environmental benefits and a high occurrence of errors; and third, huge amounts of data to be reported, submitted and processed, resulting in low handling efficiency. Resolving these issues has helped the bank significantly enhance its management capability and efficiency.

Professional advice

Engaging professionals in the design of different systems and frameworks is much more powerful for promoting the development of green finance than merely transforming basic technologies and delivering product innovations. EY has promoted the establishment of systems and frameworks related to green finance by providing professional advice regarding green standard setting, as well as the framework design for green finance and ESG.

A number of government regulators, industry associations, international organizations and research institutions have employed EY professionals as external advisors in the fields of green finance, carbon neutrality, ESG and climate change response. Our professionals have provided expert advice on developing and updating their policy standards.

In 2021, EY provided expert advice to the Hong Kong Securities and Futures Commission on its *Consultation Paper on the Management and Disclosure of Climate-related Risks by Fund Managers*, which was officially released in August 2021.

In the same year, EY was invited to more than 100 industry events, which gave us the opportunity to discuss our insights into green finance and explore how to put ideas into practice. At the China International Fair for Trade in Services in September 2021, EY gave a presentation on how to use green FinTech to achieve the dual carbon goals and shared our insights into four areas - namely "climate change and carbon neutrality", "green finance development", "sustainability-related financial products" and "building a carbon-neutral organization". EY was also invited to attend the 2021 China Council for International Cooperation on Environment and Development, where we shared our views on implementing the dual carbon goals and empowering high-quality growth. At the Green Development Forum 2021, we shared our professional views on green finance.



EY is invited to talk about corporate opportunities and challenges of the dual carbon goals for regulators, international organizations and domestic enterprises

Chapter 1 Green

High-quality development in the Guangdong-Hong Kong-Macao Greater Bay Area facilitated by green finance

The Guangdong-Hong Kong-Macao Greater Bay Area (GBA) is one of the most open and economically vibrant regions in China. In the *Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area*, released in 2019, one of the six basic principles for developing the GBA is to “pursue green development and ecological conservation.”

In July 2021, EY held the Synergize GBA Forum 2021 simultaneously in Hong Kong and Shenzhen. At the forum, experts, scholars and industry players held roundtable discussions about collective efforts to create a greener future and exchanged ideas on ways to strengthen collaboration on green finance in the GBA. As the GBA is set to actively participate in green Belt and Road projects through international green finance initiatives, and to export green capital and technologies, EY will also strive to support the GBA’s high-quality growth through its regional offices.



EY hosts the Synergize GBA Forum 2021 (left: Hong Kong venue; right: Shenzhen venue)

Building a greener future with the Hong Kong Polytechnic University

In September 2021, EY and the Center for Economic Sustainability and Entrepreneurial Finance at the Hong Kong Polytechnic University signed a Memorandum of Understanding (MoU) on a partnership to build competence in green finance among the new generation and promote a sound development of ESG and green finance in Hong Kong through discussions and a broad spectrum of activities.



In addition, we signed an MoU with Fanhai International School of Finance, Fudan University, and successfully held the Fudan-EY Green Finance Competition for the fourth consecutive year.

For four consecutive years, EY has won green finance awards from *Asiamoney*. In 2017, 2018 and 2020, we were named the Best Green Finance Verification Agency, and in 2019, the Best International Green Finance Verification Agency. Also in 2019, our online management system for green finance was recognized by *Asiamoney* as the sole winner of the Most Innovative in Green Finance Award.

We have achieved success in the International Finance Forum's awards for two consecutive years, receiving awards for Best Global Green Finance Innovation in 2020 and Best Global Green Finance in 2021. We have also been presented with the Beijing Green Exchange's Outstanding Green Asset Assessment Award for two consecutive years (2019-2020). EY was awarded one of the Top 10 Green Finance Cases in 2019 by the Green Finance Professional Committee of the All-China Environment Federation.



In 2021, EY joined the Third Plenary Meeting of the Green Investment Principles (GIP) for the Belt and Road and was named the 2021 Best Supporting Institute.



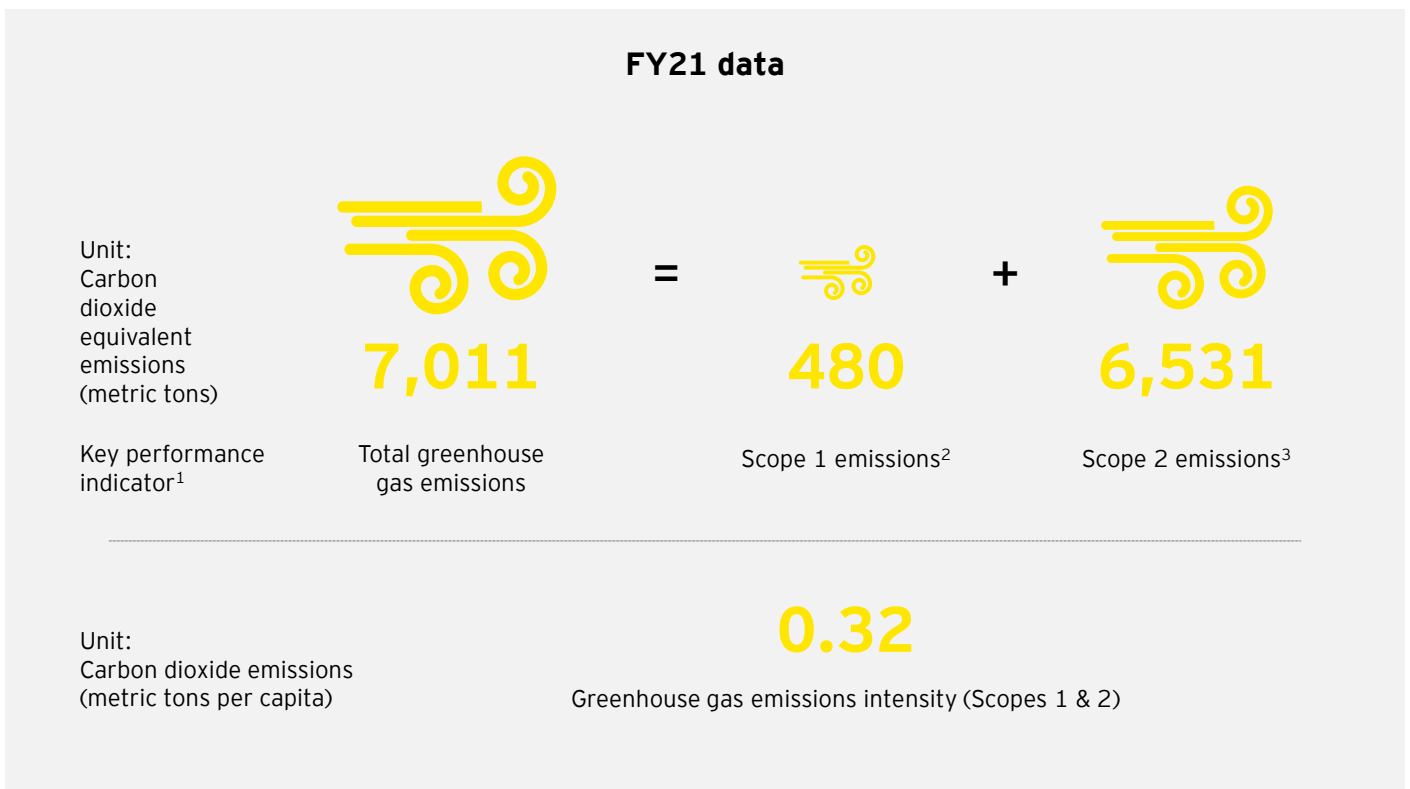
GIP President Ma Jun presents the award to EY

1.3 Green operations

Attention to detail, consider the planet

EY is committed to integrating green concepts in its day-to-day operations with the same level of dedication it shows for providing client services and devising green development frameworks for clients.

EY strives to promote green operations. As a global organization, we pay attention to optimizing resources and energy efficiency. We practice green operations by promoting green offices, green living, green mobility, green consumption and green sharing, ensuring our operations are sustainably managed.



Notes:

1. The performance indicators cover offices in EY Greater China Region only. We practice green operations by promoting green offices and actively contributes to EY Global's carbon-neutral and carbon-negative initiatives.
2. Scope 1 emissions mainly come from gasoline consumption.
3. Scope 2 emissions mainly come from outsourced electricity consumption.

Efficient use of resources

Waste is a commonly misallocated type of resource. EY advocates for the efficient use of resources and waste reduction, resulting in significant savings over the years.

In recent years, by printing reports double-sided, reducing the use of paper cups and encouraging the use of water dispensers, we have reduced carbon emissions by 235.62 tons, which is equivalent to planting 13,090 trees.



EY is meticulous about recycling. Wastepaper boxes are available in the printing rooms on each floor of our offices. Employees are informed of the exact locations of these boxes and provided with instructions on how to use them. There are also office stationery recycling counters in office areas to encourage employees to save resources and protect the environment.

Green office buildings

Office operations such as lighting, air conditioning and electricity consumption are the main areas of resource usage. Our commitment to adhere to green standards for these sources of consumption underscores our approach to green operations.

When choosing our office locations, we always consider whether the building has obtained green building credentials. We give priority to LEED- and WELL-certified buildings.

Manufacturer Certification



Examples of suppliers' qualifications

Chapter 1 Green

Waste sorting and management

Persevering in doing the right things, even if they seem insignificant, can accumulate and help bring about profound change. One such example is waste sorting.

Waste sorting has become part of our daily life and is a commitment that we practice every day. At EY, from the administration department to individual employees, we actively cooperate with our buildings' property management departments to promote and carry out office waste sorting.

The administration department of EY offices in Beijing and Shanghai have issued notices to employees indicating the locations of waste sorting bins on different floors. We have also put these bins in place inside the offices, with labels to remind our staff to sort waste. All new EY offices (including relocated offices) have developed a waste-sorting management system.



Left: The Shanghai office complies with the waste-sorting requirements of the Shanghai municipal government

Right: The Beijing office complies with the waste-sorting requirements of the Beijing municipal government

Other green initiatives

Our people in EY Greater China Region have participated in a variety of green initiatives.

We encourage employees to take part in Earth Hour. Employees are also encouraged to make it a habit to switch off lights when they do not need them.



Encourage employees to lead low-carbon living.



EY representatives participate in COP15 Youth Scientific Exploration on Biodiversity

Two young employees from EY CCaSS team recently joined 18 young delegates from across China to take part in the COP15 Youth Scientific Exploration on Biodiversity. The program aims to promote ecological conservation through delegates working together to find nature-based solutions to local ecological restoration, environmental protection and rural revitalization, and forming a sustainable youth network committed to practical activities and actions. During the five-day program, the young delegates, led by a group of scientists, visited Honghe Hani Rice Terraces in Yunnan – a UNESCO World Heritage site and a UN Food and Agriculture Organization's Globally Important Agricultural Heritage site. The group conducted a series of biodiversity studies and posted highlights of their trip on social media to harness support for protecting biodiversity.



Environmental protection education

We have shared knowledge on environmental protection in three educational ways. First, we worked with Green Monday, one of the winners of EY Entrepreneur Of The Year 2020, to promote low-carbon vegetarian diets to EY colleagues. Second, we launched the Future Skills Workshop to encourage junior and senior secondary school students to limit their consumption of resources. Third, we encouraged new staff members to participate in Zooniverse (an activity that helps scientists identify biological information in research materials) as part of their induction training and at our training sessions for newly promoted employees, to build their knowledge of conservation topics such as biodiversity and climate change.

2

Sharing

China has embarked on a journey toward achieving the long-term goal of common prosperity. Anchored around high-quality growth, common prosperity is characterized by efficiency, fairness, development and sharing.

We owe our growth partly to generations of diligent and dedicated employees, and partly to our clients' trust and partnership. EY attaches great importance to protecting employee benefits, at the same time as delivering high-quality services for our clients and giving back more to society.

Chapter 2 Sharing

2.1 Employees

EY is committed to building a better working world by encouraging inclusive leadership and diverse teams, developing professional talent, fostering a sense of belonging among employees, and contributing to a fair society.

We offer equal employment opportunities, an amiable work atmosphere and continually enhance employee benefits. Employees are also encouraged to communicate and collaborate with different people and organizations, and we strive to provide a diverse and inclusive work environment.

Equal opportunities - We value individual differences. Our strengths and competitive advantages lie in the complementary strengths brought by employees with different backgrounds, skills and personal styles. We strive to create an inclusive, diverse and flexible work environment, and our actions and behavior are guided by our Global Code of Conduct and our Global Inclusion and Non-Discrimination policy. This enables all employees to bring their full potential into play.

Employee growth - High-performing teams form the basis of exceptional client service. We provide employees with a wealth of learning opportunities, including on-the-job training and career counseling. We strive to reinforce their professional skills and strategic thinking, while enabling them to unlock their potential as future business leaders.

Employee welfare - We believe enhancing employee welfare ensures the healthy development of our employees and our business, as it incentivizes everyone to contribute to the company while maximizing their own potential at work.

Communication and participation - Knowledge comes from practice. We do our best to help employees capture rich project experiences, and we listen to their creative ideas through different communication channels. We want everyone at EY to be able to work passionately and collaboratively toward realizing team objectives and their own ambitions.

Diversity and inclusion - We believe that it is only by bringing together professionals who have different backgrounds and viewpoints that we can maximize the efficacy of our high-performing teams and promote our business growth in Greater China and global markets. Diversity and inclusion are at the heart of EY's corporate culture, and they are key to delivering services to our clients, developing our employees, and building a better working world.

Developing comprehensive employment policy

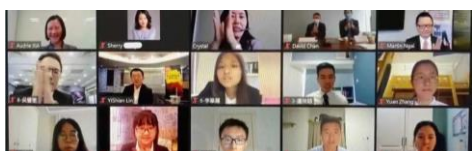
EY has developed a comprehensive recruitment system, guided by the value proposition of our global NextWave strategy, to attract a diverse pool of talent. The system aims for each person that joins EY to respect individual differences, stimulate new ideas and have the ability to come up with innovative solutions to help achieve our organizational goals.

Campus recruitment - In addition to our campus recruitment WeChat account, which is widely known among students as a recruitment platform, we host various contests and campus recruitment campaigns every year to provide career opportunities for university students and fresh graduates. Examples of these activities include the Summer Leadership Program, which gives full-time job offers to undergraduates and postgraduates who will graduate within one year; the Data Science Program, which is designed to unlock students' potential in innovation; Go Beyond, which is a creativity competition for university students; EY Corporate Finance Woman of the Year; and EY Young Tax Professional of the Year, which gives participants an opportunity to win internship placements at EY and enter a global final.

Experienced hires - We make use of a broad range of channels to allow jobseekers to capture career opportunities at EY. These channels include our experienced hire WeChat account, the AI tool MoBot, and the digital interview platform HireVue.

Alongside these activities, we have formed partnerships with a number of universities:

- ▶ Under an MoU with Fanhai International School of Finance at Fudan University, we have jointly organized the Green Finance Competition for four consecutive years and arranged a variety of other activities related to green finance.
- ▶ EY and the Hong Kong Polytechnic University have signed an MoU on future collaboration in areas including green finance and ESG.
- ▶ We have also signed an MoU to partner with tertiary educational institutions, including Renmin University of China and the Central University of Finance and Economics.



Promoting career development



EY believes that our teams are our biggest asset as an organization. Indeed, we owe a large portion of our success to the knowledge, skills and attitude of our teams.

EY is dedicated to developing, nurturing and incentivizing a wide variety of talented individuals and placing them in our diverse teams so we can provide excellent services to clients and live up to our values.

At EY, all employees can receive quality learning by taking courses that are tailor-made for them. These courses cover technical subjects specific for different service lines, as well as general topics suitable for all employees. To create the best combination for effective learning, we combine online learning featuring videos and live broadcasts, and offline learning featuring lectures, case studies and scenario simulations. In FY21, our employees received an average of 29.62 hours of online training and 40.68 hours of offline training.

We have implemented the LEAD (leadership assessment and development) program to enable our employees to receive feedback and suggestions from different parties easily and swiftly, while giving feedback and suggestions to others. This approach facilitates more effective communication between employees and mentors, while helping employees strengthen their professional skills and enhance abilities to develop their careers. We run the Milestone program for newly promoted employees every year, which combines celebration with learning to help participants get to know each other and build new skills that are essential in their new role.

EY Academy - Leveraging our professional and successful experience in knowledge management and talent training gained over a century of practice, we are committed to promoting innovation and development through renewing our knowledge base, organizing academic seminars and cultivating talent, serving all sectors of society and working together to create long-term value.

EY Badges - These are digital badges that recognize future-focused skills, such as analytics, innovation, personal goals, digitization and sustainability. EY Badges encourage employees to accelerate their personal development and stand out within the industry. The badges can be shared on social media platforms.

EY Tech MBA - Offered in association with Hult International Business School, the EY Tech MBA is a unique program designed to invest in the career growth of our employees. It is a fully accredited corporate MBA and is available for free to all our employees. EY is the first company ever to offer a free online MBA program to all employees.



Chapter 2 Sharing

Safeguarding health and safety

To reinforce our mission and vision, we offer several employee benefits and activities to engage our people. These include the Employee Assistance Program (EAP), as well as online seminars and offline events that focus on physical and mental health. We also provide flexible working arrangements and other policies that offer timely and effective care to the wellbeing of our employees. These policies help our employees cope better with an outbreak or emergency event, such as the unexpected COVID-19 pandemic.

Employee Assistance Program (EAP) - Designed for our employees and their immediate families, the EAP covers different components including work-life balance, workplace conflicts and communication, stress relief, and family relations, among others.

Flexible working arrangements - Under the guidance of our employment policy, we offer flexible work arrangements to support and meet employees' needs. On the winter solstice and New Year's Eve, for example, our offices close at 4pm so employees can leave early and spend more time with their families. Employees volunteering for charity during non-working hours are given eight hours of paid charity leave, and we encourage employees to take part in charitable activities related to entrepreneurship, education and the environment. Other flexible working options include reduced schedules, seasonal working arrangements and career breaks to meet individual needs.

EYCare - EYCare is an integrated platform that aims to enhance employees' physical and mental health through initiatives that include health education, recommendations of health programs, assessments of physical and mental health, and counseling. Together, these initiatives motivate employees to develop, improve and become better selves. The platform has proved especially useful during the COVID-19 pandemic, with employees using it to receive timely updates for their commutes, to order supplies that help contain the virus, and to attend talks on how to respond to unexpected incidents.

EY Wellbeing Week - Every year for the last five years, we have held a Wellbeing Week. The mixture of online and offline activities engages all EY employees and encourages them to take some time out from their busy work schedule to relax and perform physical exercise.

Be considerate
Wear mask
at all times



Strengthening employee communication

Subtle problems can be uncovered through communication, before they evolve into greater hurdles. Good communication can also spark great ideas, build trust and enable employees to unleash their full potential.

EY places great emphasis on the importance of communication. We respect and listen to employees' views, and we have mechanisms in place to make sure communication is effective. To establish and enhance information-sharing processes with employees, we have launched a set of communication and engagement initiatives.

The main purposes of the communication and engagement initiatives are as follows:

Notification and explanation - delivering useful and timely information to keep employees engaged.

Participation and incentivization - helping employees develop deeper ties with our brand and global development strategy, and enabling them to unleash their potential as they support us to build a better working world.

Leadership and suggestions - working closely with our senior executives to maintain high-quality strategic communication and act as their trusted business advisors.

Vertical communication - Effective tools allowing employees to stay tuned to the latest news from EY Global and the local offices include EY Daily News and our in-house newsletters: the bi-weekly *Social Media Express*, the monthly *EY wavespace Newsletter* and *EY Business Highlights*. We also give out our ExCEED Award to recognize employees for their high-quality work and outstanding performance.

Horizontal communication - To give all employees the opportunity to provide feedback on working at EY, we conduct a global EY People Pulse employee engagement survey three times a year. In addition, we hold Townhall Meetings to give senior executives and other employees the opportunity to connect and speak to each other directly. Through Counseling Family, we facilitate dialogue exchange between mentors and team members. Thanks to social media platforms such as WeChat, LinkedIn and Yammer, it is now easier than ever for employees to get to know each other, communicate, exchange views, and offer each other support. The ThankU Certificate is another tool that allows employees to show gratitude, care for and support each other.



Chapter 2 Sharing

Upholding inclusiveness and diversity

We know that when someone is able to be their best selves, they make the best employee. EY's global NextWave strategy and our goal of creating long-term value are motivating employees to be their best selves, stay active in their day-to-day work and demonstrate transformational leadership. In this way, we are instilling a stronger sense of belonging into our people and zealously creating a more inclusive environment where everyone can work together to realize the strategic vision of NextWave.

To further propel a diverse and inclusive culture, riding on the *EY Global Executive Diversity & Inclusion Statement*, the EY Greater China Regional Managing Partner joined forces with other executives in the Asia-Pacific region to sign a *Diversity, Equity and Inclusiveness Statement*. The new statement underscores that EY's commitment to inclusive leadership is key to our ability to create long-term value and provide quality services to clients.

[Advancing our commitment to diversity and inclusiveness | EY China](#)

Considering the needs of different groups, and with an aim to facilitate inclusive team cooperation, we have launched a series of in-house activities and platforms to reinforce our culture of diversity and inclusiveness and create an open, safe and non-discriminatory work environment for our employees. These programs are Inclusive Leadership, the Professional Women's Network, the Cross-Generation Network, the Cultural Diversity and Inclusiveness Network, the Working Parents' Network and LGBT+ Inclusion. Each program has its own objectives and serves specific groups. Together, they give each and every employee a sense of belonging at EY. Regardless of the background, education, gender, ethnicity, nationality, generation, way of working and thinking, religion, sexual orientation, ability or skills of our people, we are determined to provide everyone an inclusive workplace that attracts and retains talented people. We believe this is the way to create the best-performing teams.



“

Women make up more than 65% of EY Greater China Region employees. In FY21, about 41% of the Greater China Leadership Team consisted of women. In 2020, women made up 61% of all newly promoted partners, executive directors and directors.

2.2 Clients

Professional services

The lack of momentum in global economic growth and the continuing impact of the pandemic in 2021 have led to severe adverse effects across sectors during a time of great uncertainty. We are witnessing a series of changes in China and across the globe. Nevertheless, our professional and diversified capabilities have withstood this testing time.

In response to an ever-changing environment and increasingly high expectations from our clients, EY Greater China Region is providing diverse and tailored support to our clients with professional competence and attitude, working together with our clients to build a better working world.

► Global vision, China focus

Empowering enterprises to “go abroad”

As the Belt and Road Initiative advances and sets the wheels in motion, Chinese enterprises continue to grow in the global value chain. China will also play an ever more crucial role in the reset and recovery of the world economy. Businesses must build their resilience in order to successfully navigate the complex and dynamic global investment environment.

As a global professional organization with a deep commitment to China, EY Greater China Region is actively applying its professional knowledge and experience to assist enterprises to think globally while ensuring a solid performance at home.

We established the China Overseas Investment Network (COIN) to assist enterprises with carrying out forward-looking risk management and developing systematic investment management frameworks. From planning and executing deals to post-deal integration, COIN provides Chinese enterprises with one-stop professional services - before, during and after investments. We aim to assist Chinese enterprises with global strategic ambitions to expand their operations internationally.

Simultaneously, the EY Belt and Road Task Force was created to assist Chinese enterprises in drawing on opportunities to develop along the route. To better serve corporate clients, we launched the EY Belt and Road Navigator - an information platform for sharing market and sector insights related to the Belt and Road Initiative along with government policy updates, investment guides, country reports and seminar events, supporting Chinese enterprises to better understand the opportunities and challenges that the Belt and Road presents.



EY offers cutting-edge interpretation and analysis to assist enterprises “going abroad” to identify trends and dynamics



EY China Overseas Investment Network - Global presence

Chapter 2 Sharing

Assisting enterprises to be active in participating in the development of the GBA

The GBA is an important part of the 14th Five-Year Plan and national economic development strategy for China. It is also a priority project in innovation and technology development as China strives to become an international technology and innovation center by 2025.

EY's offices in Hong Kong, Macau, Guangzhou and Shenzhen have put together dedicated teams to better support the GBA's development.

Driving the convergence of the real economy with the Internet of Things (IoT), big data analytics and AI, EY is committed to facilitating infrastructure upgrades and transformation, technological innovation, research and development, and smart city development in the GBA. Our professionals in various fields have been staying on top of the development of the GBA, actively participating in relevant policy discussions across industries, and cooperating with other institutions and experts to contribute strategies and develop new solutions for the GBA's development.

Youth mobility

Explore and provide young talent with opportunities to thrive in the GBA cities

Smart cities

Assist local governments with development strategies and infrastructure consulting services

Technology/FinTech and digital

Assist and boost the development of various innovative technology projects

Foreign investment

Facilitate investment from foreign corporates in GBA cities

Government and regulatory

Analyze and provide updates on local regulations and tax laws

Strategy planning and services

Identify potential opportunities to expand GBA footprints

Facilitating the reform of state-owned enterprises

The implementation of the three-year action plan for reforming state-owned enterprises (SOEs) has continued to optimize the structure and strategy of SOEs to unleash operational vitality. Coupled with the acceleration of relevant reforms such as in mixed-ownership, SOE reforms have progressed to a critical stage.

To maximize the relevance, adaptability, innovation, feasibility and effectiveness of SOE reforms, EY Greater China Region is actively providing customized strategy and implementation solutions, enabling SOEs to capitalize on the benefits of reform while achieving a high standard of development. At the same time, EY Greater China Region has pooled its professional resources and established a working group to promote the high-quality development of SOEs, helping to fulfill the goal of SOE reform through seamless cooperation among six teams: strategies, planning and mixed reform solutions; transaction advisory services; assurance; tax services; people advisory services; and advisory.

Driving technological breakthrough

In the Industry 4.0 era, technology and innovation are propelling businesses development like never before. Those who fail to keep up may risk being eliminated. EY recognizes that businesses can remain competitive only by continuously driving technological breakthrough.

To better grasp the opportunities presented by technological disruption and foster breakthroughs in innovation, the EY innovation team is collaborating with various business units to provide services, to assist in identifying, sharing and promoting the best ideas, to conduct research, and to explore new technological solutions, client services and innovative approaches that can help clients address their most complex business challenges.

Our teams are embracing new technologies to drive business transformation and enhance service quality, exploring the enormous potential of innovations such as blockchain, AI, robotics and analytics. We are using bots, algorithms and machines to help create transformative value and impactful solutions for clients. Our teams apply agile approaches to generate new ideas, helping clients to quickly realize these changes through in-market testing and rapid scale-up when required.

Our EY wavespace innovation centers are committed to empowering innovation, transformation and business growth and to driving business applications of cutting-edge technologies in companies. By focusing on building eco-alliances, incorporating the latest industry ideas, and fostering project implementation through interactive innovation and offline support with digital solutions, we are working with a variety of industries to create a digital future together.

EY's key focus areas in the GBA

► **Supporting the healthy growth of enterprises**

Transparent professional financial services

The purpose of our Assurance services is to inspire confidence and trust to help build a better working world.

We do so by protecting and serving the public interest, promoting transparency, supporting investor confidence and economic growth, and nurturing talent to provide future business leaders for the global marketplace.

We assist businesses with continuously improving their tax functions, which are a cornerstone of financial management, and developing tax strategies that are based on a transparent reporting system that complies with regulations and can be integrated with business drivers.

To this end, we continue to investigate and apply cutting-edge technology and insights to provide clients with a range of professional services, including external audits, forensic and integrity services, financial accounting advisory services, CCaSS, cost-engineering services, global compliance and reporting services, indirect tax services, international tax and transaction services, people advisory services, private tax services and tax technology services. We share our analysis and insights with clients to help them navigate financial, tax, compliance and other risks and fully realize their potential to thrive in various markets. On this basis, we are also actively assisting clients to identify financing sources and supporting their strategic acquisitions to create market expansion opportunities, as well as improving perceptions of their business and branding among customers, suppliers and employees.

Future-proof strategy and transactions advisory services

Our Strategy and Transactions teams offer integrated and objective advisory services designed to help clients assess opportunities, and more efficiently make deals and achieve strategic objectives. Simultaneously, through the power of people, technology and innovation, we help clients transform their businesses and realize the vision of putting humans at the center, leveraging technology at speed and enabling innovation at scale.

To achieve this goal, with diverse thinking and skillsets, we provide clients with advisory services on strategy, M&A, transaction diligence, valuation, modeling and economics, infrastructure advisory, transaction strategy and execution, turnaround and restructuring strategy, international tax and transaction services, and technology consulting, among others. The services we provide are helping businesses across industries to transform successfully, driving change and supporting clients to harness new core drivers of business value. By improving agility in our clients' business and operating models, we are helping to deliver and sustain engines that can create long-term value for people, companies and society.



Chapter 2 Sharing

Winning in the market with quality services

Upholding the vision to build a better working world, EY consistently delivers quality services and insights to help companies across the globe build trust and confidence.

In China, high-quality growth has emerged as a major focus for the country's economic and social development. All our employees in EY Greater China Region are committed to swiftly mobilizing professionals to participate in projects at the right time and in the right place according to project needs. We aim to offer seamless, high-quality services from our high-performing interdisciplinary teams.

We believe that economic growth will be more sustainable and inclusive in a better working world. In this era of rapid change and a new wave of digital transformation, we have placed high-quality services and technological innovation at the core of our offering and prioritized quality in our governance, corporate culture, integrity and competency. We will continue to deepen our investment of resources in technological innovation and digitalization to make a clear differentiation in the quality of the services we provide. We strive to assist enterprises to stay at the forefront of the latest trends, achieve sustainable, high-quality development and create long-term value.

► High-quality services

EY is committed to fostering a culture of putting quality first, establishing high standards and stringent requirements for every work process and output. We will strictly adhere to quality control standards, establish a multi-layer organization structure for quality control, improve rules and regulations on quality management, and ensure the quality management system is implemented in a closed loop. By providing tailored, high-quality services to clients, we can assist enterprises to adapt their rules and regulations to meet the challenges of a digital future, helping to build a more sustainable and healthier working world.

► Service approach

We believe that every opportunity to deliver assurance, advisory, tax, and strategy and transactions services, and every interaction with a client or colleague should make the working world better than it was before. Fulfilling our purpose starts by asking better questions, because the better the question, the better the answer. To address an enterprise's most pressing issues, we ask questions centering on integrity and quality, which inspire answers containing innovative solutions. These better answers help our clients operate more efficiently, manage risk, foster growth and inspire confidence.



EY Entrepreneur Of The Year 2020



EY Entrepreneur Of The Year 2021

► Service assessment

Client centricity is an important pillar of EY's NextWave strategy, and client experience is the primary metric by which we measure everything we do. We are committed to providing an exceptional service to clients by listening to their perspective, comprehending their expectations, and connecting with them through trust in order to enhance loyalty and create more value.

Using the customer experience (CX) digital platform, we track client relationships in real time through four dimensions: win/loss; assessment of service quality (ASQ); expectation of service quality (ESQ); and relationship feedback. In every client interaction, we maintain our professional advantages, identify problems, learn from experience and gain insights. This enables us to better understand clients' perceptions and needs throughout the entire client life cycle, so as to achieve a higher level of client value and a quality client experience.

► Service achievements

From start-ups to Fortune Global 500 companies, we serve clients in more than 150 countries and regions, and across industries. We leverage our professional knowledge and experience to empower businesses to innovate and contribute to sustainability, making a lasting positive impact on our clients and wider society. As of 2021, EY has won (or has been shortlisted for) the SAP Pinnacle Award for eight consecutive years, the Most Contributing Institution on the Science and Technology Innovation Board Award in 2021, and China's Most Innovative Knowledge Enterprise (MIKE) in 2020.

► Collaborative success

We are committed to partnering with our clients to support them to accelerate their growth and actualize their goals to become market leaders. With this purpose in mind, EY established one of the most prestigious awards schemes in the global business community - EY Entrepreneur Of The Year - alongside a set of programs and services designed to assist clients with bringing their products and ideas to the market. These programs provide excellent exchange platforms for entrepreneurs whose business performance, leadership, entrepreneurial success and competitiveness are outstanding.

Technological innovation

In the era of technological change, the boundaries of traditional industries are being disrupted, and the innovative integration of technology and business is changing the way companies operate. Based on leading emerging technologies such as AI, blockchain, IoT and cybersecurity, EY develops space for technological innovation and interaction, creates digital platform solutions, helps clients seize new values and opportunities amid industry disruption and integration, and provides clients with agility and new thinking to help companies operate effectively and achieve long-term growth in a rapidly changing environment.

► Building a connected innovation network

In order to integrate global scientific and technological innovation talents, focus on cutting-edge technology, and build an interconnected ecological strategic alliance, we have created EY wavespace, a center for innovation.

EY wavespace is our interconnected innovation network connecting global talent and physical space. It is located in more than 40 technological frontier cities around the world and promotes nearly 5,000 innovation projects every year. At EY wavespace, we explore cutting-edge technologies such as blockchain, AI, machine learning, 5G, and IoT, and provide business teams with innovative ways of thinking and technological tools to help them think from multiple perspectives and quickly solve problems and challenges. Through the combination of online and offline solutions, EY wavespace integrates global cooperation across industries, regions and professional talent to form an ecological strategic alliance. All innovation centers are interconnected, sharing the latest industry ideas and experiences, providing innovative consulting and solutions that meet the needs of different types of corporations and institutions, enabling enterprises to accelerate innovation and successfully navigate the era of change.

► Developing digital solutions

We have developed a suite of digital solutions to support clients to improve their operating models so they can adapt to digital transformation and empower their business. These solutions include the EY CapES digital ESG management platform, a digital financial management platform, and the EY Intelligence integrated digital solutions.



Technological innovation is one of the most important forces driving the high-quality development of China's economy, and the digital economy in particular is going to become a crucial engine for future economic growth. For a long time, EY has been working with clients to improve their digital and intelligent capabilities, and it has been investing in technologies, including big data, blockchain, cloud computing, AI and robotics. In doing so, we have accumulated a wealth of experience and successes in supporting businesses with their innovation transformation and accelerating the application and transformation of innovation outcomes.

- Jack Chan, EY China Chairman and EY Greater China Regional Managing Partner

Chapter 2 Sharing

► EY CapES digital ESG management platform

EY CapES, a proprietary digital ESG management platform, aims to help enterprises manage their ESG risks and overcome the challenges of managing ESG data. Embedded in a robotic process automation (RPA) application, EY CapES provides a one-stop intelligent service to support enterprises with ESG information disclosure, ESG information management and capital market response, effectively simplifying work processes and improving performance. It aids management decision making by integrating ESG data and performance tracking. It also provides customized management systems according to an enterprise's specific needs and challenges, fully satisfying the needs of enterprises to enhance the personalization and differentiation of their ESG management. In alignment with China's dual carbon goals, the platform can also be used to track progress toward meeting carbon targets, monitor carbon emissions data in real time, manage carbon assets effectively, and promote the implementation of corporate strategies for reducing carbon emissions.

► Digital financial management platform

Digitalization has brought change to every sector. The emphasis of financial management, a critical component of corporate management and control, has shifted to rapidly obtaining valuable insights from complex transaction data to facilitate decision making. Digitalizing the core functions of the finance department is now critical to integrating business and finance and to financial transformation. EY's digital financial management platform leverages digital technologies and emerging methods and tools to empower agile financial operations that enable the transition from "financial intelligence-driven" to "reform-driven" and from "human labor" to "virtual labor." In addition to improving corporate financial agility, it aids the transformation of the financial sharing function and enhances financial management to support the development of corporate strategy.

► EY Intelligence integrated digital solutions

Customization is key in the digital era, with digital marketing set to become a major area of work and a core competitive advantage for financial institutions. To that end, EY has launched a series of digital intelligence retail marketing solutions designed to break through the silos of sales channels; reconstruct customer segments; quantify marketing performance to support the development of an integrated omnichannel marketing system; and reshape online marketing models, from strategy to coverage and execution. The digital marketing model enables businesses to address the challenges associated with evolving practices in marketing and sales. The EY Intelligence integrated digital solutions include EY Intelligence Inclusive Finance, EY Intelligence Scenario-based Finance, EY Intelligence Holographic Smart Investment, EY Intelligence Smart Finance 2.0, and EY Intelligence Risk Control, among other core areas. This series of products is scenario-based and covers business strategy and planning, system implementation and organizational reform, effectively supporting financial institutions to implement forward-thinking solutions.



Information security

In the information age, the unprecedented challenges relating to information security are resulting in numerous privacy breaches and immense damage.

EY understands the importance of privacy and information security, and our commitment to providing high-quality and consistent customer service around the world is supported by clear policies on data protection and information security. We believe that a strong data protection and information security regime is essential for a sound business reputation, and we view data protection and information security as integral to our business operations.

EY is dedicated to safeguarding information assets, personal data and customer information, and strictly complies with relevant legal and regulatory requirements regardless of when and where the data is created, processed, transmitted or stored. EY has also developed comprehensive measures and put in place technical and compliance frameworks to protect customer privacy and information security.

In terms of legal compliance, EY's information security and data protection regimes are based on a set of frameworks and policies that aim to promote confidentiality, integrity and access to organizational and client information. We are committed to complying with all local privacy laws and regulatory requirements, and we are continuing to maintain effective governance in data protection and information security.

► Staff training and awareness-raising

We expect all EY professionals, regardless of their role and responsibilities, to adhere to the EY Global Code of Conduct and to abide by strict professional and technical standards. Our guidelines support employees to make the right decisions in day-to-day operations and in safeguarding personally identifiable and confidential information obtained from organizations, employees, clients and third parties.

Moreover, we place strong emphasis on raising employees' awareness in relation to information security. EY requires its employees to abide by strict privacy policies. All employees are regularly required to complete mandatory data protection and information security training to continually enhance their awareness of the latest data privacy and information security threats.

► Technological security control

EY's approach to information security is not limited to written security policies or standards. We also safeguard confidentiality, integrity and access to information by deploying technology such as full-disk encryption, anti-virus and anti-malware protection, and intrusion detection and defense. In addition, we have invested a significant amount of time and resources in developing security tools, aligning our adoption of products with our information security strategy to provide secure and reliable data transmission and storage to our clients.

► Disaster recovery plans

Our disaster recovery and business continuity capabilities underscore our ongoing commitment to the security of our organization's and our clients' data. EY strives to protect people, infrastructure, business processes, applications and data in the event of a catastrophe - before, during and after the incident. Our procedures for disaster response and system recovery have been rigorously planned, designed and tested.

► Supplier Risk and Assurance

EY Supplier Risk Assurance is delivered through our supplier due diligence process, which covers information security, procurement, contracts, data protection and independence. Simultaneously, we use industry security standards to assess supplier risks such as information security and compliance.



Chapter 2 Sharing

2.3 Social

Youth education and training

EY set some ambitious goals in FY21, one of them being to continue our mission to positively impact one billion lives through EY Ripples by 2030. To this end, EY's plan is to begin by influencing successful entrepreneurs and, through them, motivating more young people to get involved.

In the future, through cooperation with influential entrepreneurs, EY will mobilize more than 1 million people around the world to support the next generation and, accelerate sustainable environmental development to promote long-term change. In FY21 alone, the strategy has positively affected more than 20 million people. Since its launch in 2018, it has reached 55 million people.

EY published its annual report [EY Value Realized](#), in which EY reports against the World Economic Forum-International Business Council (WEF-IBC) Stakeholder Capitalism Metrics on ESG information disclosure, the overall impact of our global organization, and the progress of our NextWave strategy.

Support for young entrepreneurs

Great entrepreneurs generate a positive impact around them in the process of creating value for themselves. In this regard, they are growing their businesses at the same time as driving social development. EY recognizes and celebrates entrepreneurship and is committed to supporting the growth and development of the next generation of global entrepreneurs through a series of actions.

EY officially launched the EY Ripples program in Greater China in March 2019. Since then, we have joined forces with Junior Achievement (JA), one of the world's largest not-for-profit educational institutions, to organize events in Beijing, Shanghai, Hangzhou and Guangzhou. The events included the JA Internship Day, the Career Go! Workshop and the JA Be Entrepreneurial Program. In the future, EY will organize these kinds of activities at other branches to help more young people deepen their understanding of professional life and careers.

EY Ripples is our corporate social responsibility project aimed at cultivating entrepreneurship among the young generation and working with them to promote social development. EY Ripples focuses on sustainability, protecting and regenerating the environment and sparking business opportunities by promoting new habits, new technologies and new business models. EY Ripples also has two other key focuses. One is to equip young people with development skills, changing their mindsets, and encouraging them to pursue their dreams and have the courage to act. These practical skills will help them better adapt to the work environment and achieve their career goals in this time of change. The other is to work with influential entrepreneurs and use our knowledge, skills and experience to help small enterprises and start-ups grow their business and achieve their sustainable development goals. By doing so, we are addressing sustainable development issues such as social inequality, providing everyone with more equitable access to resources and the right to change their own lives.



EY wins Best Social Responsibility Project at the Employer Brand Creativity Awards 2021 for its outstanding contributions through the EY Ripples program. The Summer Leadership Program also wins Best Campus Program in recognition of EY's commitment to youth development.

EY NextGen Academy

The EY Taiwan office has held a series of events for the EY NextGen Academy, which has received many positive responses from the next generation of family businesses. On 27 October 2020, we organized an online seminar to exchange insights and experiences relating to business succession, business operations and inheriting family businesses.



The EY Taiwan office hosts the NextGen meeting

EY x Gordon Education ESG Student Innovation Challenge

The 4th China International Import Expo (CIIE) was opened in Shanghai on 4 November 2021. At this event, EY focused on the dual carbon goals, technological innovation and green development, and held in-depth discussions on the new trends in tech-enabled industry development. Against this backdrop, EY and Gordon Education jointly launched the ESG Student Innovation Challenge to spotlight future talent to support national development. This competition aims to promote ESG concepts among university students, inspire innovation, and develop measures for individuals, enterprises and society to achieve sustainable development goals. EY hopes that the competition will nurture a culture of sustainability among young students and empower them to be the leaders of a greener future.



Charity activity - EY project team in Inner Mongolia provides poverty relief to support students of the North Campus of Yingfangdao Hui Primary School

Chapter 2 Sharing

Women: Fast forward

In recent years, more and more women have moved beyond gender stereotypes to unleash their full potential in professional careers. Increasing numbers of women are contributing their unique wisdom and strength to the development of the global economy. The power of women, especially in leadership, is receiving the recognition it is due.

In the pursuit of excellence and innovation, EY is maintaining its commitment to fostering a diverse and inclusive work environment that supports and encourages female employees to unleash their power and realize their values.

An equal environment for female leadership to flourish

EY has formed the Professional Women's Network to support female employees to improve themselves - at work and in life.

In EY Greater China Region, 41% of the leadership team members are women, while more than 65% of our workforce in this region is made up of women. Within our global organization, one-third of the members of EY's most senior management body, the Global Executive, are women.

The EY Academy x ICAEW Women in Finance Luncheon

Our Professional Women's Network held a series of activities and seminars for Women's Month to help female colleagues utilize their professionalism, confidence and beautiful wisdom as they develop their careers.

To celebrate International Women's Day in 2021, the EY Academy jointly organized a Women in Finance Luncheon and International Women's Day Celebration with the Institute of Chartered Accountants in England and Wales (ICAEW). The event took place at the EY wavespace flagship center in Shanghai. Female members of ICAEW who have made outstanding achievements in the field of finance joined the celebration and shared their experience in professional careers, leading change, managing emotions and dealing with challenges. Their stories of success and happiness were an inspiration to others.

In 2021, ISACA and EY hosted the SheLeadsTech event at the EY wavespace flagship center in Shanghai. Outstanding female representatives in advisory, Internet, manufacturing, finance and other fields were invited to the event to discuss career growth for professional women under the themes of technology, innovation, breakthrough and women's empowerment. The event called for diversity in the work environment and encouraged women to scale new heights.



The EY Women in Finance Luncheon



The ISACA SheLeadsTech roundtable

EY Entrepreneurial Winning Women Asia-Pacific

As a world leader in advising, guiding and recognizing entrepreneurs, we know that access to successful role models and business-building networks is critical for entrepreneurs to accelerate growth.

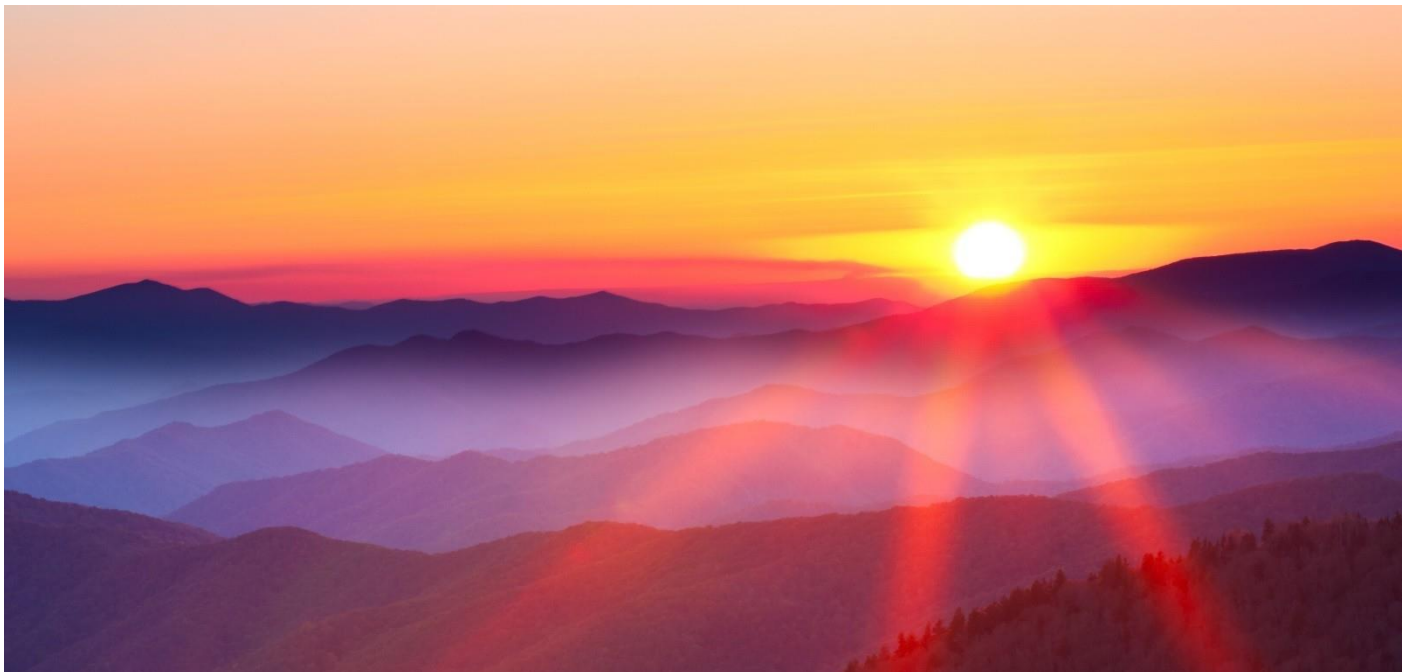
The EY Entrepreneurial Winning Women program is designed for women with high-growth businesses who are ready to scale operations and grow to become global market leaders. The program also provides candidates with strategic support and training, in addition to including them in EY's global network of entrepreneurs.

Since the program's global inauguration in 2008, more than 750 women entrepreneurs with businesses across different sectors in more than 50 countries and regions have been selected to join the program. EY Greater China Region has organized the EY Entrepreneurial Winning Women Asia-Pacific program for seven consecutive years since 2015, with more than 120 entrepreneurs selected to join the program. This forms part of the global EY Entrepreneurial Winning Women program.

On International Women's Day 2021, EY announced the 14 women entrepreneurs from the Asia-Pacific region who were selected to join the program that year. They came from six countries: China, Australia, Japan, Korea, Singapore and Sri Lanka.



2021 EY Entrepreneurial Winning Women Asia-Pacific program



Response to the pandemic

The COVID-19 pandemic is a global crisis, and it has significantly impacted the capital market. The pandemic will inevitably trigger major changes on the economic, technological, commercial and social fronts. When the crisis is over, a post-pandemic new normal will emerge.

EY has published a report entitled [Beyond COVID-19: What will define the "new normal"](#), which provides insights into the post-pandemic factors that business leaders should consider in their response to the new normal.

EY is of the view that in an era of rapid disruption and business transformation, business leaders are simultaneously balancing short-term and long-term objectives. We look at this as operating across three horizons:

<p>1</p> <p>Solving the now</p> <p>Growing the existing business, maximizing profitability and shareholder value, and responding to immediate challenges</p>	<p>2</p> <p>Exploring the next</p> <p>Responding to medium-term challenges and opportunities, largely from disruptions in their sector</p>	<p>3</p> <p>Imagining the beyond</p> <p>Responding to transformative, long-term challenges and opportunities from global, cross-sector megatrends</p>
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Smart solutions

During the pandemic, cloud computing has seen an exponential growth in application scenarios, thanks to its intrinsically remote services characteristics. Companies have adopted the on-demand and highly scalable cloud model to achieve cost-effectiveness and business continuity, furthering the digital transformation of their businesses. Cloud computing is not the only market segment to have seen a dramatic development during the pandemic, however: Smart automation has also become a priority for companies responding to the pandemic and undergoing digital transformation.

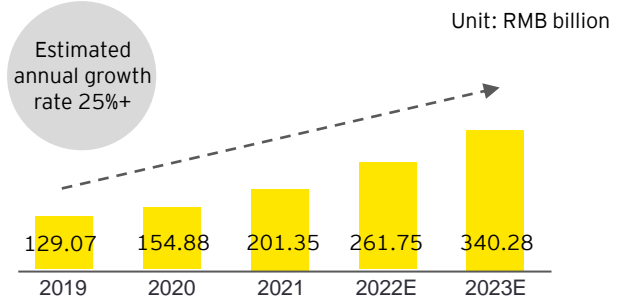
EY relentlessly explores data-processing and analytics technologies, applying next-generation information technology and concepts in audits to drive the digital transformation of the assurance practice and achieving remarkable results. Standardization, automation, intelligence and big data are the fundamental elements of EY's digital audit service. A digital audit is capable of achieving wider coverage, more precise sample selections, deeper analysis, more efficient management and more valuable insights.

EY is also committed to advising organizations and enterprises on their own digital transformation. Building on our deep insights into the RPA and cloud computing markets, we are helping enterprises to analyze the risks associated with RPA migration to the cloud and consider corresponding mitigation measures, ensuring a smooth digital transformation journey.

Cloud computing market scale continues to grow

Amid the pandemic, there has been an exponential growth in the application scenarios for cloud computing. Companies have adopted the on-demand and highly scalable cloud model to achieve cost-effectiveness and business continuity, furthering the digital transformation of their businesses.

China's cloud computing market scale in recent years



Source: Whitepaper on China's cloud computing industry development and application, Development Research Center of the State Council

The trend of RPA migration to the cloud

As more enterprises move their operations on to the cloud, RPA migration will become a natural development. RPA will be more powerful on the cloud. For developers and users, this migration will not only save them substantial resources and costs but also increase the efficiency and standardization of processes.

Migrating RPA to the cloud refers to deploying the entire process and related system information of the design, development and test operation of the RPA machine process on the cloud.

Database consolidation on the cloud	Data backup	Hot backup	Data transmission
	Rapid scaling	Failover	Disaster recovery switch
Control panel coordination and monitoring	Process cluster	Performance monitoring	Data test
	Application PaaS	Service rental	Centralization

In the wake of the pandemic, the number of remote-working employees may continue to rise. Faced with a rapidly changing environment and increasing challenges, enterprises will need more advanced network security solutions. This demand will continue to drive the adoption of AI technology. To better assess the use of AI in the field of cybersecurity, EY surveyed 411 CIOs, CISOs and other company decision makers to understand the adoption of information security solutions in their companies. Based on analysis carried out by our network security professionals, we provide enterprises with AI-powered network security solutions.

EY wavespace has worked with open innovation institutions to build a strong innovation ecosystem in China. Our ecosystem has established connections with multiple leading innovation incubators and accelerators, in addition to dozens of well-known domestic and overseas investment and financing institutions. These connections are helping technological start-ups realize their value through innovation, accelerating business growth by offering diversified and cutting-edge technological solutions. In recent years, EY has regularly launched innovative products in the field of sustainable development. Through these innovative financial products, we are assisting various industries with the transformation to low carbon and supporting the high-quality development of the economy.

Empowering enterprises

In general, the pandemic has adversely affected the production and operations of small and medium-sized enterprises (SMEs). It took time for these enterprises to return to business as usual during the initial resumption of work and production, and they will continue to be affected by factors such as low remote office efficiency and impact on corporate revenue.

Catering to the characteristics of SMEs, EY set up livestreaming courses during the pandemic to assist them with addressing the problems through dynamic employee performance management, overall cost-efficiency improvements, and leadership appraisal and development.

In addition, EY has worked with venture parks to help SMEs and start-ups grow their businesses. In recent years, EY has collaborated with a number of leading venture parks in China to provide professional advisory and support to help the development of SMEs.



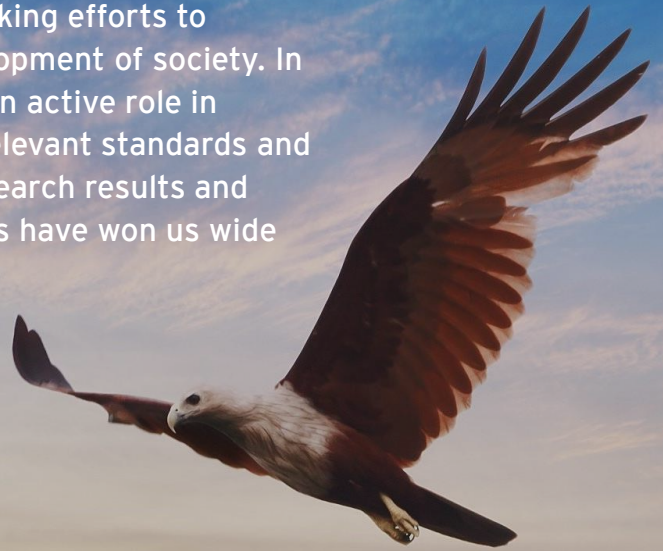
According to a recent survey, the majority of enterprises saw the pandemic as a major challenge. Among them, a quarter have implemented cost control measures. Over 70% of the enterprises surveyed have suspended or cut recruitment, while a large number of enterprises have imposed mandatory leave and other measures to control costs. A small number saw the pandemic as a development opportunity, and these enterprises have implemented measures to expand human resources, such as strengthening short-term incentives to ensure productivity and operations.

- *Survey Report on China Human Resource Management Trend 2020*, EY People Advisory Services

3

Links

EY is committed to building a green and sustainable business world, and we are making efforts to promote the sustainable development of society. In recent years, we have played an active role in researching and formulating relevant standards and regularly shared our latest research results and service solutions. These efforts have won us wide recognition in the industry.



3.1 Advocacy and communication

In recent years, EY has attended the following conferences related to sustainable development and shared its latest research findings.

For more details, please read the following overview and the articles listed below.

Overview: [安永审计2020年度回顾系列之八: ESG发展篇--持续发展, 未来可期](#)

- ▶ 安永受邀参与联合国开发计划署举办的可持续发展金融项目
- ▶ 安永先后参与了深圳交易所举办的A股上市公司ESG培训活动, 上海证券交易所和香港特许秘书公会联合举办的中国A+H股公司董事会秘书高级研修班
- ▶ 安永参与2020北京绿色金融研讨会, 分享金融开放背景下绿色金融发展
- ▶ 安永参与中欧清洁与可再生能源学院、中欧绿色能源金融研究所主办的绿色金融与新能源投融资讲堂, 分享绿色投资展望
- ▶ 安永受HKIFA (香港投资基金公会)、HKSI (香港证券专业学会)、HKVCA (香港创业及私募投资协会)邀请, 与机构投资者、资产管理者分享ESG投资最新进展
- ▶ 安永受UNDP (联合国开发计划署)、UNCDF (联合国资本发展基金)邀请参与新加坡金融科技节, 在“数字化融资支持联合国可持续发展目标”主题上发表演讲
- ▶ 安永参与为国务院国资委提供的“对标世界一流系列课程”, 并参与主讲《市值管理及其领先实践》课程, 助力国有企业提升社会责任价值
- ▶ 安永参与中国银行业协会主办在线培训, 分享绿色金融助推银行业高质量发展的实践

For more information, please follow these links:

- ▶ [碳中和愿景 | 安永获聘上海能源与碳中和战略研究院专家咨询委员会委员](#)
- ▶ [热烈祝贺安永作为第一批成员机构加入“生物多样性金融伙伴关系”](#)

EY has also hosted a multitude of forums, inviting experts from a range of fields to discuss sustainable development.

For more details, please read the following overview and the articles listed below.

Overview: [安永审计2020年度回顾系列之八: ESG发展篇--持续发展, 未来可期](#)

- ▶ 安永联合GRESB举办首场圆桌讨论会, 聚焦房地产企业, 邀请到各方代表共同探讨气候变化对于房地产企业的思考及启发
- ▶ 安永举办安永学院微课堂, 分享疫情下ESG主题基金市场表现和后续发展
- ▶ 安永联合对外经济贸易大学绿色金融与可持续发展中心举办绿色基金发展探讨会暨中国绿色基金50人联盟
- ▶ 安永联合复旦大学举办全国大学生绿色金融大赛, 为绿色金融培育未来人才

For more information, please follow these links:

- ▶ [全球可持续发展报告准则的未来 \(在线直播\)](#)
- ▶ [碳中和愿景 | 安永助力“中国市场展望及ESG/碳中和投资机遇研讨会”成功举办](#)

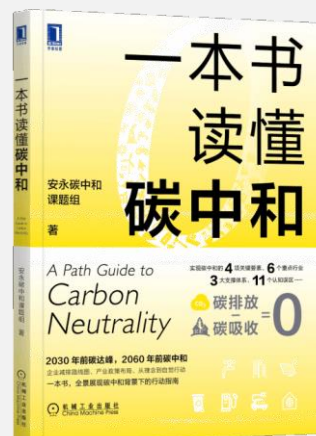
Chapter 3 Links

EY has regularly published articles on sustainable development:

- ▶ [安永中国主席陈凯：安永全球将于2020年底实现碳中和，促进可持续发展](#)
- ▶ [【陈凯说】低碳时代的ESG投资](#)
- ▶ [【安永声音】企业和投资者越趋重视可持续发展的管理与披露](#)
- ▶ [【碳中和愿景】创造可持续发展价值，安永目标负碳排放](#)
- ▶ [安永致力于2021年实现负碳排放目标](#)
- ▶ [安永助力全国首单可持续发展资产支持专项计划成功发行](#)
- ▶ [安永与绿客盟签订合作备忘录，共同推进可持续发展](#)
- ▶ [安永解读|惠民保可持续发展政策基础夯实，补位健康险市场打开升级机遇](#)
- ▶ [安永出席联合国开发计划署可持续发展投融资顾问委员会会议，暨《可持续发展投融资支持项目目录（中国）》发布仪式](#)
- ▶ [【安永观察】进入可持续发展报告“标准”年代](#)
- ▶ [【安永声音】陈瑞娟：安永坚持环保和可持续发展理念，戮力实践绿色使命](#)
- ▶ [安永陈凯：后疫情时代，如何赋能企业可持续发展](#)
- ▶ [肩负企业社会责任，推动绿色可持续发展--EY x CIMA校友午餐会实录](#)
- ▶ [安永与联合国开发计划署签署谅解备忘录，共促大中华区可持续发展](#)
- ▶ [安永ESG数字化解决方案，助力企业迈向可持续发展的未来](#)
- ▶ [服贸共进| ESG理念护航企业可持续发展](#)
- ▶ [【碳中和愿景】可持续发展税收政策趋势及应对](#)
- ▶ [【安永观察】财务智能自动化系列专题（三）：开启可持续发展的企业流程自动化旅程](#)
- ▶ [陈凯京港洽谈会演讲：深化京港绿色金融合作，共筑可持续发展之路](#)

Book launch: [A Path Guide to Carbon Neutrality](#)

Although carbon neutrality is one of the most widely discussed sustainability topics today, the concept is relatively new to the general public. Most enterprises also need to overcome challenges to be able to develop an action plan for achieving carbon neutrality. Against this backdrop, the research group on carbon neutrality at EY brought together specialists from multiple sectors, including energy, industry, construction and finance, to contribute their practical industry experience to *A Path Guide to Carbon Neutrality*. The book covers carbon neutrality in terms of its implementation background, key elements, and transitional paths for various industries and the relevant opportunities. By explaining how carbon neutrality goals can be achieved in real-life practical scenarios, the book dispels the mystery surrounding carbon neutrality to give readers a vivid sense of the concept.



We regularly launch innovative products that promote sustainable development. Through these novel financial products, we are harnessing capital for green sectors, assisting multiple industries with their low-carbon transitions and serving the high-quality development of the economy.

For more details, please read the [overview and the articles listed below](#).

Overview: [安永审计2020年度回顾系列之八: ESG发展篇——持续发展, 未来可期](#)

- ▶ 安永通过金融产品创新为绿色低碳领域提供资金支持, 助力产业低碳转型, 服务经济高质量发展
- ▶ 安永为某四大国有银行澳门分行在境外市场发行首笔抗疫主题社会责任债券提供第三方鉴证服务
- ▶ 安永为某四大国有银行发行全球商业机构首支蓝色债券提供第三方鉴证服务
- ▶ 安永为某四大国有银行发行全球首笔金融机构公募转型债券提供第三方鉴证服务
- ▶ 安永为某四大国有银行香港分行发行香港首笔经第三方认证的绿色存款提供第三方鉴证服务
- ▶ 安永为某银行上线环境社会风险管理系统, 采纳赤道原则成为赤道银行提供专业咨询服务
- ▶ 安永为某集团“一带一路”绿色投资基金落地提供专业咨询服务
- ▶ 安永为某银行提供环境气候风险压力测试专业咨询服务
- ▶ 安永为某集团提供“十四五”期间绿色低碳发展战略规划咨询服务
- ▶ 安永为某金融机构提供“碳中和”目标设定及行动方案咨询服务

Chapter 3 Links

3.2 Awards and recognition

In 2018, EY signed an MoU with United Nations Development Program (UNDP) to foster cooperation in discussion and actions relating to sustainable development.



Siddharth Chatterjee, UN Resident Coordinator in China (third from the left, back row) and Beate Trankmann, UNDP Resident Representative in China (fourth from the left, back row) meet with EY representatives




TECHNICAL REPORT
ON SDG FINANCE TAXONOMY (CHINA)



EY has received a number of prestigious awards that focus on sustainable development.

- ▶ [安永获得国际金融论坛IFF颁发的“2020全球绿色金融创新奖”，表彰安永2020年在全球绿色金融领域的改革创新](#)
- ▶ [2017-2020年连续四年获得亚洲货币\(AsiaMoney\)年度中国绿色金融卓越大奖的奖项](#)
- ▶ [亚洲货币2019年度中国绿色金融卓越大奖“最佳绿色金融创新奖”](#)
- ▶ [北京绿色交易所（前称“北京环境交易所”）“2019-2020年度优秀绿色资产评估奖”](#)
- ▶ [安永《绿色金融管理系统助力绿色信贷合规发展》被中华环保联合会绿色金融专业委员会评为“2019年绿色金融十大案例”](#)
- ▶ [安永成为社会价值投资联盟专家库成员，携手可持续发展领域的其他专家共同为开发可持续发展价值量化评估体系，推动可持续发展投资者和投资标的平台建设，促进经济、社会、环境综合价值提升贡献力量](#)

EY has fully participated in devising China's green standards and the framework for green finance and ESG.

For more details, please read the overview and the articles listed below.

Overview: [安永审计2020年度回顾系列之八: ESG发展篇--持续发展, 未来可期](#)

- ▶ 安永携手暨南大学、清华大学以及广州碳排放权交易中心有限公司共同助力财政部会计准则委员会探索中国碳排放权交易会计准则研究和制定
- ▶ 2019年12月, 香港交易所亦发布了加强版的ESG报告指引, 安永作为香港会计师公会ESG小组成员, 全程参与编制由香港会计师公会发布的编号为“AATB5”的ESG报告鉴证指引咨询文件
- ▶ 安永作为咨询委员会委员, 与联合国开发计划署合作, 参与制定《可持续发展投融资支持项目目录(中国)》
- ▶ 安永作为证监会证券业协会绿色证券委员会委员, 参与制定绿色证券相关政策、指引及评估方法
- ▶ 安永作为绿色金融专业顾问, 为全国首部绿色金融立法 -- 《深圳经济特区绿色金融条例》提供专家建议
- ▶ 安永为香港证监会《有关基金经理管理及披露气候相关风险的咨询文件》提供专家建议
- ▶ 安永当选为ICMA国际资本市场协会《绿色债券原则》和《社会债券原则》全球顾问委员会委员, 为可持续发展类债券相关原则及指引提供技术建议
- ▶ 安永当选为上海场外大宗商品衍生品协会绿色金融专业委员会副主任, 为碳金融产品及其衍生品提供技术建议
- ▶ 安永作为气候投融资专业委员会成员之一, 为《关于促进应对气候变化投融资的指导意见》提供专业建议

Outlook

Looking back at the 13th Five-Year Plan and ahead to the 14th Five-Year Plan, the year 2021 ushered in a new chapter of transformation. It was also the starting point for the dual carbon goals - reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060. We expect there to be challenges in global environmental governance and opportunities in the field of sustainable development - with great changes on a scale that has not been seen for more than a century.

As we review our performance in FY21 and plan for the future, EY is committed to contributing our strengths and working closely with our stakeholders in the wider community to build a better working world.

Appendix 2 - Reader feedback form

Dear Reader,

Thank you for reading the *EY Greater China FY21 ESG Report*. To help us better meet your needs and provide you with more valuable information, while continuing to enhance EY Greater China Region's ESG performance and advance sustainable development, we sincerely hope that you will provide your valuable feedback.

You can send us your feedback in the following ways:

Address: Level 16, EY Tower, Oriental Plaza,
No.1 East Chang'an Avenue, Dongcheng District, Beijing
Postal Code: 100738
Telephone: +86 10 5815 3000



1. How would you rate this Report?

Very good Good Average

2. How would you rate the economic impact of EY Greater China Region?

Very good Good Average

3. How would you rate the environmental impact of EY Greater China Region?

Very good Good Average

4. How would you rate the social impact of EY Greater China Region?

Very good Good Average

5. How would you rate the governance impact of EY Greater China Region?

Very good Good Average

6. Do you have any suggestions for EY Greater China Region on advancing sustainable development?

Thank you very much for your support.



EY | Building a better working world

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

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

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

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