



EY US
Sustainability
Impact Report:
FY 2021

How do you move long-term value creation from ambition to action?

A message from our leadership

We are pleased to present the 2021 EY US Sustainability Impact Report of Ernst & Young LLP (EY US or the Firm), which reaffirms our commitment to creating, protecting and measuring sustainable value for our clients, our people, society and the planet. We invite you to read the highlights of the report presented below and to download the full report.

Julie Boland
EY US Chair and Managing Partner
and EY Americas Managing Partner

Value realized

When business works sustainably, the world works better – for business, people and the planet.

The EY purpose is *Building a better working world*. We develop outstanding leaders and deliver on our promises to all of our stakeholders, living our values. We are people who demonstrate integrity, respect, learning and inclusiveness, with energy, enthusiasm and the courage to lead, all building relationships based on doing the right thing.

Together with our clients and in our communities, we create and protect long-term value by helping organizations build a more sustainable future, because we believe that sustainability is bigger than any one business. It's everybody's business.

In our own sustainability journey and firsthand experience helping our clients in theirs, we integrate environmental, social and governance (ESG) impacts into the core of what we do every day. We believe this is the most important way for us to execute our purpose.

The 2021 EY US Sustainability Impact Report highlights our progress in measuring and sharing this value creation and protection for our clients, people and society as the world's most trusted, distinctive professional services organization. The information presented in this report covers the Firm's fiscal year from July 1, 2020, through June 30, 2021, unless otherwise noted.

Creating long-term value for our people

59 hours
average learning
per employee

Nearly **20,000**
EY Badges awarded
since November 2017

1,000+ EY US
members of the Eco-
Innovators network

47% women and **40%**
racially and ethnically diverse
professionals in the workforce

30% women and **19%** racially
and ethnically diverse representation
among US partner/principal, managing
director and director (PPMDD) ranks

23 consecutive
years on *Fortune's*
"100 Best Companies to
Work For" annual list

5 consecutive years on
DiversityInc's Top 50 Hall of Fame
for companies that have achieved a
No. 1 ranking on its **Top 50**
Companies for Diversity list

Creating long-term value for society and the planet

Over **3.6m**
lives positively impacted
through EY Ripples

\$88 million
of community
investment

122,280 hours
of community service

100% renewable
energy offsets for US
offices

11,700+ EY US
people who volunteered to support social
and environmental impact projects

19% reduction
of Scopes 1 and 2 carbon
emissions compared to FY20

What's next
Net zero by 2025

Creating long-term value for clients

No. 1 favorite brand among
professional services firms based
on Global Brand Survey

12 new strategic
alliances established over
past two years

Lowest global PCAOB
deficiency score of
Big Four (15%)

1,009 public companies
audited, with **18.8%** of
US public company audit
hours generated by EY US
professionals

100% of US teams using
EY Canvas, our online platform
that enhances efficiency for
our clients while reducing
environmental impact

\$600 million invested by the
US over the past two years in new
technology solutions, client services
and innovation, with plans for
continued investment going forward

Creating financial value



2.5%
growth with total revenues of
\$16.2 billion

Assurance revenue: **\$4.4 billion**

Percentage of total revenue: **27%**

Consulting revenue: **\$5.3 billion**

Percentage of total revenue: **33%**

Strategy and transactions
revenue: **\$1.8 billion**

Percentage of total revenue: **11%**

Tax revenue: **\$4.7 billion**

Percentage of total revenue: **29%**

Organizations that anchor their strategies to a meaningful purpose, with a focus on creating long-term, sustainable impact across stakeholders, are best positioned to benefit from, demonstrate and measure the value they create. At EY US, we help organizations consider all of their stakeholders when defining their purpose, setting their strategy, transforming their business, and measuring and reporting value.

This is why we are committed to creating, protecting and measuring long-term value for our own people, society and our clients.

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Letter from Julie Boland, EY US Chair and Managing Partner and EY Americas Managing Partner (July 2022)

As proponents of stakeholder capitalism, we believe in creating value for everyone. Doing what's right and good for our clients, people, communities and the planet is equally good for business. To be a sustainable business means we actively think about our role and act accordingly in society now and for the future.

Our commitment to creating, protecting and measuring long-term value is emblematic of our purpose: *Building a better working world*. When we do what we say and are accountable to our values and all our stakeholders, we help build trust and confidence in the capital markets and in the US economy, and beyond.

We have been on a sustainability journey for some time now. We entered into a renewable energy virtual power purchase agreement in 2019 to finance and construct two new large-scale wind farms. These projects now generate enough renewable energy credits to match 100% of the estimated electricity consumption of our US operations. In early 2020, we named our EY Americas Sustainability and ESG Markets Leader, Orlan Boston, and our Chief Sustainability Officer, Velislava

Ivanova, both of whom lead our sustainability and environmental, social and governance (ESG) services from the US. In addition, we named our Chief Medical Officer, Dr. Yele Aluko, and our Chief Public Health Officer, Dr. Susan Garfield, to focus on health equity, and we named our first EY Americas Chief Wellbeing Officer, Frank Giampietro.

While our diversity, equity and inclusion (DEI) journey began more than 30 years ago, the pandemic and social unrest in 2020 became a pivotal call to do more for both the US and the Firm. We intensified our efforts with our commitment to anti-racism, including many critical investments. These include \$4 million to four historically Black colleges and universities to help increase the number of Black Americans in professional services. Additional investments include \$1 million each in the National Urban League and the NAACP Legal Defense and Education Fund. And we have allocated a total of \$1 million to be contributed to the local communities across the US in which we work and live.



We also created the EY Social Justice Fund, a platform where our people can recommend national social justice organizations, or contribute to funding organizations focused on addressing inequity, discrimination or racism in the areas of education, technology, health care, the environment or economic empowerment. In addition, we established the EY Entrepreneurs Access Network (EAN), focusing on Black and Latinx entrepreneurs, to help connect EAN participants to peers, sponsors, capital and customers. Through these efforts, we are expanding our commitments to advancing awareness and driving meaningful change in our communities.

We make critical commitments in sustainability and ESG efforts to be better stewards of stakeholder value. In addition to building global collaborations through participation in COP26, cofounding the S30, and working alongside our clients to determine and deliver on their sustainability journeys, we are making strides in our own ESG journey.

As we look forward, we continue using the virtual habits we formed during the pandemic while also supporting in-person client relationships required to drive top-line growth, offer the most effective learning experiences and help our people maintain critical interpersonal connections. As we connect in person, we are also simultaneously focusing on smart travel and overall carbon reduction to achieve our net-zero ambition for 2025.

Our steadfast determination to create trust is rooted in transparency. This report is one of many ways we share our progress in our sustainability journey and how we assist our clients in theirs, while we hold each other accountable, measuring and reporting on ESG standards.

We are honored and humbled that research and advisory firm Verdantix recognized us as an overall leader for ESG services and sustainability consulting services in its latest report, [Green Quadrant: ESG & Sustainability Consulting 2022](#).

Verdantix recognized EY US for our leading ESG and sustainability program strategy, climate change strategy, and risk and governance performance management. The report recommends our Firm to corporate bodies seeking a consultancy organization to manage multiple types of ESG and sustainability engagements, as well as to multinational organizations wishing to develop and meet ESG targets. The Verdantix report also highlights our long history of engagement with the C-suite on ESG and sustainability initiatives and our ability to offer strategic advice across a broad range of areas.

Additional ways in which we track our efforts in sustainability include our annual EY US DEI report, [Building a more equitable working world](#), as well as our [Transparency Report 2021](#) and our [2021 audit quality report](#).

As we collectively face new and unforeseen challenges, creating sustainable value has even greater meaning to our business and that of our clients. It is even more important to our people, communities and future generations. That's why we continue to invest in ESG and expand our sustainability-focused services to meet the growing demands of our clients and community.

While there is more to do to create a sustainable future for all of us, we're confident that, together, we will continue to build a better working world.



Julie Boland
EY US Chair and Managing Partner and
EY Americas Managing Partner



Our people

We are committed to delivering on our promise to all EY people: “The exceptional EY experience — it’s yours to build.”

In a year of continued challenges from a global pandemic, approximately 50,000 EY US people continued to support each other, provided exceptional service to EY clients and contributed to our communities through some of the most difficult experiences of our lifetimes.

EY people, guided by our purpose and grounded in EY values, dedicate their time, talents and energy to their work. The EY values are an expression of who we are as a people and what matters to all of us, our clients and

our community. Sustainability fits squarely in the heart of our values and our ambition to create long-term value. We are:

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

The EY values guide us as we create a meaningful culture, a sense of belonging and sustainable value. As part of our [Global Code of Conduct](#), our ethical framework of behavior, the EY values drive our actions, strengthen our relationships and bolster our purpose of *Building a better working world*.

Building a more equitable working world

DEI is core to who we are and how we work. EY US is committed to creating long-term value for our clients and fulfilling our purpose of *Building a better working world* – one where opportunities are equitable, differences are valued, people feel that they belong and all voices are heard. DEI is critical in helping us fulfill our EY purpose and create positive change. Our annual DEI report, [Building a more equitable working world](#), highlights our many investments and is yet another example of how we strive to fulfill our long-standing commitment to DEI and hold ourselves accountable to our values.

Learn more about our DEI commitments and progress in our EY US DEI report, [Building a more equitable working world](#).

Investing in the wellbeing and success of our people

We believe that enabling EY people to gain new skills in technology, leadership and business acumen accelerates their growth, shapes their careers and prepares them – and EY clients – for the future.

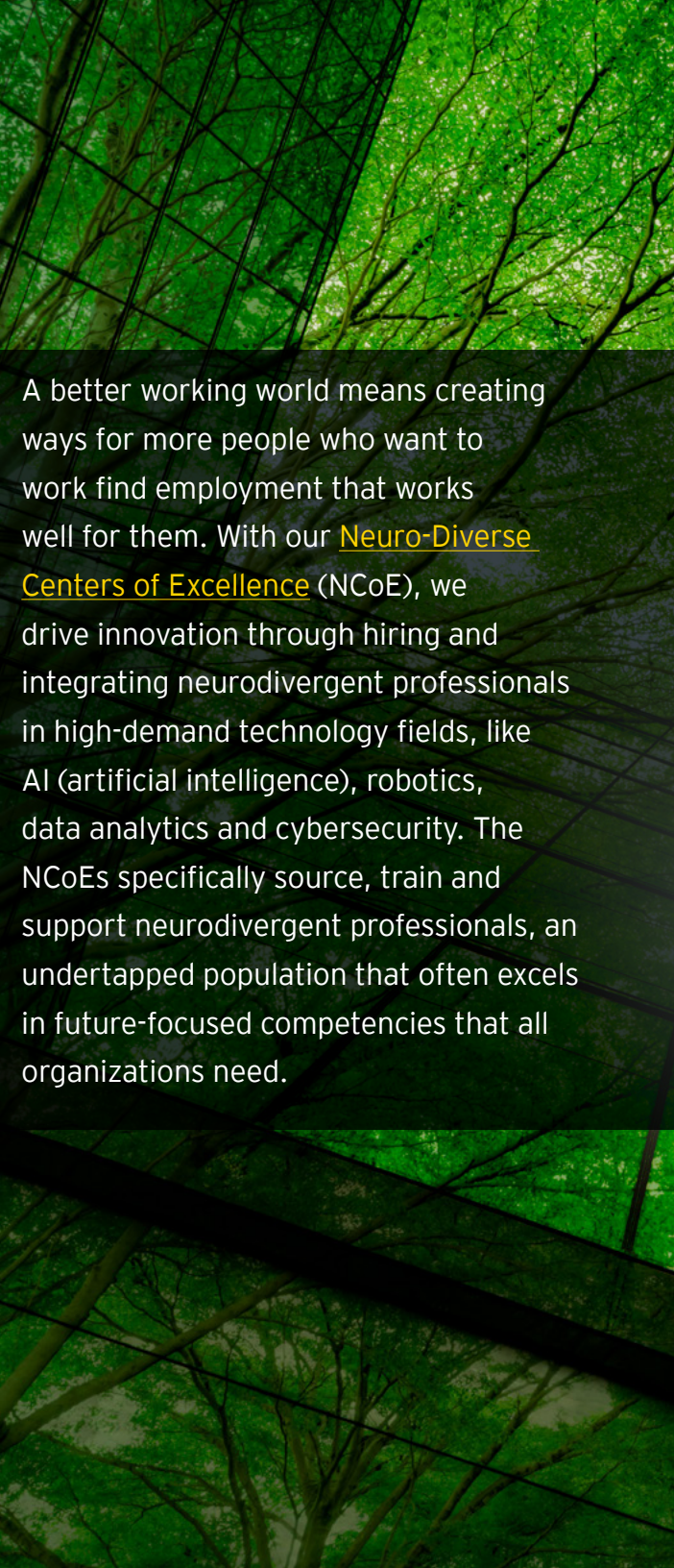
In FY21, EY US delivered over

3m

hours of learning compared to
2.7m hours in FY20.

Our people are given the opportunity to learn during internships, on the job and through formal training, but just as much emphasis is placed on designing valuable experiences to stretch people's leadership abilities. These experiences include short- and long-term international secondments, moving between service lines and opportunities afforded by [EY Ripples](#).

EY degrees are built on the EY Badges program through which EY people earn digital credentials in future-focused skills and then apply those new skills in practice. To date, nearly 20,000 EY Badges have been awarded since November 2017.



A better working world means creating ways for more people who want to work find employment that works well for them. With our [Neuro-Diverse Centers of Excellence \(NCoE\)](#), we drive innovation through hiring and integrating neurodivergent professionals in high-demand technology fields, like AI (artificial intelligence), robotics, data analytics and cybersecurity. The NCoEs specifically source, train and support neurodivergent professionals, an undertapped population that often excels in future-focused competencies that all organizations need.

The Masters in Sustainability program, in partnership with Hult International Business School, provides EY professionals with the opportunity to explore the ESG and economic risks and opportunities underlying sustainability. The program also provides them with the knowledge and strategies to recommend sustainable choices and create long-term value for our clients, our people and society.

The program uses the [EY Badge](#) platform as a base, which includes sustainability badges on various topics. These include climate change, circular economy, impact entrepreneurship, sustainable finance, responsible and inclusive business, and creating long-term value through ESG.

At EY US, we prioritize the full wellbeing of our people – their physical, emotional, financial and social wellness – and give them access to the benefits, resources and tools to do their best. We offer a holistic suite of benefits – Better You – to help our professionals nurture and maintain their wellbeing. In 2021, we appointed our first-ever EY Americas Chief Wellbeing Officer, Frank Giampietro, to focus directly on this impact and this interest in our people's wellbeing.

In 2021, we held

171

virtual events to promote mental health that were attended by more than 17,200 EY professionals.

We have adopted the EY Way of Working (EY WOW), which places wellbeing at the center of the way we work and gives our people more flexibility and autonomy in how, where and when they work. This approach leverages the best in how we worked together before the pandemic and lessons learned during the pandemic to make purposeful choices to improve our wellbeing moving forward.



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Our clients

EY teams help clients grow, optimize and protect value. To do so, we bring together service lines, sector knowledge, data, technology and our communities to meet our clients' diverse needs and address complex problems.

Today, EY people across the US create long-term value for clients by helping them develop and deliver on actionable strategies that everybody in the enterprise can get behind.

Our multidisciplinary, cross-service line teams in the US work with clients in many industries, teaming with them on their sustainability journeys. We are helping clients integrate ESG disclosure into wider strategy, expanding sustainability beyond a reporting-led conversation to a value-based narrative, and engaging with public and private sectors to recognize and capture opportunities

in sustainability. With innovation and human ingenuity, we convene governments, industries and enterprises to forge new solutions that work beyond business to society.

For more than two decades, Climate Change and Sustainability Services (CCaSS), the sustainability nucleus of our Sustainability and ESG practice, alongside our account teams and other subject-matter resources, has helped companies understand the risk and opportunities arising from sustainability issues. We guide our clients through climate change's significant challenges, whether by transforming business processes, changing purchasing patterns, recognizing incentives for greater responsibility or responding to policy risk.

Our professionals team together to bring a business-based perspective to the challenges our clients face, including:

- ▶ Embedding sustainability into a well-known global insurance company's strategic journey to deliver long-term value for all stakeholders
- ▶ Implementing a sustainability effort to support a global beverage company's packaging and recycling
- ▶ Designing a "voice of the customer" transformation program at a large US technology company
- ▶ Helping a US-based, startup electric vehicle firm measure and report ESG impact
- ▶ Assisting a US multinational managed health care and insurance company with its environmental transformation and ESG strategy and reporting, starting with help establishing its ESG ambition



As a Business Roundtable member in 2019, EY senior leadership helped draft and signed the collective restatement of the purpose of a corporation. The restatement focuses on a more holistic approach to creating and measuring value for all stakeholders. This effort not only aligns with our purpose, but it also underscores our belief that business must put sustainability at the center of how value is created by helping to move the levers of change alongside governments, society and individuals.

Value-led sustainability brings the collective power of EY services and solutions to support clients as they implement and accelerate sustainability strategies and transformation while communicating and reporting impact.

EY US was named a leader for ESG consulting services by independent research firm Verdantix in its [Green Quadrant: ESG & Sustainability Consulting 2022 report](#).

Building trust in the capital markets

All EY services help build trust, whether directly through the work undertaken by EY teams or indirectly through what that work enables others to achieve.

One of the specific ways our Assurance teams help build trust is through the Sustainable Audit Quality (SAQ) program, our commitment to conducting globally consistent, high-quality audits sustained over time. EY Audit teams deliver high-quality, analytics-driven audits with independence, integrity, objectivity and professional skepticism to provide third-party assurance over an organization's reporting. Users can rely on the information available to inform business decisions and protect and create long-term value.

The [EY US 2021 audit quality report](#), which highlights our progress to date in key focus areas, reaffirms our commitment to continuously improving the quality of our audits and strengthening our system of quality and control.

The [EY Center for Board Matters](#) supports board members in their oversight role by helping them address ESG issues.

We are also helping to build a better financial services industry – one that is stronger, fairer and more sustainable. We work alongside financial service firms to drive sustainable finance and support financial inclusion strategies that create access to funds, investment strategies and advice and promote wealth creation for every segment of society, including traditionally underserved communities. For example, we helped a large, US-based financial institution establish and successfully implement social impact and climate risk programs to guide investment. By providing affordable and relevant financial products to individuals and businesses that lack access to these products, banks can drive inclusive growth, restore trust and meet a critical societal need.

Sustainable finance has become an urgent priority across financial services, as companies need funding and insurance to manage physical and transition risks. Learn more here: [How can sustainable finance support the road to net-zero?](#)



Creating value and resilience through transformation

We are *Building a better working world* by realizing business transformation through the power of people, technology and innovation. Our [Transformation Realized™ approach](#) creates value by putting humans at the center, deploying technology at speed and innovating at scale.

Our teams help enable strategic and operational transformation through specialty services. We team with clients to enhance their ability to adapt, creating more agility in their operating model to deliver and sustain engines of long-term value creation aligned with ESG ambitions, including:

- ▶ [EY-Parthenon practice](#) is the world's fifth largest strategy consulting organization in terms of revenue, and more than 6,500 EY-Parthenon people help clients across the world successfully transform their businesses.
- ▶ [EY wavespace™](#) designs immersive programs that bring the right people together, giving them the mindset and collaborative tools to think differently. We are doing this both virtually and in person to help client teams reframe their toughest challenges and develop solutions.

- ▶ Our EY Americas Innovation group supports account teams in assisting clients in developing more innovation-led cultures that drive operational transformation. These engagements vary from working with chief innovation officers on maturity assessments and key risk indicators to providing disruptive trend analysis and business model strategy.

We harnessed the power of innovation to help US citizens impacted by COVID-19, clearing

350,000

[unemployment claims and building a virtual job center](#) to accelerate re-employment.

The current environment requires that organizations be more responsive to crises, changing market dynamics, customer and employee needs, stakeholder demands, and regulatory requirements to achieve and sustain enterprise resilience. Our managed, scalable approach to drive rapid and lasting results through transformation has become increasingly important to clients with the onset of COVID-19 and the ever-changing geopolitical landscape.

For instance, with the global pandemic and social justice issues bringing greater attention to disparities in access to health care and health outcomes among communities, the EY Center for Health Equity has developed integrated solutions aimed at advancing health equity for all.

We leverage a combination of existing service offerings, new accelerators and ecosystem partner-driven solutions specifically focused on driving equitable care and outcomes. Our pillars currently include:

- Strategy and optimization
- Data and analytics
- Diversity, equity, inclusion and change management
- Health equity education
- Clinical research
- Community engagement

Examples of client work range from collaborating directly with health care and life science companies and developing tailored health equity trainings for clinical trial investigators and biopharma marketers to advising state governments that are tackling health disparities and vaccine hesitancy.

Unlocking the transformative power of alliances and ecosystems

Alliances and ecosystems are increasingly a fundamental part of the way businesses create and capture value. We help unlock this value by orchestrating the right technology, data, capabilities and relationships to build resilience, unlock sustainable growth and create long-term value for your business.

We leverage the power of collaboration, working with a network of over 100 ecosystem partners to deliver transformation at speed and scale.

Additional health equity efforts include:

More than

60

clients engaged within, and outside of, the health and life sciences space to discuss health equity

More than

30

webcasts, interviews, podcasts and roundtables

More than

10

published articles, white papers and other thought leadership

Developing the Clinical

Research Network to bring biopharma and provider clients together in driving clinical trial diversity

By combining our industry knowledge and business acumen with scalable solutions underpinned by leading technology, we help you seize market opportunities and realize transformation:

- ▶ **Technology-led transformation:** We use market-leading technology and assets to transform entire business functions and processes.
- ▶ **Business transformation:** We orchestrate and develop platform-based solutions, backed by category-leading ecosystem partner capabilities, that accelerate business change and performance at scale.
- ▶ **Market transformation:** We define and build ecosystem strategies that help our clients re-engineer entire value chains, markets and industries.

We continue to build on our ecosystem of strategic partners, including Microsoft and SAP, which were expanded in FY21. Our ecosystem now includes ASAPP, Celonis, CrowdStrike, Edgeverve, Fadata, Lease Accelerator, Nokia, Nottingham Spirk, Planon, PROS, PTC, RSA and Splunk.

Learn more about our ever-expanding EY Partner Ecosystem here: [alliance and ecosystem relationships](#).

We [expanded our strategic alliance with ServiceNow](#) to transform finance and tax services for the digital economy.



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Our society

More than

11,000

EY US people devoted over 120,000 hours to social and environmental impact projects, positively impacting more than 3.6m lives in FY21.

Creating a positive impact for communities

Our corporate responsibility program, [EY Ripples](#), aims to positively impact one billion lives by 2030. Through skills-based volunteering, EY professionals create long-term value for society by supporting our three focus areas: the [next-generation workforce](#), [impact entrepreneurship](#) and [environmental action](#). By amplifying the social impact of the skills we use in our business every day, we are creating a ripple effect that is felt across organizations and communities.

Recognizing that our EY Ripples goal requires scaling exponentially, we have continued to build and strengthen relationships with clients and other like-minded organizations, such as the Earthwatch Institute. Earthwatch is an international, nonprofit organization that connects people with scientists worldwide to conduct environmental research, and it empowers them with the knowledge they need to conserve the planet. The EY-Earthwatch collaboration began

10 years ago with a signature Americas Corporate Responsibility event, Ambassadors. Ambassadors is an Americas volunteer program for EY professionals to conduct environmental field research, and it provides skills-based volunteer services to local entrepreneurs. Since the inception of the program, 356 Ambassadors representing 74 cities across the Americas have dedicated 26,400+ hours to local businesses and scientists.

Through collaborations like this, we use our skills, knowledge and experience to address some of the biggest social and environmental challenges of our time. Our third-party organizations also provide EY US with important subject-matter expertise on topics such as youth mentoring, environmental justice and impact entrepreneurship.

EY Ripples continues to expand, adding new projects and initiatives that give EY people more opportunities to get involved. Over the coming year, EY Ripples will be more deeply integrated into the work that our people do every day to make the ultimate social impact.

Air pollution is a serious environmental threat to wellbeing. According to the World Health Organization, it is estimated that 90% of people are exposed to unhealthy air. Furthermore, many underserved communities are especially impacted by climate change and toxic pollution. As part of the EY Air Quality Challenge, EY professionals perform citizen science to take air quality readings in cities around the world and identify solutions to reduce exposure to unhealthy air for city inhabitants. More than 3,000 EY professionals volunteered through environmental sustainability programs like the Air Quality Challenge.

As an integral part of our social justice commitment, EY US has launched our [Bridging the Digital Divide Initiative](#) to stand against systemic racism in education by helping to provide internet connectivity, digital devices and online mentoring to underserved students.

Convening a community of like-minded organizations

We are a member of the [World Business Council for Sustainable Development](#), a global CEO-led community of more than 200 leading companies working together to accelerate the development of sustainable business solutions through collaboration and innovative solutions.

We are looking to the challenges and opportunities ahead, such as the collaboration that is needed to make the 26th UN Climate Change Conference of the Parties (COP26) a success, helping clients translate COP26 into business action and impact, and the actions needed to achieve the [Paris Agreement goals](#).

We cofounded the [S30 forum](#), which brings together 30 of the world's leading chief sustainability officers, many of whom are based in the US, with a mission to "accelerate business action on sustainability." We are one of the 11 founding partners of the [Sustainable Markets Initiative](#) (SMI) and an active supporter of its Terra Carta, a charter that puts sustainability at the heart of the private sector.



5

Our planet

We believe that a better working world must be one that works for all of us. This belief underpins our responsibility to drive inclusive growth through responsible business practices, helping to create a world where everyone, everywhere, can contribute to, and share in the benefits of, economic growth. Environmental sustainability is an essential component of inclusive growth.

Eco-Innovators is an internal EY network that serves as a hub for sustainability conversations and fosters smart thinking and smart technology to address environmental problems. The group aims to help people who want to make positive personal changes, enable operational change, empower EY people to support their clients on their sustainability journey and build our external brand on the environment.

Reducing our environmental footprint

We have announced our ambition to be net zero by 2025. As part of our commitment, we are taking actionable steps to eliminate avoidable carbon emissions and remove the rest through carbon offsets.

We aim to be net zero by 2025. Discover the seven actions in the [EY carbon ambition](#).

We worked with the [Science Based Targets Initiative \(SBTi\)](#) to develop and validate a science-based target to reduce our absolute Scopes 1, 2 and 3 emissions by 40% by FY25 compared to a FY19 baseline across the entire global EY organization. This target is aligned to the most ambitious aim of the Paris Agreement: to limit a global temperature rise to 1.5°C above preindustrial levels. We have developed a glide path to meet our goals and are continuing to build programs and strategies to drive progress.

To accelerate achieving this reduction, in 2019, EY US [entered into a renewable energy virtual power purchase agreement](#) to finance and construct two new large-scale wind farms, which were brought online in 2020. In FY21, these projects generated more than eight times the estimated electricity usage at EY offices in the US, and we matched 100% of the estimated electricity consumption of our operations with renewable energy credits from these wind farms.

Renewable energy sources offset 100% of the electricity used across our US operations.

We are currently exploring options for reinvesting some of the revenue generated from our wind farm investment back into community solar organizations that are focused on bringing access to clean, affordable renewable energy to low-income communities.

Furthermore, EY teams have invested in a carbon offset portfolio with South Pole that includes carbon removal projects. South Pole is a leading project developer and global climate solutions provider. The portfolio includes multiple projects around the world that offset or remove carbon through reforestation, regenerative agriculture, biochar and forest conservation.

The projects contribute to removing, or offsetting, enough greenhouse gas emissions to make EY firms, including EY US, collectively carbon negative in FY21 at the global level.

We know from experience and historical data that our carbon output comes from two main sources: business travel and office energy consumption. This means that, as the world continues to rebound following the global pandemic, it is critical that we strike the right balance between in-person and virtual interactions and fully embrace our EY Way of Working. Our goal is to continue using the virtual habits we have formed this past year while also supporting in-person client relationships required to drive growth, offer the most effective learning experiences and help our people maintain critical interpersonal connections, and focusing on smart travel and overall carbon reduction.

We have also taken action globally on a number of critical sustainability issues, including Task Force on Climate-related Financial Disclosures (TCFD)-aligned reporting, water use and land use. The aim is to continuously evaluate the development and tracking of carbon, water and waste metrics in order to monitor and reduce the environmental impact. In FY23, a global data management system will be rolled out across EY firms to drive further consistency, accuracy and controls in the ongoing collection, reporting and monitoring of environmental metrics for energy, water and waste.

Our US office footprint and corresponding energy use have decreased over the past decade. This results from a combination of more efficient use of our office space, our real estate strategy to focus on selecting LEED/Energy Star-rated buildings and our updated hybrid working model.

Our new EY office in New York City is LEED Gold certified and WELL Health and Safety rated. The building is designed for water and energy efficiency and leverages smart technology, which enables continual performance improvement from an operational and sustainability perspective.

We recycled approximately 490 US tons of paper through secure shredding services from January through December 2021. The environmental benefits realized through these efforts include over 3,000 trash bags of solid waste diverted from landfills and carbon emissions of more than 500 gas-powered cars avoided.

Engaging our supply chain

The EY [Environmental Social Governance Services \(ESGS\)](#) team drives inclusive and sustainable procurement, helping connect the global EY organization to leading services and suppliers with a focus on inclusion, innovation and minimizing environmental impacts throughout our supply chain.

Our carbon ambition includes a goal for suppliers covering 75% of our global spend to set an SBTi-approved carbon reduction target by FY25. As of FY21, approximately 44% of our US suppliers have set these targets. By working with suppliers and encouraging them to work with us, we will further multiply the impact of our carbon-negative position. We require suppliers to verify their standards and adherence early in the contracting process, and we monitor compliance to these standards throughout the duration of the contract.

Additional supplier requirements related to environmental and social sustainability are outlined in the [EY Supplier Code of Conduct](#). We deliver annual training to our suppliers and procurement teams on environmental and social sustainability and supplier diversity. This training covers what ESG is (including modern slavery) and how it relates to us and our supply chain, emerging trends, the role of due diligence and leading practice examples.



6



Leadership team

US Executive Committee

The US Executive Committee (USEC), which is responsible for managing the Firm, comprises the EY US chair and managing partner; the deputy chair; the US regional vice chairs; the service line vice chairs for Assurance, Consulting, Strategy and Transactions, and Tax; the vice chairs of Accounts, Operations, Risk, Office of Strategic Execution and Talent; and the EY Diversity, Equity & Inclusiveness leader. Its responsibilities include admission and promotion of new partners and earnings distributions, among other matters. The [Americas Operating Executive](#) site provides a list of current members.

US Partner/Principal Council

The US Partner/Principal Council (US PPC) serves an important advisory role to the Firm on policies, strategies and other matters under the purview of the USEC, as well as certain governance responsibilities. The PPC comprises 24 elected US partners/principals from across regions and service lines, with representation with respect to age, gender, and racial and ethnic diversity.

US sustainability and ESG leadership

EY US [named an ESG leadership team](#) to expand our commitment to environmental and social issues and drive long-term value for clients and the Firm.

- ▶ **Orlan Boston**, EY Americas Sustainability and ESG Markets Leader, helps companies develop and drive comprehensive sustainability and ESG strategies and identify emerging opportunities in the rapidly evolving market.
- ▶ **Velislava Ivanova**, EY Americas Chief Sustainability Officer and Americas Leader of Climate Change and Sustainability Services, advances sustainability objectives and initiatives to increase long-term value for clients.
- ▶ **Megan Hobson**, US Corporate Sustainability Leader, is responsible for leading EY US internal environmental and operational business commitments.

Velislava Ivanova has been recognized as one of the 100 Top Women in Sustainability by [Sustainability magazine](#). Her ranking as No. 7 on this global list demonstrates the impact that she has made within our global network and in the profession.





WEF-IBC Stakeholder Capitalism Metrics and UNGC Ten Principles

As part of our membership in the World Economic Forum's International Business Council (WEF-IBC), we participated in a collaborative effort to identify a set of metrics to help standardize disclosures around ESG reporting. The [WEF-IBC Stakeholder Capitalism Metrics](#) are reported in the following summary tables.

Our commitment to report on the metrics is subject to the "disclose or explain" principle. We are a global organization that includes member firms that are structured as partnerships, such as EY US.

Certain metrics may request data that may not adequately measure our contribution to stakeholder capitalism. Where applicable, narratives and explanations have been provided in response to the metric.

We reaffirm our commitment to the Ten Principles of the United Nations Global Compact (UNGC). The [EY Value Realized: reporting progress on global impact 2021](#) report details this commitment and doubles as the EY UNGC Communications on Progress.

Summary tables

Principles of governance

Theme	Metric	EY US disclosure
Governing purpose	Setting purpose	Our purpose is <i>Building a better working world</i> . For more information on how our purpose guides our US strategy, see page 2.
Quality of governing body	Governance body composition	See 2021 EY US Transparency Report . Refer to page 19 for more information on EY leadership groups and page 27 for diversity figures.
Stakeholder engagement	Material issues impacting stakeholders	Our approach to material issues can be found in our global report and WEF-IBC index. This report demonstrates how we engage with stakeholders on material issues at a US level.
Risk and opportunity oversight	Integrating risk and opportunity	To understand the most critical interests of EY stakeholders, a comprehensive reassessment of the material environmental, social and economic risks, and opportunities relevant to the EY organization will be conducted in FY22. The results of this global materiality assessment will be a key reference that will influence the EY US business strategy, goal setting, resource allocation, external disclosures, and identification and management of risks.
Ethical behavior	Anti-corruption	All EY people are required to complete anti-bribery and corruption training during their careers. Additional information about anti-corruption policies and procedures in place is included in the 2021 EY US Transparency Report .
	Protected ethics advice and reporting mechanisms	We have a dedicated Ethics Hotline for our people, our clients and others to confidentially seek advice or report any activity or concern that may involve unethical or illegal behavior that is inconsistent with the EY Global Code of Conduct.

Planet

Theme	Metric	EY US disclosure
Climate change	Greenhouse gas (GHG) emissions	EY US decreased Scopes 1 and 2 combined emissions by 19% in FY21 compared to FY20. Details on the EY carbon ambition and emission disclosures can be found on pages 16 and 30, respectively.
	TCFD-aligned reporting	<p>We have committed to achieve net-zero emissions by 2025 and established science-based GHG emissions targets aligned with the Paris Agreement.</p> <p>In FY20, EY US conducted a TCFD assessment in which US-specific, climate-related risks and opportunities were identified. In FY21, a global assessment was conducted that builds on the EY US assessment. The results will be integrated into the EY global risk management procedures and into the EY CDP response.</p>
Nature loss	Land use and ecological sensitivity	Recent mapping analysis for the US confirmed that none of our EY US offices are located in, or adjacent to, key biodiversity areas (KBAs).
Fresh water availability	Water consumption	<p>In the last year, we completed a World Resources Institute Aqueduct water risk assessment across 32 countries, including the US. A total of 13 US offices were deemed to be in high or extremely high baseline water stress areas. The most prevalent US risks identified were baseline water stress, interannual variability and coastal eutrophication potential.</p> <p>In FY23, a global data management system will be implemented to track and report mega liters of water withdrawn, mega liters of water consumed, and the percentage of each in regions with high or extremely high baseline water stress. Over time, water management action plans will be developed to reduce our own consumption, further reduce water-related risks and support the local communities in which we operate.</p>
Solid waste*	Impact of solid waste disposal	We aim to minimize waste generated from our offices and recycle where possible. For example, we have implemented paperless technology solutions to reduce paper waste across our value chain. In FY23, a global data management system will be implemented to track waste disposal.

*Expanded WEF-IBC metric

People

Theme	Metric	EY US disclosure
Dignity and equality	Pay equality	EY US is committed to pay equity for our partners and people. We have developed processes and policies that promote and enable pay equity. We also employ consultants to conduct an annual pay gap analysis across our US employee population that informs internal market adjustments. Our salary increases for all employees are modeled with a consistent approach across all genders, races and ethnicities.
	Wage level	An entry-level wage assessment was performed and confirmed that 100% of EY employees are paid above the applicable jurisdiction's minimum wage.
	Diversity, equity and inclusion	Our commitments and progress to date are included in the EY US Diversity, Equity and Inclusion report . Refer to page 7 for more details on DEI in EY and page 28 for data on workforce diversity.
	Risks for incidents of child, forced or compulsory labor	We manage this metric through our Global Human Rights statement, Global Code of Conduct and Global Supplier Code of Conduct . For more details, refer to the EY Value Realized: reporting progress on global impact 2021 report WEF-IBC index.
Health and wellbeing	Health and safety	The health and safety of EY people are paramount, and globally there are policies and procedures in place to provide workplace safety. Fatalities and work-related injuries are not tracked globally since the risk of accidents in EY businesses is low. We offer a suite of benefits to support the physical, emotional, financial and social wellness of our people. See page 8 for more detail.
Skills for the future	Training provided	Information on our commitment to training and development is provided on pages 7 and 26.

Prosperity

Theme	Metric	EY US disclosure
Employment and wealth generation	Absolute number and rate of employment	The absolute number and rate of employment data are available on page 27.
	Economic contribution	In FY21, EY US revenues were \$16.2b, and total community investment was over \$88m. Refer to pages 30-32 for more information on financial performance and community investments. We do not currently report payments to providers of capital and governments and financial assistance received from the government since it does not significantly demonstrate our contribution to economies.
	Financial investment contribution	Capital expenditures for EY US in FY21 amounted to \$150m. Share buybacks and dividend payments are not recorded at EY US, given that the organization is a private partnership.
Innovation of better products and services	Total R&D expenses	EY Innovation and EY wavespace teams drive our research and innovation impacts. Over the last three years, we have made global investments of US\$8b and have committed to an expanded investment spend of US\$10b over the next three years, an increase of 25%. Refer to the EY Value Realized: reporting progress on global impact 2021 report for more information on our innovation focus and efforts.
Community and social vitality	Total tax paid	Due to the EY US ownership structure, a significant component of the taxes related to EY revenue is paid by the individual owners of the business and not directly by the US member firm. We do not have access to the information regarding the income taxes paid by owners of the business.

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EY US facts
and figures

We define our success broadly – we measure the value we create for our stakeholders (people, society and clients) alongside our financial performance.

People value

We are committed to delivering on our promise to all EY people: “The exceptional EY experience – it’s yours to build.” We do that by providing the support, experiences and opportunities that our people need to build their careers at EY US and beyond.

Formal learning

	FY20	FY21
Learning hours delivered – total hours	2,710,745	3,005,025
Learning hours per person – average hours	52	59
Total investment in learning*	\$183.3m	\$106.7m
Total expenditure per full-time employee (including travel)*	\$3.5k	\$2.1k

*The decrease in combined investment and expenditure is due to the shift to virtual learning and increased efficiency.

Promotions

	FY20	FY21
Total promotions*	8,851	9,778
Promotions to partner/principal	189	132
% of women among new partners/principals	33%	40%
% of R&ED individuals among new partners/principals**	26%	34%

*Excludes employees in San Juan. **R&ED – racially and ethnically diverse.

US hires and turnover*

	FY20	FY21
New employee hires	10,542	9,019
Employee turnover – rate**	14.5%	20.9%

*Excludes executives, interns and contractors. **Rolling 12-month turnover calculated based on separations over the average headcount for the 12-month period. For additional information related to hiring diversity indicators, refer to the [EY US Diversity, Equity and Inclusion report](#).

Leadership groups by gender and R&ED*

	FY20				FY21			
	Women	Men	R&ED	White	Women	Men	R&ED	White
US Executive Committee	38%	62%	13%	87%	38%	63%	25%	75%
US Partner/Principal Council	46%	54%	38%	63%	46%	54%	38%	63%
US Extended Leadership team	40%	60%	15%	85%	43%	57%	22%	78%
Inclusiveness Advisory Council (IAC)	50%	50%	47%	53%	46%	54%	51%	49%

*Data may not equal 100% in all cases due to rounding and reporting system conversion; FY21 data is updated to include the “undisclosed” category for gender, race and ethnicity categories. Undisclosed indicates those who selected “not applicable,” chose not to identify or left the data field blank.

Leadership groups by gender and R&ED*

	FY20				FY21			
	Women	Men	R&ED	White	Women	Men	R&ED	White
Partners/principals	25%	75%	16%	84%	26%	73%	18%	81%
PPMDD	29%	71%	17%	83%	30%	69%	19%	79%

*Data may not equal 100% in all cases due to rounding and reporting system conversion; FY21 data is updated to include the "undisclosed" category for gender, race and ethnicity categories. Undisclosed indicates those who selected "not applicable," chose not to identify or left the data field blank.

Workforce data – by role (FY21)

	Women	Men	R&ED*	White
Client serving				
Partner/principal	26%	73%	18%	81%
Managing director	33%	67%	23%	76%
Senior manager	38%	62%	36%	62%
Manager	41%	58%	45%	53%
Senior	46%	53%	45%	51%
Staff/assistant	47%	52%	41%	55%
Core Business Services (CBS)				
Director	48%	52%	17%	83%
Associate director	57%	43%	23%	76%
Assistant director	61%	38%	35%	64%
Supervising associate	69%	30%	39%	60%
Senior associate	64%	35%	38%	60%
Associate	59%	41%	48%	49%
Total workforce**				
US employees	47%	52%	40%	57%

*R&ED – racially and ethnically diverse. **Excludes partners/principals, interns and non-employees. Data may not equal 100% in all cases due to rounding and reporting system conversion; FY21 data is updated to include the "undisclosed" category for gender, race and ethnicity categories. Undisclosed indicates those who selected "not applicable," chose not to identify or left the data field blank.

People by service line

	FY19 vs. FY20	FY20	FY20 vs. FY21	FY21
Assurance	4.4%	12,901	-5.0%	12,252
Tax	7.4%	11,533	-2.2%	11,282
Consulting	8.1%	15,653	2.8%	16,099
Strategy and Transactions	14.2%	3,249	14.0%	3,705
Practice support/CBS	7.2%	8,384	-6.5%	7,837
Total	7.2%	51,720	-1.1%	51,175

People by US region

	FY19 vs. FY20	FY20	FY20 vs. FY21	FY21
US-East	6.5%	20,597	-3.8%	19,821
US-West	8.9%	14,468	2.9%	14,884
US-Central	6.7%	16,655	-1.1%	16,470
Total	7.2%	51,720	-1.1%	51,175

Societal value

Lives impacted*

	FY20	FY21
Total	2,450,935	3,655,824

Promotions

SDG 8: Decent work and economic growth	2,068,724
SDG 17: Partnerships for the goals	93,009
SDG 3: Good health and wellbeing	1,036,294
SDG 4: Quality education	170,650
SDG 6: Clean water and sanitation	43,618
Other	243,529

*"Lives impacted" figures encompass evaluation of both direct and indirect beneficiaries of EY Ripples initiatives (e.g., both the leaders of impact enterprises and the customer base they serve) and are weighted according to the depth and breadth of impact that can be attributed to EY support. The impact of each initiative is also mapped to the most relevant Sustainable Development Goal (SDG), based on ultimate impact.

Community investment

	FY20**	FY21
Hours invested by EY people*	188,936	122,280
Value of time contributions	\$17.0m	\$10.3m
Cash investments	\$55.1m	\$78.0m
Total	\$72.1m	\$88.3m

*Hours reported include time contributions beyond EY Ripples (e.g., other skilled and traditional volunteering activities, pro bono activities and Corporate Responsibility functional staff time).

**FY20 figures have been restated from NextWave reporting due to material updates to EY Ripples activities received after the year-end closing date of June 30, 2020.

We measure our greenhouse gas emissions and offsets to validate progress toward our carbon ambition to become carbon negative in 2021 and net zero in 2025.

Greenhouse gas emissions*

	FY19	FY20	FY21
Scope 1 GHG protocol (tCO ₂ e)	1,153	526	161
Scope 2 GHG protocol (tCO ₂ e)	46,285	29,462	24,080
Total Scopes 1 and 2 emissions (tCO₂e)**	47,438	29,988	24,241

*Greenhouse gas emissions are calculated in line with the EY global carbon footprint methodology as described in the [EY Value Realized: reporting progress on global impact 2021](#) report.

**Scope 3 emissions are not included here for comparison because Scope 3 for the EY US member firm is composed primarily of air travel emissions, which are not representative due to travel impacts from COVID-19.

Client value

EY teams help clients grow, optimize and protect value.

Fortune Global 500 – percentage of companies in index served

	FY20	FY21
Audit client	23%	24%
Non-audit client	61%	60%
All other companies	16%	16%
Total	100%	100%

EY audit market share of IPOs (global)

	2018	2019	2020
EY ranking by deal numbers	1	1	1

EY US audit market share

Fortune 500	28%
Fortune 1000	29%
Russell 3000	27%

Number of public companies we audit

2021	1,009
2020	966

EY auditors are deeply committed to their responsibility to serve investors and the public interest by delivering high-quality audits. EY member firms have an important responsibility to promote trust and confidence in the capital markets by addressing risk and complexity and identifying opportunities to enhance trust in business. EY auditors follow a broad set of global audit quality control policies and practices, as well as additional policies in accordance with professional standards set by local and national regulators.

PCAOB inspections through the 2020 inspection cycle

	2018	2019	2020
Audits without Part I.A deficiencies	40	49	44
Audits with Part I.A deficiencies	14	11	8
% with deficiencies	26%	18%	15%

To measure how EY teams are delivering an exceptional experience to clients, we use the Global Brand Survey. It tracks our ambition to be the No. 1 brand among professional services organizations as measured by favorability across clients and non-clients. For the latest survey, more than 4,400 EY clients and prospects were interviewed.

Brand favorability

	2017	2019	2021
EY global ranking	Tied 1	Tied 1	1

Financial value

Our ability to achieve our ambition and fulfill our purpose depends on our sustained and sustainable financial success.

Fortune Global 500 – percentage of companies in index served

	FY20		FY21	
	US\$b	%	US\$b	%
Assurance	\$4.4	28%	\$4.4	27%
Tax	\$4.6	29%	\$4.7	29%
Consulting	\$5.2	33%	\$5.3	33%
Strategy and Transactions	\$1.6	10%	\$1.8	11%
Total revenue	\$15.8		\$16.2	



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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