

# Sustainability Report

EY France's economic, social and environmental contribution

May 2020





# Editorial

**Éric Fourel**

Chairman of EY France

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By encouraging companies to incorporate social objectives into their corporate purpose, the French Law on Business Growth and Transformation (the "PACTE" Law), enacted in 2019, confirmed that businesses make a vital contribution to our ecosystem, at a time of new challenges relating to the social and climate crisis, to which the issue of health protection should now be added.

We are well aware of this at EY. Our commitment to society, stimulated by the continuous transformation of our service lines and the rapid digitisation of our organisation, has historically played a central role in our business and our strategic thinking.

Our employees represent EY's life force and are a key part of this process. EY can only make its commitments through them and with them.

How? By again enabling them, this year, to reach their full potential in their working lives, and by always giving them the assurance of a caring environment, where they feel heard, respected and free to be themselves.

To achieve this, we aim to foster diversity and respect for difference in the workplace. One of our initiatives in this area is #StOpE (Stop "Ordinary" Sexism in Business), which we launched with two other

companies in 2018. We also give our employees the chance to take part in community projects. These initiatives improve the quality and diversity of their working lives and add flexibility to their career paths. Through these initiatives, we want all employees to find their place at EY and to be stakeholders in their teams and the EY community as a whole. We want them to feel motivated to make a commitment, take on more responsibility and give the best of themselves. This makes them feel empowered, prompting them to initiate projects such as the EcologY network, which focuses on the challenges posed by climate change.

We believe that a caring work environment creates a better culture of excellence: the best ideas and the most lasting commitments stem from an atmosphere of listening and calm.

At EY, we see CSR as the catalyst for the positive motivation and energy that we generate in our employees, encouraging them to seek long-term solutions for the major challenges we face, both now and in the future. In this way, we can all move forward together towards our common goal of *building a better working world*.



# Key figures for 2019<sup>1</sup>

## OUR VALUES



## BREAKDOWN OF VALUE CREATED IN FRANCE (as share of revenue)



## BREAKDOWN OF VALUE BY SECTOR (as share of revenue)



## GLOBAL COMPACT

EY is a signatory to the **United Nations Global Compact** and regularly reports on the implementation of its principles.

## PARTNERSHIPS

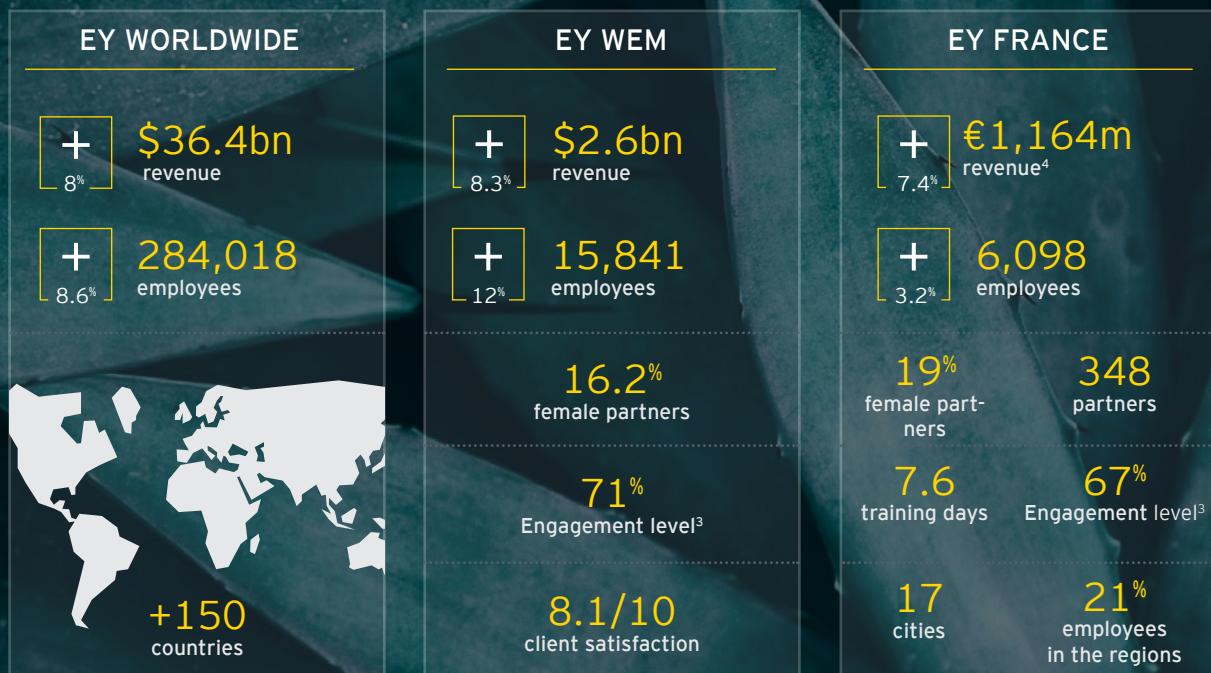
EY Société d'Avocats, a member of the EY Law international network, has announced its first major partnership with a legal tech company on a global scale, with Riverview Law, a leading player in the *legal managed services*<sup>1</sup> market. The partnership will enhance Ernst & Young Société d'Avocats' legal offering and accelerate its transformation by adding know-how in the rolling out of innovative technologies to its expertise.

<sup>1</sup> Unless otherwise specified, all of the figures published relate to the 2019 fiscal year (referred to as FY19), which covers the period from 1 July 2018 to 30 June 2019.

<sup>2</sup> Reference of the Global Reporting Initiative.

EY France's activities, including in the EMEIA area, are grouped into two regions: FSO, which brings together all of the Financial Services activities in 18 European countries and, since 1 July 2017, Western Europe Maghreb (WEM).

In September 2018, the WEM region was expanded to include nine French-speaking African countries: Cameroon, Chad, Congo, the DRC, Equatorial Guinea, Gabon, Guinea, Côte d'Ivoire and Senegal.



## OUR CLIENTS

**+ 200,000**  
clients worldwide

NOT-FOR-PROFIT  
AND PUBLIC SECTOR

## MAJOR INTERNATIONAL GROUPS

(French and foreign)

## ENTREPRENEURS

**76/100**

With a rating of 76/100 from EcoVadis, EY France is in the top 1% of companies with the most effective CSR policy, all sizes included.

<sup>3</sup> At EY, we measure the level of engagement by assessing four aspects: pride in belonging to EY, recommendation of the company, satisfaction and attachment to the company.

<sup>4</sup> Revenue for France, including FSO and the activities of subsidiaries abroad (Algeria and Monaco).

## KEY FIGURES:

**1 code of conduct**

signed every year by all our employees and partners

**1 team**

of around one hundred experts dedicated to CSR since 1995

**141 projects**

selected and taken forward by the Foundation between 2008 and 2018

**23,017 hours**

of skills mentoring by EY France employees

**18 years**

EY is the main sponsor of the Paris National Opera for the 18<sup>th</sup> consecutive year

**+1,000 employees**

engaged in networks within EY (Elles&You, Unity, Club Maât, EcologY)



In 2013, EY adopted an ambitious mission statement, *Building a better working world*, which commits us to playing an active role in building a new world and to making the world of work in which we operate more balanced.



Since then, we have appreciated the hard work and the humility that are essential for everyone in the company to feel invested in this mission. It has taken five years for more than half of our employees to feel motivated by our goal (the indicator monitored in our engagement survey).

We therefore included it in our NextWave strategy, launched in October 2019, which is designed to create long-term value for our clients, our employees and society, in order to build a better working world. To do this, we have to:

### **Build confidence by taking action for sustainable growth.**

This means, of course, that we must be able to provide high-quality audits, relevant advice and sound technical and sector-specific expertise. However, we must also be capable of supporting our clients in their transformation, taking into account both technological and societal changes. Thanks to our broad client base, multi-disciplinary approach and auditing work, we are well-equipped for this task. Although we have had a dedicated CSR team of around 100 employees in place since 1995, we now need to provide all our employees with a better understanding of the challenges posed by climate change so that they can systematically incorporate them into their assignments.



# What does engagement mean at EY?

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## **Helping all our employees to grow, in a work environment conducive to individual self-fulfilment.**

Our HR challenges require the implementation of innovative solutions, fostered by the creation of an internal think tank called the Talent Transformation Committee (TTC). The committee represents our range of talents, experiences, career paths and skills. Its main aims are to analyse our talent management performance and to identify ways of making the necessary changes.

## **Strengthening our footprint in society.**

EY and the EY Foundation have traditionally offered employees the chance to share their behavioural and professional expertise through collective projects in the areas of manual skills, culture and education. At the global level, EY aims to broaden this opportunity through its *EY Ripples* programme, making skills mentoring a central part of its experience and DNA.

## **Reducing our environmental footprint.**

Our employees and partners are working to minimise our footprint, even though it is small because we are a services company. In September 2019, they also created the EcologY network, designed to elicit ideas for reducing our environmental impact. Their group work is expected to produce results in 2020.

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This report was designed to be viewed online. For optimal readability,  
access it at [ey.com/fr/rse](http://ey.com/fr/rse)

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# EY France

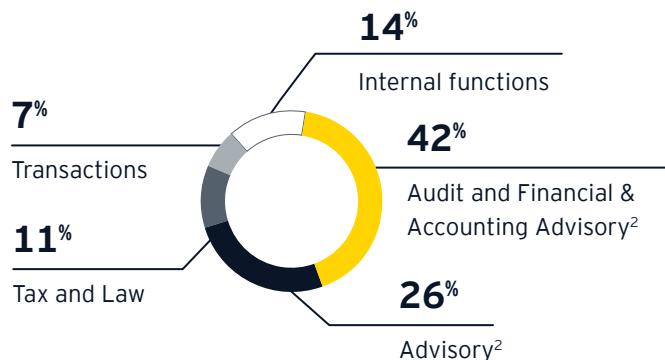
## Our service lines

EY is built around four service lines: audit, advisory, tax and law and transactions. The insights and quality services we deliver help to build trust and confidence in economies and financial markets. The coordination of our service lines is a key challenge in meeting the needs of our clients, requiring us to combine a wide range of complementary skills.

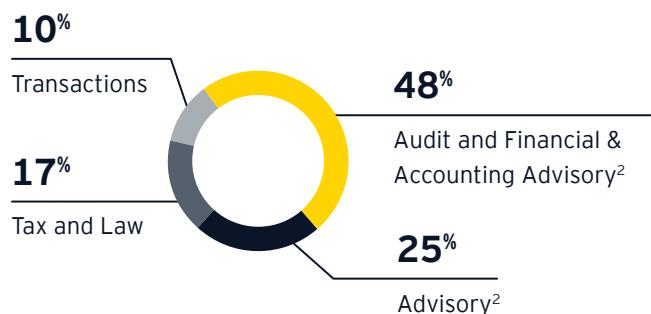
EY has a matrix structure: as well as our service line approach, we also employ a sector-specific approach that enables our employees and partners to master the challenges specific to their clients' activities. This network of expertise is deployed regardless of the nature of our assignments and allows us to offer our clients tailor-made support and a complete multi-disciplinary approach.

A number of our service lines are regulated (statutory auditing, accounting, legal), which means we are held to particularly high standards of independence and professional rigour. The obligations imposed on us, particularly in terms of incompatibility of services, compulsory rotation of our mandates, management of conflicts of interest and professional secrecy, guarantee our commitment to a more ethical professional environment.

BREAKDOWN OF EMPLOYEES BY SERVICE LINE [G4-LA12]<sup>1</sup>



BREAKDOWN OF REVENUE BY SERVICE LINE<sup>3</sup>



<sup>1</sup> Reference of the Global Reporting Initiative.

<sup>2</sup> Excl. transactions.

<sup>3</sup> Revenue for France, including FSO, excluding Monaco and Algeria.

## AUDIT AND FINANCIAL & ACCOUNTING ADVISORY



### Jean-Roch Varon

Partner in charge  
of our *Audit and Financial & Accounting Advisory department*,  
EY & Associés

“

We have developed a digital audit based on new tools, such as EY Canvas (a digital audit platform) and EY Helix (an analytics tool that handles large data volumes), enabling us to deliver high-quality digital audits. We have also developed our solutions with the finance departments, using analytics to respond to our clients' challenges as effectively as possible.

The renewal rate for the audit mandates of our CAC 40 clients is 100%. Our clients are very loyal, due to the high quality of our assignments, which enhances financial security, and our position as a trusted partner delivering long-term value.

We are also committed to ensuring the development and diversity of our teams' career paths, so we can meet the needs of our clients while relying on dynamic and inclusive career management.”

+  
5.5%

€557m<sup>2</sup>  
revenue

2,561  
employees

- ▶ Helping our clients meet requirements concerning the transparency and reliability of financial and non-financial information
- ▶ Validating the quality and honesty of quantified information for third-party use
- ▶ Guiding and supporting our clients in their accountancy-related issues (standards, processes and operations)
- ▶ Assessing anti-fraud and anti-corruption systems, investigating allegations and analysing the data

Our main competitors are described by *The accounting profession*

## ADVISORY<sup>1</sup>



### Éric Mouchous

Partner in charge  
of our *Advisory department*, Ernst & Young Advisory

“

This year, we have once again strongly developed our business, supporting our clients in their transformation projects. We stand out due to our ability to build the best multi-disciplinary teams covering all the necessary expertise, whether sector-specific, function-specific or technological.

The business has been growing rapidly, particularly in the public sector, distribution, fast-moving consumer goods (FMCG) and private equity, where we are now among the leaders in terms of volumes of due diligence assignments and market share. By functional area, growth was driven by digital transformation issues, performance improvement plans for operations and support functions, and lastly by risk management, especially in relation to cybersecurity. We are growing rapidly, and we are proud of these successes.

Our employees are our main focus: in particular, we have implemented new career monitoring and assessment processes, and launched numerous initiatives to coordinate employees by skill group and by sector. We have also revised our training courses to adapt them to the new skills expected by our clients.”

+  
13.8%

€288m<sup>2</sup>  
revenue

1,585  
employees

Helping organisations to:

- ▶ Get ahead of changes in sectors and business lines in a constantly changing environment
- ▶ Understand and harness all digital opportunities
- ▶ Transform the organisation to improve its performance
- ▶ Manage risks

EY relies on a unique combination of function-specific, technological and sector-specific expertise to overcome the challenges facing our clients.

The position of EY and EY Parthénon is described in the *Capital Awards - Best consultancy firm 2019*

<sup>1</sup> Excl. transactions.

<sup>2</sup> Revenue for France, including FSO, excluding Monaco and Algeria.



# EY France

## TAX AND LAW



**Lionel  
Benant**

Partner in charge  
of our *Tax and Law*  
department, Ernst  
& Young Société  
d'Avocats

“

At the crossroads of regulatory and technological developments, our mission is to help our clients navigate this new paradigm while incorporating the now ubiquitous requirement for transparency. In order to achieve this, we provide our clients not only with the entire collective force of our employees and partners, but also with all the new technological tools that enhance our exchanges with them and satisfy our wish to take environmental issues into account.

By enabling each of our employees to direct their actions toward society, we can ensure that we are ahead of the rest and innovative in the tasks assigned to us.”

+  
7.4%  
€202m<sup>1</sup>  
revenue  
671  
employees

- ▶ Creating value in a sustainable and responsible way by designing and implementing innovative solutions in law and taxation
- ▶ Defending our clients' interests in a complex and constantly changing world of tax and law
- ▶ Identifying and rolling out solutions to enable our clients to achieve their operating targets whilst minimising their risks

[See EY Société d'Avocats' position in the ranking published by Juristes Associés](#)

## TRANSACTIONS



**Yannick de  
Kerhor**

Partner in charge  
of our *Transactions*  
department,  
EY & Associés

“

Societal and environmental changes have a considerable impact on our service line operations. They enrich our analytical filter and the judgements that we make by challenging us on the societal acceptability of our clients' activities and the environmental efficiency of their processes.

In order to focus our analyses on tasks requiring interpretation and a sense of perspective, this year we incorporated the Matlo data analysis and recording platform. The platform streamlines data manipulation and visualisation and may ultimately benefit our other service lines.”



## INTERNAL FUNCTIONS

**Béatrice Delaunay**  
Partner and Chair of the Business Interest Group, EY & Associés

**854** employees

“

The internal functions comprise human resources, marketing and communications, business development, real estate, a knowledge management and sharing centre, finance, purchasing, IT and legal. Their operations are shifting towards digital, e.g. through the digitalisation of incoming mail and invoices, and in order to reduce our environmental footprint (roll-out of video-conferencing tools to limit travel, changes to training arrangements wherever possible to favour WebL, and establishment of an action plan to reduce our carbon footprint). These functions are also enthusiastic participants in skills mentoring through EY Ripples and the EY Foundation. Of these employees, around a hundred work at European or world level.”



# Three trends that have a particularly marked effect on our service lines

## 1. Proliferation of regulatory changes

The increasing number of regulatory changes requires constant monitoring and support for companies as they rethink their organisation in order to accommodate them. In this context, three solutions seem particularly relevant to us:

### A. RESPONSIBLE TAX PRACTICES

With regard to tax, the rapid evolution of regulations requires us to offer our clients legally sound solutions and to ensure that these solutions are responsible.

### B. THE PACTE LAW

Adopted by the French National Assembly on 11 April 2019, the PACTE Law contains a set of provisions relating to corporate governance on themes that are innovative or which represent a complete change from previous practices.

The French Civil and Commercial Codes have been amended to increase companies' consideration of social and environmental issues in their strategies and activities, and to give them the option of defining a "purpose" and even enshrining it in their articles of association.

EY offers its clients a range of assignments which will support them in adapting to PACTE, including assistance in defining their purpose and verifying the aims of the purpose they have set.

### C. GENERAL DATA PROTECTION REGULATION (GDPR)

EY supports its clients through the reorganisation required for GDPR, in order to protect their reputation and to ensure that they avoid substantial fines if they fail to meet their obligations.



See our **General Data Protection  
Regulation** publication.

## MATERIAL TOPICS<sup>1</sup>:

- ▶ Ethics and independence
- ▶ Client data protection

## 2. The digitalisation of the economy and the development of data

The growth of digital has a disruptive effect that might have repercussions for our business model and those of our clients. At EY, digitalisation and *Big Data* require the deployment of tools for the identification and detailed analysis of large volumes of data and to anticipate cyber attacks ([see page 33](#)). Our clients vary in terms of their digital maturity. It is therefore essential that we support them in anticipating potential disruptions to their business models resulting from digitalisation.

Digitalisation means we have to recruit and train employees in the key skills that we will need going forward.

### [] FOCUS

The proliferation of data requires the implementation of tools to make full use of them - ranging from the internal data of the companies analysed to data from social networks and the blogosphere, basing the analysis on advanced indicators (e.g. household income - the type of advanced indicator used varies according to the sector in which the company analysed operates).

The establishment of a secure data visualisation platform suitable for transactions has made the handling and analysis of data more immediate.



Yannick de Kerhor

## 3. Helping our clients limit their environmental footprint

The climate change crisis is prompting us to review the methods we use to produce and create added value. Our role is to help our clients answer these three questions:

► **How can they reduce their environmental impact**

by setting targets and creating an action plan compatible with dwindling resources and climate change? This entails comprehensively reviewing our clients' processes and prioritising them (environmental impact, feasibility, return on investment).

► **How can production be adapted to take account of dwindling resources and climate change** (changing processes, location, raw materials usage, etc.)?

► **How can they develop new services** or new products that meet sustainability and traceability requirements?

EY France has been providing companies, public authorities and international institutions with support on these issues since 1995. A team of more than one hundred advisors (1,200 at the global level) is dedicated to these questions, working cross-functionally on a growing number of assignments ([see page 25](#)).

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### [] FOCUS

EY has historically been a key dialogue partner for finance departments, management committees and audit committees. We help them better understand the challenges they face in terms of risks, compliance and the auditing of financial and non-financial data. Today, we continue to deploy a CSR culture within our company and across all of our assignments, so we can answer even the most demanding questions from CFOs on this essential subject.



Jean-Roch Varon

- Innovation and sustainability of the EY model
- Ethics and independence
- Client data protection

- Supporting our clients in reducing their environmental footprint

<sup>1</sup> Cf. materiality matrix on page 23.



# Our ecosystem



## Clients

Helping decision-makers to understand and to act, create a trusting environment and contribute to sustainable growth.



## International organisations and public authorities

Maintaining open and transparent relations with regulators and participating in professional bodies.



## Employees

Developing our employees, continually improving their skills and promoting an open and flexible working environment.



## Company

Playing a role in the region's vitality by contributing to public debate and education.

## Dialogue with our main stakeholders

**Listening to our stakeholders allows us to understand how they perceive our business and their expectations, so that we can identify the main risks and opportunities, adapt our approach and improve our performance.**

## Clients

EY has developed a formal quality assessment process for its assignments. In order to support its clients, EY aims to enable organisations to innovate and transform.

Our role as a player in the financial world enables us, due to the diversity of our assignments and our clients, to monitor the underlying trends transforming society and to formulate questions that help to develop our clients' models and their uses, opening the door to new solutions.



### Sub-/Co-contractors

Innovating, co-building.



### Competitors

Creating healthy competition.



### Suppliers

Promoting accountability within our supply chain.



### EY Global - EY EMEA

Providing the same excellence all over the world. Ensuring that our clients benefit from an integrated, cross-functional network.

## International organisations and public authorities

Our partners and employees can be asked to contribute to standard setting and to reflect on the regulatory environment in which we operate. EY thus works with the National Society of Auditors (*Compagnie nationale des commissaires aux comptes*) and its Department for Public Interest Companies (*Département des entités d'intérêt public* - DEIP), in constructive dialogue with the auditing oversight board (*Haut Conseil du Commissariat aux Comptes* - H3C).

## Employees

A number of processes and tools are used to facilitate communications within EY: employees are guided within the organisation by their mentors, who help them to develop a short- and medium-term view of their careers.

The upward feedback process introduced in 2016 enables our employees to assess their partners and managers on the basis of five criteria. Lastly, annual engagement surveys help us to analyse the business climate and the areas for improvement that our employees and partners would like EY to prioritise.

## Company

Due to the diversity of its service lines and the sectors in which it operates, EY has a privileged view of the financial world, which it shares:

- ▶ in the many think tanks and networks in which the company is involved;
- ▶ through the publication of studies and analyses;
- ▶ with young people and people joining or rejoining the world of work as skills mentorees.



# Governance and shareholdings



## EY France as part of a global network

The EY network is organised into the geographical areas of the Americas, EMEIA and ASIA PAC, which are themselves composed of regions. EY France's activities, including in the EMEIA area, are grouped into two regions: WEM<sup>1</sup>, composed of 17 countries; and FSO, which brings together all of the financial services activities in 18 European countries.

## Organisation of governance

Jean-Pierre Letartre, head of regional and French business activities, was replaced on 1 July 2019 by Éric Fourel as Chairman of EY France and by Alain Perroux as WEM Managing Partner.

All the business activities of the WEM<sup>1</sup> region are coordinated through a committee currently chaired by Alain Perroux.

### EY'S ORGANISATIONAL CHART IN FRANCE AS OF 1 JULY 2019





## YOUNG LEADERSHIP BOARD

WEM's Young Leadership Board, created in 2018, is a committee of 13 non-partner employees that advises the executive team. The Board works on corporate social responsibility, employee engagement, diversity and inclusion and EY's attractiveness. It provides EY with a direct opinion from its employees and makes them players in the firm's development. The Young Leadership Board structure is replicated within each of our service lines.

The committee comprises the heads of EY's main service lines, the managers of the company's main functions, the managers of the countries within the region and the market segment managers.

At the regional level, Alain Perroux and the key members of the management committee hold regular meetings with the elected representatives of the partners on an advisory committee - the Regional Partners' Forum - co-chaired by Gilles Puissochet and Herman de Ruijter. The main subjects discussed with the Regional Partners' Forum include the appointment of the partners responsible for the business activities and functions within the region, the preparation of the budget, approval of the accounts, the appointment of partners, how their remuneration is balanced, the main investment projects, risk management and, generally speaking, all subjects relating to the management of our activities.

The implementation of EY's strategy in France is guided by Éric Fourel, supported by the managers of the business activities and functions in France, organised as shown opposite.

## Operating in partnership

The capital owned by the EY France entities is held by the partners who work there. As of 30 June 2019, EY France had 348 partners.<sup>1</sup>

The aim of the EY partnership is to develop shared business capital, which aids the long-term management of relations with the various stakeholders. Partners are assessed in accordance with criteria relating to quality, team management and client relations.

New partners are appointed every year through a rigorous co-opting process, taking into account numerous criteria, including a business case, which should demonstrate their professional skills, their ability to bring in revenue on a recurring basis, their management skills and their adherence to the partnership's values.

During FY19, in France, 15 partners were co-opted from within our teams and there were four direct entry partners.

<sup>1</sup> Region composed of the EY entities in Belgium, France, Luxembourg, the Netherlands and the Maghreb.



# Ethics, independence and transparency

Ethics are central to the reputation of EY, its employees and its partners.

Ethical compliance is based on global policies and is enshrined in our values and our code of conduct. As emphasised by general management, ethics are vital for example-setting and should be communicated regularly.

Training and awareness-raising serve to remind every one of our employees of the importance of complying with these rules.

## VALUES AND CODE OF CONDUCT

EY adheres to professional values set out in a **code of conduct** signed by all its employees and partners when they join EY and every year thereafter.

The aim of the procedures for monitoring compliance with the code, enhanced work on example-setting and new communications is to create a climate conducive to responsible conduct on the part of our professionals.

## Anti-corruption and anti-money laundering

EY's global anti-corruption policy defines the rules to be adhered to and provides our employees and partners with instructions on how to respond to unlawful or unethical activity. Online training enables our employees to better understand potential corruption situations and the rules to follow in order to combat corruption. Close monitoring was carried out in 2018 and 2019, allowing the percentage of trained employees to be substantially increased.

EY has implemented all the measures set forth in the **Sapin II Law**, and specifically:

- ▶ The creation of corruption risk mapping;
- ▶ The rolling out of an alert system;
- ▶ The updating of our anti-corruption charter, with the addition of a list of prohibited behaviours;
- ▶ The rolling out of anti-corruption training for employees particularly at risk;
- ▶ The strengthening of procedures and controls prior to the conclusion of agreements with third parties;
- ▶ The strengthening of accounting audits.

## Global code of conduct signed by our CEO and all our partners and employees

EY also plays a role in anti-money laundering and counter-terrorist financing. We have enhanced our Know Your Client system, which now includes an anti-money laundering component. Our client and assignment acceptance process now incorporates money laundering risk, in addition to other risks related to corruption, ethics and economic sanctions.

In order to help our professionals assess situations and meet the requirements of our professional regulations, we have designated a Tracfin contact partner for each of our businesses. Our initiatives to raise awareness among our professionals include periodic training, and all new hires attend a training session on the subject.

## Management of conflicts of interest

EY's global policy on conflicts of interest and the associated implementation guide are updated regularly to take into account the increasing complexity of our assignments. This policy also complies with the most recent standards issued by the International Ethics Standards Board for Accountants and also takes account of the code of ethics of the legal profession.

EY evaluates the risk of a conflict of interest before each new assignment. Only after having followed a rigorous procedure do we decide to accept a new client, continue with a relationship or provide a new service that does not endanger our independence or expose us to a conflict of interest or any other breach of the applicable rules and laws.

## Independence

Independence guarantees the quality and added value of our audits. By providing an independent guarantee of the reliability, relevance and truthfulness of financial information, EY helps create the conditions for confidence in the economy, which is a key factor in market stability and the sustainability of business development. This requirement is also fundamental for our other service lines, as it ensures the objectivity of our advice and consultancy, in the interests of our clients and all our stakeholders.

To ensure independence, EY France performs a set of checks to verify that we are observing all the rules defined by the Code of Ethics of the **International Ethics Standards Board for Accountants** and by EY on a global level, and by the code of ethics for statutory auditors. Each year, all employees must also confirm that they meet the requirements of EY's policies on independence.



# Description of CSR challenges and outlook

## Materiality analysis

The materiality analysis consists of identifying the various issues related to our economic, social and societal responsibility and arranging them in hierarchical order. The matrix below shows the "materiality" level of topics based on their importance in the eyes of our stakeholders (vertical axis) and their potential impact for EY (horizontal axis).

This materiality analysis has enabled us to identify **four key challenges** for EY France:

1  
2  
3  
4

**Developing services that support sustainable growth**

**Possessing expertise that enables us to complete our assignments in a flexible and high-quality manner**

**Placing ever greater emphasis on our people**

**Being a corporate citizen**

The challenges presented in this materiality analysis are examined in detail hereinafter.

This matrix highlights the importance for EY of promoting the eighth United Nations Sustainable Development Goal, i.e. long-term, shared and sustainable economic growth, full productive employment and decent work for all.

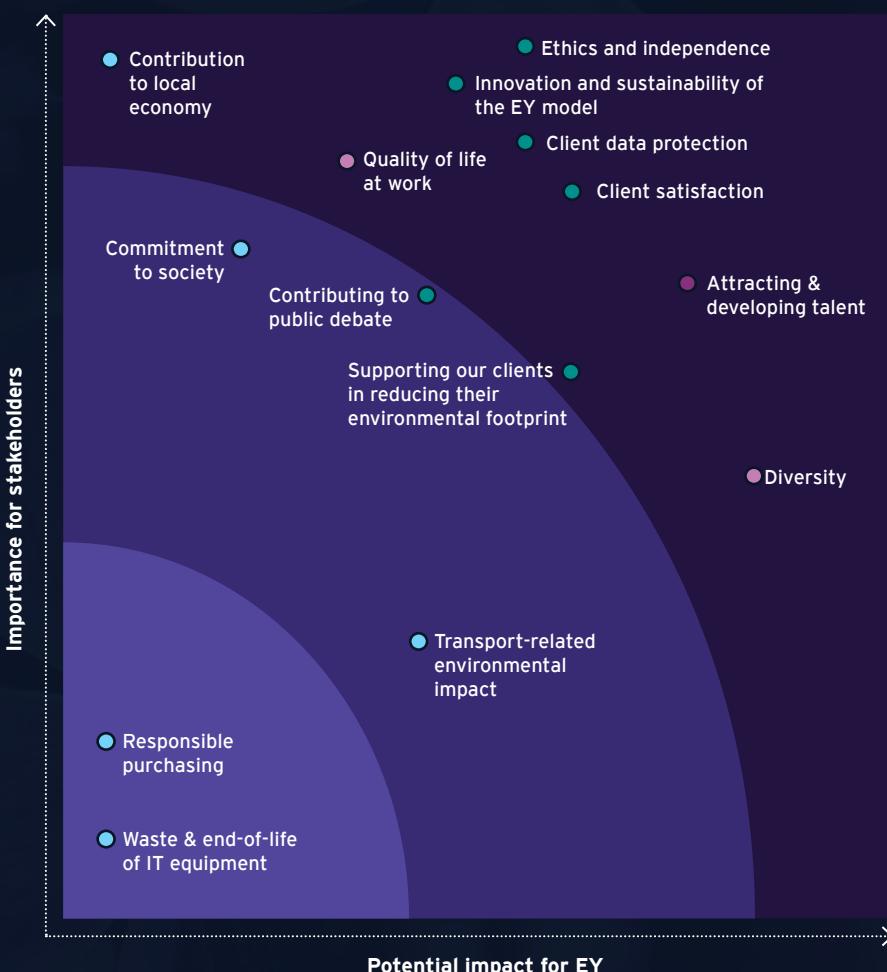
## 14 SUBJECTS THAT CONSTITUTE FOUR CHALLENGES FOR EY

- Developing services that support sustainable growth
- Possessing expertise that enables us to complete our assignments in a flexible and high-quality manner
- Placing ever greater emphasis on our people
- Being a corporate citizen

Low

Moderate

High





## Challenge 1

# Developing services that support sustainable growth

Our clients expect EY to provide high-quality audits, relevant advice and sound technical and sector-specific expertise.

In addition, due to the diversity of its clients and assignments and the auditing work that it performs, EY is an observer of the financial world and of the trends affecting it. Our mission is therefore to help our clients to innovate by taking account of the fundamental technological, societal and environmental changes taking place today, which are even more significant than in previous years.

By meeting these needs, we are contributing to the global efforts made to achieve sustainable growth, in line with **Goal 8** of the United Nations Sustainable Development Goals. The support we give our clients creates the conditions for confidence in the economy.



### What does “building trust in a changing world” mean?

Claire Nourry, partner in charge of risk management, EY & Associés

EY is a trusted third party and its role is to build trust in the financial world. To that end, EY undertakes to provide businesses and organisations with a high level of service that enables them to deal with changes in their environment. It is therefore vital that every partner and employee:

- ▶ Carries out his or her assignments in accordance with the rules on ethics and independence;
- ▶ Maintains data confidentiality;
- ▶ Ensures client satisfaction.

The procedures for managing quality, ethics and independence can be accessed by all our employees in a space dedicated to risk management.

EY's reputation and its ability to build trust and confidence in a changing environment is achieved through both management teams that are responsible for embodying our mission statement and the accountability of our employees.

“

EY has developed a range of services that gives its clients a solution for implementing sustainability and simple ethics, based on three main pillars: the company's strategy, its performance and its risk management.

- ▶ The EY management teams are responsible for demonstrating, through their conduct and actions, EY's desire to remain true to its mission statement of "Building a better working world" by making the world in which we operate fairer and more balanced.
- ▶ While it is essential that the management teams set an example, our employees are primarily responsible for the quality of our services. They are guided by a combination of the management in place for them, the training delivered to them and the code of conduct that they sign.



## How can we help our clients make the low-carbon transition?

Eric Duvaud, partner in charge of our Sustainable Performance and Transformation department, EY & Associés

Since 1995, EY France has been supporting businesses, public authorities and international institutions in relation to these questions through a **dedicated team** of more than 100 sustainable development experts (1,200 at the global level) able to engage in the public debate in France and internationally on matters concerning corporate social responsibility and help businesses transition to a more sustainable economic model. They address matters such as non-financial reporting, energy efficiency, the carbon trajectory, the circular economy, the longevity of brands and product portfolios, supply chain risks (duty of vigilance) and the measurement of social and economic impacts.

This sustainable development expertise is thus fully incorporated within most of EY's traditional services: financial and non-financial certification for increased transparency vis-à-vis investors and other stakeholders; integration of ESG (environmental, social, governance) risks and opportunities in business acquisitions and disposals; market studies and business plans in clean technologies (such as renewable energy and hydrogen); and strategic advice on the development of business models and product portfolios.

EY's privileged position with its clients gives it the opportunity to promote sustainable development on a global level. The inclusion of environmental issues in the services we provide to our clients is a new priority which our employees are taking on board, mainly thanks to a policy of environmental awareness-raising. Among other things, this has resulted in voluntary learning about these subjects within the EcologY group ([see Challenge 4](#)).

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## TRANSPARENCY REPORT

In accordance with the applicable regulations, EY publishes a **transparency report** which describes in detail the governance of auditing activities, both in our global network and in France. The report provides details of the actions taken to constantly reinforce the quality of our work, manage risk and preserve our independence as an auditor.



Our method: invest in the most innovative technological and methodological tools and share our firmly anchored values, which represent who we are and what we do.



# Observing, Innovating, Transforming, Sharing (1/2)



As it is ideally placed to observe the economy and is a protagonist in the transformation of companies, EY has a particular role to play in innovation within the financial world and in society's transition to sustainable economic growth.

## What are the challenges of innovation for EY?

The rise of digital is transforming the global economy. The resulting changes are forcing companies and organisations to rethink their relationships with their employees, clients and suppliers and to change the way they look at operational procedures and the business culture. EY is no exception. "Possessing expertise that enables us to complete our assignments in a flexible and high-quality manner" is one of our major challenges. Meeting this challenge will improve our efficiency while harnessing innovation.

This ambition requires cutting-edge technical and technological skills. EY has been able to build up these skills not only through recruitment and by making acquisitions in the areas in which we wish to develop, but also thanks to the training we have given all our employees on the challenges posed by digitalisation.

While technology presents many new opportunities for business, the digital transformation conceals much wider societal changes. It gives new power to the individual, but also generates concern about the job losses that it may cause and issues relating to cybersecurity and the

augmented human. EY therefore has to take a position on these subjects and look at the societal impacts of the innovations that the company is working on, as we do on our website: "Questions of Transformation". This is how we realise our mission statement, "Building a better working world", the primary objective of which is to help to build a sustainable, positive economy<sup>1</sup>.

## What is innovation at EY?

Digital innovation affects our own service lines just as much as the service offerings we develop for our clients, which makes our capacity for innovation essential to the sustainability of our business model.

While our areas of business are unlikely to change radically within the next decade - with tax, auditing and advisory services remaining the key service lines - the way in which we perform those services will probably evolve considerably.

At EY, innovation always creates growth. We have thus achieved strong growth for the eleventh consecutive year, fuelled in part by technological innovations such as analytics, artificial intelligence and robotics.

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**150+**

tools developed  
that can be  
presented in  
EY Lab Paris

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**70**

people in EY Lab Paris work  
permanently on around 50 projects,  
in coordination with 500 digital  
transformation experts.

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## EY Lab Paris

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In order to support organisations in their digital transformation, in 2016, EY launched a space in Paris for innovation, collaboration and the creation of services enhanced by analytics, cybersecurity<sup>2</sup> and digital for our clients. In late 2017, the Lab joined the **EY Lab** global network, which so far includes more than 40 innovation centres (22 *flagships* and 19 satellites). Every day, EY Lab Paris hosts a team of 70 people from all of EY's service lines. This team helps our clients manage their digital transformation. More than 500 sector and function experts collaborate with EY Lab Paris to develop tools in artificial intelligence, data analytics, blockchain and robotics process automation.

In 2019, EY Lab Paris organised a facilitation offering that enables us to answer complex questions from our clients in a collaborative way. It is based on five principles: close attention to outcomes; a mixture of methods, tools and skills, and facilitation to enable creative collaboration; complex problem solving with teams built from both the employees of our four service lines and

EY Labs experts; a federation of stakeholders that minimises resistance to change and promotes transformation; and the use of international expertise when necessary.

Two event formats have been created to welcome our clients into our spaces dedicated to innovation and collaborative practices:

- ▶ An immersive workshop that includes a phase of inspiration and exploration of trends and emerging technologies, followed by a phase of ideation and prioritisation of the most relevant applications for the client.
- ▶ A fully personalised collective intelligence session designed to help resolve specific problems or address a specific challenge by accelerating the decision-making process.

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<sup>1</sup> Our contribution to creating a world that moves forward is linked to the mission we have given ourselves: Building a better working world. This ambition - to offer a new perspective, enabling organisations to innovate and transform - starts with the ability to ask ourselves the best questions: relevant questions that inspire, but also challenge.

<sup>2</sup> EY delivers PASSI (IT System Security Audit Provider) audit assignments from its secure laboratory, or CyberLab, where enhanced security measures are in place.



# Observing, Innovating, Transforming, Sharing (2/2)



© Brigitte Haugue

## How can we support players in the Social and Solidarity Economy?

EY's Social and Solidarity Economy (SSE) department was created in 1995 and includes more than 50 employees from three service lines: Audit, Tax & Law and Advisory. These employees work together to contribute their complementary skills to this specific sector. They receive regular training to keep abreast of practices and regulatory changes (new tax measures, new accounting regulations, charity governance standards).

The SSE department organises regular meetings and conferences, and publishes studies to give managers and participants a sense of perspective on the changes and challenges of this sector.

## What is our role in transforming society?

EY shares its analyses beyond its client assignments. We contribute to collective thinking through our presence in numerous organisations, think tanks and professional networks.

We also publish freely available proprietary studies on topical themes (76 in 2019). Here are some examples:



Fraud prevention, the PACTE Law, CSR policy, IFRSs and European audit reforms. More regulations have been introduced in recent years, prompting companies to rethink their organisation in order to accommodate the changes. The **EY Perspective** study provides an assessment of the impacts and the implementation of these regulations.



Similarly, the **Overview of Governance** report, published every year, relies on an analysis of the reference documents of 240 listed companies in France and four other European countries, in relation to the following issues: organisation, tools, deployment of governance, transparency, CSR, ethics and compliance.



Every year for over a decade now, EY has published the **France Attractiveness Survey (Baromètre de l'Attractivité de la France)**, which assesses the reality of the situation regarding foreign investments in France and an analysis of how it is perceived by foreign investors and decision makers.



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76

studies published in 2019

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EY works together with major listed corporations, SMEs and start-ups to develop sustainable growth. EY has supported national competition to help create innovative technology businesses since 1998. EY is also a founding Partner of "Moovjee" (Young Student Entrepreneurs Movement), which promotes and supports entrepreneurship and the creation, development and revival of companies by students and young graduates.

EY has also been recognising innovation and excellence in the French business world for the last 26 years through the Entrepreneur of the Year Award, given to men and women with exceptional entrepreneurial careers. Each year, this unique programme, which takes place in 60 countries, rewards 900 entrepreneurs worldwide with whom we have forged special relationships, providing support across all our service lines. Because we believe that performance cannot be reduced to financial results, for its 27th edition in France, the Entrepreneur of the Year Award will reward players in French growth and competitiveness, while highlighting their non-financial performance and their commitments within and beyond the corporate sphere.

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Following on from its international ranking of innovative consultancy firms, published in 2018, Forrester named EY a world leader in its ranking of digital business transformation accelerators.

In the Forrester Wave™: Global Digital Business Transformation Accelerators, Q1 2019 report, EY stands out "because of its integrated transformation capabilities and its clear, articulate view of digital transformation".

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## QUESTIONS OF TRANSFORMATION

EY provides expert analysis to businesses through a **digital platform** to help them understand and resolve the challenges they face.

The platform provides answers to three questions: what will my sector and environment look like tomorrow? How will my company's various activities be affected? What approach should be taken to the process of transforming my organisation?



# Service quality and client satisfaction

In order to ensure the quality of its assignments, EY has introduced a quality control system based on the policies, tools and procedures detailed in our audit transparency report.

Each service line has a partner in charge of quality and risk management, as well as a dedicated team. Two types of internal controls ensure the quality of our assignments: controls embedded within the assignments themselves; and annual on-the-spot controls of the assignments.

EY implements a client satisfaction programme throughout the year:

- ▶ All members of the EY global network carry out satisfaction surveys. Via questionnaires or individual interviews, we question a selection of clients based on a risk analysis (renewal, rotation of the partner in charge). The frequent use of two interviewers in interviews helps to increase the quality of discussions and to produce a summary together with an action plan. In order to guarantee independent feedback, the interviewers are not involved in work for the client they are interviewing.
- ▶ In FY 2019, the number of surveys reached 1,115 in the WEM region (515 questionnaires and 600 interviews). This increase has enabled better control of client relationships. Client relationship management has improved, as negative feedback is immediately passed on.

## RECOMMENDATIONS MADE TO OUR EMPLOYEES AND PARTNERS TO ENSURE QUALITY

These are divided into four main areas:

### 1. Serving the public interest

Our decisions are based on facts, and we do not allow our clients to influence them. We bear in mind the difference between the interests of client representatives and the objectives of our assignment, particularly in the case of audit.

### 2. Maintaining trust and integrity

We comply with exacting ethical standards and we act correctly. We tell the truth and conceal nothing from our clients, regardless of the consequences.

### 3. Maintaining an open and curious attitude

We are objective and maintain an attitude of professional scepticism, asking questions until we get satisfactory answers. We continuously develop our skills and expertise.

### 4. Developing highly effective teams

We are collectively responsible for high-quality work and supervision, and we understand the rules of our profession. We ask for help when it is needed and we prefer direct communication.

EY is accredited by **COFRAC**<sup>1</sup> for the validation of environmental information, such as CO<sub>2</sub> emissions

EY's auditing activities are verified each year by **H3C**<sup>2</sup>

EY has a **PASSI**-certified IT/cyber space

## 8.1/10

### WEM region

Average client recommendation score, unchanged compared with FY18

## ENSURING THE QUALITY OF OUR ASSIGNMENTS WHILST COMPLYING WITH THE RULES OF PROFESSIONAL CONDUCT

### Quality



Technical and cross-functional training for the employees: An average of **7.63 days** per person per year

### Ethics and independence



Compliance of the employees and partners with the code of conduct

Monitoring of the substantiated complaints regarding breaches of customer privacy or losses of customer data: **0 complaints**



Deployment of the satisfaction programme **600 interviews**



Improving employees' skills through training and supervision



Monitoring our clients' recommendation index: **8.1/10**



Survey on the significance of negative feedback

<sup>1</sup> Verification of CO<sub>2</sub> emissions: accreditation no. 4-0551. Verification of environmental, social and societal information: accreditations nos 3-1050, 3-1065 and 3-1067

<sup>2</sup> *Haut Conseil du Commissariat aux Comptes* - auditing oversight board



# Data protection and information security

The protection of the personal data and confidential information of our clients, partners and employees is in EY's DNA, with over half of our workforce being subject to a legal obligation to maintain professional secrecy<sup>1</sup>.

As its reputation is at stake, EY aims to conduct itself in an exemplary manner in relation to these matters in order to build lasting relationships with its stakeholders based on trust and mutual interest.



To find out more about the EY network's approach to data protection, please see the information booklet **Protecting your data**.

## The procedures and policies of the EY network on data protection and information security

In order to address the key challenges associated with data protection and to maintain the trust and confidence of its clients, partners and employees, the EY global network has implemented the following:

- ▶ Comprehensive policies on the protection of personal data, confidential information and security;
- ▶ Demanding procedures intended to:
  - **analyse** EY's new IT tools and systems, in terms of both security and protecting personal data and confidential information prior to their implementation;
  - **assess** the effectiveness and adequacy of the security and confidentiality measures of EY's IT tools and systems<sup>2</sup>.
- ▶ Appropriate safeguards to manage any personal data transfers, and in particular Binding Corporate Rules (BCRs) for transfers within the EY network. The EY "Processing Manager" and "Sub-Contractor" BCRs can be found at the following address: [ey.com/bcr](http://ey.com/bcr).

The implementation of these policies and procedures within the EY network is managed by two complementary teams:

- ▶ A team of lawyers and risk-management professionals responsible for compliance with the rules on personal data protection, confidentiality and professional secrecy regarding client information;
- ▶ A team of IT experts responsible for information security.

<sup>1</sup> EY is a multidisciplinary network made up of the following regulated professions: auditors, lawyers and accountants. These professions, and their employees, are subject to a legal obligation of professional secrecy.

<sup>2</sup> In particular, audits of compliance with "ISO 27001:2013", "SOC2 type 2" and "ISAE 3402/SOC I type 2" (or equivalent standards) are conducted by independent third parties on EY's data hosting centres in France, Germany, Singapore and the United States.

complaints regarding losses of client data in the last three years [G4-PR8]

## Implementation within EY France

### **GDPR compliance: an ongoing exercise**

The General Data Protection Regulation (GDPR) entered into force in May 2018. In anticipation of certain GDPR obligations, EY had already introduced compliance procedures and tools (BCRs and the appointment of a CIL [IT and Freedoms Officer]). A number of measures have been implemented for the purposes of the GDPR, including:

- ▶ The appointment of our CIL as a Data Protection Officer (DPO): this role is carried out by Fabrice Naftalski (partner in charge of the “personal data” department), at EY Société d’Avocats.
- ▶ Updating our policies and procedures in connection with data protection (updating of EY’s BCRs in 2018; strengthening of the procedure for managing data breaches; implementation of an operational procedure to manage requests from data subjects relating to their rights over their data).
- ▶ The updating of contracts with our clients and any other third party in relation to “personal data” aspects.

Compliance with the GDPR is an ongoing exercise, which means that many actions - implemented in view of the GDPR - have been pursued in line with the specific instructions of the legislature and the regulators with regard to data protection (the National Commission for Information Technology and Civil Liberties (CNIL) and the European Data Protection Board (EDPB), which replaced the Article 29 Working Party), and in particular:

- ▶ The updating of our processing activity logs.

- ▶ With regard to the United Kingdom’s departure from the European Union (Brexit), actions aiming to anticipate a no-deal scenario, i.e. identifying and establishing guarantees to regulate data transfers.
- ▶ The continuation of our training and awareness actions for the benefit of our employees, in particular by setting up compulsory e-learning modules in 2019, and by providing face-to-face training with EY’s teams handling personal data (HR, marketing).

### **Implementation of appropriate security measures**

We implement security measures intended to maintain the security and confidentiality of data. These measures include:

- ▶ Physical security measures (secure access by badge, intrusion detection systems, video surveillance systems, etc.).
- ▶ Logical security measures, such as encrypting the hard drives of our staff’s work computers, encrypting external media, the use of anti-malware software, the use of multi-factor authentication solutions and the automatic deployment of patches on our software.
- ▶ Organisational security measures, in particular a business continuity plan, a strict data access management policy, daily backups (incremental backups) and weekly backups (full backups) of our systems.
- ▶ The advance review of the IT tools and systems by information security experts and by our legal team, DPO and risk management team before any roll-out within EY.



## Challenge 2

# Possessing expertise that enables us to complete our assignments in a flexible and high-quality manner

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In order to maintain sustainable growth and build a better working world, in line with a major pillar of our NextWave strategy, we want to ensure that our employees' careers progress.

This entails not only attracting talent, but also empowering them to grow and adapt to their development aims. The skills of our employees form the foundation of our performance; we therefore seek to develop them in the best possible way, so that they flourish, find meaning in their work and evolve in areas that they are drawn towards. We do everything we can to make their EY experience last a lifetime, no matter how long they spend with us.

To attract talented individuals with the skills we need, we must ensure that they are familiar with the company and show them everything that we offer to aid their education, development and fulfilment. We then focus all our efforts on the quality of our career follow-up, thanks to the LEAD process, and on the variety of support and training programmes we provide. These cover a very wide range of fields using different media and learning methods, so that everyone can choose whatever suits them best. Lastly, we take advantage of our size to offer our employees increasingly flexible options in terms of their day-to-day working lives and career paths, so that these accord as much as possible with their personal and professional aspirations.

## ECOVADIS

Skills development is at the heart of our ability to attract and retain talented individuals. This is our first responsibility as an employer.

EcoVadis performed a CSR assessment of EY France in February 2019, in four main areas: Social, Environmental, Business Ethics and Responsible Purchasing. EY France has an overall score in the top 1% of businesses in the Legal and Accounting Activities sector.

80/100

Social pillar

80/100

Environmental pillar

80/100

Business ethics pillar

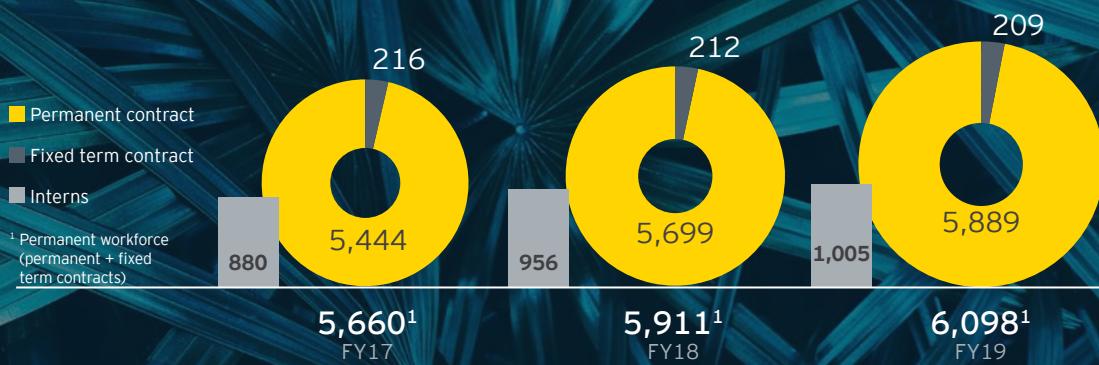
50/100

Responsible purchasing pillar

**76/100**

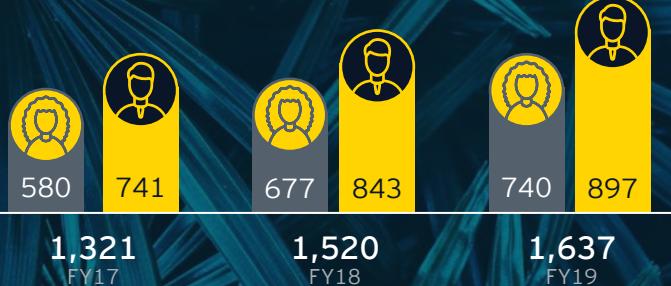
Overall score

### BREAKDOWN OF EMPLOYEES BY CONTRACT TYPE [G4-10]



### PEOPLE RECRUITED ON PERMANENT CONTRACTS [G4-LA1]

EY would like to achieve good representation of women in its hires and has set itself equal recruitment targets for young graduates.





# Attractiveness of the employer brand

To make itself known to potential talent, EY implements a recruitment policy based on seeking and meeting these individuals throughout the year, introducing them to the diversity of the careers we offer. Our work to bring our talented people together then extends beyond recruitment, around the #tellmEY hashtag and within the EY Alumni network.

## EY FIRST DATE

*This half-day enables students to discover all the facets of EY, from within our premises, through soft skills workshops and discussions with our employees and top management. The 1st half-day in September brought together 200 students and more than 70 employees and partners. The students were able to experience the Great Place to Work concept firsthand.*

## Talent scouting

### Recruitment strategy

EY is attractive to potential talent because we offer diverse careers that allow these individuals to develop rapidly. For our part, we seek talented people whose skills are suited to our assignments and our development. Therefore, our objectives are to:

- ▶ continue recruiting students from the top business and engineering schools and legal and financial universities.
- ▶ broaden our targeting of specialists in digitalisation, data, analytics, cybersecurity and digital transformation, which are required to support our clients in their digital transformation projects.
- ▶ continue our policy of recruiting BAC +2/+3 graduates specialising in accounting, in order to help them acquire financial skills and enable them to obtain the Accounting and Management Diploma (DCG) and Higher Accounting and Management Diploma (DSCG).

RECRUITMENT SOURCE	FY17	FY18	FY19	Trend
Target business schools <sup>1</sup>	52%	51%	47%	⬇️
Target engineering schools <sup>1</sup>	14%	15%	14%	⬇️
Other types of training	34%	34%	39%	⬆️
Proportion of employees recruited during the year [G4-LA1]	24%	27%	27%	➡️
Recruitment rate for former EY interns	31%	31%	34%	⬆️

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**9<sup>th</sup>**

in the Universum<sup>2</sup> France ranking in the “business school students” category and 1<sup>st</sup> in the French financial services sector.

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**1<sup>st</sup>**

in the Universum<sup>2</sup> France ranking of quality of relationships with schools.

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## **EY Emerging Leaders - Leading your future/Leading the future programme**

In 2018, EY launched its first pre-graduate programme for students at prestigious business and engineering schools who are active within their school associations. On the programme, they develop their skills through reflective leadership workshops and jointly create innovative projects for EY. Partners from the same schools also advise them throughout the year.

## **Meeting talent**

Our partnerships with target schools and student associations is a way of introducing EY to talent pools, enabling our employees to meet potential candidates, discuss the experience of working at EY and suggest career opportunities.

We regularly recruit students to our teams, this involvement being a key factor in our attractiveness, at professional events and conferences, such as the Cross du Figaro|EY and the EY Entrepreneur of the Year Award. We have partnerships with the *Confédération Nationale des Juniors Entreprises* (National Confederation of Junior Enterprises), the EDHEC business school's Course Croisière sports competition, the EY | Top Eight rugby tournament, the EM Lyon Cheer'Up race against cancer and the Essec and Centrale Supélec long-distance walks.

Lastly, we also support community life through the EY Award for the best community projects.

## Cultivating a talent network

### **Our EY Alumni network**

We aim to make the years spent at EY an experience that lasts a lifetime. The EY Alumni network is the logical next step. It offers numerous opportunities for meeting, discussion and reflection. Our 8,320 Alumni often demonstrate their loyalty and appreciate the fact that they can expand their future opportunities and experiences within this network.

Lastly, EY Alumni shows our new employees that they are joining a corporate culture based on strong and lasting relationships which will continue throughout their professional careers.

### **#tellmEY**

This hashtag enables employees to spontaneously share their experiences at EY, on social networks or during the events in which they participate. They allow communication around different themes (CSR, team spirit, innovation).

Giving our people the opportunity to embody EY brings us closer to potential candidates by sharing an authentic overview of the company.

<sup>1</sup> The set of schools for which EY carries out specific activities for recruitment purposes and to establish good student relations. These indicators relate solely to the recruitment of employees who work on client assignments.

<sup>2</sup> The Universum survey seeks out the most attractive companies based on a survey of students.



# Talent development

EY aims to provide the highest quality of service to its clients. This calls for investment not only in training and developing the skills of our employees, but also in career follow-up, so that they can give full rein to their inherent qualities.

## LEAD

LEAD is a new employee career and skills development tool. It replaces the employee appraisal with an annual progress report, which is based on regular discussions between employees and their mentors, who support them and advise them on career management throughout their time at EY. Via LEAD, employees request qualitative feedback from the colleagues and managers they work with on assignments, so they can benefit from personalised career follow-up based on their professional aspirations.

## Training

To make the training it provides more flexible, accessible and efficient, EY offers its employees a unique platform, including a full range of training experiences: SuccessFactors, available on PC, mobile and tablet. It offers over 3,000 training courses through distance-learning in innovative formats (Ted Talks, games, simulations and videos).

All employees have a personalised training plan based on their job, role and development. They then build their curriculum with their sponsor, including compulsory training and other training offered on the platform, according to their needs.

### EXECUTIVES<sup>1</sup>

<sup>1</sup> Executives: partner, executive director, senior manager, manager, deputy director, associate director, director, administrative officer.



TRAINING HOURS	
Advisory	58,184
Audit	220,840
Support functions	9,537
Transactions	21,109
Tax and Law	29,934
<b>TOTAL</b>	<b>339,605</b>

## "On-the-job" training

Our employees learn the technical foundations of their profession through their senior colleagues and managers. They are introduced to management after two years at EY, then trained in business development in their fifth year. They can obtain a wealth of technical and sector-specific experience, thanks to the variety of assignments and client challenges and an international working environment.

Our employees also receive specific training whenever they change roles (grade transition, mentoring) and have the option of certification training (EY badges), e.g. in new technologies, sector-specific expertise and inclusive management. Many training courses have been revised to incorporate a preliminary e-learning component, thereby reducing the overall duration of training courses.

## Technical training

Each service line has its own technical training programmes. These are delivered face-to-face, virtually, through e-learning or through a micro-learning application. Individual external training courses covering a range of topics are also offered to our people if they particularly require this. The courses are updated in line with the development of our service lines and changing societal and digital trends.

## Cross-functional training

In FY19, we recorded more than 1,754 attendees at the summer and spring learning events, which are week-long experiences that consolidate all the cross-functional behavioural training offered to all our employees in all roles.



The "average number of training days per employee per year" indicator only accounts for face-to-face training.

- Employees working on client assignments
- Support function
- Average number of training days per employee per year



# Career flexibility



EY aims to make the EY experience unique for all of its employees and to strengthen talent retention. Talented individuals have three main aspirations: to develop their skills, which is very important, because EY recruits many young graduates; career paths and a working environment adapted to their needs; and meaningful work. In response, we offer them a range of options, all of which are flexible.

## Flexible career

The flexible career approach brings together all of the measures that allow us to more effectively take into account the personal and professional needs and aspirations of EY employees throughout their careers, so that we can offer them tailor-made progression. It is based on three main pillars:

- ▶ **Talent support programmes**, to help employees flourish professionally,
- ▶ **Working time arrangements**, so that employees can participate in a number of active life courses, learn skills or reorient themselves professionally, or devote time to a personal need or project,
- ▶ **Career path flexibility**, in terms of roles, service lines or geographical location, in order to facilitate mobility.



### CAREER FLEXIBILITY PROGRAMMES

EY also strives to diversify its employees' assignments and promote their independence, including through specific programmes.

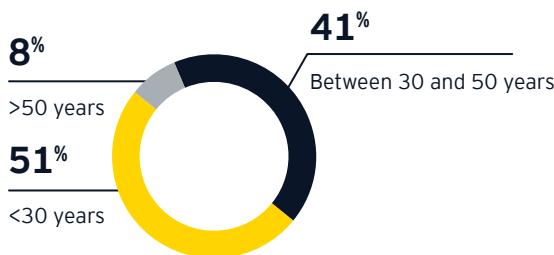
Launched in 2015, the **Jumpstart** programme encourages young people at EY to start their own business alongside their work and enables experienced employees to work part time if they so wish.

These employees may ask for any EY expertise to answer any questions that might arise when starting their business.

The **Challenge** programme targets young people entering the audit service line at EY, offering them the opportunity to experience other careers. For two years, they alternate between two periods of six months in the audit service line and six months in two other lines. At the end of these two years, employees choose where they want to work.

Specific programmes for each profession also help to retain high-potential individuals. There are also support programmes in place to help high-potential managers gain partnership status.

## BREAKDOWN OF EMPLOYEES BY AGE BRACKET [G4-LA12]



**8,320**  
alumni

**5.9 years**  
Average length of  
employee service

## Flexible working

In 2016, EY launched a flexible working system, so that its employees can tailor their working hours as closely as possible to their needs. It is a more accommodating working environment that includes remote working and flexible hours, with no constraints in terms of the maximum number of remote working days and place of work and no administrative procedures.

It is not about working more or less, but excelling in a different way. Flexible working is a way of making use of technological resources to loosen constraints on working hours and locations.

## Solidarity commitments

EY offers its employees opportunities for involvement beyond their jobs, by giving their time and/or sharing their skills.

They can work to promote diversity and inclusion by joining EY's in-house professional networks and clubs (**cf. Challenge 3, Diversity and Inclusion pages**).

EY has also created an Engagement Hub that brings together all of its engagement opportunities (**cf. Challenge 4**). It allows employees to participate in solidarity projects in very different ways, according to their interests and availability: individually or in a team, on an ad hoc or long-term basis, on free assignments with mentoring, or as part of a cross-functional group, bringing together several service lines, with the Foundation.

EMPLOYEE TURNOVER [G4-LA1]	FY17	FY18	FY19
Employee turnover (average leaving rate <sup>1</sup> )	22%	23%	25%
Leaving rate <sup>1</sup> for client-serving employees	24%	25%	27%
Leaving rate <sup>1</sup> for employees in support functions	11%	11%	12%
Leaving rate <sup>1</sup> for women	20%	22%	23%
Leaving rate <sup>1</sup> for men	24%	24%	27%
Leaving rate <sup>1</sup> for people under 30	26%	27%	28%
Leaving rate <sup>1</sup> for people aged 30-50	19%	21%	23%
Leaving rate <sup>1</sup> for people over 50	10%	8%	11%

In 2019, 61% of employees said they felt that they would stay at EY even if they were offered an equivalent position in another company.

<sup>1</sup> Leaving rate: total number of people leaving from the category concerned/average monthly total number of employees in the category concerned.



## Challenge 3

# Placing ever greater emphasis on our people

Improving our growth and maintaining our employee pool; these aims are built on the same foundation of trust. A feeling of trust is essential so that everyone can use all of their talents and find meaning in their assignments. To inspire trust in our employees, we have to pay more attention to them and listen to their needs and wants.



Luc Derrien is one of three partners who received the best score in the Upward Feedback campaign, which is the quarterly assessment of partners and managers by their employees. This is testament to his values and his vision.



Our responsibility as an employer is thus to ensure the well-being of each and every person, regardless of their role and their profile, in line with our corporate purpose of building a better working world, which lies at the heart of our NextWave strategy. We have therefore implemented a range of measures to create a caring work environment, very rich in intellectual and, in particular, human capital. It forms the foundation of our competitiveness and the quality of service we provide to our clients and partners.

By making each individual the focus of our environment, we create a feeling of belonging and the certainty that working at EY is a unique experience. This means that employees want to commit and give the best of themselves, and therefore to be engaged in EY.

## **Our actions are divided into three main areas:**

- 1** Establishing and maintaining a strong feeling of trust between employees and managers.
- 2** The well-being of our employees at work.
- 3** Creating an inclusive environment for everyone, regardless of their specific circumstances.



# Employee trust and engagement

Establishing and maintaining a relationship of trust between employees and managers means that management should always listen to employees. EY's attentive HR policy is the main reason that we achieved the Great Place to Work 2019 label.

## Employee exchange schemes

The *Counselling Family Trees* are mentorship structures that bring together employees ranging from junior to partner level every quarter for an informal discussion, in order to facilitate the flow of information, knowledge and mutual understanding. This system has resulted in a 10-point improvement in the score for the question "Is mutual communication within the hierarchy open and sincere?" since 2017.

WEM's Young Leadership Board, created in 2018, is a committee of 13 non-partner employees that advises the executive team. The Board works on corporate social responsibility, employee engagement, diversity and inclusion and EY's attractiveness. It provides EY with a direct opinion from its employees and gives them a proactive role in the company's development.

Lastly, the *Open Mind Lunches* take place four times a year in Paris, bringing together EY's top management and employees who respond to the invitation, to openly discuss selected topics. These lunches foster mutual communication within the hierarchy.

## Upward Feedback

Well-being at work relies heavily on people management. EY has created the Upward Feedback application in order to assess and develop management behaviour. It allows employees to anonymously rate the managers and partners they work with, simply and quickly. It also provides managers and partners with feedback on their behaviour and potential areas for improvement. The 2019 campaign generated close to 600 feedback comments and 284 managers and partners received at least one.

## Team spirit

To foster a caring atmosphere at work, we strive to improve our values of integrity, respect and team spirit by training our managers and our teams in how to build lasting relationships of trust and in collegial decision-making. We are also expanding discussions between sponsors and honorees thanks to LEAD, our career development tool.



## Employee engagement

Each year, EY carries out a worldwide anonymous survey of all its employees and partners: the Global People Survey (GPS). It allows us to gauge our employees' level of engagement, their degree of satisfaction with quality, people management, ethics and well-being at work and also their understanding of the business strategy.

## STRONG POINTS OF EY FRANCE

**+22%**

in response to the statement "we respect EY's values in our work", i.e. a favourable response rate of 79%.

**+13%**

in response to the statement "EY has created a working environment in which I am free to be myself", i.e. a favourable response rate of 70%, thanks to EY's establishment of a D&I policy.

**80%**

of employees feel that EY has created an environment that incorporates diversity, where people from different backgrounds and with varying levels of experience can succeed.

## FOCUS POINTS FOR EY FRANCE

**-8%**

55% of respondents feel able to manage their professional responsibilities while balancing work and private life, a decrease of eight percentage points compared with 2017.

**48%**

Despite an increase of five percentage points, only 48% of respondents have a clear vision of how their work contributes to the implementation of our Vision 2020 strategy.

**49%**

of respondents feel able to disconnect from work and "recharge their batteries" when they need to.

**67 %**  
France | 2019

## ENGAGEMENT INDEX

*At EY, we measure this by assessing four aspects: pride, recommendation, satisfaction and attachment to the company.*

The high participation rate in France in 2019 (79%) confirms the importance of the GPS in the listening and orientation tools of our HR strategy. This is particularly true as, when the survey identifies the need for a team to develop, the HR department provides *ad hoc* support, basing HR actions on the real needs of employees and giving them a role in HR innovations.

The GPS also provides a way of measuring the engagement level of employees by assessing four aspects:**pride, recommendation, satisfaction and attachment to the company**. This level was 67% in 2019, unchanged by comparison with 2017.

Lastly, the results of the GPS show the significant advances made by EY in establishing an inclusive environment for all. The statement "EY provides me with a working environment in which I am free to be myself" received a positive response rate of 70%, a 13-point increase on 2017. The statement "EY has created an environment that incorporates diversity, where people from different backgrounds and with varying levels of experience can succeed" received a positive response rate of 80%, up 10 points compared with 2017.

As well as this survey, for the last two years we have been asking our employees to fill in an anonymous culture survey. In 2020, 14 questions will allow us to identify strengths and areas for improvement to reinforce our corporate culture, in order to create more long-term value for our clients, promoting positive interaction between employees from different backgrounds who are open and who feel recognised, and are likely to provide our clients with a range of points of view. The results of the 2019 survey were taken into account in the development of our new strategy, NextWave.



# Well-being at work

EY's professions are unlikely to lead to workplace accidents; the biggest risk they present is the generation of stress, due to our requirements of quality and responsiveness. The well-being of our employees at work is essential to ensure sustainable performance. EY has therefore built its work environment in accordance with this principle, based on the four pillars of health, work environment, work/life balance and team spirit.



## Health and working environment

### Health

EY collaborates closely with the occupational health department on general health and safety measures to ensure the optimal physical well-being of its employees. To facilitate their access to medical services, there is an optician at Tour First in Paris, as well as a medical remote-consultation booth<sup>1</sup>, where employees can speak with a doctor remotely. There is also a free helpline (08 00 87 56 76) for all employees that offers psychological support should they need it at times of personal or professional difficulty.

EY offers short, practical workshops on nutrition, sleep, smoking and stress management, and workshops to prevent musculo-skeletal problems and psychosocial risks. They give our employees all the information they need to manage their energy and well-being.

### Working environment

The way in which working areas are designed and organised contributes to performance, *through* ergonomic workstations or the creation of a motivating working environment for employees.

EY has upgraded its PC fleet and redesigned its premises floor by floor, to create more collaboration and interactivity and ensure that workstations are ergonomic. Adapted equipment can be provided to all our employees on the basis of recommendations from the occupational health department.

The catering company at the Paris offices has created a healthier menu on the floors reserved for EY employees.

<sup>1</sup> As during a traditional consultation, the doctor listens and guides employees by video conference, so that they can take readings and perform medical examinations (blood pressure, temperature, etc.) using the equipment in the booth. A prescription can be printed out in the booth, if necessary.

# 1.33

days of absence per employee in FY19

## Quality of life and life balance

### Work/life balance

In order to facilitate the daily lives of employees and promote a better work/life balance, concierge services have been launched in Paris, Lyon, Nantes, Bordeaux and (soon) Lille. Many services are provided, including cleaning, babysitting and well-being-related services.

EY also has a set of measures in place for parents, designed to help employees manage the different stages of having a child and finding the right balance between family and working life.

### Flexible working

Flexible working<sup>2</sup>, a popular measure available to all employees with no limit on days, promotes the independent management of working schedules and locations. It is based on trust within teams and allows everybody to reconcile their work and personal lives. In 2019, 62% of employees said they had the flexibility they needed to achieve their personal and career goals, up 9 points compared with 2017.

### Team spirit

People management is very important for well-being at work and must reflect our team spirit values. Upon taking up their role, our managers are therefore trained in how to build a feeling of trust among team members and to make them feel accountable, as well as in collegial decision-making. Each of our employees is trained in how to respect and apply our values. Lastly, our HR guidelines are based on feedback from employees playing an active role in their development within EY.

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RISKS AND ACCIDENTS <sup>3</sup>	2016	2017	2018
Number of work-related accidents resulting in lost time	8	9	20
Frequency rate <sup>4</sup>	1.12	1.28	2.27
Severity rate <sup>5</sup>	0.09	0.02	0.03
COLLECTIVE AGREEMENT [G4-LA11]	FY17	FY18	FY19
Proportion of employees covered by a collective agreement	100%	100%	100%
ABSENTEEISM	FY17	FY18	FY19
Average number of days of absence per employee	3.92	3.70	1.33

<sup>2</sup> Flexible working at EY means making use of technological resources to loosen constraints on working hours and locations. It therefore does not mean doing any more or less work. Flexible working is open to almost all EY employees.

<sup>3</sup> These data relate solely to the following companies: EY & Associés, Ernst & Young Société d'Avocats, EY Services France, Ernst & Young Advisory and Ernst & Young Actuaires-Conseils (entity absorbed into Ernst & Young Advisory on 1 July 2018).

<sup>4</sup> (Number of lost-time work-related accidents/number of hours worked) x 1,000,000.

<sup>5</sup> (Number of days lost/number of hours worked) x 1,000.



# Diversity and Inclusion (D&I) 1/2

All differences count for EY. Through our commitment to diversity and inclusion, our ambition is to draw value from the strength of our differences to create the most effective teams and to obtain better results, both for ourselves and for our clients.

The D&I policy is a central part of EY France's HR strategy. It is based on three levers:

- ▶ **Creating conditions** that enable everybody to flourish at EY and reach their true potential, regardless of their individual characteristics,
- ▶ **Promoting the inclusion** of a range of profiles, the creation of diverse teams and listening to differences, which is a fundamental source of innovation and performance,
- ▶ **Acting in society** to promote equal opportunities. EY does not operate in isolation and seeks to act within an ecosystem that is both diverse and constantly changing.

Since signing the Diversity Charter in 2008, EY has been taking concrete action to promote inclusion:

- ▶ **Training** of recruitment staff in the challenges of diversity,
- ▶ **Awareness-raising** among new hires at Welcome to EY induction events,
- ▶ **Training** of managers on decision-making bias and inclusive management. Since the training was launched, it has been delivered to nearly 1,000 managers,
- ▶ **Networks** and clubs to facilitate team engagement in promoting inclusion.

EY continues to make progress in diversity and inclusion. Between 2017 and 2019, the proportion of employees who believed that "EY creates an environment in which I am free to be myself" increased by 13 percentage points. In 2019, 80% of our employees felt that "EY has created an environment that incorporates diversity, where people from different backgrounds and with varying levels of experience can succeed", an increase of 10 points compared with 2017.

## Gender equality

### CAREER AND PAY GENDER EQUALITY INDEX

In 2019, EY France published career and pay equality indexes for its entities with more than 1,000 employees. The index allows companies to see the progress they have made on the road to equal pay and to improve their performance in this area.

97/100

EY & Associés

97/100

EY Services France

86/100

Ernst & Young Advisory

88/100

Ernst & Young Société d'avocats

EY France actively works to increase female representation in the organisation. In 2019, 49% of our staff in France were women. The proportion of women involved in client assignments increased from 42.5% to 45% between 2017 and 2019. Women account for 19% of partners.

# 81%

Rate for staying in post  
after maternity leave<sup>1</sup>

To help our female employees attain positions of responsibility, EY offers them career development support programmes at different stages of their careers.

Lastly, EY pays close attention to gender equality in the context of performance appraisals, promotions and pay. Rules on monitoring and comparative gender reviews are incorporated into every stage of the annual performance recognition process.

## EY is a signatory to the #StOpE commitment

In 2018, EY launched the **#StOpE** (Stop Ordinary Sexism in Business) initiative with two other companies. #StOpE currently has 56 members, including businesses, schools and SMEs. The signatories to the initiative have undertaken to implement eight priority actions designed to prevent "ordinary" sexism at work. EY cares about turning its commitments into reality. In 2019, it rolled out training for partners on sexist behaviour and awareness-raising for teams through dedicated events and an illustrated campaign for respect and the fight against discrimination and harassment, including a section on "ordinary" sexism.



### EXAMPLES OF MEASURES FOR PARENTS:

- ▶ Interviews before and after maternity, parental or adoption leave in order to make the return to work as easy as possible.
- ▶ A recovery week with part-time hours and full-time pay when returning from maternity leave.
- ▶ Maintaining remuneration levels for paternity leave or leave to welcome a child, provided that the individual has been with the company for at least a year.
- ▶ Individual, confidential meetings with a parenting expert.
- ▶ Occasional or emergency care in crèches.

### PARENTHOOD [G4-LA3]

FY17 FY18 FY19

Retention rate for women in the year following maternity leave<sup>1</sup>

84% 81% 83%

Rate for staying in post after parental leave<sup>2</sup>

82% 64% 81%

<sup>1</sup> (Total number of female employees still employed on 30 June N after returning from maternity leave in FY N-1/Total number of female employees who rejoined the organisation after maternity leave during fiscal year N-1) x 100.

<sup>2</sup> (Total number of employees still employed on 30 June N after returning from parental leave in FY N-1/Total number of employees who rejoined the organisation after parental leave during fiscal year N-1) x 100.



# Diversity and Inclusion (D&I) 2/2

## Protocol on discrimination and harassment

EY has set up a system for the reporting and handling of any behaviour that constitutes bullying, sexual harassment or discrimination. In 2019, this system was supplemented by the provision of external expertise in the form of psychological support and mediation. In 2019, the company also appointed contact persons to inform, orient and support employees.

By the end of June 2020, EY aims to train partners so that they can help to prevent such behaviours.

The training sessions have already begun.

<sup>1</sup> According to the definition in the DOETH (French mandatory disability report on employment of disabled workers)

<sup>2</sup> Lesbians, gays, bisexuals and transgender people. A broader acronym has been created to include new identities through the addition of the "+".

## Disability

Since setting up its HR Disability division (Mission Handicap) in 2009, EY France has been pursuing an active policy promoting employees with disabilities. The policy is based on five action areas:

- ▶ the recruitment of people with disabilities.
- ▶ support for the integration and career development of employees with disabilities.
- ▶ training staff and individuals in key positions (recruitment, HR and purchasing) and raising awareness among employees,
- ▶ developing sub-contracting with stakeholders in the sheltered and adapted sector,
- ▶ supporting the various stakeholders working to promote the inclusion of people with disabilities in society.

The direct employment rate for employees with disabilities continues to grow. At the same time, EY has pursued its efforts in indirect employment through purchase/service contracts with the sheltered and adapted sector. This mainly takes the form of seconding employees with disabilities to the company.

EY is also closely involved in the education sector, promoting the inclusion of students with disabilities.

- ▶ EY Mission Handicap contributes to the measures taken by schools and universities to promote the inclusion of students with disabilities in the world of employment and carries out various supportive actions (recruitment coaching and raising students' awareness),
- ▶ EY organises mentoring for students with disabilities,
- ▶ EY rewards the schools' best community projects through the Special Disability Prize in the EY award scheme for the best community projects - *Prix EY du Meilleur Projet Associatif* (PEYMPA).

Lastly, EY is an official partner of organisations working to help people with disabilities enter the world of employment (Arpeje'h, Club Être, Clubhouse, Salon Handicap and Emploi et Achats responsables).

DISABILITY [G4-LA12]	2016	2017	2018
Disabled workers' employment rate <sup>1</sup>	1.29	1.34	1.52
RESPONSIBLE PURCHASING	2016	2017	2018
Volume of purchases made with the sheltered sector (€K) <sup>2</sup>	341	421	464

## NETWORKS

EY encourages its employees to engage in diversity and inclusion through a range of professional clubs and networks. Open to all, they bring together more than 1,000 people.

### D&I Ambassadors

D&I Ambassadors promote internal awareness by communicating diversity and inclusion initiatives and measures and by taking part in events and campaigns throughout the year.

### Elles&You

Elles&You acts to accelerate the progression of our talented women and promote the contribution made by EY's female employees in the sphere of auditing, advisory services and transactions.

### Unity

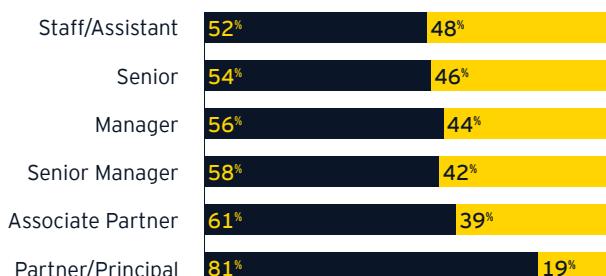
Unity is a professional network which is open to everyone and aims to support and promote the inclusion of members of the LGBT+<sup>2</sup> community within EY (events, get-togethers, meetings with the networks of our clients and students, etc.).

### Club Maât

The purpose of Club Maât is to promote discussions and sharing between employees engaged or wishing to engage in Africa through the development of business opportunities and awareness-raising on challenges specific to Africa.

#### BREAKDOWN OF EMPLOYEES WORKING ON CLIENT ASSIGNMENTS

■ Men ■ Women



### Inclusion of LGBT+<sup>2</sup>

EY aims to promote an inclusive environment for everyone.

It has therefore signed up to the **Autre Cercle** LGBT+ commitment charter, thereby undertaking to establish an inclusive environment.

EY and its **Unity** network hold internal and external networking and awareness events throughout the year aimed at supporting and promoting a truly inclusive work environment, recognising all forms of lesbian, gay, bisexual and transgender sexual orientation and gender identity within EY.

Any employee who so wishes can also show their support for the inclusion of LGBT+ people in EY by joining the Allié.e.s LGBT+ group. EY France has more than 500 Allié.e.s.

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## Challenge 4

# Being a corporate citizen



The Engagement Hub was created in 2019 to further encourage EY's employees to give their time and share their skills through community projects. This desire to create value and find a purpose in our work beyond our client assignments illustrates our mission statement of "building a better working world". It also reflects the importance for EY of the Social and Solidarity Economy sector, to which the company has dedicated a department - now with more than 50 employees - for more than 20 years.

By making skills transfer a central component of its citizenship approach, EY is committed to:

- ▶ **contributing to the discovery of cultural heritage** and promoting the training of new talent,
- ▶ **giving the EY Business Foundation** a second area of intervention - integration through training and employment - which will complement its previous activities to encourage manual skills.

Again, to achieve its aim of helping make the world of work in which we operate more balanced, EY launched its **EY Ripples** engagement programme worldwide in order to increase its societal impact. In the coming year, EY thus aims to engage, in skills mentoring alone, 900 employees in France and 60,000 worldwide.

Through its Engagement Hub, which combines the EY Foundation, corporate mentoring and EY Ripples, EY offers its employees a whole range of options for involvement in community projects.

Lastly, being a corporate citizen also involves minimising our environmental impact and taking responsibility throughout the value chain. This is why we initiated a "responsible purchasing" mission this year, in order to identify the types of purchasing most at risk and priority actions to minimise this risk.



## FINANCIAL PATRONAGE excl. EY Foundation (in €K)

■ Skills mentoring<sup>1</sup>

■ Cash donations



## EMPLOYEE ENGAGEMENT

	FY17	FY18	FY19	Trend
<b>Employees involved in Foundation and mentoring projects<sup>2</sup></b>	325	318	396	↑
of which: Foundation <sup>3</sup>	150	147	184	↑
of which: Internats de la Réussite <sup>4</sup>	44	38	41	↑
of which: other skills mentoring	131	133	171	↑
<b>Employees donating (at least) the cents from their salaries to four associations, as at 30/06/N</b>	602	689	693	↑
<b>Hours spent on Foundation and mentoring projects</b>	14,612	16,654	23,017	↑
of which: Foundation <sup>3</sup>	7,100	9,567	10,800	↑
of which: Internats de la Réussite <sup>4</sup>	660	570	615	↑
of which: other skills mentoring	6,852	6,517	11,602	↑

<sup>1</sup> Skills mentoring is valued according to the applicable accounting rules.

<sup>2</sup> Some employees may be involved in the Foundation, Internats de la Réussite and skills mentoring projects.

<sup>3</sup> Calendar year from 1 January to 31 December 2019.

<sup>4</sup> Estimated number of hours based on 15 hours per employee acting as mentor, with each mentor's involvement varying depending on the needs of the student receiving support.



# EY works to promote transfers



The EY Foundation has become the main cause of the company's community commitment

Enacted at the end of 2018, the broader purpose of the **EY Foundation** became a reality in 2019. Thus, in addition to its traditional support for manual skills, the work of the EY Foundation now includes integration through training and employment. With this second area of intervention, it has a new aim of increasing its social impact.

## 3RD INTERNAL CALL FOR RENEWAL PROJECTS

As it widens its scope of action and in order to encourage the commitment of employees to solidarity initiatives, the EY Foundation launched the third edition of its internal call for renewal projects in 2019. Employees were invited to propose one or more manual projects and/or integration through training and employment projects that meet its new eligibility criteria. The 2019 internal call for projects resulted in 20 employees submitting projects, eight of which were successful:

**Altrimenti, L'Entreprise des Possibles, Le HUB de la Réussite, L'Institut de l'Engagement, Konexio, Mélanie Clénet, Objectif pour l'Emploi and SINGA.**

## THE INTERNATS DE LA RÉUSSITE SCHEME OF THE EY FOUNDATION

Also within its new area of intervention, the EY Foundation now coordinates the Internats de la Réussite scheme, a programme to support young students, who are deserving but underprivileged, in their career development. In FY19, 41 young people were mentored by EY employees under the programme.

## SUPPORTED PROJECTS COMBINING MANUAL SKILLS AND INTEGRATION

To illustrate its broader positioning and make the connection between its initial mission and its openness to integration through training and employment, the EY Foundation supports several solidarity projects combining both areas, as manual work is particularly conducive to inclusion.

These include: **Les clés de l'Atelier** (training in building finishing work for the very disadvantaged), **Atelier Emmaüs** (social and professional integration for very marginalised individuals through training in the craft of refurbishment for reuse) and **Afdet Languedoc-Roussillon** (forum for the promotion of technical education).



## HUMAN ENGAGEMENT IS NOW INCORPORATED INTO THE EY FOUNDATION'S CORPORATE PURPOSE

Since its creation, the EY Foundation has worked to restore people's place in the world of work thanks to the commitment of EY's employees, who donate their time and share their skills with the supported project leaders. This human commitment, which constitutes the DNA of the Foundation, has now been incorporated into its corporate purpose.

### NUMBER OF PROJECTS SELECTED BY THE EY FOUNDATION SINCE ITS CREATION



\* 16 projects accepted in 2018

# 23,017 hours of skills mentoring

“

EY is the main sponsor of the Paris National Opera for the 18<sup>th</sup> consecutive year EY enables this cultural institution to achieve its artistic goals and preserve an extraordinary heritage, whilst helping it to reach as many people as possible.

## EY promotes access to culture and education

To achieve its ambition of building a better working world, EY makes skills transfer a key component of its commitment, providing long-term support for projects that promote cultural democratisation, artistic creation and the training of new talent. EY provides support in the form of funding and skills, thanks to the involvement of our employees in pro bono team assignments. Committed employees find their involvement to be a source of personal enrichment and pride, as they use their skills to benefit community projects.

We support the **cultural democratisation** programmes of historic institutions such as the **Paris National Opera**, the **Louvre Museum**, the **Bordeaux Opera** and the **Mahler Musical Media Library**. In the same vein, we encourage cultural events aimed at a wide audience, such as the **La Gacilly** festival of photography and the **Solidays** music festival.

We promote **educational programmes** for young people from disadvantaged backgrounds. The **Philippe Jaroussky Academy** and the **Versailles Baroque Music Centre**, for example, offer musical training to young people free of charge.

We support **youth entrepreneurship**. The initiatives supported include **Positive Planet**, which promotes entrepreneurs in disadvantaged areas.



# Reducing our environmental footprint



EY has been calculating its global carbon footprint for many years. In July 2019, three students who have signed the “Taking action for an ecological awakening” Manifesto gave a speech to our partners reflecting their concerns and those of our employees. In October, our partners worked to reduce our environmental footprint. This resulted in a two-pronged action plan, approved by the executive committee.

## Awareness-raising and training

The climate change crisis has prompted us to review the methods we use to produce and create value. To do this, we incorporate climate awareness into all of our service lines. The foundations have already been laid:

- ▶ more than 50 employees participated in “climate frescoes” in June 2019. We plan to train 30 employees as coordinators in April 2020 in order to spread this awareness among our teams and our partner schools;

▶ the EcologY network, created in September 2019, is being structured. Its objective is to help employees incorporate environmental issues into their work.

These efforts need to be strengthened further. We are setting up a communication on climate issues (to disseminate key figures and concrete facts) and the carbon footprint of employees.

CARBON FOOTPRINT OF EY FRANCE (in tonnes of CO <sub>2</sub> equivalent) [G4-EN15-16-17-18]	FY17	FY18	FY19
Scope 1 (emissions related to direct energy consumption)	1,019	1,044	1,140
Scope 2 (emissions related to indirect energy consumption)	352	378	491
Scope 3 (emissions related to business travel by our people)	13,193 <sup>1</sup>	13,985 <sup>2</sup>	16,432
Total greenhouse gas emissions	14,564 <sup>1</sup>	15,407 <sup>2</sup>	18,063
Total per employee	2.57	2.61	2.96
ENERGY CONSUMPTION OF EY FRANCE (MWH) [G4-EN3]	FY17	FY18	FY19
Electricity consumption	7,198	7,077	7,192
Natural gas consumption	0	0	0
PAPER MANAGEMENT [G4-EN1]	FY17	FY18	FY19
Rate of digitisation of pay slips	75%	77%	79%
Volume of recycled paper (tonnes)	211	216	246

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# 80/100

With this score, EY is ranked in the top 1% of businesses by EcoVadis for environmental performance.

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# 18,063

tonnes of CO<sub>2</sub> equivalent

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## Reducing our own impact

EY's environmental impact is low, as we provide services: employee travel is our main source of CO<sub>2</sub> emissions. In order to reduce these, a new transport policy will be established, enforcing the use of trains for any journey of less than four hours. Our new travel booking tool will include questions on how to avoid or reduce the impact of travel. Reducing travel also involves the roll-out (now under way) of video-conferencing tools that are more intuitive and better support for employees in their use. This applies to training, which we are increasingly relocating, and to our relationships with our clients. From 2020, employees and partners eligible to have a company car will receive guidance on which vehicle to choose, in order to limit its environmental impact, and will receive eco-driving training.

To limit our digital footprint, in 2020 we plan to set up a "digital sorting Friday" to encourage our employees to sort out their mailboxes and computers and make them aware of the impact of the number of recipients and the size of attachments in their emails. We have already been reducing the environmental impact of our IT equipment by making use of certified products (Energy Star, EPEAT Gold, GREENGUARD).

For several years, EY has been recycling the waste from most of its activities, such as computers, headsets and paper documents. However, we want to further reduce the quantity of discarded plastic, in particular through the distribution of flasks to employees.

Although it is already small, we are also reducing the environmental impact of our premises. From spring 2020, the lighting in Tour First, where 79% of our employees are stationed, will no longer be automatic in the morning. LED lighting is being considered.

EY is also making an effort to reduce paper consumption. In order to encourage our employees to be more economical, we have configured the printers to print double-sided by default and we have implemented a print release system using badges. The increasing digitalisation of the service lines is also significantly reducing the use of paper.

<sup>1</sup> This figure had been estimated using the emissions data from the previous year; it has now been recalculated using actual data.

<sup>2</sup> Estimate calculated on the basis of the increase in turnover



# Methodology



This publication is the 7<sup>th</sup> Sustainability Report from EY France.

## REPORTING PERIOD

Analysis relates to fiscal year 2019, i.e. 1 July 2018 to 30 June 2019 (called "FY19", standing for "Fiscal Year" 2019) in the table of indicators given in the document.

Certain performance indicators, however, were drawn up based on the 2019 calendar year.

## SCOPE OF REPORTING

This report covers all of EY France's offices and activities. For human resources-related data, Monaco is also included.

The name EY France mainly includes the following entities: Ernst & Young Audit, Ernst & Young et Autres, Ernst & Young Atlantique, EY & Associés, Conseil Audit & Synthèse, Ernst & Young Société d'Avocats and Ernst & Young Advisory. In this next section of this report, we will refer to French entities as EY France, "the company" or "we".

In addition, some indicators are published in relation to Western Europe & Maghreb; this is explicitly mentioned.

In September 2018, the WEM region, which previously consisted of France, Belgium, Luxembourg, the Netherlands and the Maghreb, was expanded to include nine French-speaking African countries: Cameroon, Chad, Congo, the DRC, Equatorial Guinea, Gabon, Guinea, Côte d'Ivoire and Senegal.

## APPLICATION OF THE GRI 4 REFERENCE SYSTEM

This report was prepared according to the Global Reporting Initiative (GRI 4) guidelines in compliance with the "essential criteria" option.

## MATERIALITY ANALYSIS AND SCOPE OF ASPECTS

Based on the EY Global materiality analysis, adapted for EY France, we identified the "material" aspects according to the Global Reporting Initiative 4 guidelines' designation.

All aspects selected are relevant to EY France. Some are also material for a number of our external stakeholders, as shown in the table opposite.



● Material ● Not material

	EY FRANCE SCOPE OF ACTIVITY	EXTERNAL SCOPE OF ACTIVITY		
		CLIENTS	COMMUNITIES	PUBLIC AUTHORITIES
Economic performance	●	●	●	●
Employment	●	●	●	●
Training and education	●	●	●	●
Diversity and equal opportunities	●	●	●	●
Anti-corruption	●	●	●	●
Public policies	●	●	●	●
Client privacy	●	●	●	●
Labelling of products and services (client satisfaction)	●	●	●	●

## REPORTING ORGANISATION

Reporting of indicators is centralised annually for the purposes of this report. It is based on internal data collection:

- ▶ human resources-related data are obtained from the Human Resources department;
- ▶ societal data are obtained from the department for External Relations and Mentoring, Management Audit and the EY Foundation;
- ▶ data on energy consumption are obtained from Corporate Services;
- ▶ data on business travel come from our travel agency, Expenses department and Purchasing department;

▶ data on paper consumption come from the Purchasing, Photocopying and IT departments.

For the reporting of greenhouse gas emissions, the conversion factors were standardised at EY Global level based on those proposed annually by the **World Resources Institute**.

The various sources of emissions are recorded as follows:

- ▶ **Scope 1**: consumption of natural gas to heat buildings.
- ▶ **Scope 2**: consumption of electricity for buildings.
- ▶ **Scope 3**: business travel (car hire, travel by train and plane - excl. taxi).

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